

**TIMBERLANE REGIONAL SCHOOL DISTRICT BUDGET COMMITTEE
MEETING MINUTES**

**2016-17 Budget Season
December 10, 2015
7:00 PM**

**Superintendent's Office
30 Greenough Road
Plaistow, NH**

Call to Order (00:00:04) 7:09pm

Committee Chairman Dennis Heffernan called this December 10, 2015 Budget Committee meeting to order at 7:09pm with the roll call followed by the Pledge of Allegiance.

Budget Committee Members Present

Mr. Dennis Heffernan, Mr. Joshua Horns, Mr. Tony Cantone, Mrs. Kate Delfino, Mr. Thomas Geary, Ms. Cathy Gorman, Mrs. Julie Hammond, Mrs. Michelle O'Neil and Mr. Rick Blair. Absent: Mr. Lee Dube (excused).

Administrators Present

Dr. Earl Metzler, Superintendent

Mr. Anthony DiBartolomeo, Director of Music

Mr. George Stokinger, Business Administrator

Mr. Geoffrey Dowd, Business Operations Coordinator

APPROVAL OF MINUTES: (00:01:18)

Mr. Heffernan asked for a Motion to Accept the minutes from the November 24, 2015 meeting.

**MOTION: Motion to Approve the Minutes from the November 24, 2015 Meeting, made by Mrs. O'Neil.
Second by Mr. Horns.**

DISCUSSION: Mrs. Delfino discussed minor changes.

Chairman Heffernan called the Motion to Approve the Minutes from the November 24, 2015 Meeting which passed (6-0-3) with Mr. Geary, Mr. Blair and Mrs. Gorman Abstaining.

CORRESPONDENCE (00:03:37)

Mr. Stokinger referenced one communication from the previous meeting and a new correspondence which were both included in the Correspondence folder circulated among board members.

ADMINISTRATIVE REPORT (00:03:48)

Mr. Stokinger stated no report.

REPORT OF COMMITTEES (00:04:00)

School Committee discussion ensued throughout the previous meeting. No further report.

UNFINISHED BUSINESS (00:04:15) 7:12pm

None.

NEW BUSINESS (00:04:32) 7:12pm

Mr. Heffernan called upon Mr. Anthony DiBartolomeo "Mr. D." to come up to discuss the proposal for a new position request. Dr. Metzler introduced Mr. D. and was happy to have Mr. D. to present his request and to discuss areas of growth in the district. The need for the position was identified at a recent administrator's meeting.

Mr. D. stated the PAC came online in 2002, concerts, school productions, and outside concerts and performers have presented a greater need in the district for a teaching opportunity for our students. Lighting, sound, proper care of equipment are all part of this. In addition to our theatre and musical students, we now have students seeking technical production experience and education. The position is multi-faceted and would consist of 40% teaching and 60% PAC Center production support.

There is a science to stage production. Stage Craft would be one class taught and Audio Lighting / Production and Support would be another class taught as part of the 40% teaching position. We have students moving on to Berkley and UMass Lowell. 60% of the position would be dedicated to stage and equipment safety, and keeping lighting equipment and sound boards in good order and coordinating PAC internal and external events. As outside shows get more technical, there are certain contractual obligations we need to meet. Video production and sound and video mixing present good opportunities to teach and the position would act as a liaison with our outside vendors.

Live streaming is another area we need to be able to expand upon. Live streaming has been put in place by our Technology Department. In addition to PAC event streaming, we have hundreds of athletic events we would like to live stream. This is nothing new across the board, but it is new to us. This is a 12 month position, teaching 2 classes in Stage Craft and in Theatre Design, meeting the needs we have, to push the student's technical knowledge to a higher level and to have a point person for internal and external events.

Mr. Blair asked if the classes proposed are presently designed. Mr. D. stated there is not a curriculum in place, but it would be fast tracked, with a target of September, 2016.

Mrs. O'Neil asked if this would be a position available on the weekend? Mr. D. confirmed the position is flexible, but teaching would be a solid priority. However, the goal would be for the position to be able to direct and manage weekend efforts. We have students seeking opportunities on the weekend, the position would not always need to be present, would have to coordinate coverage for those events. The position would need to be flexible, the only area that would not be flexible would be the teaching portion.

Mr. Heffernan asked if students applying for the SRT's in college, are they being asked to include this information? Mr. D. stated the students would probably list the practical experience they have had.

Mr. Geary asked if we have looked into having the District pay for the teaching position, but whether outside funding could be used to offset the costs. Mr. D. stated the PAC does generate revenue and deferred to Mr. Stokinger for information on specific funding. Mr. Stokinger stated it would have to be budgeted for in the general funds. Dr. Metzler pointed out that the District still budgets for items paid for from Grant Money, and this would be budgeted in a similar way.

Mr. Blair asked if we could reasonably expect more outside shows. Mr. D. responded we could expand our summer offerings, but we are looking to continue meeting our district productions and needs. District needs for the PAC facilities is our first priority. We have a capacity issue to some extent, and this position would better manage those engagements. Mr. D. anticipates the live streaming would be the greatest expansion of the program with the addition of the position.

Mr. Cantone stated that the Drama Dept. and Mr. D.'s contributions to the District cannot be understated. Anything that impacts the budget creating further expense needs to be looked at. Does Mr. D. have someone in mind? Mr. D. did not have anyone in mind and that no recruiting fees would be involved. Mr. Cantone asked if

there would be any additional costs associated with the position beyond salary and fringe. Mr. D. thought the expenses may be associated with class costs and perhaps equipment to the extent live streaming is increased. Mr. Cantone asked whether there would be any other expenses occurring as a result of the position, such as recruiting? Mr. D. confirmed there would be no expenses like that.

Mr. Cantone asked if the PAC was being best utilized for revenue generating purposes. Mr. D. stated the priority of the PAC is for the use of the District. If we have dates open beyond that, we offer that. He sees this increasing education. Mr. D. indicated this fulfill has desire to have more summer offerings, such as technical workshops, etc. Dr. Metzler recognized Mr. D. provides a PAC schedule and it is tight to the extent we have actually had to reclaim time from outside groups.

Mr. Horns asked if there was an estimate in the budget to bring the live streaming equipment to the level anticipated? Mr. D. responded there are no additional costs in the budget. The hope is we would utilize the equipment we have, but will need bodies to undertake the work.

Dr. Metzler stated there is a CIP and a Technology Committee in place, and such equipment requests would be part of a longer range plan. Mr. Horns asked if there was enough of a percentage of the new position's time in order to justify the position. Mr. D. said there would be enough, and having a person to liaison with outside vendors, parents, etc., would be valuable. The position would also edit video and upload to Vimeo. Mrs. Delfino inquired on the amount of outside revenue generated from outside revenues. She stated the position would be an investment in the use of our facilities. Mr. Stokinger stated page 22 of the Annual Report shows 2013 revenues at \$70k and 2014 revenues at \$42k. This revenue supports the productions, goes back to student engagement, pays certain employees covering the events and also pays rent and utilities to the District. Mrs. Gorman asked why the position came up now. Mr. D. stated the position has been needed for a while. The issue came up recently with Dr. Metzler and he agreed this was the time to move forward.

(00:33:33)

MOTION:	Motion to Add \$70k to the current budget fund the position of Theatrical Production Instructor, made by Mr. Cantone. Second by Mrs. Delfino.
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DISCUSSION: Mr. Blair asked what additional costs would be involved with the classroom offering. Mr. D. did not think any materials costs would exist, but textbook acquisition costs could be \$2,500 to \$3,000. Mr. Cantone asked if the \$70K amount requested included books and all materials. Mr. D. stated the \$70K was salary and benefits only.

MOTION:	Motion to Amend Mr. Cantone's Motion to add at the end of the Motion "and to add \$5,000 for textbooks and materials", made by Mr. Blair. No second proposed. Motion to Amend fails.
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Mr. Horns asked if there was already money in the budget for this position, citing the Behaviorist position requested in order to replace a contracted position, and he would expect to see a reduction in the outside contracting line. Mr. Heffernan was not sure whether the Behaviorist Position was included in Draft 3. Mr. Stokinger confirmed the position remained in Draft 3. Mr. Horns proposed reallocating some of the funds from that Outside Consulting line which the Behaviorist position addition would alleviate the need for, and then to move those Consulting fees to cover the position at hand. Mr. Heffernan suggested if the Motion passed, we could then get into Budget discussion and reallocate at that point. Mr. Horns agreed.

Mr. Cantone asked informally to move the motion. Mr. Geary asked if any collective bargaining agreements

address this type of position with a split in time. These are common, as is Mr. D's position.

(00:41:20)

Chairman Heffernan called the vote which passed (8-1-0) with Mrs. Gorman voting against.

(00:42:15) Mr. Stokinger began discussion on the updates to the original budget of \$71,384,766 to the \$69,388,958 current figure, \$1.067m over 2015-2016 budget. Changes and major factors are noted on the Summary Sheet, with Employee Insurance being the largest factors. \$69,950,000 is the quick and approximate estimated Default, \$600k below current Budget request. Both generators and the Danville sprinkler system have been removed, in addition to positions as listed.

Mrs. O'Neil asked about the addition of the \$125k warrant article study. Dr. Metzler stated the issue arose at a School Board work session. School Board has been clear they are not in favor of having the funds come from such a future study from all towns. If no towns are planning a study, this can be removed at the Deliberative Session based on whether such studies are included in the Town's Warrant Articles. Mr. Horns asked if the funds include obtaining using a 3rd party to assist in obtaining a buyout number. Dr. Metzler stated it was not exact, but such costs would be included. Mr. Horns asked how a particular town could be charged for a withdrawal study. Dr. Metzler stated that if he had to find money through the department's in the schools which are requesting the study. Mrs. Delfino asked if it was confirmed at the last School Board that the funds were definitely coming from the town. Dr. Metzler stated he did not expect one town to pay for another town's study.

Mrs. Hammond asked if a town wanted a withdrawal study, they could vote on the study, but would they then would vote to raise money for it? Dr. Metzler stated the town that wanted a study could vote on that, but the district would experience the expense. That would be voted on by the District. Sandown voted for a study but not to fund it.

(00:53:24) Mrs. Gorman proposed a motion.

MOTION: Motion to Remove the \$125,000 from the Budget for the Withdrawal study, made by Mrs. Gorman. Second by Mr. Cantone.

DISCUSSION: None.

Chairman Heffernan called the vote, which passed (7-2-0) with Mrs. O'Neil and Mr. Blair against.

Mr. Heffernan asked Mr. Stokinger where the budget was at after the increase of \$70k and the reduction of \$125k. Mr. Stokinger stated \$70k was added, \$125k was removed, for a total budget of \$68,266,710 [see revised figure below at (01:38:00)].

Mr. Cantone inquired about the possibility of negotiating with the health insurance carrier regarding the 21% increase.

Dr. Metzler stated the rate was not negotiable; we are on a year to year basis for experience in setting the rates. Rates are set with one year history. Comparisons to the Hampstead School District have also been made. Hampstead has completely different collective bargaining agreements. Mr. Cantone asked what the Health Care Advisory Committee would be doing in the future. Dr. Metzler stated there is not a lot of competition in the state. The rates went down in 2010 to drive the GMR down, but now we're looking at these figures on a year to year basis. There are not a lot of options in the state. HealthTrust, LCG and perhaps one or two other carriers may be available. Human Resources Director Nancy Louiselle and Business Operations Coordinator Geoffrey

Dowd were at HealthTrust in Concord this afternoon.

Mr. Heffernan asked what would happen with the additional funds if the rate came in lower. Dr. Metzler stated there would either be restoration of positions, or it would be added to surplus which helps to offset the tax rates. The District has in the past several years, worked hard to come in at or below the Default Budget figure. The District has also worked hard to return surplus to the member towns.

Mrs. Gorman noted that Hampstead has a GMR of 21%, but has managed the increase. She asked what a family policy would cost. Mr. Stokinger stated the employee contributions vary by position. The rates are from \$2,300 to \$2,500 for family rates. The least expensive plan is \$1,400 to \$1,850 for employee plus one. A single plan is \$850 to \$930 per month. Mrs. Gorman noted the total cost of these plans is \$30k per year. Mr. Stokinger confirmed the gross rate was \$30k for the most expensive plan and contributions varied by employee position and contract. Mr. Cantone inquired if HMO Blue was included. Mr. Stokinger confirmed. Mr. Cantone asked what coverage levels were used in projecting the budget. Mr. Stokinger stated the known coverage is budgeted for the following year. Mr. Blair asked how Mr. Stokinger budgets for new positions in the future. Mr. Stokinger takes the average benefits rate divided by salaries give a rough average for an employee and that is the figure we use for new employees on the district as a whole. However, for certain administration positions, where the employee is more likely to be a head of household and therefore providing insurance, he will use a greater amount for those positions.

Mr. Horns stated that during next year's budget, we will need to be cognizant of the impact of the 40% Cadillac Tax. Dr. Metzler commented that we have strategic plans to address that issue with the idea that employees would be encouraged to move to more cost beneficial plans.

Mr. Cantone noted he is part of the HMO and a family plan is approximately \$29k per year.

Mrs. Gorman commented that the Budget Committee has historically over budgeted that line item, with 18% being on the low end and whether there is any room to look at that number? Mr. Blair asked what the cause of the previous over budgeting was. Perhaps the rates came in below GMR, then we'd be over budgeting. If we budget positions that don't get filled, then we're saving money. If we work to get employees into lower cost plans, we're saving money and over budgeting. If we don't know what the cause is, he is not in favor of cutting anything from this line. Mrs. Gorman indicated she too did not have enough information and was not asking for a change, but would ask administration if they could look into the over budgeted situation.

Mrs. Hammond asked if the employee contributions could be adjusted. Dr. Metzler confirmed contributions are set by collective bargaining. Mr. Blair noted that he felt approximately 90% of employees are covered by collective bargaining. Dr. Metzler noted that if this does result in an over budget situation, it is a forced savings.

Mrs. Delfino asked about the current proposed budget position cuts and the impact on classes, etc. Dr. Metzler stated the district would minimize any impact. There is a process of natural attrition and those positions may not be refilled. There are also shifts in overall class sizes that can impact this, but this may not be the case at the elementary schools in the District. A reduction in grade size may not necessarily result in a reduction in staff since this all must be absorbed by one grade. At the Middle and High School, there is more room to absorb a lower student population. Mr. Heffernan asked his own children's observations on this issue. Dr. Metzler stated there is a process he goes through with Mrs. Armfield and the principals based on class size, how active the classes are, etc. Mr. Cantone clarified the total amount of the 23 person reduction and that a firm number could not be placed on it. Mr. Stokinger stated the 23 positions cut in Draft 2 was \$1,101,000. There are increases in salaries for everyone else which is reflected as such on the financials as a net figure.

Mrs. Delfino asked if the cuts to the facilities vehicles are too much for the board. Dr. Metzler stated Facilities originally budgeted \$72k for 2 vehicles which were cut from the budget. Mr. Stokingler stated the Supplies line had been cut as there had been lower spend in those line items in previous years and, per Mr. Cantone's philosophy, the budgeted increase was not justified based on prior year spend.

Mr. Horns and Mrs. Gorman asked similar questions on whether the Behaviorist was included in the budget and should there be savings in the budget under Outside Consulting? Dr. Metzler stated that Mrs. Armfield is in a better position to discuss the issue. Dr. Metzler stated there were 3 positions in question. Speech Therapist, Occupational Therapist and Behaviorist are the positions in question.

Mr. Cantone asked what the total budget is after the changes. Mr. Stokingler clarified the budget figures after the Board voted on changes is \$68,333,958, reflecting a net decrease of \$55k.

(01:38:42) 8:47pm Mr. Cantone proposed a Motion.

MOTION: Motion to Accept the Budget at \$69,333,958, made by Mr. Cantone. Second by Mr. Geary.

DISCUSSION: Mrs. Gorman stated she felt the playground items in the budget should be included as Warrant Articles. Mr. Heffernan confirmed there was discussion at a previous meeting on whether to include these in the budget, or put on a Warrant Article. Dr. Metzler confirmed the School Board participated in the discussion and would be unlikely to include as Warrant items since they have those selected already.

Mrs. Delfino wanted to confirm whether the money for the gymnasium repairs were included in the budget. Mr. Heffernan confirmed it was included in the present budget. Mr. Heffernan stated there was hope of getting that project done in the current year's budget, but the funds were difficult to locate, so they were included in the budget before the committee.

Mr. Cantone confirmed 2015 spend was \$63m and Mr. Stokingler confirmed the same.

(01:43:16) 8:51pm

Chairman Heffernan called the vote which passed (9-0-0) unanimously.

OTHER BUSINESS (01:44:56)

Mr. Horns asked when the Board worked on Revenue figures. Mr. Stokingler stated revenue, default and teacher's contract should be ready for the next meeting. Mr. Heffernan asked whether the December 22, 2015 is necessary.

(01:46:42) 8:54 Mr. Horns proposed a Motion.

MOTION: Motion to cancel the December 22, 2015 meeting, made by Mr. Horns. Second by Mr. Geary.

DISCUSSION: None.

(01:47:00)

Chairman Heffernan called the vote which passed (9-0-0) unanimously.

FUTURE DATES (01:47:07)

January 14, 2016 is the public hearing at the PAC at 7:00pm.

January 28, 2016 is a regular meeting at 7:00pm at the Superintendent's Office.

February 4, 2106 is the Deliberative Session.

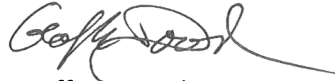
Mr. Cantone requested that in light of the 12/22/15 meeting being cancelled, he would like to discuss revenue. The Board should consider not what the budget has increased, but moreover what the difference is between the revenue and the budget. It is important to consider what the difference is between revenue and expense. He asked Mr. Stokinger how early the Board could receive a revenue estimate. Mr. Stokinger will begin the process of reviewing what the potential surplus would be since that's the first line on the revenue schedule for the subsequent year. The delta is an important consideration.

Mr. Heffernan extended best wishes and safe travel to all board members over the holiday.

ADJOURNMENT (01:54:10) 9:05pm

MOTION: Motion to Adjourn accepted by general consent.
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Respectfully submitted,



Geoffrey Dowd
Recording Clerk

Approved by the Budget Committee at Special Meeting on January 14, 2016.

This meeting may be watched in its entirety by logging onto <https://vimeo.com/148671210>.