

**Chester Budget Committee  
January 30, 2017  
Approved Minutes**

**1. Meeting to Order**

Chairman Weider called the meeting of the Chester Budget Committee to order at 7:03 pm on Monday, January 30, 2017.

**II. Pledge of Allegiance**

Chairman Weider led the meeting with the Pledge of Allegiance.

**III. Attendance by Roll Call**

Michael Weider, Chairman  
Rhonda Lamphere, Vice-Chair  
Stephen D'Angelo  
Becky Owens  
Mike Romick

Selectman Richard Trask arrived at 7:10 pm

Absent:

Chuck Heuer  
Brian Shankey

Members of the Chester School District and Board

Dr. Darrell Lockwood, Chester SAU Superintendent  
Sheryl Rich, Business Administrator, Chester Academy  
Maria Veale  
Royal Richardson, Chairman, Chester School Board  
Valerie Weider  
Sarah Ungaro

Members of the Public Present

None

Members of the Media/Press Present

None

**IV. Announcements by the Chair – Welcome**

## **V. Public Comment**

### **VI. BOS Update – Richard Trask**

### **VII. School Board Update – Mike Romick**

### **VIII. Other Committee Updates -**

### **IX. Minutes - Tabled**

January 26, 2017. Chairman Weider stated that he was okay with them, however the other committee members would like more time to go over them.

## **X. Old Business**

### **XI. New Business -**

#### **a. Prepare for Chester School District's 2017-2018 Budget Public Hearing**

Ms. Rich reported that the public hearing notices have been attended to and that she will send out the agenda for next week. Superintendent Lockwood estimated the required number of handouts for the draft warrant and budget summary should be ten for table and audience. Vice-Chair Lamphere decided that it wasn't necessary to bring the contracts themselves.

Superintendent Lockwood asked the committee chairpersons to coordinate the signing. Chairman Weider will stop by to sign before he leaves and the remaining members can go over it after the close of public hearing and deliver it.

Ms. Rich coordinated the letter and when it was needed by, emphasizing a short time-line. Mr. Richardson added that there were a few changes, then that was good to go.

Ms. Rich reported that printing would need to be in by the 27<sup>th</sup>, with only one more Monday to finalize it on the 13<sup>th</sup>.

Ms. Rich handed out all pages of changes.

Vice-Chair Lamphere asked if Article #4 gets voted down and Article #5 gets voted down, what happens then? Superintendent Lockwood responded that that's a legal question, one could argue that we'd have to research what happens.

#### **b. Meet with School Board, Superintendent and Business Office to Finalize Chester School District's 2017-2018 Budget.**

Superintendent Lockwood provided copies of the School District's budget worksheet to the members of the Budget Committee. Superintendent Lockwood gave as an example of items that were in the controlled expense column versus the uncontrollable expenses column, such as text

books, citing that for example, that while new books were needed, old books could be used making that a controllable expense. Vice-Chair Lamphere recommended, as Ms. Rich identified some subjective items, that a third column would be helpful.

Superintendent Lockwood addressed four accounts, with questions open from the prior meeting, specifically: the ProFund software; Sending/Receiving School District; Administrative; and the HVAC Maintenance.

### **Enrollment Changes (-\$13,840)**

Superintendent Lockwood reported that the District's Budget had changed since last meeting as the number of students decreased by one (1) and also one (1) eighth grader attending advanced math. Superintendent Lockwood stated that he will provide new pages showing the changes to Line 5563, a reduction of \$13,840.00.

Mr. Romick asked Superintendent Lockwood to expand on his explanation of this to the committee. Superintendent Lockwood advised that this represents a kid no longer at Pinkerton. In either direction that we bring to the Board, we had anticipated more kids than were actually going to take the advanced math class at Pinkerton. Mr. D'Angelo asked how they get there. Mrs. Veale replied that they are driven by their parents. Superintendent Lockwood added that there are typically 2-5 students in this group. Vice-Chair Lamphere asked if it was a morning class, could they foreseeably ride the bus?

Superintendent Lockwood reminded that if you look at the number of kids in seventh grade there is good news, there are 17 projected fewer kids going to high school, debt service is going down next year, that Mr. Heuer had asked with some hope that it would go back to taxpayers and Superintendent Lockwood restated his position, that some will and we will try to wrangle some of it back out of you.

### **Course Reimbursement**

Superintendent Lockwood addressed the potential decrease of funds to the course reimbursement line by \$10,000.00, feeling that underfunding CBA is a good risk as "we don't think we're going to spend it."

Superintendent Lockwood addressed the **HVAC** maintenance item briefly, adding that he would like to discuss it at greater length toward the end of the meeting, because it would take up the most time. Superintendent Lockwood provided the committee with color photos of the circuit setters and attic air handler #5, explaining that as of this morning he felt that two of the three years projected phase of expenditures should be shifted, with the second years coming first. This year's projected \$30,000 becomes \$50,000, an increase of \$20,000, a net result to the tax-rate, of .64 cents to .54 cents, a drop of .10 cents.

### **Administrative**

Superintendent Lockwood explained that Line 5111 expenses had included Superintendent, Finance Director, Executive Assistant and a Part-time Bookkeeper. When the state does forecasting, that ends up being heavy on the administrative side, so we broke it out and moved Executive to Line

5115, which is why it increased. The part-time bookkeeper position was eliminated, there is one less person in the office.

### **ProFund Software**

ProFund software. Superintendent Lockwood explained that this serves their accounts payable, cash funding, general ledger, HR and payroll. For a number of years we housed the software in our computers. Proposal is to host it in *the Cloud* so that we're covered for emergencies, backups, that sort of thing. Hosting fee is an annual expense.

Superintendent Lockwood continued that over time ProFund is going to slip off table and not be supported. Mr. Romick added that historically, companies like this, are being purchased and then disappear.

Ms. Rich explained that in the event their server crashed, we would have to get it back up and running to produce payroll, etc. Hosting in *the Cloud* eliminates that. There are hosting and licensing fees associated with it, and updates are done automatically rather than needing to be scheduled in

### **Adequacy State Aid to NH School Districts (pg. 96)**

Superintendent Lockwood explained the evolution of the sending versus receiving town question posed earlier by Mr. Heuer with the following timeline (see also Pg. 96):

- 1973-1993 Augenblick Fund, Colorado created this formula to figure out how to equalize the cost of an adequate education, from town to town.
- From 1993-2005 the Augenblick Formula was in place, but never funded appropriately, going to fund 8% of the cost of education to every child in community.
- Then came Claremont II, a number of different governors and legislators continued to fight so that in 2005 court forced a new plan, called "Adequacy."

Chester is no longer a sending or receiving town. \$3,500.00 was determined to be the cost of an "adequate" education for a child, \$5,500.00 today is the state average, we spend more than \$11,000. With a cap on, they're going to pay you what you've been getting. For example, Dover. Dover is a growing community, you can only grow 15%, that's the cap. Since 2010 Dover has been losing a million. The Court came down in favor of Dover and deal was, to pay previous years and moving forward wouldn't go back to 2010. Then the legislature decided it would reduce, as a "Stabilization Fund", by 4% per year to pay for the Dover case. You did get 2 million dollars from the state in Adequacy, 2/3 from state, 1/3 from state local education test. Superintendent Lockwood added that he did not think Chester was ever a sending town.

### **HVAC (cont...)**

Superintendent Lockwood further addressed the HVAC Maintenance issues stating that he believed the system as a whole can be repaired. "It has life, some components however, don't."

First year's proposal was \$33,000, second \$50,000, third \$20,000. First year we were going to address a number of air handling units and when we brought in company to do preventive maintenance, duct work was found to be not sized or installed properly. We also found a number of circuit setters (holding photo), about 70 in the building, one for every room, that over the years sediment can turn them over. The closer rooms to inside don't need as much so they would be closed, the rooms on the outside would be open, over years sediment got in and froze them, there are no shut offs. They were on the initial project to be built, drawings, but they're not there. "A lot that was supposed to get done, didn't." Mr. Richardson asked about the impact of the shutoffs. Superintendent Lockwood replied that you can't just go replace one, you must drain the entire system and its full of water and glycol (antifreeze). You have to shut down the whole system. This is a summer project, shut it down, drain it. Glycol is a hazardous material, so you must drain glycol into a tank, pay to get rid of it, purchase and install new glycol, with the water, put in the setters, ball valves and have control and shut down in key places and work on short wing of building, fire it back up bleed out the air.

In preventive maintenance we found (holding photos) air handler #5 in the attic, upstairs, above the library, it pipes hot water, goes in one, returns in other, rotted out needs to be replaced, that is what moved year two up to year one.

We put in a filter, Superintendent Lockwood continued, to take minerals out of the water, to preserve erosion of equipment. As we flush that, we are hoping to get rid of sediment and reintroduce good water and glycol. The main building was built in 2001.

Mr. D'Angelo asked "No one looked at this stuff for 15 years?"

Superintendent Lockwood replied that unless you specifically went up there, there was just no way you would find it, it needs to get fixed right away, its over the library. He continued, the third year would encompass replacing motors and continue to do maintenance like things. The cost of the third year is \$20,000.

Mr. D'Angelo asked: "Why not just fix it now instead of waiting?"

Superintendent Lockwood replied that there were two reasons, we've made improvements, the heat is the best its ever been, with incremental gains, we're looking at this as typical maintenance.

Mr. D'Angelo asked what portion could fall into the CIPs. Chairman Weider stated that the whole thing could. Superintendent Lockwood emphasized that there were just no dollars available for us right now. Chairman Weider added that you need items to be methodized and broken out before collection. Selectmen Trask clarified those would be for major repairs. Chairman Weider was skeptical this would be construed as maintenance not a major repair, you can't force yourself into a CIP. Superintendent Lockwood concluded that there is just no money there yet. Mr. D'Angelo conceded that you have to go through the process.

Chairman Weider recapped the proposed maintenance schedule. Superintendent Lockwood confirmed that that was exactly why we flipped the schedule, you just can't do it without repeating the shut off and drainage otherwise which is a large expense.

Total reduction: \$34,528.

Chairman Weider asked if there were any other questions for the School Board before they departed the meeting.

### **SPED Tuitions, Page 20**

Vice-Chair Lamphere asked about SPED tuition, Page 20. "Do you actually track the number of students that are using this program?" "Because the way it was explained to me is that it was available but not mandated that they use it". Superintendent Lockwood replied that this was addressed during the annual evaluations of each students IEP which are reviewed once or twice weekly by the support staff with case managers encouraging the parents to sign off on those services that they're not using so that we don't pay for what isn't being used.

Chairman Weider thanked Superintendent Lockwood and the School Board, who departed the meeting at 8:12 pm.

### **c. Vote on Paraprofessionals' Contract**

### **d. Vote on Chester School District's 2017-2018 Budget**

Chairman Weider stated that we can vote next Monday before the meeting, while he won't be here, hopefully we will have a quorum. Vice-Chair Lamphere asked should we move forward? Vote? New number is \$12,583,910.00. Selectman Trask felt they should wait.

Vice-Chair Lamphere asked whether she would have a quorum to continue on next week. Ms. Owens and Mr. D'Angelo will be here, Mr. Romick is not going to be here, Mr. Richardson will be here. Mr. Shankey will be here.

Chairman Weider asked if there were any questions on the School Contract? There were no questions.

### **e. Vote on Chester School District's Warrant Articles**

Vice-Chair Lamphere asked about the use of fund balance last year, the process of the letter to DOE and DOR requesting funds and concerned that it did not move quickly, with eight or nine months to get through, having another fund isn't helpful. Legal opinion was to keep extra fund for the flexibility it provides.

Warrant Article #4, CBA, 3 years , first 23, second, \$6,980.03, \$7,184.

Article #7: Contribution from unreserved fund balance \$25,000 in. In agreement with that number moving forward.

**e. BC Calendar – February 6<sup>th</sup> - Public**

**XII. Other Business -**

**XIII. Member Comments**

**XV. Next Meeting Date – February 6, 2017 @ 7:00 PM – Public Hearing**

**XVI. Adjourn**

Selectman Trask motioned to adjourn the meeting. Vice-Chair Lamphere seconded his motion, all in favor, so moved. The meeting of the Chester Budget Committee was adjourned at 8:18 pm on Monday, January 30, 2017.

Respectfully submitted,

Nancy J. Hoijer, Recording Secretary