

**OFFICE OF THE SUPERINTENDENT OF SCHOOLS
Peterborough, New Hampshire**

CONTOOCOOK VALLEY SCHOOL DISTRICT

BUDGET & PROPERTY COMMITTEE

Monday, August 20, 2007

SAU OFFICE

7:00 PM

MINUTES

Attendees: Craig Hicks, Bart Goodeve, Bill McKinnon, Tom Welden, Gail Cromwell, Beverly Bacon, Dick Bergeron, Don Johnson, Marian Alese, Linda Potter, Dick Dunning, Sue Copley, Jeanie West, Gib West, Denise McLenon

Craig Hicks called the meeting to order at 7:00 pm

1. Approval of Minutes –

June 19, 2007

Gail Cromwell moved to accept the June 19, 2007 minutes. Bart Goodeve second. Unanimous.

2. Budget Timeline (Dick Bergeron)

Dick Bergeron said that the ConVal District is now collecting CIP documents from towns and thanked Temple for being the first town to submit.

Dick distributed a calendar {See Attachment #1} that has been created listing all of the external agencies/actions and internal actions surrounding the budget. These requirements change on a monthly basis he said. In addition, internal actions by the Board, SAU Leadership team etc. will be listed. Dick asked that this document be reviewed.

Craig Hicks asked if the default budget could be included more in advance in the future. Gail asked about the default.

Marian said that the default budget that we are talking about tonight and the one listed in December is that that reflects if all things remain the same, we know what raise increases will be and that insurance will rise. The legal definition is subtracting and adding one-time expenditures.

Bart asked if it would make sense for us to change our terminology to distinguish the two.

Gail asked how far behind we are. Dick said that we are on target.

Craig agreed with Bart's suggestion of calling it two different things to distinguish the two.

3. Adequacy Grant Update (Marian Alese)

Marian Alese said that the amount that we will be receiving for adequacy is more than expected but that it will be redistributed among the towns differently. {See page 8 of tonight's packet}

On page 9 – individual towns are listed with amounts expected to receive. The differences listed in the fourth column detail the differences in what was projected against what is actual. For each of the town's, the impact is different. Craig said that what we present at district meeting is one thing and then reality sets in.

Marian said that the changes were made prior to setting tax rates. There are three components. Local tax capacity, statewide tax capacity and targeted aid component. It is based on equalized valuation with and without utilities. {See attachment #2 defining the "simpler" explanation of how aid was calculated, using the figures for the Town of Antrim.}

Marian said that the bottom line is that it is important that we let the town's know that there is going to be a change in what they expect to receive.

Craig said that it is great that we are being proactive.

Gail asked who is telling the towns. Is it Marian or the State of NH?

Bart said that this is more for our information. We cannot do anything about this. It comes from the State.

Marian said that these amounts are supposed to remain constant for two years but we have heard this before. The intention was to put out targeted aid but then adjustments were made because money was not there.

Dick asked if Marian or the State will let the towns know. Marian said that she would rather let the towns know than when they receive information informing the towns that they are not going to receive what was expected.

Craig said that we have the Selectman's Advisory Committee but asked if we had emails for just the Selectman so that we could send out the information. Craig said that we should send to the actual Selectman and Business Managers.

4. Draft Budget 08-09 – Version 1 (Marian Alese)

Marian referenced page 14 of tonight's agenda. This does not account for any new agreements with the CVEA. Marian said that she took out the transfer to the SpEd and Capital Reserve accounts for an equal comparison. No major staffing changes are reflected. Marian reviewed the remainder of page 14.

Page 15 – Revenue Code Description details revenue.

Dick said that instead of putting nothing in for the CVEA assumption, but did include for steps, there would be an increase.

Gail said that she would like to review some of the assumptions. She said that we are getting somewhere with the concept of total compensation. Why would we do the same for our non CVEA employees? Why would we assume a 3% increase for those employees? Dick said that as the Board approves, the model changes. Gail said that she is in favor of putting in no assumption. We may be only giving the teachers their steps therefore we might want to consider taking this out.

Bart said that he is more concerned with building in some of the "knowns" from the State. Dick Bergeron asked if they were "knowns" or assumptions.

Craig said that he would like to consider the group of employees as one group.

Gail proposed that on line 561 that this line may go down thanks to Linda Potter. Craig said that this is a snapshot of last year to this year. We hope to have savings, perhaps we don't want to use the 3% figure. Craig said that this is the first glimpse.

Gail said that she is agreeable to working on a document that we can work with. She said that we should put down everything that we know.

Bart said that we might want to start with no assumptions. This way we have a baseline in which we can track all assumptions.

Gail said that we want to start with last year's budget and build upon that. Gail asked why all of these assumptions are being made. The Town's are trying to hold all items flat. She said that frugality might be in order.

Bart said that this is a fair point. He suggested that a few broad assumptions be included. He said that we don't have to include the 3% figure for non CVEA employees but added that we might not have that kind of control on some of the vendor items.

Craig said that it might be a good exercise to see what the actual contractual items are instead of doing the assumptions. There are just a few additional assumptions that were made. We want to know what the pre-default budget was and work from there.

Bart said that he is interested in what the pure effect of the steps is without doing the math.

Marian asked for clarification, historically benefits offered to teachers were offered to support staff. The difficulty is in recognizing that negotiations are a process that takes place. For health insurance and dental certain assumptions are made. If they are not going to be a reality, we need to adjust for that.

Gail asked what we do about retirement plans for non-teachers. Marian said that they get a pension from the State with the option to go on the health insurance plan.

Tom Welden said that we have \$30 million of \$40 million in the first two categories alone. We need to look at what our population projections are. Changes will be needed based on those projections. We need to frame the budget around these projections. If we look at it the same, we will have a 7% increase again. He agreed with Gail that we need to look at this and make decisions based on these changes such as population projections.

Discussion about oil prices took place and projections around increases or decreases in this line item.

Gail asked Marian for an update on the wood burning proposition. Marian said that they went out and looked at options. It was not feasible at this time given the cost of engineering in pursuing this option. The cost of implementation was going to be higher than expected.

Marian said that the next time we look at this, other than health insurance and bond, everything else is level funded unless we have the actual staffing numbers.

5. PES Construction Update

Marian introduced John Eldridge as our new facilities manager. Marian said that on page 18 is a memo dated August 13th that says that the work was expected to be complete by today, August 20th. Sue Copley said that boxes of books have been brought back in. John said that a crew went over to get the place back into shape. There is a punch list and some cleaning left to complete.

Sue Copley thanked John Eldridge and Marian as well as all of the SAU staff for all of their support in getting the building back into shape. It will be tight but it will be fine. Marian said that the insurance adjuster will conduct a walk-through tomorrow morning. Marian said that the total damage is \$112,000 plus the cost of the tile upgrade. Discussion about the floor leveling removal costs took place.

Craig asked if subcontractors for the plug were being sought. John said that they were being sought. In addition, plugs similar to those at PES in the district were reviewed and replaced. Craig believes that the installation was improper.

Craig asked if a memo to Dan Flynn could be sent notifying him that Keith Burke is no longer the Superintendent.

Marian said that carpeting in TES has been postponed.

John Eldridge said that the relative humidity was too high to encourage carpet installation. There are other ways to test moisture that do not rely on the atmosphere. Beverly asked how long it would take to install the carpeting. John said that less than one week. Craig said that tile will be installed but the concern is that the tile will lift.

Gail moved to adjourn at 8:02 p.m. Beverly Bacon second. Unanimous.

Respectfully submitted,

Brenda Marschok