

**Town of Chester
Budget Committee Meeting
Monday, January 6, 2020
Municipal Complex
Approved Minutes**

I. Call to Order/Pledge of Allegiance

Vice Chair Lamphere called the meeting to order at 7:14 pm and led with the Pledge of Allegiance.

II. Attendance

Committee Members Present:

Mike Weider, Chairperson (arrived at 7:41 pm)
Rhonda Lamphere, Vice-Chair
Ephraim Dobbins
Kathy Guilmette
Brennan Holmes, School Board Liaison
Stephen Landau, BOS Liaison

Others Present:

Ben Kilar, Chester Academy Technology Director
Darrell Lockwood, SAU 82 Superintendent
Sheryl Rich, SAU 82 Business Administrator
Royal Richardson, School Board Chair

Possibly Others Unknown to this Recording Secretary

III. Member Comment

There was no Member Comment.

IV. Welcome and Announcements by the Chair

Vice Chair Lamphere noted that Chairman Weider is running late.

Vice Chair Lamphere welcomed the School Board Chair Royal Richardson and Superintendent Lockwood. She noted that the agenda has only the presentation of the school budget as the single item of business for tonight.

V. Public Comment

There was no Public Comment.

VI. New Business

a. School District Presentation on Budget Direction

Superintendent Lockwood and School Board Chair Richardson joined the Committee at the meeting table to present the proposed 2020-2021 Chester School District Budget.

Superintendent Lockwood noted that the Members have been presented with the school budget book. He reviewed with the members the layout of the book; he pointed out the budget summary in the front of the book and the revenue and tax impact review in the back of the book.

Superintendent Lockwood said that he would present a PowerPoint presentation tonight, reviewing each slide. He noted that he would email the presentation to the Chair to ensure all members had the ability to review it in depth.

Superintendent Lockwood said that the budget that he is presenting tonight is \$132,000 less than the budget which he presented to the School Board and he added that he would explain.

Superintendent Lockwood said that the School Board and CSPA (Para educator organization) have approved the mediated agreement to move forward to Budget Committee and the Town. He noted that he would explain the money implications of that mediation.

Superintendent Lockwood proceeded to present the PowerPoint presentation.

Superintendent Lockwood presented the slides of the presentation. He explained the Proposed Expenditure Summary slide:

	<u>Current Budget</u>	<u>Admin. Proposed</u>	<u>CSB Proposed</u>	<u>Variance**</u>	<u>% Change</u>
Operations Budget	\$12,150,413	\$12,711,887	\$12,579,887	\$561,474	3.53%
Debt Services	\$ 0	\$ 0	\$ 0	0	0%
Fund Transfers	\$ 0	\$ 0	\$ 0	0	0%
Total General Fund	\$12,150,413	\$12,711,887	\$12,579,887	\$561,474	3.53%
Federal Funds	\$ 205,275	\$ 133,477	\$ 133,477	(\$71,798)	34.98%
Food Service Fund	\$ 172,500	\$ 179,000	\$ 179,000	\$ 6,500	3.77%
Budget for All Funds	\$12,528,188	\$13,024,364	\$12,892,364	\$364,176	2.91%

*The Budget as proposed would result in a \$0.381 increase per thousand of valuation. For a \$450,000 home that would be a \$171.45 increase.

**Variance is comparing Current Budget to CSB Proposed.

Superintendent Lockwood said that the variance is the difference between the CSB (Chester School Board) proposed budget and the current budget.

Superintendent Lockwood explained that the house valuation has changed from the \$350,000 to the \$450,000, based on the community wide reevaluation that was just completed.

Superintendent Lockwood noted that the proposed budget does not reflect the CESPA staff increase which will appear in a separate warrant article.

Superintendent Lockwood said this slide is the same summary without the administrative column:

	<u>Current Budget</u>	<u>Proposed Budget</u>	<u>Variance</u>	<u>% Change</u>
Operations Budget	\$12,150,413	\$12,579,887	\$429,474	3.53%
Debt Services	\$ 0	\$ 0	\$ 0	0%
Fund Transfers	\$ 0	\$ 0	\$ 0	0%
Total General Fund	\$12,150,413	\$12,579,887	\$429,474	3.53%
Federal Funds	\$ 205,275	\$ 133,477	(\$71,798)	34.98%
Food Service Fund	\$ 172,500	\$ 179,000	\$ 6,500	3.77%
Budget for All Funds	\$12,528,188	\$12,892,364	\$364,176	2.91%
Notes:				
1. Proposed budget does not include increase for CESPA staff which will appear in a separate warrant article.				
2. 2018-19 Operations Budget was \$12,114,813 – Budget for all funds was \$12,753,194.				

Superintendent Lockwood explained the challenges they face noting that although the retirement contribution rate for teachers, administrators, and all employees remains the same, the State has slowly been moving the cost from the State paying to the Towns paying. He said that other challenges include the loss of State and Federal Special Ed. Aid, loss of Kenogarten funds from the State for 2019-2020, accurately projecting Kindergarten and First Grade enrollments, Pinkerton Academy ACT program Tuition rising, and the increase in health insurance rates by 8.60%.

Selectman Landau asked if Chester is being charged for the development that is being done to the additional road and parking that was built and if the new work strictly benefited the athletics without providing any benefits to academic programs.

CSB Chair Richardson explained that Chester did contribute towards the new road and parking project with a previous budget from the tuition budgets of 2017-2018. He said that the new road and parking was not for athletics but was a capital project that has alleviated the parking lot congestion improving access for emergency vehicles.

Superintendent Lockwood reviewed the enrollment information and the student to teacher ratio.

Enrollment Information (w/o PK)				
Grade	2017-18	2018-19	2019-20	2020-21 Projected
Kindergarten	36	46	45	54
First	50	41	50	50
Second	53	51	44	50
Third	50	55	54	44
Fourth	51	56	56	54
Fifth	66	54	57	56
Sixth	50	70	56	57
Seventh	71	49	70	56
Eighth	66	68	54	70
Total K-8	493	490	486	491
Ninth	96	71	79	54
Tenth	79	76	68	79
Eleventh	79	84	85	68
Twelfth	65	76	66	85
Total 9 - 12	319	307	298	286

District	Student to Teacher
Auburn	15.6 to 1
Candia	12.4 to 1
Chester	11.6 to 1
Derry	14 to 1
Fremont	13.5 to 1
Hampstead	12.7 to 1
Hooksett	14.1 to 1
Raymond	12.3 to 1
Weare	12.7 to 1
State of NH	12.7 to 1

NHDOE Report Student - Teacher Ratio – 2018 - 19

Superintendent Lockwood reviewed District comparisons for cost per pupil, valuation per pupil and teacher average salary.

DISTRICT	Cost Per Pupil 2018-19
Auburn	12,085.86
Candia	18,108.13
Chester	14,242.25
Derry	15,335.65*
Fremont	15,804.01
Hampstead	18,650.75*
Hooksett	15,492.64*
Raymond	16,089.79 elementary costs only
Weare	13,456.49*
Pinkerton Tuition Charge	12,778**
State (Elementary)	16,519.77 Elem- 15,489.74 Middle– 16,599.80 High

(updated 1/06/2020) Source – 2018-19 Financial Reports emailed to Sheryl Rich dated Dec 19, 2019 from Ron Leclerc – NHDOE

DISTRICT	April 1, 2017 Eq. Valuation	2017-18 Average Daily Membership in Residence	2017 Eq. Valuation Per Pupil
Auburn	809,825,829	883.09	917,037
Candia	483,739,667	463.72	1,043,172
Chester	649,689,911	803.46	808,615
Derry	3,209,467,436	5,077.70	632,071
Fremont	480,953,595	623.46	771,427
Hampstead	1,248,788,229	1,277.03	977,885
Hooksett	2,099,079,668	1,894.88	1,107,764
Raymond	1,014,725,486	1,264.49	802,478
Weare	590,298,323	969.93	608,599

Source: https://www.education.nh.gov/data/documents/equal_pupil17-18.pdf

Superintendent Lockwood pointed out that the teacher salary is an average salary; he noted this will change if one hires many new teachers, so a better comparison may be the teacher salary schedule.

DISTRICT	Teacher Average Salary
Auburn	\$58,205.00
Candia	\$53,097.00
Chester	\$53,398.00
Derry	\$60,553.00
Fremont	\$52,474.00
Hampstead	\$66,226.00
Hooksett	\$56,102.00
Raymond	\$53,568.00
Weare	\$46,556.00
Pinkerton	\$58,916.00
State (Elementary)	\$59,198.20


Source - https://www.education.nh.gov/data/documents/teach_sal18-19.pdf

Superintendent Lockwood reviewed the expenditure summary. He explained that the Federal Funds are \$71,798 less than last year's budget because of the way the Federal Government attaches funds to specific student. The problem is that the funds have been given to Derry because the student attends school in Derry. Superintendent Lockwood explained that the sending town is not getting the proper funds.

Superintendent Lockwood said that as of yet, Derry has not spent those funds. He noted that this problem is affecting many New Hampshire districts. The problem is being worked on by the State at this point.

EXPENDITURE SUMMARY					
Fund Account:	2018-2019 Actual	2019-2020 Budget	PROPOSED Budget	BUDGET VARIANCE	% CHANGE BY FUNCTION
1100 Regular Programs	6,639,653	7,187,828	7,401,720	213,892	2.98%
1200 Special Programs	3,683,328	1,577,966	1,602,629	24,663	1.56%
1400 Other Programs	79,340	86,232	88,938	2,706	3.14%
2120 School Counseling	135,103	142,542	199,887	57,345	40.23%
2130 Health	115,433	128,297	136,187	7,950	6.20%
2140 Psychological	94,073	94,060	101,380	7,320	7.78%
2152 Speech	107,620	106,354	112,584	6,230	5.86%
2153 Audio Contracted	10,046	3	2,756	2,753	100.00%
2162 Physical Therapy	9,274	7,000	3,000	(4,000)	-57.14%
2163 Occupational Therapy	67,630	70,159	73,144	2,985	4.25%
2169 Vision	28,705	7,383	2,523	(4,860)	-65.83%
2190 ESOL	405	2,000	10,000	8,000	400.00%
2210 Improvement of Instruction	57,142	54,851	70,015	15,184	27.69%
2222 Library	85,610	80,476	91,267	10,791	13.41%
2223 Audio Visual	1,032	1,900	1,900		0.00%
2225 Technology	292,972	354,523	318,452	(36,071)	-10.17%
2310 School Board	64,381	48,117	48,302	185	0.38%
2320 Offices of Superintendent	314,552	287,485	291,693	4,208	1.46%
2330 Special Educ Administration	175,370	166,294	168,899	2,605	1.57%
2400 School Administration	523,732	524,715	541,345	16,630	3.17%
2600 Operation of Plant	567,501	577,356	621,206	43,850	7.59%
2721 Student Transportation	581,168	644,952	692,060	47,108	7.30%
SUB TOTAL	11,643,620	12,150,413	12,579,887	429,474	3.53%
5100 Debt Service	263,900	-	-	-	0.00%
Transfer to Trust Fund	25,000	-	-	-	
TOTAL GENERAL FUND	11,932,520	12,150,413	12,579,887	429,474	3.53%
Federal Funds	276,762	205,275	133,477	(71,798)	-34.98%
Food Service	175,796	172,500	179,000	6,500	3.77%
TOTAL FEDERAL/ FOOD SERVICE FUND	452,558	377,775	312,477	(65,298)	-17.28%
BUDGET FOR ALL FUNDS	12,385,078	12,528,188	12,892,364	354,176	2.91%

Superintendent Lockwood gave a summary of the major increases to the budget:

 Summary of Major Increases	
• 1100 – Regular Ed. Programs	\$213,892 (2.98%) PP. 29-35
• 1200 – Special Education by	\$24,663 (1.56%) PP. 46-62
• 2120 – School Counseling by	\$57,345 (40.23%) P. 73-77
• 2210 – Improvement Instruction	\$15,184 (27.69%) P. 112
• 2222 – Library by	\$10,791 (13.41%) PP. 116-120
• 2400 – School Administration by	\$16,630 (3.17%) PP. 134-8
• 2600 - Operation of Plant -	\$43,850 (7.59%) PP. 139-145
• 2721 – School Transportation -	\$47,108 (7.30%) P. 146

Mr. Dobbins asked about the student transportation breakdown.

Superintendent Lockwood explained that the last time they sent the transportation out to bid they only had two bidders with whom they could negotiate.

Superintendent Lockwood reviewed each of the individual line items from the major increases.

Superintendent Lockwood and the Committee discussed the reading specialist position and the full-time enrichment program.

Superintendent Lockwood said that the school has never had a full-time enrichment teacher; he advised the position is proposed based upon the report of the Enrichment Committee spearheaded by interested parents. He said that they replaced the previous part-time enrichment program with a full-time STEM teacher.

Superintendent Lockwood and the Committee continued to discuss each individual line from the major drivers of increases to the budget summary, including 1200 Special Education and 2120 School Counseling.

Superintendent Lockwood and the Committee reviewed the 2600 Operation of Plant items, with Ms. Rich explaining the difference of General Maintenance and Repairs and Repair Plant and Building.

Selectman Landau and Superintendent Lockwood discussed the elevator yearly certification.

Superintendent Lockwood reviewed the Summary of Major Decreases:

- **2162 – Physical Therapy -\$4,000 (-57.14%)**
- **2169 – Vision - \$4,860 (-65.83%)**
- **2225 – Technology - \$36,071 (-10.17%)**
- **Federal Funds - \$71,798 (-34.98%)** Superintendent Lockwood noted that he didn't know when the IDA – Federal Funds issue would be resolved but, he did not think that the NH AG had yet written the letter.

Superintendent Lockwood said that the next steps will be to get a list of questions from the Budget Committee which they will respond quickly to be ready for the next meeting with the Budget Committee on January 20th.

Superintendent Lockwood said that CESP and the CSB have come up with a three-year agreement.

Superintendent Lockwood reviewed the pay increase schedule for the para educators with the Committee, as well as, explaining the difference of the para educator's levels.

Superintendent Lockwood explained the changes that were made to the CIP by moving projects out to different years.

Superintendent Lockwood said that by using \$60,000 to minimize the impact of the tax rate to the taxpayer, they are avoiding large blips in the tax rate.

Chair Weider, who had arrived at 7:41 pm, joined the Committee at the meeting table.

Chair Weider asked about the warrant articles and the unreserved fund balances.

Ms. Rich gave an explanation.

Superintendent Lockwood and CSB Chair Richardson stated that should any Budget Committee member have any questions to please contact them.

Superintendent Lockwood confirmed that he is emailing to the Budget Committee Chair the PowerPoint presentation and the CESPAC contract.

Superintendent Lockwood, CSB Chair Richardson, and Mr. Kilar departed the meeting at 9:02 pm.

VII. Member Comments

There was no Member Comment.

VIII. Public Comments

There was no Public Comment.

IX. Next Meeting Date(s): Monday, January 13th, 2019

X. Adjourn

Vice Chair Lamphere moved to adjourn the meeting; Mr. Holmes seconded the motion. The vote was unanimous in the affirmative; motion carried.

The meeting adjourned at 9:06 PM.

Respectfully submitted,

C. Molly Qualters,
Recording Secretary