

Sanborn Regional School District - Budget Committee Meeting
October 24, 2012
MEETING MINUTES

Call to Order: 7:10 PM

Attendance:

Members:	Jay Pramberg, Chair	Paul Brisson Vice Chair
	Beth Ann Scanlon, Secretary-excused	Barry Gluck
	Dan Dodson	Roger Clark
	Tom Gasse - absent	Cheryl Gannon, School Board Rep.
Administration:	Brian Blake, Superintendent	
	Carol Coppola, Business Administrator	

Public Comment: none

Committee Comment: additions to agenda,
Roger to speak on Budget Workshop at LGC
Dan to speak on visits to schools

Approval of past meeting minutes:

Motion: to accept minutes of September 12, 2012: Dan Dodson

Second: Roger Clark

Discussion: re: retirement, add phrase “and the school district is required by statute to pay 100% of the cost”

re: Mr. Gluck’s comments, add phrase “and is now a goals based budget”

Vote: to approve as amended 6 yes, 0 no

New Business:

Next year’s retirement costs

NH Retirement System costs have escalated in recent years for many reasons.

- 1.) Until 2002 employers were required to contribute less than 4% per year.
- 2.) There was an expected annual rate of return on investments of 9%. When annual returns exceeded annual predictions the extra funds were diverted to a special account to cover other retirement costs rather than saving to offset losses in future years.
- 3.) There were investment losses in 2001, 2002, 2008 and 2009.
- 4.) Until 2010 the state funded 35% of the employer cost. Starting in 2010 it was lowered to 30%, in 2011 25%, and in 2012 0%.
- 5.) In 2008 the NHRS started gradually raising the employer rate from 5.7% to 14.16%.

In the past 6 years the school district’s retirement costs have increased from \$500,000 to \$1,500,000. The 2014 budget is not complete but at this time we are estimating an increase of approximately \$325,000 in retirement costs to over \$1,800,000.

Next year’s health insurance costs

We do not yet have a quote from our insurer for next year. We have been told to expect a 9.3% increase and budget for 10%. This will result in an increase of approximately \$400,000.

Carol gave an overview of the plan and participation.

The district offers a 3 tier plan. The basic plan is an open access plan; the district pays 90% of the premium and the employee pays 10%. The employee can upgrade to an HMO plan or a Point of Service plan. The employee pays 100% of the additional cost of these 2 plans.

The district has well over 300 employees. With proof of insurance an employee can opt out of the plan and receive a payment of \$2,400/year. Approximately 50 -55 employees opt out of the plan.

October 2012 Enrollment Report

Mr. Gluck stated we should look at these numbers as a cautionary tale about trying to make or justify large cuts in our budget 5 to 10 years out because when we look at it year to year we get it wrong. We were significantly off. We predicted a drop and got an increase, it is the wrong way to budget.

Ms. Coppola stated that 20 students is not significantly off. We are predicting enrollments based on the birth rate and that is the right way to do it. Memorial has never had a smaller kindergarten.

Mr. Pramberg stated he trusts the enrollment numbers and did not use them to make one year cuts. It would make no sense to increase or decrease FTE positions based on any one year. It costs too much to hire and train a teacher to make changes for the sake of one year. The cuts proposed last year were at the 1st and 5th grade. This would have resulted in class sizes of 18 and 22. 12 years ago class sizes were 18 in first grade. 18 and 22 are within the school board guidelines, and he would make the cuts again. Grades 1, 2, and 3 have 345 students, which is the middle school in 5 years. The middle school has 373 students now but 5 years ago there were over 400.

Ms. Gannon asked if the school board guidelines were for class sizes were available.

Ms. Coppola stated Kindergarten is 18 students, Grades 1 and 2 are 20 students, and Grades 3 thru 5 is 25 students.

Ms. Gannon mentioned that during the public comment period of a recent school board meeting a resident had suggested we be prepared to answer to the enrollment trends and the budget.

School Board Goals

Mr. Gluck stated that while the goals were laudable there were no immediate goals to address in it through the budget process. Ms. Gannon stated Ms. Ross was surprised we had requested this group of goals, these were not the ones used in budgeting. There was discussion that each administrator would have goals that the superintendant had approved that he would use to build his budget. Mr. Gluck restated he would have liked to see the top 10% goal stay. Ms. Gannon restated that their consultant saw this more as a vision than a goal. Mr. Dodson asked how the top 10% was quantified. Ms. Coppola stated this was on pages 6 and 7 of the 2011-12 budget book.

High School Bond Schedule

We are now in the 8th year of the 20 year bond. It was noted that for the 3rd consecutive year the bond has been refinanced. The cumulative savings is in excess \$600,000 over the remaining life of the bond. This is the only long term debt the school district has.

Budget Calendar

The next meeting will be the joint meeting with the school board on Nov. 14th. At this meeting the School Board and Budget Committee will review budgets with the Superintendent, Business Administrator and Leadership Team.

It was agreed to schedule the following meeting for Nov. 29th. Questions the members may have in the interim will be forwarded to the chairman who will consolidate the list and send it to Dr. Blake and Ms. Coppola in time for them to prepare the information for discussion at this meeting.

Subsequent work meetings are scheduled for Dec. 6th and 13th.

Before the holidays the SU office should complete the final draft budget documents as approved by the school board.

During the first week of January the budget committee will approve their final budget and prepare the presentation for the January 9th public hearing.

School Site Visits

Mr. Dodson and Mr. Clark have visited all 4 schools, the seminary building and the charter school. Dan shared that his general impression was that while some of the school buildings were becoming old they are all being well taken care of and maintained. The charter school building is showing wear but the Swasey Gym appears to be in excellent shape. He was impressed with the administrators who guided him and the atmosphere in the schools.

Cheryl asked if he felt all schools were appropriate for learning and Dan responded “most definitely” Jay noted that in the past 6 or 7 years a lot of effort had gone into the older buildings and it shows. Barry noted that this was due to Carol Coppola’s efforts. It was also noted that after 6 years the High School still looks new. Roger noted that he thought the staff had done a nice job creating the SAU space in the wood frame addition. He also thought new SAU offices should be built on land we own, probably at the high school site, but not in the school building.

Budget Workshop at LGC

Mr. Clark attended a budget workshop sponsored by the local government center. Roger brought back handouts from the workshop for all committee members and highlighted the sections that were most pertinent to school district budgeting. There were discussions about retirement plans at the workshop, the defined contribution option did not pass the legislature this year but they are going to continue to work on this option.

School Board Representative Report:

Ice Hockey will have a one year trial. \$16,000 was raised by the parent group. They had a goal of \$20,000; they will close the gap with a few more fundraisers and less ice time.

There will be a dedication of the Bakie outdoor classroom on Nov. 4th from 2:00 to 3:00.

The press box at the high school field is progressing well.

Public Comment: none

Committee Comment:

Cheryl questioned what the rules were for booting off members for unexcused absences. Jay referred to article 13 of the bylaws, after 4 consecutive unexcused absences a member may be voted off.

Next Meeting: Nov. 14th 2012 @ 7:00pm in the high school library

Jay will not be available for this meeting.

Motion to Adjourn: Barry Gluck

Second: Dan Dodson

Vote: 6-0

Meeting Adjourned @ 9:36 PM

Respectfully submitted:

Jay Pramberg - Recorder

**PLEASE NOTE: THESE ARE NOT OFFICAL MINUTES
UNTIL APPROVED BY THE COMMITTEE**