

Budget/Finance Committee and School Committee
Unofficial Meeting Minutes
Wednesday, January 7, 2004

Attendance: Rolf Olsen, Chairman Budget/Finance Committee; Suzanne Brockelbank; David Rowe; Louise Murray; Ralph Bartholomew; Sandra Caldwell, Superintendent; Brenda Stevenson, Chairman School Committee; Frank Dexter; Frank McDermott; Jerry Keane; Lisa Friedlander, School Committee; Meg Waters, Director Special Education; Norma Richard, Principal Raymond Elementary; Charles Miller, Jordan-Small Middle School; Betty McDermott, Selectman; Charles Leavitt, Selectman; and Dana Desjardins, Selectman;

1. Call to order.

Brenda Stevenson called the meeting to order at 7:03 pm at the Raymond Elementary School but the Budget discussion didn't begin until 7:26 pm after the School Committee attended to some business.

2. Discussion and approval of proposed Fiscal Year 2004-2005 Budget Development Schedule.

Mrs. Stevenson said that the time line and formulation of information would be a preliminary submission by February 6th as a draft because of any subsequent public hearings. She said that their materials would be provided to the Budget Committee at least a week prior to their joint meeting on March 15th. It was noted that on March 22nd the Budget Committee would make their recommendations for the Annual Town Meeting Warrant. Mr. Olsen added that the first assessment of the town budget would be on February 23rd.

3. Budget update.

Mr. Olsen informed the School Committee that at their preliminary meeting the Selectmen discussed trying to bring in their budget with no more than a 3% increase but would have some special items which might be outside that increase. Mrs. Stevenson reminded them that their numbers vary daily or weekly especially the state allotments. Mr. Olsen felt that their deliberations should involve what they need to run the school and not be dependent on what the state will send down. Mrs. Stevenson replied that targeting what the town expects for percentage of increase is very different from formatting a

budget when influences demand larger percentage increases. She continued that some things must be met which might be more than a certain percentage will allow. She indicated that this year each version of their budget will be dated and color coded to prevent confusion.

Mrs. Stevenson had great concern with the attendance at their public hearings in order to inform and help the public understand their needs and for them to know what the public expects. Mr. Olsen asked exactly what the cost impact of the mandates will be, and also those things which are over what we would spend just for mandates. Mrs. Keane added that the Special Education budget influences greatly what they have for funding. Mrs. Stevenson said that they will be adding a comment line to their budget sheet in order to identify and explain that associated cost. Mr. Olsen said that he would appreciate notation of what drives the changes and where the shifts are made from one account to another. Mrs. Caldwell noted that every column will be highlighted which has a cost increase and every new item will be noted in red.

Mr. Bartholomew asked what unknowns were found from the last budget process and how did that influence the current budget. He wanted to know what happened in the schools because of the budget cut after the last town meeting. What was the impact? He wanted to know how much room there was to work around in within the current budget. Mrs. Caldwell answered that the new budget draft is ready for the School Committee to begin work but it's a moving target with this year's budget.

The first draft for 2004-2005 is available. She noted the sheet with the top priorities listed but not necessarily in the order of importance. Mr. Dexter asked how the school population is going. Mrs. Caldwell replied it's going up. The salaries will be going up 2.5% as well because of the teacher's contract. At this time the support staff will be negotiating their salaries i.e. teacher aides, kitchen help, bus drivers, secretaries, janitors etc. The total number of those employees is 54. Mr. Bartholomew asked if they would be looking for a cost of living raise or another amount. Mrs. Stevenson said it varied. Mrs. Caldwell added that the administrative staff Ms. Richard, Mrs. Waters, and Mr. Smith will be negotiating a three year contract as well. She continued that they had envisioned a 10% increase but a letter from the state told them that they should expect a 15% increase. She said that the draft today represents a 15% increase. Mrs. Caldwell also said that she has received notice that tuition is now going up 6.6% which is not covered in this year's budget. It is expected that in the new budget they will have to account for that increase and probably more for tuition. She reminded them that contracts i.e. maintenance contracts, transportation costs, medical benefits must be maintained. The Maine Education Data Management System must be satisfied and two representatives from the Raymond District will attend who will be trained and accompanying software purchased.

There was discussion of the priorities listed mentioning the coverage of the discovered shortfall from paying summer salaries. Mr. Olsen questioned whether it was just an accounting adjustment. Mr. McDermott explained that this problem began years ago when this money was being accrued and the town decided to use it to lower the mil

rate. He said since that time the school has used a cash accounting system which did not encumber money that had not be paid out but held until bills needed to be paid like summer salaries. At this time the School District must pay \$375,000 for the shortfall which the auditor said they can do over 5 years at \$75,000 per year. Mr. Olsen questioned whether the auditors were missing something. Mr. McDermott said that the amount has fluctuated over the number of pay periods. He said that now to catch up they need to budget for 15 months of pay periods to cover one school year of 12 months and the summer into the next year of three months. The teacher's contract goes from September through August and the District's budget from July through June. Mrs. Caldwell explained that they will now be using an encumbering system instead of the cash system.

Mrs. Caldwell noted that they are going into a 5 year Professional Development schedule beginning in 2004-05. This Power School for data management will require teacher training and software purchase. There will also need to be a new 5th grade teacher in order to keep the level of classroom population which Raymond has wanted. They will also be having a summer school for those students who ended the year without meeting their grade level. Mrs. Stevenson reminded them that this is a draft budget and they expect many changes to take place. Mr. Dexter added that this increase reflects summer pay and salary increases which are over \$700,000 at the 10% increase level. Mrs. Caldwell continued that the tuition increase of 6.6% represents an increase over this year of \$100,000. If the town wants to keep the school budget increase at 5% there will have to be some very deep cuts in the budget. Mr. Olsen asked how many high school students there will be next year. Mrs. Caldwell replied that she didn't know what the tuition will be next year. Mrs. Waters indicated that the Special Ed budget will cover only the known students.

Mr. Desjardins asked if the School Committee had talked about sending the high school students to one school only. Mr. McDermott replied that the town had decided it wanted to keep tuitioning its students as it always had done but at this point he didn't know of a school which would take all of our students, possibly Westbrook. Mrs. Keane reminded them that Raymond had the chance to go with Windham three years ago when they were looking for help in building their new school. She said that Raymond decided not to go into that agreement with Windham. She also said that if they did have a contract with a school for 100% of our students, the receiver school could cut Raymond's students at any time and then where would we be. Mr. Leavitt reminded them that last March they had said they would look into it. Mr. Leavitt also questioned the shortfall and how it came to be. Mrs. Caldwell explained that this year begins a 10 year contract with Windham where Raymond is expected to send 50% of its students. Mrs. Keane noted that they will not hold Raymond to that number if we don't end up sending 50%. Mr. Olsen felt it was Windham's job to make their school attractive enough to Raymond students to meet the 50%. Mrs. Caldwell reported that Poland has reversed their decision not to take Raymond student's siblings. They will now be welcomed; however, Raymond will not be providing transportation which the parents of those students were informed about last year. Mr. Leavitt felt that if Raymond sent 100% of their students to one school we wouldn't have to pay tuition for those students who wished to go to a

private school. Mrs. Stevenson reiterated that the community has maintained that they want a choice as to where their children go to high school. Mr. Bartholomew felt that the tax payers needed to know what having the choice of schools and small classroom population costs. Mrs. Caldwell noted that we must pay for students educated in private schools unless we have our own high school by statute.

Mr. Olsen asked if there were any large one time expenses in this budget. If so he asked that they are kept separately. Mr. Leavitt asked that the budget show real cost for the school which might include anything shared with the town like plowing or technical services. In this way the school will show their actual cost. Mr. Olsen said that he would be willing to help the budget process in any way.

ADJOURNMENT: Mr. Olsen adjourned the Budget Committee part of the meeting at 9:03 pm.

Louise H. Lester
Town Clerk