

**Kearsarge Regional Board of Selectmen -- Joint Meeting
Tracy Memorial Library
December 3, 2009**

Present:

Peter Fenton, Bradford Selectman
Larry Ballin, Chair, Tina Helm, Mark Kaplan, New London Selectmen
Clyde Carson, David Hartman & David Kerrig, Warner Selectmen
Walter Baker & Rick Goddard, Sutton Selectmen
Don Hill & John Chiarella, Springfield Selectmen
Mary Kay Huntoon, Wilmot Selectman
Dick Wright, Newbury Selectman
Dan Wolf, Chair, KRSD School Board
Jerry Frew, KRSD Superintendent
Pam Laurie – KRSD School Board (Springfield)
Dan Noyes – KRSD Facilities Director
John Wilson, Chair, New London Budget Committee.

Larry Ballin called the meeting to order at 5:00 PM and noted that the meeting was at Superintendent Jerry Frew's request to address all the Boards of Selectmen at once regarding the school budget. He handed the floor over to Mr. Frew to begin his presentation.

Mr. Frew said that he appreciated the time people took to come to the meeting to hear his presentation. He added that if any of them would like him to come to one of their Board of Selectmen meetings, to let him know and he would follow up with them. He handed out a summary of the budget for the school. In late May/early June, the school board was asked to come in at 1.9% or lower operating budget for the school budget. This was different than how it had happened in the past. He appreciated having a target to reach so they knew when to stop cutting the budget and get it where it needed to be. There was an **\$618,000** difference from last year. The breakdown of this amount was as follows

Elementary Health Coach: Mr. Frew noted that they have been cited the last two years as a district not having enough health education providers for the elementary schools. This was the only area that they had not met. The health curriculum was an oversight that they are trying to remedy. The school nurses have tried to teach the classes but need to deal with the sick kids during this flu season. The State has said that the district needs to fix the problem.

High School Drug & Alcohol Counseling: The current position would increase from a 2/3 position to full-time. The person who is doing it currently would also be getting certified in drug and alcohol counseling. The employee works in the high school anyway so they would be very accessible to the students on a daily basis. He felt that these services were important and should be provided to kids.

2% wage increase for non-union employees: Mr. Frew said that this was a raise for employees such as kitchen workers, custodians, clerical help, and administrators at the building and central office level.

District IT Technician: Mr. Frew explained that there were about 1300 workstations throughout the district and they currently have only two technicians to service them and the peripheral items that go with them. The State's recommendation is that for every 300 new workstations, there should be one technician. He said that as long as things stay working and new, they could get by, but he said that they have an aging fleet of equipment that will need more attention down the road. Mr. Frew added that there were 11 locations that their technicians have to travel to service.

Summer Program: Mr. Frew said that the State recommended that they increase the hours for the summer school kids. He explained that the special needs kids attended classes along with other peers. In the early grades, it is felt that the students would be better served by an expanded population in the classroom.

Full time educator/para-educator assistant: This was a line item for people who were not budgeted for that they need to retain. This was the way they found to budget for this. Mr. Frew explained that they opened the school year needing four para-educators for 1:1 assistance that they didn't have a need for when they closed their doors in June. The \$65,000 was to continue funding those positions.

Half-time Elementary Custodian: This was a position to cover the SAU move. The wages were for a part-time custodian to clean and keep up the learning campus and SAU area.

Half-time Art Teacher in the High School: Mr. Frew said that 70 kids each year have not been able to take art because they can't meet the demand with the existing staff. They've recently increased the graduation requirement for 2012 by two credits for each student. That aside, 70 kids per year who can't take a class they want to help keep them motivated, is a problem.

Health & Retirement Benefits: Mr. Frew shared that health insurance was up 9.1%. The employees' share was 15-20% depending on the plan they choose. That portion of the **health and retirement** increase results in \$322,000 of the **\$618,000** increase. Mr. Frew said that the good news was that there was going to be a decrease of about \$97,000 in district wages. This is because when teachers leave through retirement or other job opportunities, they generally replace those teachers with less experienced and less expensive teachers.

Utilities Bond & Interest Property Insurance: Mr. Frew said that this has gone down. The utilities have budgeted propane at \$2.80/gallon and oil at \$2.70/gallon. Wood chips **are estimated** at \$1.59/ton. While it wasn't definite, he was hoping that the prices would stay.

Transportation: Mr. Frew said that they were in the midst of a contract with Goffstown trucking. Next year calls for an increase of **\$218,582** which includes transportation for summer programs. They have had to add two busses this year. They've reduced field trips and athletic trips. Bus fuel will cost about \$303,000. They anticipate an increase in diesel fuel. It is estimated that they will travel 773,000 miles in the upcoming year. Busses average 8 miles/gallon and diesel costs \$3.30/gallon.

Special Education tuition: Mr. Frew said that this would be reduced by \$75,000. He attributed this to, among other things, students who have "aged out" of the program (students who reach the age of 21 move on or move out of the district). Mr. Frew said that their Special Education Director, Larry Elliott, has done a good job anticipating the needs of the program.

Phase II sprinkler system for New London Learning Campus: This is an investment of \$85,000 and is part of an agreement with the Town of New London Fire Department.

Replacement of underground oil tank in Sutton: Mr. Frew said that the tank is difficult to get to. They have to excavate to get to it but there is suspicions around the behavior of the tank but can't find out where the oil is going. Some work needs to be done there.

High School Painting & Hallways: Mr. Frew said that it was important to keep the appearance up in these areas to help increase pride and enthusiasm for learning and being at school.

Middle School Access Road Paving: Mr. Frew noted that erosion occurs on the gravel driveway that leads to the playing fields. They are continually reworking that to put materials back in this area. To prevent further erosion problems, they have added money into their budget to pave it.

Bathroom Partitions – High School: They have taken some vandalism and wear and tear over time. If they want a learning atmosphere that students are excited about, this sort of thing needs to be done.

Contract Services: Mr. Frew said that the special education rates were up. Additionally, the pediatric evaluation instruments were outdated. They cost about \$2,000 per set and all the schools would need a set of the instruments.

Mr. Frew said that the rest of the areas that are reduced were **deferrals** They are delaying projects. He explained that they advertise on the web now for job vacancies and no longer use an outside marketing firm. Mr. Frew said that the maintenance supplies have increased. He commented that no one could have known 14 months ago that today they would need to have hand sanitizer, extra paper towels, more soap, etc., on hand today due to the flu season. He said that they already have to move money around to accommodate for these types of purchases for the current school year.

Clyde Carson from Warner asked what percent of the upgrade reduction for computers was being represented. Mr. Frew said he that he wasn't sure. He said it was for the replacement of computers and would probably be for one or two classrooms' worth. He said that there is a running inventory of hard and software purchase and they want to replace some of the hardware that was purchased in 2004.

Mr. Ballin asked if the summer program that the State asked for them to increase hours of was a current program or if it needed to be created. Mr. Frew said that they do have a summer program starting with 3 year olds and going through to 21 year old students. It has been put into place to help prevent the regression of learning. The State has said that to really do it the right way, they need to bring typical kids into the younger children's program so there is peer exposure to other children. The High School level is different, as kids are generally working on transitional job skills during the summer. Mr. Ballin asked if any State funding specific to this came along with the recommendation. Mr. Frew said that since it falls under Special Education, there are grants and they could get some revenue back.

Mr. Wilson, chair of the New London Budget Committee noted that he didn't see the KREA in the budget anywhere. Mr. Frew said that this was correct and he'd talk more about the negotiations when the warrant article was to be discussed.

David Hartman from Warner asked about stimulus money that the State promised the school district. He asked Mr. Frew to explain how much and where this stimulus money could be attributed. Mr. Frew said he did not know the specific numbers.

Mr. Frew said that with regards to the warrant articles, they will see one regarding energy conservation for school buildings. He said that Honeywell did study of efficiencies of all the buildings. Everything from windows, weather stripping, lights and HVAC were studied. They have offered a solution, which was presented to the school board at their last meeting. It requires a \$3 million bond and they would be looking at that contingent on no moratorium on State building aid and also for them being approved for State Building Aid. Mr. Frew said that the wording was still being worked on by the attorneys for this warrant article. Mr. Carson asked what sort of savings the \$3 million upgrades would get them. Dan Wolf said that it would pay for itself over 15 years. There were some big items in the proposal. If they pass the new warrant article, they would be able to replace the HVAC system at the High School, which was 20+ years old. If they didn't fix these problems at this time they'd have to do them themselves separately, which would cost more. Mr. Carson asked if the payment on the bond was a wash with the savings they would realize. Mr. Frew said that it would be about \$18,000 per year out of pocket.

Mr. Frew said he would email the report to all of the area selectmen via the New London Town Office.

Municipal Budget Committee (MBC)/School Board (SB) Budget: Mr. Frew said that the MBC met Tuesday evening and reduced the School Board's budget proposal by a little over \$100,000. Reductions came in the areas of wages, stipends for School Board and Budget Committee members, and a Baritone Saxophone at the High School.

Mr. Frew commented that Article III was still under negotiation with the para-educators, so they were not at liberty to discuss it at the meeting.

Mr. Frew noted that Article IV was regarding the KREA. Their agreement was still under negotiation as well. He said that it was still to be seen whether they will have an agreement or not.

Special Education Trust Fund: Mr. Frew said that they were looking to add \$25,000 to this existing fund. The fund was established with the purpose of emergency funding of any unforeseen special education situations. He said that they have not had to use the fund last year or this year, so far. The total in the fund is \$150,000. He would remind the selectmen that it is not unusual for one child's needs to exceed \$100,000 in some instances. Mr. Kaplan asked what would happen if someone moved in to town and needed \$100,000 for a child and the Town didn't have the money. Mr. Wolf said they would have a deficit and would have to borrow the money. Mr. Frew said they have to meet the needs of that child. He added that the days are now past when there might be extra money somewhere else in the budget to borrow from.

Article VI: Mr. Frew said that a fund had been created to aid in building maintenance. The funds are to be used to maintain school buildings and equipment and come from any surplus funds at the end of the school year. He said that the authority rests on them to transfer up to \$50,000 of the surplus into the fund to mitigate any potential jumps in utility costs and the like. Mr. Frew noted that there was currently \$50,000 in the fund and that it hasn't been used as of yet.

Article VII: Mr. Frew said that this article designates the Town of New London as the trustees of the School District's trust funds.

Mr. Wolf was asked if anything more would be added to the budget. He said no and that they have worked hard on it and felt it was a pretty lean budget. They have asked for a 2% raise for non-union people, which accounts for \$57,000 without fringes. He noted that the MBC recommended not granting the 2% raise. Mr. Frew explained that, if no raise was given, people would be taking a pay cut due to the fact that the health benefits were going up by 9%. He shared that a custodian making \$13/hour will pay an extra \$280/year in health costs. He hoped they would consider this raise as a necessary part of the budget because he hated to see their employees have to pay more and earn less.

Mr. Frew said they have 23 custodians in the district and five of them make less than \$10/hour. The other 18 make between \$10-\$13/hour based on the time they have served in the district or their experience level. He said that the food service workers make even less. They are not making more than \$12/hour tops.

Mr. Carson asked about their keeping the budget to 1.8%. He wanted to know if that included any hidden taxes or fees for students. Mr. Frew said that there were no plans to charge usage fees to students. Mr. Carson asked if any programs had been cut. Mr. Frew said that there were no programs cut, but that some field trips had been cut and some athletic trips had been shortened or reduced.

Mr. Frew mentioned that the Town of Springfield had helped lessen the budget by reducing the cost to rent the kindergarten building by \$8,000.

Mr. Hartman asked if any negotiated contracts would be in addition to the operating budget for next year. He also wanted to know when any new contracts would go into effect. Mr. Wolf said new contracts

would go into effect on July 1. Mr. Wolf said that if a contract is negotiated, it has to be presented by December 15. If they are not agreed upon, it can't be brought forth to the voters.

Mr. Kaplan asked what would happen if they didn't have agreement by December 15, and Mr. Frew replied that the status quo would stay in effect. Mr. Wolf said that a special school meeting to discuss the contract would ensue. Mr. Kaplan asked if there was a possibility to go the entire next year using the same contract that exists today. Mr. Frew said that they could.

Peter Fenton from Bradford asked if based on this contract coming up, would the teachers get the last increase from the last year's budget. Mr. Wolf said that he believed so. He said that in the last year's budget by the MBC that passed, they wanted to reduce teacher's wages and renegotiate the contracts. The School Board decided against that because they did not want to be caught by the evergreen clause. Mr. Wolf commented that this won't change unless the people in Concord change the law.

Mr. Frew closed his presentation by reminding the attendees that he was willing to appear at any of their respective towns' Board of Selectmen meetings to answer further questions.

Regional Public Works Efforts: Mr. Hartman said that he has talked to Warner's Public Works Director (PWD) to see if there had been any movement on efficiencies on regional coordination of materials. He said that his PWD hasn't been involved in any such meetings with the other towns in the region. He wasn't sure where they had left the discussion at the last joint Selectmen's meeting. He recalled that they were all going to go back and talk to their PWDs about it. Mr. Fenton said that he believed there was one meeting scheduled. Mr. Ballin said he would look into the issue and wondered if the road agents should be invited to participate in the next joint meeting of the regional select boards.

Mr. Kaplan shared that all the surrounding towns purchase a lot of materials and if they could buy them in bulk they could all get a better price. Ms. Helm and Mr. Ballin both thought that a meeting was planned. Mr. Ballin said that he would check with Ms. Levine to see where this meeting stood. If there was no meeting currently planned, they would have a joint meeting in Warner in January.

Energy Committee: Russell Aney of the New London Energy Committee was recognized to discuss an energy/lighting audit. Mr. Ballin said that Mr. Aney had come to the New London Board of Selectmen meeting earlier that week to discuss his findings regarding New London's buildings, and that payback following the upgrades would be in 1.2 years. Mr. Noyes (KRSD) felt was quick money.

Mr. Aney said that he has a small energy efficiency consulting company, has created energy efficiency software and is a volunteer on the Energy Committee in New London. He said that he was currently looking to get money for the Town through the Energy Efficiency Community Block Grant (EECBG). One opportunity that was available was to upgrade the municipal buildings' lighting fixtures to save energy and money. The total funding available was \$6.5 million. He shared that the RFP was due at the end of December/beginning of January. He said that New London did not have to compete against the larger towns in the State.

Mr. Aney opined that New London was uniquely well-positioned regarding the school buildings. Honeywell has already gone through the buildings to analyze needed upgrades. This will play very well with the grant application process. He added that schools usually own their own buildings and are challenging because the grant is only available for those applying from a municipality. The schools can be included, however, if a mutual application is filed. Mr. Aney added that any town could apply independently for a grant.

The Office of Energy and Planning (OEP) would like to see community outreach from grant recipients. They would like to try to demonstrate leadership in towns across the State to show how to go about

achieving energy conservation in their own towns. He noted that classroom upgrades could be teaching tools. Mr. Aney offered that there were some aspects of how they could apply for these strategies to strengthen their application. He felt that they were in a good position in the State as they just had an energy audit done. The library also had a building audit conducted. Mr. Aney didn't think it would be hard to get money, but wanted to get the most money possible. Mr. Carson asked if the audit included school district buildings. Mr. Aney answered in the affirmative and reminded him that only municipalities could apply for grants; school districts could not.

Mr. Aney explained that there was a \$400,000 cap per municipality. That would be \$2.8 million for all seven towns in municipality, but he did not think that they would get that much. Mr. Carson asked if towns could apply for specific projects or would they share the money. Mr. Aney said that some towns were applying mutually for this with the intent of using the money for the schools. Towns can also separately apply for projects. The Honeywell project recommendation was just under \$3 million.

Mr. Aney went on to say that Honeywell wanted to enter into a large contract with New London for 10-15 years and become their energy partner. He suggested that they could ask for the installation of a wood boiler that would heat both the old middle school and the elementary school in New London. The project would cost about \$1.5 million. He stressed that this would be the year to ask for the money for this project. Mr. Aney added that perhaps there could be a co-generation facility there at some point to provide electricity for both of the buildings. Mr. Noyes said that the wood chip boiler facility could be paid back in 3-7 years. Mr. Noyes said this project was only in the conceptual stages. He would like a wood chip heating facility like the new middle school in Sutton. Mr. Ballin asked if the installation of the wood boiler would be predicated on the removal of any part of the old building. Mr. Aney answered in the affirmative and said that the portion of the building they would be interested in removing was the lower level (also known as "the pit").

Mr. Kaplan asked how cogeneration would work in this plan. Mr. Noyes said that cogeneration was not in the plan right now. It would take some consideration. He was envisioning an absorption air conditioning system to cool the refrigeration facilities in the school. He envisioned a year-round wood chip burner to provide heating and cooling to the building. Mr. Noyes shared that wood was much more economical than heating fuels.

Mr. Aney explained that they could put the project in with an "A" and "B" part. It could include both a section for energy efficiency and for the wood chip boiler.

Richard Wright from Newbury asked what the deadline was for this grant. Mr. Aney said that their plan from the DOE was approved on September 10. They have to commit to all funds by March 10. Mr. Aney added that they were going through a process where they will outsource grant administration. The announcement about who this person will be would be next week. They will also name a technical assistant who will help the towns make the best use of their grants. Within a couple of weeks from that announcement, they will see the RFP. Towns will have 3-4 weeks to reply. He said the well-prepared will do well in this grant process. He reminded those at the meeting that New London has an Energy Committee and was willing to help out the other towns.

Mr. Aney asked those at the meeting if they felt they could mutually agree that this was a good thing to do. If they did want to proceed, he indicated that he would propose a fee to help offset the cost of the work he has been doing.

Mr. Carson said that in principle, applying for a grant for money was good, but that he didn't know what the projects being asked for were. Mr. Aney said that the ECCBG was trying to make an equitable contribution for the money. He had a handout that he would make available to the meeting attendees,

explaining the work to be done. Mr. Aney felt that they should go for as much money as they could justify but that they have to use the money for energy savings measures.

Mr. Aney said that there was a question of whether building aid would be available at all. He hadn't had a chance to sit down with Mr. Frew about the options, but the stimulus money won't be around next year and they should focus on energy savings projects for the upcoming year. He opined that if they could get 75% of the funds from the government it was a better deal in the long run. If the towns want to get together and mutually apply, they can. Or they can do it individually. He would like to help them do this.

Don Hill from Springfield said if they had \$741,000 to invest and if the payback was 6.5 years and if they could get some money from the government, it would shorten the payback and they would benefit from the energy savings over the years. Mr. Aney agreed and opined that they have a good case built up by Honeywell in identifying where the opportunities were.

Walter Baker from Sutton asked if this proposal would overlap with what Mr. Frew was proposing. Mr. Aney answered in the affirmative and said that he was a subset of Mr. Frew's proposal. Mr. Hartman suggested making them two separate projects but tying them together. Mr. Aney said that this was a good idea, but anticipated that Honeywell would balk at the idea. He added, however, that there were contingency strategies. There are other people who would step up to do the work. Rick Goddard of Sutton said that when they go back to their own Boards of Selectmen meetings to see if they were in favor of applying for the grant, whom would they contact with their answer. Mr. Aney said that they should contact either Dan Noyes or Jerry Frew. He noted that he would need to get together to strategize and get sign-offs from each town. He felt that he would like to get as much of the background work done so when the RFP came out, they could just fill in the blanks. He said that he would like an answer from the towns as soon as possible.

Mr. Aney said that they could look through the documentation that he provided to them and if there were any questions, he would be happy to answer them. Mr. Ballin said that this was good information and if they could save anything that would be good. He shared that they will coalesce some agreement for Mr. Aney within the next couple of weeks. He understood that time was of the essence. Mr. Ballin noted that there wouldn't be another joint meeting until January 2010. Mr. Aney said that he would have a draft of the report available at that time for them to see and would ask for their input. They'll then have a final draft for sign-off. He asked all the Board of Selectmen members to put this on their agenda. It was decided that they should bring their boards' responses to the New London town office to get it together.

The meeting attendees thanked Mr. Aney for all the work he has done on this project so far. Mr. Aney departed from the meeting.

Mr. Baker said that it was a good thing to do and the amount for the fee for Mr. Aney seemed reasonable but wondered what other fees they would be involved with. Mr. Ballin said that he thought it would probably be a good show of faith to the school board for the towns to put up the money for Mr. Aney to continue his work.

Mr. Hartman said he thought it was a late-in-the game idea in getting all seven towns to be involved in individual applications that would be coordinated to get projects funded in the school district. It sounds like it could be a great idea. He added that Warner was interested in getting a grant for Warner buildings, as was New London. He was going to be faced with putting in a grant request for Warner to fund a Simonds school project and was now being asked to put in a grant tied into energy efficiencies. If the grants were equal in amounts, would he put in the request for town buildings or for the school building? He said his allegiance would go to the town buildings. He knows the district needs to be more energy efficient but it will come to that point. He didn't feel there was a huge amount of money available for this

competition. He felt it was complicated, they were just hearing about it now and was skeptical of being able to pull it off.

It was asked if Mr. Aney knew how to do these sorts of things. Mr. Ballin said that it was his belief that this was the business Mr. Aney was in and that he had faith in his capability.

Mr. Kaplan said that for the Town of New London, since they pay for 29% of the school budget, they should come up with 29% of the \$3,000 fee that Mr. Aney was requesting for him to continue working on this grant. But on the other hand, there is only one project for the Town of New London. It doesn't make any difference to him whether he owns 29% or 100% of a project; he just wants to see it done.

Mr. Ballin said that maybe they should do this funding for his \$3,000 proposed fee pro-rated on the percentage that they send to the school. New London would be on the hook for almost \$900. They'd probably not have a problem approving this. Ms. Helm asked if the collective group could get a curriculum vitae on Mr. Aney they may feel more comfortable following through on their end. She said that she didn't know what his background was and doesn't know what projects he has worked on or whether he has been successful about procuring grants. Mr. Ballin said that he would carry that request back to Ms. Levine the following day to see if she could get Mr. Aney's resume sent out to everyone by the end of the week or beginning of the next week.

Mr. Fenton asked what would happen if one town said no and the rest said yes. He supposed it would be up to the SD to do it on their own. Mr. Hartman said that they couldn't do it on their own because they can't be an applicant; only towns can apply. He said that all the towns would be on one application. Mary Kay Huntoon said that they would be willing to do this if it could reduce taxes down the road. Mr. Ballin believed that these measures could decrease taxes and energy consumption in the towns.

It was decided that the deadline for answers from the seven towns would be on December 18.

It was noted that the next joint session of the Select Boards would be on January 21 at 6 PM at the Warner town hall.

The meeting adjourned at 6:52pm

Respectfully Submitted,

Kristy Heath, Recording Secretary
Town of New London