

**KEENE BOARD OF EDUCATION
FINANCE COMMITTEE
Meeting Minutes**

DATE: November 1, 2011

LOCATION: Conference Room 100, SAU #29 Building, 193 Maple Avenue, Keene, New Hampshire

CALLED TO ORDER: 7:15 p.m.

TIME ADJOURNED: 9:20 p.m.

COMMITTEE MEMBERS PRESENT:

- Mr. Neil Donegan, Chair
- Mr. Chris Coates
- Mr. Carl Panza
- Mrs. Ann Szot,

BOARD MEMBERS PRESENT:

- Ms. Kristin Blais

ADMINISTRATORS PRESENT:

- Mr. Wayne Woolridge, Co-Superintendent
- Mr. Tom Remillard, Director of Buildings, Facilities and Ancillary Services
- Mrs. Patricia Yoerger, Jonathan Daniels Principal

OTHERS PRESENT:

- Mrs. Dru Fox, Stenographer
- Mr. John McMahon, KEA Representative
- Members of Public (2)

Mr. Neil Donegan, Chair, called the meeting to order at 7:15 p.m.

1. Public Input

None.

5. Elementary Music Update

Mrs. Yoerger passed out information entitled Keene Elementary Strings Update, November 2011, detailing a plan to increase the band teacher position to 100% and the strings teacher to 90% and provided information in support of. She introduced a history of enrollment numbers for both programs, talked about how each teachers' schedules and their differences in doing so and the need for additional help for Tuesday night band. Discussion ensued around traveling schedules, time at each school, transitioning the program to middle and high school levels and block scheduling. Ms. Yoerger continued with anticipated staff increases, the need for money for a band instrument purchase, loaner instruments for students who do not have financial ability to rent, separate budget line items, space issues and the hope to have a home base for elementary band and strings with the new configuration of elementary schools. Ms. Blais added they tried to carve out additional space within each elementary configuration for spare classrooms in the event enrollments spike so this may be an area to look at. Mr. Coates wondered about COW's and opening up those classrooms and Mr. Donegan summarized; elementary band and strings programs are getting bigger, the kids love it, the parents love it, we have two teachers who need to be increased to 100% and 90%, no one is being short changed, any student that wants to can play and if we had more money for this we could certainly spend it. Ms. Yoerger reminded everyone, as the budget process moves forward, that these two teachers received pink slips last year and they have not been with us for very long.

2. Approval of Minutes of September 6 & October 4, 2011

Mrs. Szot moved to approve the minutes of September 6 and October 4, 2011. Mr. Panza seconded. Vote taken, motion unanimously passed.

3. Financial Report

Mr. Harper passed out the bright orange colored Financial Report dated November 1, 2011 and spoke

about the budgeted, anticipated revenue receipts of \$62,732,108 assuming no additional revenues are received and then talked about the expenditure side including debt service which is fully encumbered, no savings anticipated in health insurance, potential for savings in special instruction with such a large balance currently available and explained however, special instruction is the most volatile part of the budget. He pointed out that most all related services funds have been encumbered. Mr. Coates wondered what percentage of out-of-district placements were court ordered and Mr. Harper said he would request that information from Special Education Director, Cathy Woods, and email it out to everyone. Mr. Harper continued; staff/curriculum development account will balance out through the course of the year and building services account reflects what Mr. Remillard will spend through the year, utility accounts have been fully encumbered with the potential to go in the negative as the year progresses. Mr. Remillard talked about the oil purchase and how the savings for the wood chip plant was built into the budget and said that this year the price of oil far exceeds any anticipated savings in the wood chips. Mr. Harper outlined breaking out separate heating accounts for oil and for wood chips to better keep track using a budget transfer to fund it initially. Mr. Harper talked about the building improvements account and Mr. Remillard explained the bulk of this account would be spent through the course of the year on the Symonds School heating and sprinkler system projects.

Mrs. Szot asked about debt service given the current low interest rates and Mr. Harper spoke about refinancing in the past and provided information on refunding of the high school bond, the middle school bond is too new and the last payment for the Cheshire Career Center will be budgeted next year. Mrs. Szot wondered if it was worth us looking into and Mr. Harper further clarified how the package of bonds is financed and how they are continually reviewed and said that shorter-term bonds are less likely to be refinanced.

Mr. Harper concluded his summary of the current financial state and said overall the district is in good shape, with no areas other than special education jumping out as potential for surplus as they were last year. Mr. Donegan asked about and Mr. Remillard answered that there is no money in the budget for engineering a wood chip plant at the high school. Mr. Donegan asked about plans for the \$850,000 capital funds and discussion ensued. Mr. Remillard clarified that the building services account is for regular break and fix items and that building improvements are generally emergency fixes. Discussion continued on CIP projects versus capital improvement funds and Mr. Remillard reminded everyone that 2011-2012 items were only funded at 50% so the balance of these line items will be requested again next year and in reality there will be less money available in keeping with the .8% target increase. His plan is to start the work at Symonds in June with 2011-2012 funds and finish in August with 2012-2013 funds. Discussion ensued over what specific work will be done at Symonds and Mr. Panza wondered if the new CIP will be ready soon and emailed to him. Discussion continued.

Mr. Panza moved to approve the Financial Report dated November 1, 2011. Mrs. Szot seconded. Vote taken, motion unanimously approved.

4. 2012-13 Tuition Rates

Mr. Harper provided information on the proposed 2012-2013 tuition rates and walked everyone through the summary and history of this important significant revenue budget item. He explained the two rates for each agreement, general education and special education, spoke of AREA and Non-AREA rates and provided the mathematical calculation for them Mr. Harper concluded with his recommendation that the Keene School Board approve the proposed rates for 2012-2013 as outlined. Mrs. Szot wondered about and discussion ensued around middle school tuition rate decreasing, student population and increase in the dividing factor to calculate the rates, estimated ADM for the year to recapture building investments, the affect from bond payments and transfer accounts. Mr. Harper continued explaining special education tuition charges less the exclusions, pulling out transportation costs, contracted evaluations and out of district tuitions and then factoring in the number of actual special education students and his belief that the AREA calculation is fair and that these new rates are enhanced and more profitable. Mr. Harper provided clearer explanation that sending districts are paying more per student but are sending us fewer students.

Mrs. Szot asked about and Mr. Harper explained the new middle school building is more valuable, the replacement cost is higher and it is reflected the same way we recapture a major bond; as the value of the building goes up, the replacement cost goes up and said it is, in his opinion, beneficial to Keene that insurance replacement values are used in the tuition formulas.

Mr. Coates moved to recommend that the Keene School Board of Education approve the 2012-2013 Tuition Rate Schedule as proposed. Mr. Panza seconded. Vote taken, motion unanimously passed.

6. Acceptance of Gifts

None.

7. Budget Transfer(s)

None.

8. Other

Mr. Woolridge presented a letter from Frank Marinace dated October 26, 2011 detailing the specifics of what services they would provide to further refine the costs of closing Jonathan Daniels School at a fee not to exceed \$50,000. Discussion ensued.

Mr. Remillard expressed concern that the initial report did not identify roofing issues and if they are not included in the bond he will be forced to into repairing them just a few years later. He said the sooner the roofs are addressed at Symonds and Fuller the better. He spoke in favor of keeping CIP money in the budget rather than scramble to find the money when needed. Mr. Donegan recommended funding these repairs as soon as possible and certainly by July 1. Ms. Blais was concerned if the public does not approve the plan to go to four elementary schools and we have to improve all five schools, will the costs be bonded or will the repairs be expended from the budget? Mr. Donegan questioned and Mrs. Blais responded that the board would be unwise not to trust the architect to spell out in these reports the amount of money that would be necessary to upgrade all code and life safety issues at all schools. She reminded the committee that we are not going to fully renovate and make "like new" the other 4 buildings, only bring them up to code. Mr. Remillard believes that there is enough room in the numbers to accommodate Mr. Donegan's concern. Discussion ensued on the sprinkler system and heating upgrades at Symonds School and Mr. Remillard clarified that with all the piping, mechanical, controls and energy management upgrades that it makes no sense to take down everything for the project and then put the old ceilings and lighting back up. New ones should go in at that time simply by default. Discussion ensued. Mrs. Szot emphasized that we are not renovating four schools we are retrofitting four schools.

Mr. Panza wondered about building aid and Mr. Woolridge explained that if a certain amount of renovations cost more than a new building, then we would not qualify for building aid however, building aid in the future would not be as we now know it. He believes there will be a cap on building aid and that it could be approved for payout in 2013.

Mr. Donegan wondered if Mr. Harper could find the money to fund the \$50,000 and Mr. Coates wondered about the cost to repurpose Jonathan Daniels. Mr. Remillard explained if we recognize it as a storage facility and designate a small portion for office space, we would not be able to use it for students due to code regulations.

Mrs. Szot asked about costs associated with block scheduling and discussion ensued around the change of block scheduling and targeting it for 2013. Mrs. Szot summarized that administration has been given a goal and if they are not able to achieve that goal, then there should be a report forthcoming as to why. As far as she is concerned, there will be a change in block scheduling affective 2012-2013. Discussion ensued around timeline issues, when it should go before the board, what the recommendation might be and when the education committee will hear it.

Mrs. Blais was concerned with the word getting out to the public from board members that we were renovating the four remaining schools when that was not the case at all and that comments to that affect from board members presents a very wrong impression to the public. She emphasized that the project would be responsible maintenance of the buildings. Discussion ensued around what the committee's position would be to move forward with Mr. Marinace's work. Mr. Remillard spoke in favor of funding this study and to then provide direction on what to focus on from the previous study to rehabilitate the buildings for heat and ventilation. If a second level to the study is wanted for the purpose of looking at costs to completely renovate the remaining buildings, then make that a separate issue. It may be a better sales approach to place both options on the bond and let the public decide to retrofit or to renovate.

Mr. Panza moved to approve an amount not to exceed \$45,000 to fund the study to further refine the costs of closing the Jonathan Daniels School and retrofitting the remaining four schools. Mr. Coates seconded. Discussion continued on possible funds to transfer for the cost of this study, capital reserve fund and public hearing issues. Ms. Blais, Mr. Donegan and Mr. Harper were not comfortable using capital reserve funds or allocating the funds before the project was even approved. Discussion ensued.

Mr. Panza withdrew his motion and Mr. Coates withdrew his second. Consensus of the committee was to bring the issue back for discussion and further review after public hearing is held on closing a school.

Mr. Panza asked about the Academy Funds for the basketball court and Mrs. Szot sent an email out attaching the education committee minutes in which the court was approved and added that Mr. Nugent did not support it but everyone else voted for it and it indeed passed.

Meeting adjourned at 9:20 p.m.

Respectfully submitted,

Dru Fox
Stenographer

Amended: 12-29-11/pjd