

WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL BUDGET COMMITTEE

Location: Wilton-Lyndeborough Cooperative School – Media Room: 7:00 P.M.

August 19, 2014 FINAL MEETING MINUTES

Members Present: Chair Don Davidson, Kelly Eshback, Mark Altner, Karen Grybko (7:12 pm), Harry Dailey (WLC School Board Rep.), Secretary Dawn Tuomala.

Administration Present: Superintendent Dr. Christine Tyrie, Business Administrator Lisa Ambrosio,

The Agenda was as follows:

1. Call Budget Committee Meeting to Order – in Media Center
2. Review and Approval of Minutes For:
 - a. Budget Committee Meeting 05/27/2014
3. Swearing in of members (Walter Holland, Moderator)
4. Public Comments
5. Election of New Officers
6. Assign people to Sub-Committees
7. Review of Budget to Date
8. Set up Future Meeting Dates
9. Other Business
10. Adjourn

1. Call Budget Committee Meeting to Order – in Media Center

Chairman Davidson called the meeting to order at 7:13 PM.

2. Review and Approval of Minutes for:

a. May 27, 2014 – Budget Committee Meeting

Motion: To approve the minutes as written was made by Ms. Grybko seconded by Ms. Eshback; 3 yes; 1 abstained; Motion carries.

3. Swearing in of members (Walter Holland, Moderator)

Moderator Holland was not available tonight.

4. Public Comments

None

5. Election of new Officers

Chairman Davidson would like to have a motion to postpone this until the entire membership is present. There was discussion about recruiting a person from Lyndeborough to take Mr. Giese's seat until the March elections.

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Motion was made to postpone the election of new officers until everyone is present by Ms. Grybko seconded by Ms. Eshback. All in favor motion passes unanimously.

6. Assign people to Sub-Committees

Mr. Altner accepted being part of the facilities sub-committee.

a. Updates from Sub-Committees

Mr. Dailey provided an update on the FRES building stating that the building construction is on time and it is on schedule and it is on budget. There will be lots of things happening this week to get ready for the opening of school next Thursday. The next major stepping stone will be in February during school vacation week when they are suppose to move into the new building. This week they will meet with the State Fire Marshall along with the Fire Chief. They have met with the police chief already and have his input. The basement has been done and looks great, next week on August 26th there will be a walk through for board to see and the Budget Committee is also invited to attend. The time will be about 5:50 to 6:20.

7. Review of Budget to Date

Ms. Ambrosio provided a food service summary sheet explaining that the School Board has approved a \$0.10 increase in the price of the school lunches. Breakfast will remain the same at the same amount. They have been losing money in this program due in part to the Affordable Care Act. They now have to provide medical insurance to those that work over 30 hours per week. The Federal Government is also mandating additional food guidelines. For example they must now provide breads with over 50% grains within it and they must have more fresh fruits available. These are items that will spoil more easily thus increasing the deficit. The District receives \$116K in federal aid and if we were to opt out of the food program we would also lose money in other grant programs.

The program is also influenced by commodities, which when added into the balance sheet add \$10K. This is not in cash but it still counts when the accounting is made. Note that n/c on the sheet is no change and doesn't mean no charge.

This is not a unique problem to WLC. The question is how do you balance everything and not have waste, while giving free and reduced cost of meals to those that need it. They have considered doing farm to table but this is an expensive option which they presently do on a limited level.

If the School Board decides to transfer money to fund the food service from the fund balance they will show it to break even. The auditors will make the change. Title One Instructors won't have funding if we break away from the government program. There is no perfect solution for the need to provide verses the cost verses the waste. Ms. Ambrosio also stated that the deficit has gotten better over time and they have come a long way but with the new challenges such as the medical they haven't been able to keep it up. The food employees are now getting what everyone else has been getting right along.

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Ms. Ambrosio passed out the high level review of the revenues and the expenses. On the Revenue side of the sheet the current appropriation from the Towns was \$7.9 million with other local sources from preschool tuition and investment. There are various State sources which include Adequacy Aid totaling \$2.7 million. The Building Aid is for WLC and totals \$130,000. The Cat Aid for SPED expenses that qualify from the state are over the threshold. The expenses are within \$30K and are close to the \$140K again. The State has been cutting back on this revenue and are getting closer to tracking the schools on a current time frame instead of a year behind. This District has always done well with this.

Expenses coming from the Capital Reserve account are a direct in and out that offset each other. This year Wilton will have a drop of about \$100K in the preliminary numbers since the state is reducing the aid. Lyndeborough was hit last year with the reduction. The aid is based on last year's enrollment numbers. Preliminary numbers indicate that this year will be even lower by 20 students. The fewer students we have the less aid we receive. This will need to be made up from somewhere and in the past it has come out of regular education. The bottom line of revenues for this past year was an increase of \$163,828 from what was originally projected. They will use it to make the bond payments and then the remainder will be given back to reduce the tax rate.

On another note, the NH Retirement is at the end of the 3 year projection sheet so they will be receiving new projections for the upcoming years. Last time they are up 11% for staff and 18% for teachers. The employees are now also paying 5% and 7% themselves.

Knowing they would have a new bond payment coming due and that there could be issues with the State Adequacy Aid reduction they wanted to defray the loss so back in March and April they implemented a spending freeze to help reduce expenses. They want to send more money back to save on the tax payments.

Ms. Ambrosio then reviewed the expenditure side of the sheet. The School Board just voted to adjust the appropriation budget transfers for various things. There were changes in the SPED expenditures due to the retirement of a tenured employee along with the replacement with a lower paying person. Vocational Ed would have had a transfer but there was late information forecasted. Voc. Ed will be even more next year. The Student support was a positive as they had winning teams, thus there were more expenses. This is where the officials are paid out of. This past year there was a change in the program. There was a large savings in legal, advertising and postage.

There was a change in principal thus changing all of the benefits. The phones are in there along with e-rate reimbursements along with web site payment. They only have to pay half the price to have improved technology. The Audit wasn't as expensive as anticipated. There was a personnel gap resulting in savings of \$12.8. There was savings in paper supplies of \$15K. After deciding not to follow the Honeywell report they needed to be paid \$10K out of this account. Electric had a positive balance but repairs were in a deficit offsetting each other. Fuel oil had extra expenses due to the long hard cold weather.

Transportation had a \$28K savings which was due to fewer field trips and the PTA funds covered some of the expenses which they never know when they will provide funds. They have tried to keep the field trip numbers the same for all of the groups of students. Voc. Transportation was over by \$9K. Every time a team makes the finals there are additional

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costs involved. Under Technology there was an additional expense of \$33K for a canopy and heating service for FRES.

The bottom line there was a \$269K reduction in anticipated expenditures. The goal was to have \$300K to offset the bond payment. When the \$163K extra revenue realized will put the total to \$432K that will go back into the fund balance. This past year they didn't have any Articles putting money into the Capital Reserve accounts. In the future, they could put an Article at District Meeting to hold back up to 2 1/2% to put in a fund balance so that we don't have the fluctuations. This would reduce the amount that would go back to the taxpayers.

They also saved by not topping off the oil tanks as they normally would do. Instead they ended up pulling the oil tank at FRES so that they can convert the heating system to propane.

Dr. Tyrie explained that the goal of any school system is to provide a good budget that is within 1% to 2% of the actual budget. It is going to be difficult to ratchet the budget down any more. It is a good thing that we started working towards the full consolidation for this year as the costs are only going to keep rising. Once the full consolidation is complete, this will be the only way we will actually begin to realize any real cost savings.

8. Set up Future Dates

After discussion, it was decided to have the next meeting on September 16th at 7 PM. Ms. Ambrosio will provide a timeline for the coming year and we can have the election of the officers.

9. Other Business

At the next meeting Dr. Tyrie would like to have a discussion about the targets and the strategy for the coming year's budget preparation and calendar.

Ms. Eshback explained to the committee that in the past she has been the lead negotiator for the support staff negotiations. There isn't a lot of money involved in these negotiations. Mr. Dailey stated the he and Mr. Bujak and Mr. Ballou have made it a policy that they will not do any future negotiations. Mr. Dailey stated he never has been involved in any negotiations because his wife works for the school system. Mr. Ballou and Mr. Bujak will not do any future negotiations.

It is more of an appearance issue and to the benefit of and for the best interest of Ms. Eshback. A vote will be taken at the next meeting. The School Board should also be asked for their opinion.

10. Adjourn

The next meeting will be on September 16, 2014 at 7:00 PM location Media Center. A motion was made to adjourn the meeting by Ms. Grybko and seconded by Mr. Altner; all in favor. The School Budget Committee was adjourned at 8:06 PM.

Respectfully Submitted,

Dawn Tuomala, Secretary