

ASHLAND BUDGET COMMITTEE

December 17, 2013

DRAFT MINUTES

MEMBERS PRESENT: C. Cilley, S. Coleman, F. Newton, D. Ruell, M. Scarano, J. Stewart (BOS), D. Toth, M. Badger

ALTERNATE MEMBERS PRESENT: Renee Liebert (Alternate school board), N. DeWolfe (BOS)

Others Present: E. Badger, S. Felton

Absent I. Heidenreich (with notice)

Meeting was called to order at 6:04 P.M. in the Ashland Elementary School Library and a quorum was present.

School Budget

Superintendent M. Ormond presented an overview of the school budget. The budget is summarized in handout entitled "Ashland School District 2014-2015 Budget. The highlights are as follows:

The budget increase is 2.73% more than 2013-2014 budget.

The school has entered into a 3-year leasing contract for technology and is making improvements in the school's IT infrastructure to support a customized learning platform for students.

In capital improvements, the school must replace a fuel line.

The school will be seeking a warrant article to put \$20,000 in an expendable trust fund from the end-of-year balance to ensure there are sufficient funds to replace the school roof.

T. Temperino reviewed the major changes in the budget. Salaries and benefits are down \$101,610 due in large part to retirements and reduced health insurance costs.

While Contractor Services have increased by \$162,092, there is a net savings because staff has been reduced, primarily in the area of technology.

M. Ormond said that the school is also sharing an Occupational Therapist with another district resulting in a savings of \$11,000.

T. Temperino said that the cost of books, supplies, and equipment has increased by \$37,020 due to computer expenses.

The cost of utilities and facilities are down.

The cost of tuition is up \$73,964, and the cost of transportation is up \$42,497 due to increased special education costs. These are costs mandated by the state. The school has tried to offset these costs by reducing other areas in the budget.

Estimated revenues are up 4.8%, and there is \$19,447 in the unreserved fund balance from 2013-2014.

An enrollment history from 2001 to October 2013 is included in the budget summary. During that period, enrollment has gone down from 210 to 161. A low of 153 students enrolled occurred in 2008, but enrollment has been increased to 175 in 2011 and is now 169. The number of students requiring special education services has ranged from a high of 39 in 2009 to a low 23 in 2013.

Two teachers are retiring at the end of the year, and the school is looking to hire teachers with a Master's Degree plus 5 years experience.

D. Ruell asked a question about the purchase of new iPads under New Equipment. S. Bartlett said that students may lease an iPad for \$35/year or purchase one. The budget includes \$2K to replace the 2 iPads purchased by students this year and an additional 2 to have on hand in case of increased enrollment. Fifty middle school students now use iPads.

M. Ormond said that the cost for textbooks will be lower in the future as technology advances.

F. Newton asked what the average cost per student is. M. Ormond said that the cost per student in Ashland is above the state average because the school is small and enrollment has declined since 2001. In addition, special education costs are high. However, the quality of the education is very high.

M. Scarano asked how the school is reducing costs through shared services. M. Ormond said that the school shares OT services with another school and reduced the cost by \$11,000. The school has obtained a free IT server. IT, facilities support, psychology and speech are services shared with Inter-Lakes. The school is also talking with Plymouth and Holderness about opportunities to share services.

M. Scarano mentioned that the non-property tax revenues have increased by \$61,000, which is much different than the trend the town is experiencing. He also pointed out that the actual increase being asked for by the school is about 1.5%. The total increase is \$82,000, but \$41,000 is for voter-approved salary increases.

D. Ruell noted that the largest cost under Special Education is Tuition to Private Schools. He asked how long the new special education students will require services. M. Ormond responded that these costs will be ongoing for quite some time. Some of this cost, however, has been absorbed by reduction in staff.

D. Reull asked why Replacement Equipment has doubled. The increase is for soccer goals and equipment.

S. Coleman asked why Professional Salaries in Guidance are down but medical insurance increased by \$5,000. T. Temperino explained that Professional Salaries in guidance actually increased but self-insurance went down. The overall increase for Guidance is \$1,400.

T. Temperino also explained that there are now three health insurance plans in which staff can now enroll. There has been \$23,000 in savings because staff opted to enroll in less expensive plans.

D. Reull asked why Other Professional Services under Technology increased. T. Temperino explained that contract services have been used to reduce costs and replace staff.

M. Scarano asked whether the school and town library could share resources. M. Badger responded that it would be difficult to share staff. The focus of the school library is different than the public library. The school library supports the curriculum. Both the school and the town can share purchasing services. The school also participates in inter-library loaning.

D. Toth asked whether the cost of technology has come down as prices for computer equipment have come down. M. Ormond said that the cost is less, but technology is changing very rapidly and that it is difficult to stay current. S. Bartlett said that the school is developing a technology master plan that will be completed at the end of the year. The lease program allows the school to turn over equipment every three years. M. Scarano suggested that the town also consider leasing computer equipment.

D. Ruell asked for an explanation of Professional Learning Community training. Professional Learning Community is an approach that focuses on student success. The school is asking for money to bring in a trainer rather than send staff out to conferences.

D. Ruel asked about the role of Integration Specialists. The specialists work with teachers to help them use the technology, including the new iPads, more effectively.

T. Temperino said that the increase in the School Board budget is for membership fees.

T. Temperino said that the SAU budget increased. Ashland student population has been growing while Inter-Lakes population is decreasing. The funding formula is based on average daily membership.

F. Newton asked how many more students the school could accommodate. M. Ormond said that there were approximately 210 students in 2001, 41 more than are currently enrolled. She speculated that the school could accommodate this number as long as the students were evenly distributed through the grades.

M. Scarano asked about the school's capital improvement projects including the efforts to increase security. T. Temperino said that the school already had a 5-year Capital Improvement Plan (CIP) before the town instituted its capital improvement committee. Trish mentioned the gymnasium roof needs repair, and there are three sections of the roof on the main school building that will need to be repaired within seven years. The gym roof will be fixed this coming summer at a cost of approximately \$50,000. Given the town's financial situation, the School Board decided to repair the roof rather than asking voters for a new gymnasium. The roof on the school building will cost approximately \$130,000 and will be repaired in stages. The school has written a warrant article to address this cost. The money from the warrant article will come from existing funds in the unassigned fund balance. The school obtained a grant from Homeland Security for the new security doors, window, keypad, and internal and external cameras. There is \$35,000 in the budget to replace the underground fuel pipe, a project required by the Department of Environmental Services (DES).

In regard to capital improvement planning, M. Ormond said that the Financial Forums have been "eye-opening" and have stressed the importance of putting money in reserve for capital expenses.

D. Reull questioned the additional \$41,000 in Special Education Transportation. M. Ormond said that the money is to transport 3 students to different locations. Other transportation options have been explored.

T. Temperino said that the non-bargaining merit pool has been put under one line item in the budget and will be apportioned based on performance.

Budget Committee

S. Coleman said that the Department Heads received a memo from the Town Administrator telling them that the Budget Committee was requiring them to reduce their budgets by 15%. C. Cilley said the Budget Committee had discussed budgetary goals at the last meeting, and S. Coleman said that percentage cuts were not discussed and no request was made. J. Stewart said that the Board of

Select did not ask the Department Heads to make the cuts and that if such a memo was sent out, the Selectmen should have received a copy. M. Scarano read an e-mail from P. Branscombe saying that L. Nichols was spreading a rumor that the Budget Committee had asked the Department Heads to cut their budget by 15%, but that the rumor is simply not true. F. Newton said that the Budget Committee should inform people that we are not asking the Department Heads to cut their budgets by any specific amount. S. Coleman said that she would like to see the memo. M. Scarano reaffirmed that the Budget Committee did not ask for percentage cuts. We are, however, focusing on property taxes, which may increase due to increases in expenses or decreases in non-property tax revenues.

M. Scarano said he would update the Budget Committee's "top-level" budget sheet to include the new figures just presented by the school as well as new revenue figures provided by the town. Non-property Tax revenues for the school have increased by \$61,064 for a total of \$817,538 for 2014-2015. Property Taxes increased by \$56,452 for a total of \$2,344,639. Total Revenues and Total Expenses are \$3,140,177, a difference of \$83,338. The total difference between 2013-2014 and 2014-2014 is - \$82,548.

D. Reull said that town revenues have increased as follows: Payment in Lieu of Taxes went up about \$20,000 and cell tower fees went up about \$1,800. M. Scarano had a question about whether Payment in Lieu of Taxes is counted as a property tax revenue or non-property tax revenue. He will provide new figures at the next meeting.

M. Scarano said that the goal of the budget committee is to not increase property taxes. Theoretically, to meet this goal would require a 5% across the board reduction in the municipal budget request of \$146,000. M. Scarano passed out a sample budget sheet showing what an across the board cut of 5% would require. He pointed out, however, that an across the board cut cannot feasibly be applied to every budget line because many expenses are non-discretionary.

M. Scarano then passed out a sheet showing those budgets that have increased more than 30% over the last two years. These expenses amount to about \$130,000, but not all of them are discretionary. However, he said that this may be a place to begin in evaluating where we can reduce expenses. J. Stewart questioned whether the 7.5% employee contribution to their insurance was included in the budget.

M. Scarano also looked at the larger increases that have occurred over the past two years. Police, for example, has gone up over \$60,000 while the Fire Department has gone down \$20,000. There is a net positive increase of \$200,000. M. Scarano said that we can discount non-discretionary items and lines that went down as we evaluate the budget.

D. Toth said that the \$50,000 investment in the Town Hall, which is in the operating budget, might be discounted because it will pay for itself over time. F. Newton said we should consider investing in an independent financial audit of the town in order to save money in the long run. She also recommended a warrant article for matching grants similar to the one that was presented last year.

D. Toth said that we might consider reducing the amount of the warrant article for the Fire Department since S. Heath did not request the money and since it is likely that we will get matching grant money for that purpose.

D. Toth mentioned that we might also take inflation into consideration.

S. Coleman said we should look closely at salary increases.

M. Scarano said that we should look at how the departments have worked to reduce costs through creating efficiencies, sharing services, and getting grants.

M. Scarano also mentioned that we have not seen the petitioned warrant articles.

S. Coleman will take minutes at the next meeting.

The next scheduled meeting is December 30 at 5:30 p.m.

D. Reull will schedule the following meetings: Jan. 28 at 12:00 p.m. Jan. 2 at 5:30 p.m., Jan. 9 at 5:30 p.m. p.m. a.m.

C. Cilley made a motion to adjourn. The motion was seconded by F. Newton.

Adjourn 8:01 p.m.

Respectfully submitted

David Toth