

Timberlane Regional School District Budget Committee
Atkinson, Danville, Plaistow, and Sandown

Regular Meeting
November 12, 2009
7:00 p.m.

SAU, 30 Greenough Road
Plaistow, New Hampshire
03865

1. Call to Order: Mr. Balanoff called the meeting to order at 7:05 p.m.
2. Roll Call: Present: Mrs. O'Neil, Mr. Balanoff, Ms. Rochford, Mr. Murray, Mr. Mullen, Mr. Mascola and Mr. Dhaliwal.
3. Approval of Minutes: Mrs. O'Neil made a motion to accept the minutes of October 22, 2009 as presented. Mr. Mascola seconded the motion.
Vote: Unanimous.
4. Correspondence. Mrs. O'Neil reported there were no emails received. Mr. Stokinger reported that he received two letters of interest in regards to the Sandown seats available on the Budget Committee. One of the interested parties, Mrs. Brenda Copp, was in audience. The second interested person from Sandown, Mrs. JoAnne Turner would be attending a December meeting. Mrs. O'Neil made a motion and was seconded by Ms. Rochford to accept Mrs. Copp as a Budget Committee representative for Sandown.
Vote: Unanimous. Mrs. Copp moved to the table to join in the rest of the meeting.
Mr. Stokinger reported that no one has come forward from Plaistow to express interest in the vacancy. Each Budget Committee member took a few minutes to introduce themselves to Mrs. Copp.
5. Delegations and Individuals: None.
6. Reports of Committees:
 - a. Budget Committee Members: Ms. Rochford reported that she attended the Safety meeting. She was late to the meeting and missed the discussion regarding N1H1 but did hear about the problems in acquiring the special mulch needed for the elementary playgrounds.
 - b. School Board Representative: Mr. Mascola reported that a tentative agreement has been reached with the TTA and hopefully would be ratified by both memberships so that the contract can be presented in a warrant article in March. The TTA membership will be meeting at the PAC on December 1, 2009 to vote on the proposed TTA contract. If they vote in favor, then the School Board will vote on the contract at the next School Board meeting (December 3, 2009).
7. Unfinished Business: (See Correspondence Section)
Mr. LaSalle arrived for the Budget portion of the meeting.
8. New Business: Mr. Stokinger distributed the various financial Reports of the "First Draft" which includes all requests made by staff and administration for the 2010-2011 Budget. The total first draft of \$62,808,568 up 3.43% from the 2009-2010 Budget. Mr. Stokinger reviewed the major factors; both positive and negatively impacting the proposed budget. Mr. Stokinger also handed out pie chart graphs showing the breakdown of the proposed budget as requested by Mr. Mascola at the previous meeting. Mr. Mascola requested a brief review of the account code meanings from Mr. Stokinger. Other reports distributed where the "object code" reports of the proposed budget. Version one is in account order while version two is sorted by largest change in dollars,

highest to lowest. Mrs. O'Neil requested the expense report "TRSD Budget" be run in account order to line up with the Object reports. The Committee clerk left to produce the requested report.

Mr. LaSalle reported that many pieces of the proposed budget are up and down from last year, but all schools in total are either level from last year's requests or down.

Ms. Rochford asked about what happens with the "excess" budgeted by using the GMR when the actual rate comes in much lower. Mr. Stokinger explained that it is returned to the voters by way of reducing the amount requested from the Towns the following year. Mr. LaSalle stated that having a large unencumbered fund balance sounds good but in fact it actually makes the second year after that, much more painful to the voters if the unencumbered fund balance drops. He strives for a much better management practice by budgeting closely to what we actually need, thereby not collecting a large fund balance which causes spikes and dips in the amount requested from the voters. He prefers a slow steady approach to budgeting. Mr. LaSalle continued his discussion with an explanation of the Insurance GMR and the two year (22.3%) vs. one year(13%) cost averaging done by the LGC Insurance Company. The School Board voted to go to the one year cost averaging method to save money and get the much lower GMR. The Budget Committee members continued to talk about insurance rates and the ramifications.

The next item discussed was the increase in the SAU budget reflected in the Timberlane budget. Again the SAU had a large surplus to use against last year's budget request due to the retirement of long time staff the year before, which caused a very small increase in the budget for last year, but now there is no surplus to offset the budget, which is causing the increase to be larger compared to the previous year.

Mr. LaSalle reported that budgeting utilities eighteen months out continues to be a challenge. Mr. Stokinger and Mr. Hughes will continue to do what they can to reduce energy costs and budget as close as possible to what the actual energy needs are in the district. Mr. Stokinger stated that he did reduce the oil budget because the price per gallon is down but he had to increase electricity which almost made for a fairly level utility budget overall.

Mr. Murray asked what the increases in the salary line represented if the TTA contract is going to be a warrant article. Mr. LaSalle explained that all non-affiliated (administrative and support) staff will be receiving a 2% increase in 2010-2011 as was set by the School Board. Mr. LaSalle explained about steps and cost of living and described that the two percent is essentially the same as a step increase but a smaller step than TTA staff would normally receive. Discussion regarding the TTA contract could not legally be given out at this time. Mr. LaSalle stated that he is making cuts in staffing which explains why the line is increased only by \$100k and not a full 2% increase over the previous year. He is also anticipating making additional staff reductions before the final draft of the Budget is presented. A general discussion was made regarding salaries compared to school districts in the area as well as union vs. non-union salary increases. Mr. LaSalle stated that the increases the Timberlane Administration will receive will pretty much be offset by the

new insurance contributions they will be required to make starting in 2010-2011. Mr. LaSalle also stated that the salaries begin artificially low in the education field as compared to private industry. Mr. Mascola expressed a difference of opinion that all fields pay more for experience. Mr. Stokinger explained that some administrator's salaries have been reclassified into the proper object code of 111, which makes the increases and decreases compared to last year hard to follow. He also reported that curriculum accounts were consolidated at each elementary school.

Mr. LaSalle asked the Budget Committee members for feedback regarding the direction he will be looking for draft #2. He also said the Facilities Committee will be meeting the beginning of December to pare down the list of facilities projects to a reasonable level. Mr. Balanoff stated that one of his biggest concerns is PPS and how the SPED population has been going down but the budget for PPS continues to rise at an alarming rate. Mr. LaSalle has placed a staffing freeze in PPS which means if anyone leaves their current position, he wants them to fill from within and reconfigure staff so that no new person needs to be hired. Mrs. Lovett will need to prove she needs that vacated position before he will allow her to refill it. Mr. LaSalle stated that many of the costs in PPS are out of the District control such as out of district tuition and transportation. Many out of district placements are court ordered or IEP required. Mrs. Lovett has been looking at ways to save money by combining transportation trips with children from other districts going to the same out of district school. Mrs. O'Neil had the TRSD annual reports handy and calculated that the PPS budget has been increasing about 5% per year since the 2004-2005 school year.

Mrs. O'Neil asked what the Fund Transfer line was used for. Mr. Stokinger explained that all the gross activity must be in both the expense portion and revenue portions of the budget and in accordance with the DRA, we have to budget these funds close to actual. If our fund transfers get too far from the actual expenditures, then the DRA asks us to revise the numbers.

Mrs. Copp asked about the Travel/Workshop (580) account and the historical expenditures for that account. If you traditionally never spend the entire amount budgeted, then you are "over budgeting" that account and it needs to be reduced. Mr. LaSalle explained that the TTA contract specifies how much to budget for teacher workshops and it is true that some years teachers do not spend all of it, however he is not comfortable under budgeting that line, in hopes that the teachers again don't use all the workshop.

Mr. Mullen stated that he understands that the TTA contract items are required and he feels that only the discretionary items need to be presented in a format so the Budget Committee can discuss them in detail. ("More granular report") A lengthy conversation was made regarding what is "required" and why. Mr. Balanoff stated even the required transportation budget can be adjusted if administration would go back and negotiate with the bussing company. Mr. LaSalle stated that the administrators already negotiate with vendors for the best price possible. Mr. Mascola stated that year after year there is more and more of the budget that we have no control of...perhaps in the case of PPS we need

to tell our staff that we are coding too many children and we need to code fewer. Mr. LaSalle explained that for him to make a statement like that is illegal and all children have the right to receive any and all services they need regardless of cost to the District. We are however, he continued, implementing a program called Response to Intervention (RTI) which helps children at an earlier age to hopefully catch small problems earlier before the child needs to be coded at a later time. The RTI program seems to be making a difference in that minimal services earlier seem to sometimes defer larger more expensive services later. Mrs. O'Neil was able to attest to this because her daughter did receive speech services at the age of three but currently she does not need an IEP.

Ms. Rochford brought up for discussion how the voters don't see the surplus when they go to vote, so why can't any excess in the health insurance budget be used for completing a facilities project that will be cut from the budget? Mr. LaSalle stated that only using money for its intended use has been his philosophy because he believes doing anything else would cause the district to lose credibility, not to mention if the voters say you can budget for this item and they vote to approve it, he feels that for him to divert funds after the fact would be a blatant disregard for the will of the voters. Mrs. O'Neil stated that voters have it in their minds that money is being wasted and we need to do more to educate them. Mr. LaSalle stated that with the age of all of our facilities, we are finding that we need to budget for catastrophic failures such as the High School leach field failure this past year. Mr. Mullen asked if the District could do a warrant article requesting some of the surplus be moved into a capital reserve account, above and beyond the annual \$100,000. Additionally the reduction in the bond interest should not be cut from the budget but transferred into a capital reserve account.

Mr. LaSalle left the meeting with a promise to come back at the next meeting with a review of Benefits, Sped Transportation, Projects, Salaries/Staffing, Supplies and Utilities.

9. Other Business:

Mrs. Copp requested that another column of history be added to the reports with percent differences. The Budget committee would like more detailed reports describing the budget details as "legally required", "contractually required", or "discretionary". Mr. Stokinger stated that is not as clear to decide from one account to the next or even within the same account how the items should be labeled. The next Budget Committee meeting is scheduled for Tuesday November 24th, 2009. The SAU Public Hearing is Wednesday November 18, 2009 here at the SAU.

Mrs. O'Neil made a motion to adjourn at 9:50 pm and was seconded by Ms. Rochford.
Vote: Unanimous.

Respectfully Submitted,
Kathy Smith
Recording Secretary
Approved 11/24/2009