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APPROVED
TOWN OF PELHAM
BUDGET COMMITTEE - MEETING MINUTES
Thursday, October 23, 2014
APPROVED – October 27, 2014

CALL TO ORDER – at approximately 7:30pm

PRESENT: Mr. Daniel Guimond, Mr. David Cate, Mr. Bob Sherman, Mr. Dave Cronin,
Mr. Greg Smith (arrived after the meeting commenced), Ms. Daryle Hillsgrove,
Ms. Amy Spencer, Mr. Michael Bilby, Mr. Leo Rush, School Board
Representative Megan Larson

ABSENT: Selectmen Representative Doug Viger

Also present: School District Superintendent Amanda Lecaroz, School Business Administrator Steve Martin, Human Resources Director Deborah Mahoney, Pelham High School Principal Dr. Dorothy Mohr, Pelham High School Vice Principal Douglas Carville.

PLEDGE OF ALLEGIANCE

MEETING MINUTES

None.

2015 SCHOOL BUDGET PRESENTATION

School District Superintendent Amanda Lecaroz, School Business Administrator Steve Martin and High School Principal Dr. Dorothy Mohr came forward for budget presentation/review. Mr. Martin noted that the FY16 budget included costs to support operate the new high school addition. With regard to the programs, Ms. Lecaroz stated they are moving forward with the STEM pathway (science, technology, engineering & math). They also made a couple changes in the area of music by using a lease/purchase option for instruments.

Mr. Cate questioned if the students taking band had to pay a portion of the costs. Ms. Lecaroz replied the students taking band had their own instruments. The proposed cost would go toward specialty instruments.

Pelham High School School

2015 Adjusted Budget - \$2,193,299

2016 Proposed Budget - \$2,246,496

Mr. Guimond saw there was a new salary line for tutor salaries. Ms. Lecaroz explained the tutor at the elementary school was moved into the Title I budget. The tutor shown in the high school budget was previously funded from the IDEA grant and was now moved into the general fund. The reason for the change was due to the school having an increase in the Title I funds and a decrease in the IDEA funds.

Mr. Bilby questioned if the school was actively trying to fill the vacant hall monitor position. Dr. Mohr replied there was one vacant position. Ms. Lecaroz stated that the position was posted on-line.

Ms. Spencer asked where the daily substitute salaries were listed. Mr. Martin informed that both the daily and long-term substitutes were budgeted at the district wide level. Next year they'll be charged to the actual budget units.

Mr. Smith arrived.

Under furniture- additional 733, Mr. Cronin requested clarification for the budget figure and items listed. He questioned if those items would be for the new addition. For consistent budgeting, Mr. Martin had sent out guidelines to everyone for where things should be charged. The budgets have been adjusted to accurately reflect these things. He pointed out that the 734 account was down \$13,000; these two budget lines were adjusted for accuracy. Ms. Larson added that the items listed weren't necessarily new items, they were replacement items. Ms. Spencer wanted to know if the budget figure for 430 - repairs & maintenance had been moved elsewhere. Mr. Martin told the Board the budget unit managers were asked to review prior year expenses to determine what should actually be budgeted. He believed the decrease to 430 was a reflection of this. With regard to 733 and 734, Ms. Lecaroz explained the items listed were previously taken out of the 'additional equipment' line rather than calling it 'additional furniture'. Those items were not furnishings for the new addition. Ms. Lecaroz noted the cost of the project included limited costs for furniture, fixtures and equipment. They intended to utilize everything they already had. Mr. Guimond confirmed there wouldn't be a large increase in the FY17 budget. Ms. Lecaroz answered no.

There was a brief discussion regarding the 'Superintendent Reduction' comments throughout the budgets. Ms. Lecaroz explained she asks the principals to stay within a certain percentage when drafting their budgets. That percentage is based on enrollment and certain expenditures beyond their control, such as transportation. She then asks the principals to make cuts and tell her from which areas. Specific to the technology textbooks replacement lines, there was a reduction of \$10,925 that Mr. Smith questioned what it consisted of. Mr. Martin replied that Dr. Mohr had provided specific cuts; however, he entered the cuts as 'generic' to provide more flexibility. Some texts may be available in electronic format. It was too early for the high school to make that determination now. Ms. Hillsgrove suggested it might be helpful for the Board to know the impacts

of the reduction if they were to consider possibly adding money back into the budget. Dr. Mohr justified the cut in hopes to possibly purchase used textbooks.

Mr. Cronin saw there was a budget line to purchase intro to German textbooks and didn't recall that subject being offered. Ms. Lecaroz said this was the first year they ran the class. Dr. Mohr added they had two sections; one course each semester.

Ms. Spencer asked for clarification of the weights and equipment 1100 budget line; FY16 included a phase 1 of 3 process. When the Board conducted their site walk, she noticed parts of the gym training facility could use upgrading. Ms. Lecaroz explained the high school submitted a three phase process to upgrade the weight room with a total cost of approximately \$47,000. Rather than placing it in the budget it was placed on a 'wish list' for School Board consideration once the budget review process was completed. The School Board made the decision not to start the project. Ms. Spencer commented some of the equipment had rust damage and questioned if the Board would consider possibly adding funds into the line item. Mr. Guimond inquired about the age of the equipment. Dr. Mohr understood some of the equipment had been donated to the programs; some equipment already belonged to the school prior to her time (+27 years). Mr. Cate wanted to know if the School Board would consider a warrant article. Ms. Lecaroz said they could provide a copy of the phased project. It was noted that the work out room will be redone as part of the renovation project; however, the equipment is not included.

Mr. Rush wanted to know why there was a \$10,000 jump in dollar amount from FY14 to FY15 in textbook replacements. Ms. Lecaroz referred to the textbook replacement schedule and explained the rotation of book purchases based on course offerings. Some textbook companies offer an on-line version along with hard copy texts.

Mr. Cate noticed a 'superintendent reduction' in the 734 line for additional equipment. He asked for an explanation of the cost for the requested tuba. Dr. Mohr replied that the cost to purchase a tuba outright was approximately \$4,000. She was pursuing a lease to own option so they would have the instrument to use during this time.

Mr. Sherman saw there was a note under the textbook replacement line 640 that referenced a shipping cost of \$187. He said it was the only textbook purchase line that included a shipping charge and questioned if they should review the other textbook lines and include shipping and handling. He called attention to the fact that the elementary school had thirty eight accounts that listed shipping and handling totaling \$3,531.12; the middle school included twelve accounts totaling \$1,700; and the high school only had one account of \$187. The total came to \$5,418.12. Ms. Lecaroz reviewed the budget figure and believed the price of the book (and shipping) was \$187. Mr. Martin told the Board he asked the schools to determine the costs including the shipping. Ms. Lecaroz said she had a note from the previous Board meeting (through a discussion regarding the purchase of textbooks) to adjust the textbook lines in the future.

It was noted that the on-line subscriptions allowed for 25-30 people to log in at the same time. Mr. Rush questioned if the New York Times was a conservative or liberal paper. Dr. Mohr replied they considered it a global (informational) paper.

Under Special Education salaries, Mr. Cate questioned one position that indicated ‘additional days per contract’. Ms. Lecaroz said the regular salary was listed in the IDEA grant; the salary listed in 110 account were the extra days.

Mr. Cronin asked for a breakdown of special education places students went to and the approximate cost for those schools. Mr. Sherman added he would like to know the transportation costs per school. Mr. Guimond wanted to know the number of students that attended those schools. Ms. Lecaroz will provide the requested information.

There was a brief discussion regarding co-curricular activities and salaries. When programs run successfully they can petition (the PCM) to be included in the CBA. The PCM budget is located in the district budget.

Under 1410 co-curricular activities, the 580 line for travel & mileage had been moved to the athletic budget.

Mr. Guimond inquired if the accreditation challenges had been taken care of with the passage of the high school project. Dr. Mohr replied the State had requested an updated progress report of construction to be submitted in February. They were pleased with the progress to date. Ms. Lecaroz added that they were pleased with the vote and requested periodic progress reports to ensure the project was actually happening.

Ms. Spencer questioned if the 1420 athletic activities – supplies line 610 could be used to replace the gym equipment. Mr. Martin replied based on the actuals over the past two years, there wasn’t a lot of money left over. The supplies included in the line are uniforms, balls, etc. Mr. Smith commented when money is allocated in one area it shouldn’t be moved elsewhere to be spent because it would then undermine the budget process. Ms. Spencer said she wasn’t suggesting moving funding, she was clarifying if the budget line had anything to do with the reduction in the other area.

Mr. Rush questioned how much was unspent from last year’s budget. Mr. Guimond stated Mr. Martin had provided the Board with an Executive Summary report at the last meeting and spoke to unanticipated revenues. Mr. Cronin read a portion of the report aloud. Mr. Guimond will provide an additional copy of the report to Mr. Rush for review.

Mr. Rush asked for a copy of the guidance counselor job description. Ms. Lecaroz will provide a copy.

The Board continued their review of the budget. Ms. Spencer questioned if the teacher salaries were comparable to other communities. Ms. Lecaroz replied they were starting to close the gap with the most recent contract; however, salaries were still significantly lower than nearby towns and one of the lowest in the State. She explained the challenge was attracting staff, but once they are with Pelham they stay.

Mr. Bilby saw that utility and water budget lines have fluctuated over the past few years and questioned what caused that to occur. Ms. Lecaroz explained the water line came in FY13 so at that time they only had to pay a couple months. In FY14 they estimated the cost; the FY15 was reduced based on actuals. The proposed FY16 budget was reduced further based on a two year average for use. Ms. Larson provided a brief history and noted prior to Pennichuck Water coming in the school used a well for water. Ms. Hillsgrove understood that the Town was expecting an increase and questioned if it had been considered. Mr. Martin factored in an estimated increase. He pointed out that the Town budgeted for a year that would begin in January; the school budgeted for a year that would begin next July.

Mr. Cate questioned what repairs would be needed since the renovation project was in progress. Mr. Martin replied the current boiler wasn't being replaced. The new addition would have a propane heating system.

Mr. Bilby asked why the septic line 412 was reduced to zero. Ms. Larson explained that the FY14 budget was already done when the addition passed March. She believed the septic cost remained as a safety in the event the addition wasn't approved. Now that the project was underway, the school has a new septic so the proposed budget line has been reduced.

Mr. Rush questioned why there was a large increase in the electricity. Mr. Guimond said much of the increase was due to the rate increase and the new addition. Mr. Martin was concerned the budgeted amount may not be enough. Mr. Rush asked if the school tried to get involved with the Town's buying group. Mr. Martin stated they were involved with other school districts in a buying group. Because school districts are major purchasers (large volume of kilowatts) they tended to get better rates.

Mr. Cate understood through the Executive Summary the increase to food service was primarily driven from wanting to use \$80,000 of their current fund balance to purchase some of the new equipment for the renovation project. He questioned why that amount wasn't included as part of the original renovation project. Ms. Lecaroz said the original project came in at approximately \$28 million dollars, so they looked at ways to change the project so it still met the school needs at a lower rate. They knew they had a significant surplus in the food service budget so they planned for any new equipment to be funded by that surplus as much as possible. Mr. Martin noted the cost was in the food service budget, not the general fund budget. It was a self-funding program.

Ms. Spencer asked for clarification of 2640 – non-instructional equipment line 433 contracted repair & maintenance, which showed a reduction of \$22,324. Mr. Martin didn't have the information in front of him at the time of the meeting and will forward to the Board.

Mr. Bilby inquired why the student transportation line 513 was reduced to zero. Mr. Martin stated prior to the renovation project students were transported off-site for testing. The project will provide space to allow students to stay on-site for testing. Mr. Cronin asked if the increase to vocational transportation 2723 was contractual. Mr. Martin answered yes. He believed the account would be overspent in the present year so an additional increase above the contractual amount was factored in. Ms. Spencer wanted to know what the cost covered. Mr. Martin said it covered the transportation cost for students to attend classes at Alvirne, Pinkerton and Salem High.

163
164 Budget review concluded.

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166 **ADJOURNMENT**

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MOTION: (Sherman/Hillsgrove) To adjourn the meeting.

VOTE: (10-0-0) The motion carried.

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169 The meeting was adjourned at approximately 9:00 pm.

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171 Respectfully submitted,
172 Charity A. Landry
173 Recording Secretary