

TOWN OF HOPKINTON
Budget Committee Meeting
Wednesday, January 9, 2019
Approved

BUDGET COMMITTEE MEMBERS IN ATTENDANCE

Janet Krzyzaniak, Don Houston, Ken Traum, Ginni Haines, Debbie Norris, Mark Zankel, Jonathan Cohen, Jim O'Brien, Candace Youngman, and Rich Houston.

PUBLIC PRESENT

Steve Chamberlin, Superintendent of Schools; Michelle Clark, Business Administrator; Donna Bowe, Administrative Assistant; Matthew Stone, Director of Technology; Becky Forrestall, Director of Student Services; Bill Carozza, HMS Principal; Amy Doyle, MSS Principal; Chris Kelly, HMHS Principal; Rebecca Gagnon, HMHS Assistant Principal; Liz Durant, Chair, School Board; Amy Nestler, Vice-Chair, School Board; Sam Thompson, School Board Student Representative; Steve Lux, Lucy Mink-Covello, Bonnie Christie, Carolyn Koegler Miller, and Diane Lachance.

CALL TO ORDER

Janet Krzyzaniak called the Budget Committee Meeting to order at 5:30 pm, at the Hopkinton Town Hall. Steve Chamberlin led the Pledge of Allegiance.

APPROVAL OF DECEMBER 5, 2018, DRAFT MINUTES

Ken Traum motioned to approve the December 5, 2018, Meeting Minutes. Debbie Norris seconded the motion. Mrs. Krzyzaniak asked for any errors or corrections. There being no changes, a vote was taken, all Board Members approved the December 5, 2018, minutes.

PRESENTATION OF THE SCHOOL BUDGET BY JIM O'BRIEN, SCHOOL BOARD REPRESENTATIVE TO THE BUDGET COMMITTEE – copies of the presentation are available at the Town Hall, School District Office, and online at the School District website at www.hopkintonschools.org

Jim O'Brien presented a slide show that provided an overview of the FY20 Hopkinton School District Operating Budget, FY20 Budget Process, Budget Drivers, FY20 Warrant Summary, Revenue, and the estimated tax impact.

Mr. O'Brien explained that the School Board's Budget process began on December 6, 2018, with the presentation of the Superintendent's Budget of \$22,365,716 (an 11.85% increase that includes operating plus capital improvements). The Superintendent was then asked to come back with a 3-Tiered plan, reducing this budget in \$3,000 increments. On January 3, 2019, decisions were made on the Operating Budget, Contingency Plan, and Vehicle Replacement. On January 10, 2019, decisions will be made on the Building Maintenance and Repair Trust, Capital Improvements, and the Facility Bond Project. The HESS contract will not be included in the budget until negotiations are completed on January 23, 2019.

PRESENTATION OF THE SCHOOL BUDGET BY JIM O'BRIEN, continued

Mr. O'Brien explained that the FY2020 Budget Drivers are Enrollment, especially at Harold Martin School; Health Insurance costs have increased by \$417,000, GMR is up 18% (this may be lower but the numbers don't come in until March or April), and there has been an increase in catastrophic claims and overnight hospital stays (the District and Town are together in a health insurance pool); and Special Education costs have increased \$152,000 due to the increased need for out of district students.

On January 3, 2019, the School Board voted on an Operating Budget of \$20,780,647. This is an increase of \$784,545 (3.92%). Mr. O'Brien explained that these are costs for programs/services, technology upgrades, contractual salary and benefits for Hopkinton Education Association and Teamsters, Nonunion staff salary adjustment/merit pool of 3%, curriculum development support, and one administration retirement obligation. Mr. O'Brien explained that this was approved by a 3-2 vote of the School Board.

On January 3, 2019, the School Board also approved a General Contingency Fund of \$200,000 to reduce risks associated with the highly variable budget items that include health, social studies, science, English, administration retirement, food service, and second grade. Mr. O'Brien explained that if these funds are not used, they revert to the tax base. He explained that some of these costs are funded at less than 50% because it's not known if they will be needed, except for second grade, which is funded at 100%, because of the projected enrollment and the need for additional staff for this position.

The School Board approved adding \$15,000 to the Vehicle Capital Reserve, the current value is at \$29K. In FY21 they anticipate an expenditure of \$50,000 for a 14-passenger bus.

Mr. O'Brien explained the Overall Revenue is generally flat from FY19 -

- Local Sources: Increase in Food Service \$114,000
- State Sources: Increase in Special Education Aid \$70,000, increase in Adequacy \$202,000, and decrease in Public Infrastructure \$317,000
- Federal Sources: Federal Program Grant decrease \$208,000
- Other Sources: Transfer from Maintenance Trust \$34,000, transfer from Tax Rate Stabilization \$175,000

The overall estimated tax impact includes:

- Operating Budget Increase - \$784,545 (\$1.06/\$1,000)
 - Includes using end-of-year fund balance to reduce taxes \$481,621
 - Includes use of \$175,000 of Article X funds to stabilize tax rate
- Contingency Fund - \$200,000 (\$0.32/\$1,000)
- Vehicle Replacement Trust - \$15,000 (\$0.02/\$1,000)
- Building Maintenance and Repair Trust – to be presented on January 16, 2019. This Trust will be for deferred maintenance, safety and security, and issues presented in the performance contract.
- Facility Bond – to be presented on January 16, 2019. Decision will be made on how much to bond to meet the need of our facilities, including the science labs, additional classes at Harold Martin, and the new entryway and accessibility at HMHS.
- HESS Contract – to be presented on January 23, 2019

PRESENTATION OF THE SCHOOL BUDGET, continued

Mr. O’Brien asked Steve Chamberlin to present the information in the Budget Information Package. Steve Chamberlin explained that the binder presented to the Budget committee includes the slide show presentation, budget bulletin, enrollment, tiers, which will be added to, at the upcoming meetings. He presented:

Total 2018-2019 Revenue		\$6,459,301
<u>Major Increases 2019-2020</u>		
State Adequacy Aid: Adequacy Grant	\$202,814	
Article X funds – Fund Balance	\$175,000	
Food Service	\$136,201	
Special Education Aid	\$ 70,000	
Transfer from School Building Repair Trust Fund	\$ 40,588	
Other Grants and donations	\$ 11,205	
State Property Tax	\$ 7,516	
Erate Funds	\$ 5,400	
Interest Earned	\$ 4,750	
Other amounts immaterial	\$ 1,500	
Total Major Increases		\$654,974
<u>Major Decreases 2019-2020</u>		
State Public Infrastructure Grants	(\$317,600)	
Federal Grants	(\$197,406)	
From Health Insurance Trust Fund	(\$ 75,462)	
Fund Balance	(\$ 39,506)	
Total Major Decreases		(\$629,974)
Total Proposed 2019-2020 Revenue		\$6,484,301

Mr. Chamberlin explained that with the information presented thus far, the Tax Rate Impact would be \$1.40/\$1,000. This does not include the Maintenance Trust or HESS.

Total 2018-2019 Operation Budget and Teamsters article		\$19,996,102
<u>Major Increases</u>		
Health Insurance	\$417,246	
Salaries	\$386,510	
Out of District Tuition	\$152,000	
Retirement	\$127,877	
Equipment – Performance Contract Payment	\$ 40,568	
Other Benefits (FICA, Life, LTD, etc.)	\$ 30,137	
Transportation Contracts	\$ 21,208	
Electricity, Fuel, Propane, Gasoline/Diesel	\$ 23,855	
Dental Insurance	\$ 15,317	
Books and Information Access Fees	\$ 11,743	
Equipment	\$ 9,682	
Specialized Student Transportation	\$ 5,800	
Miscellaneous that is not material	\$ 5,728	
Vocational Tuition	\$ 5,537	
Total Major Increases		\$1,253,208

PRESENTATION OF THE SCHOOL BUDGET, continued

Major Decreases

Security and Access Projects	(\$397,000)	
Professional Services	(\$ 71,663)	
Total Major Decreases		(\$468,663)

Total Proposed 2019-2020 Operational Budget **\$20,780,647**

Mr. Chamberlin presented the 2019-2020 Proposed Budget Summary by Budget Component, which included budgetary components contained within each department level, exclusive of warrant articles. The budget components include Salaries; Benefits; Professional Services; Property Services; Other Services (Transportation, Tuition, Printing); Supplies, Books, and Materials; New/Replace Equipment; Debt Service and GF Supplement to Food Service and Other Funds (AIR); Other Funds (Offset by Revenues). The difference between the 2018-2019 Budget and the Proposed 2019-2020 Budget is \$784,545 (3.92%). Full Time Employees in 2018-2019 were 192.50 with a proposed increase to 195.46 (2.96%).

He further explained, breaking down each component:

- Summary by Operational Programs, exclusive of warrant articles, according to the five major operational programs include Instructional Programs; Student and Staff Services; Administrative Services; Facilities and Transportation; Information Management Services; Facilities Acquisition, Debt Service and GF Supplement to Food Service and Other Funds. The aim is to provide a clear illustration of specific operational components, as well as their respective impact on the overall budget.
- Summary by Location, exclusive of warrant articles, according to the four locations provides a clear illustration of specific locations, as well as their respective impact on the overall budget.

Mr. Chamberlin explained that this information is budget to budget. The budget being prepared and presented is for 18 months out and there will be changes due to enrollment.

Mr. Chamberlin presented the Budget Breakdown by Operational Program:

Instructional Programs

- 1100 Regular Education – As of October 1, 2018, we have 1,008 (including special education) students enrolled. New England School Development Council has predicted our enrollment to increase by 36 students over the year.
 - Proposed increase of \$561,638 due to salary and benefit needs, because of the increase in enrollment. There is also an increase in information access and supplies/materials.
- 1200 Special Education – As of October 1, 2018, we had 173 (18%) students identified in special education programs. There are 6 students placed in out-of-district programs.
 - Proposed increase of \$191,969 due to student needs estimated for 2019-2020.
- 1300 Vocational Programs – These funds are for tuition to the Concord Regional Technical Center. Over the past 3 years, an average of 12 students participated. This year 14 are being budgeted for.
 - Proposed increase of \$5,537

PRESENTATION OF THE SCHOOL BUDGET, continued

- 1400 Other Instructional Programs – This contains funds for extra-co-curricular programs that are for coaches, officials, equipment, and supplies for school-sponsored activities. These activities include band, chorus and athletics.
 - Proposed increase \$12,916 due to increase in rates. There are four new extra-curricular activities in this budget - Girls on the Run at HMS, Gardening Club at MSS, Academic Competition, and Gaming Club at HHS. There is also an increase of \$2,500 to support the joint hockey program.

Student and Staff Services

- 2120 Guidance Services
 - Proposed increase of \$52,381, due to increase in salaries, due to graduation requirement (by policy) of Careers and contractual salary increases and cost of benefits.
- 2130 Health Services
 - Proposed increase of \$26,240, due to change in salaries and benefits related to personnel.
- 2140 Psychological Services, 2150 Speech Pathology Services, 2163 Physical and Occupational Services – During 2017-2018 speech and language had 34 students for direct service and case managed 11. They also completed 26 full evaluations. Speech is a contracted service. There is some Medicaid reimbursement.
 - Proposed decrease of \$38,034, due to changes in personnel and decrease in student need.
- 2210 Improvement of Instruction – The District is contractually obligated to budget a sum equal to 25% of the number of bargaining unit times \$3,350. There is also \$8,000 budgeted for HESS collective bargaining employees for professional development.
 - Proposed increase of \$26,552, due to hiring employees to work on curriculum instead of contracted out.
- 2222 Media, 2225, and 2229 Other Educational Media Service – This year there has been a fundamental shift in library/media specialist in the elementary level, they are now simultaneously technology integrated positions as well as library/media specialist. They are now full-time, in one building.
 - Proposed increase of \$37,960 due to increase in health and dental coverage, and changes in personnel.
- 2225 Technology Services – There are approximately 550 desktops/laptops, 12 servers, and 8 labs of computers. There is a user base of 1,200. The labs are replaced on a rotating basis in order to keep technology as current as possible.
 - Proposed increase of \$35,410, due to changes in personnel and contractual increases. There is also an increase in the property and equipment line to allow for the needs of the department.

Administrative Services

- 2310 School Board Administration
 - Proposed increase of \$2,179 – The Contingency Fund is normally reported in this function code. It is to be presented in a separate warrant article and is not included in the totals presented.

PRESENTATION OF THE SCHOOL BUDGET, continued

- 2320, 2332, 2510, 2511, 2515 Office of Superintendent
 - Proposed increase of \$95,614 due, to merit pool increase of 3% for nonunion employees, as well as early retirement payment for an eligible Administrator. There is also an increase in benefits due to personnel, changes in retirement for two employees, and health and dental insurance.
- 2410, 2490 Office of the School Principal – They have returned to the single school principal model because of the time needed to be dedicated to each school.
 - Proposed increase of \$57,200, due to change in the Elementary school leadership structure, along with the health and dental insurance increases.

Buildings and Transportation

- 2600 Maintenance of Buildings – Mr. Chamberlin explained that the property services area in the presentation contains the repair and maintenance budget. The School Board is undertaking two additional initiatives to support the facilities: a comprehensive facilities project and funding of the capital improvement program through a separate article at the annual meeting.
 - Proposed decrease of \$328,079 – Salary decrease due to changes in personnel; benefit increase due to increase in health and dental as well as changes in personnel; professional service increase due to annual service related to thermal credits and required testing for fire and safety items; decrease in property services due to three-year average for maintenance through the district; increase in supplies and materials due to increase in construction projects for oil, propane, and electricity, as well as some for the three-year average of use; decrease in property/equipment is connected with the \$397,000 reduction for the safety and security project we are currently in the process of; as well as the \$40,589 increase in the payment for the performance contract project which we will be withdrawing from the School Building Repair Trust Fund.

Mr. Chamberlin explained that the School Board is going to decide at their January 10, 2019, meeting about asking the community, on a separate article, to raise funds for Capital Improvements related to their Capital Improvement Plan (CIP). He explained that in the past, they have always used the Fund Balance.

- 2700 Pupil Transportation – the District owns two school buses; one for special education student transportation and one for class field trips and athletic events. There is one bus driver on payroll, all the others are on the service contract.
 - Proposed increase of \$28,712 due to increase in special education student needs, as well as an increase in First Student costs and an increase due to expected gasoline/diesel use.
- 2840 Information Management Services - This part of the budget supports the technology staff that supports our systems. These staff members were included in the 2225 section in prior years.
 - Proposed increase of \$16,349 due to contractual and health/dental insurance increases.

PRESENTATION OF THE SCHOOL BUDGET, continued

Facilities Acquisition/Construction, Debt Service and Special Revenue Funds

Mr. Chamberlin explained there were \$1 place markers in Facilities Acquisitions/Construction and the Special Reserve Funds.

- 5200 Other Funds – There is an expense and revenue to offset this area so that Federal Funds can be accepted.

Mr. Chamberlin explained, if all goes well, at the meeting on January 10, 2019, the School Board will have an action item to send the project and possible bond configurations to a bond hearing. He then explained the bond hearing process. He also explained that the School Board would discuss preparing a vote to rename the School Building Repair and Maintenance Trust to the School District Buildings Repair and Maintenance Trust, so that the other buildings, including the SAU, in the School District could be maintained and repaired under this trust.

Mr. Chamberlin presented the Performance Contract Repayment Schedule beginning with year 2018-2019 with a payment total of \$117,510. This schedule continues with payments through 2034 with a total having been paid, including principal and interest, of \$2,720,969.54.

Mr. Chamberlin presented the Trust Fund Balances as of June 30, 2018

School Building Repair and Maintenance Trust Fund	\$283,038
Special Education Expendable Trust Fund	\$169,801
Replacing School District Vehicles Capital Reserve Fund	\$ 19,806
Health Insurance Trust Fund	\$ 75,449

Mr. Chamberlin presented information on the HSD FY2020 CIP/LT Financial Position, Cost Per Pupil, Enrollment Information and Projections, and information Tracking of the Tax Rate Stabilization Funds (Article X).

QUESTIONS AND ANSWERS FROM THE BOARD

Jim O'Brien asked the Budget Committee to use him as the point of contact if they had questions or requests for more information from the School Board.

Contingency Fund:

Ken Traum asked, if there is a 100% change of the \$100,000, it is for the 2nd grade teacher, why isn't it included in the Operating Budget? *Mr. O'Brien explained that the 2nd grade class enrollment is close to needing additional classroom staff, but there is a risk of including it in the Operating Budget if it's not a needed position.*

Jonathan Cohen asked if there is an advantage to putting the funds into the Contingency? *Mr. O'Brien explained, if it's not used, it would revert to surplus; and, if it's in the Operating Budget, it can be reallocated for other uses in the budget. Michelle Clark explained that if any of the contingency funds are used, a transfer request is needed from the School Board. If it's in the Operating Budget, it wouldn't necessarily need approval, because it falls within the line item described. Having it in the Contingency Fund provides transparency.*

Mark Zankel asked if the Contingency Fund could be used for anything? How much flexibility is there for the School Board to use the funds? *Mr. Chamberlin explained that the School Board is committed*

QUESTIONS AND ANSWERS FROM THE BOARD, continued

to being transparent about the projections included in the Contingency Fund, so that the funds can be spent on those items. He also explained that if the 2nd grade position was in the Operating Budget and cuts were needed, they would have to decide other places of value to cut.

Food Service:

Ken Traum, with the reliance on surplus to fund food service, have other ways or other providers been looked at to decrease this need? Michelle Clark explained that there was a request for bids and only one response came back, and it would cost less to stay with the current provider. Mr. Chamberlin explained they did take \$50,000 out of the Operating Budget, but they did increase Article X from \$150,000 to \$175,000 to give a little more revenue so more wouldn't have to come out of Surplus. Ms. Clark also explained that we are one of the few School Districts that include the Food Service Director in the Food Service Budget, not in the SAU General Fund like other surrounding Districts.

Maintenance of Buildings:

Candance Youngman asked which of the line items in 2600 Maintenance of Buildings, on page 30 of the presentation, describe the repair and maintenance done to the facilities? Michelle Clark explained that Property Services includes general repairs and maintenance, but it also includes maintenance agreements that they have with providers. She explained that the District uses a three-year average for this area of the budget.

Mrs. Youngman asked what the Maintenance Trust Fund money is for? Ms. Clark explained that this is for other things, not necessarily budgeted for. Mr. O'Brien explained that Mr. Chamberlin and the School Board have been working on taking the \$283,000 that's currently in the account and build it up by adding to it, to then be able to allocate the use of the funds to projects in a 5-year CIP model. Ms. Clark pointed out that all three schools now have boilers less than 5 years old. Mrs. Youngman shared her concern that there hasn't been maintenance work done on the roofs. Ms. Clark and Mr. Chamberlin agreed that the work on the roofs have not been done because of the proposed Facility Project, and now knowing what the scope of the Project would include; they didn't want to change a roof and then need to tear it up because of the proposed additions. Ms. Clark explained that the 1997 Project wasn't done properly and there are gaps in the roof area where there are building connections, creating leaks that travel along different lines.

Salaries and Benefits:

Mrs. Youngman pointed out that the main increase in the budget is due to Salaries and Benefits. She asked, how the School District, going forward, will negotiate benefits because benefits are not going to be sustainable at the rate we're going? Mr. Chamberlin explained that negotiations are bound by Section 273.80 Negotiate in Good Faith. Health Insurance has been the focus every year. The plans have been changed to a much more standard approach. He explained that the 2 major increases, in the plan that includes the school and town, are in catastrophic claims (8 or more people have had claims over \$75,000), and an 85% increase in overnight hospital stays.

Mark Zankel asked Mr. Chamberlin if our District's Benefits, which are 50% of Salaries, are comparable to other districts our size? Mr. Chamberlin explained our Health Premiums are 2nd ranked of 4. He also explained that the employer's contribution share to teacher's retirement is 17.8% of their salary.

QUESTIONS AND ANSWERS FROM THE BOARD, continued

Jonathan Cohen asked if the deductible is the same for all employees? *Mr. Chamberlin explained that each bargaining unit is negotiated separately. The School District chose a Health Reimbursement*

Arrangement (HRA) and pays 100% of the premium. The deductible is shared, first by the employer then by the employee, and is notional, if it's not used it is returned to the tax payers. He explained that the Teamster's share of the deductible is different than the teachers, because of the physical nature of their position. Negotiations will be taking place with the Hopkinton Educational Support Staff.

Fuel Tank Replacement:

Rich Houston asked if a new fuel tank at the High School is included in this year's budget? *Mr. Chamberlin explained that the School Board voted not to replace it. He explained that there are three issues: Cathodic Projections and the spill bucket will be taken care of the week of January 14, 2019, and a bid to replace supply from a day tank to a fat pipe. Mr. Houston asked how many more years will there be before the underground tank needs to be replaced? Mr. Chamberlin explained that the School Board made that decision believing that this will be a 5-year solution. He explained that DES asked that for regular monitoring of the supply. Ms. Clark explained that there would be a Public Hearing to withdraw funds to pay for the fat pipe and spill bucket.*

Special Education Programs:

Jonathan Cohen asked if there is an increase in the number of students requiring special educational services, if it is an increase in providing these services, or is it for out of district placements? *Mr. Chamberlin explained that out of district is very specific. There are times that the team decides that we cannot educate a student in our school district and then looks at other academic institutions. We currently have a student in school in Massachusetts, at the seacoast, in the north country, and in monadnock. These institutions range from specialized instruction to specialized supervision and medical. He explained that last year, there were about 12 students receiving these services, this year there are 6. Mr. Chamberlin explained there is a Special Education Trust. Becky Forrestall explained that grants are limited and are awarded from a pool of funds.*

Mrs. Youngman asked about the Grant money that the State recently identified as going to be returned to districts. *Ms. Forrestall explained that it would take time for the State to figure out how this will be allocated, and it is unclear how much will be returned.*

Preschool:

Candace Youngman asked if there was a way to increase the Preschool tuition, so it's not costing taxpayer's any money? *Mr. Chamberlin explained that every 2 years the Board sets the Preschool tuition rate. He explained that we have a 30-student preschool, we can't raise enough money on the non-required people to pay for the required people. We can't have an all special education preschool, we need to have a 50/50 ratio. Ms. Forrestall stated that the teachers in that program are special education certified for that age level. It is a State law that Special Education services need to be provided for children beginning at 3 years old. We are alerted at age 2.5 that these students will be entering our program, through area agencies, who are currently providing the services. Mr. Chamberlin also explained that an ad is placed in the paper letting parents and caregivers know that these services are available through the School District.*

QUESTIONS AND ANSWERS FROM THE BOARD, continued

Personnel – FTE's:

Mark Zankel asked for further explanation of the 5.46% increase in FTE's at the Middle School level. *Mr. Chamberlain said that he believes it may have to do with instructional assistants moving up and that he would unpack these figures for next week's presentation.*

Mr. Zankel asked why there were differences in the benefits in the categories. *Mr. Chamberlin explained that plan changes, new hires, and re-enrollments into the health plans fluctuate within the department lines. Ms. Clark explained that June is open enrollment and that's when changes are made to the health insurance plans.*

Don Houston asked for a summary of the number of actual teachers, and if the support staff is in the same category? He would like to try and understand the compensation increase, is it going to the teachers or the support staff – to be able to understand which one is growing faster. *Michelle Clark explained that 99% of the 1100 line is for teachers (page 14). She explained that the 1200 line (page 15) is a little more involved. Mr. Chamberlin said they will try to break the 1200 line down.*

NEASC Results:

Don Houston asked about the NEASC report results. *Mr. Chamberlin explained that the report commends the curriculum work and the work done on the maintenance. It specifically identifies the eye-wash stations, locker room supervision, and accessibility that needs to be addressed. They will now need to measure student achievement on the curriculum. Mr. Chamberlin explained that moving ahead with the Phase 1 Bond Project would address the other needs that NEASC identified.*

Tiers:

Candace Youngman inquired about the \$200,000 assigned to the Contingency in the Tiers presented. The \$200,000 doesn't cover all the green highlighted; she asked if the balance of those items will go into the Operating Budget? *Mr. O'Brien explained that they eliminated from the Operating Budget and were put into the Contingency Fund at less than 50%, except for the 2nd grade staff which is at 100%.*

Mr. O'Brien explained that the three tiers are in \$300,000 increments and if you totaled all three tiers it would be \$900,000 in savings.

Performance Contract:

Ken Traum asked for an explanation on the funds to pay for the project, on page 42 of the presentation. *Ms. Clark explained \$158,098.85 is within the \$186,000, which is found on page 31 of the presentation.*

Programmatic Budget:

Candace Youngman asked where we are with the Programmatic Budget. Ms. Clark said that she has reached out to the contracted service provider, and they hope to have it for the upcoming meeting.

Specific Requests from the Budget Committee to the School Board:

- Mark Zankel asked if the list of Total 2018-2019 Revenue and Operational Budget (Pages 3 and 5) could include the percent increase?

QUESTIONS AND ANSWERS FROM THE BOARD, continued

- Don Houston asked for a sum of the total reductions in each of the tiers. This would provide clarification for the public on what the reductions were based on the tier philosophy.

PUBLIC COMMENT

Diane Lachance asked about the measurement of the achievement of the curriculum required by NEASC; does NEASC have a measurement requirement? *Mr. Chamberlin explained that NEASC assesses against standards and they ask us to assess our students against our standards.*

PUBLIC COMMENT, continued

Ms. Lachance asked about the Contracted Benefits, she is looking for an explanation of what benefits are offered to the teachers. *Mr. Chamberlin said that it should be on the School District web site.* She is concerned that the benefits may be too generous. She wonders if modifying the health care plan to only offer benefits to the employees and not for the spouse, if they have health care provided with their employment.

She also explained her concern with the negotiating of contracts, by law, do not need to be private. She feels the public should understand the costs of the salaries and benefits.

BOARD COMMENTS

Mark Zankel wanted to thank the School District for the best, clearest, most complete, most transparent presentation that he's been a part of on the Budget Committee.

Break at 8:05 pm

Reconvened at 8:10 pm

ANY OTHER BUSINESS TO COME BEFORE THE BOARD

Jim O'Brien explained he has met with Liz Durant and Steve Chamberlin about items that the Budget Committee has identified that need to be added to the Programmatic Budget. The following items were discussed, and addressed:

- Benefits – These will be moved into the various lines. This will need to be done through the vendor not Michelle Clark doing it by hand.
- Program Codes – These are already provided.
- Academic Programs – This information will be provided, on a separate sheet.
- Students – This information will be made available. The enrollment system and the financial accounting system are not on the same system, the information will be provided under a separate cover. The enrollment numbers will need to be provided twice, because the numbers they are working with now, is for current enrollment. In October, the numbers will be for the current enrollment.
- Maintenance – They are producing a much more informative Capital Improvement Plan, that will not be in the Operating Budget, it will be in the Maintenance Trust.

Janet Krzyzaniak thanked Mr. O'Brien for his role on both Boards. She expressed her thanks for his making sure that the School Board understood what the Budget Committee was looking for in the Programmatic Budget.

ANY OTHER BUSINESS TO COME BEFORE THE BOARD, continued

Candace Youngman is concerned that the maintenance cost should not be included with operations costs of maintaining. *Mr. O'Brien is sure that these costs will be clearly identified in the Maintenance Trust, the items will be listed and broken out by knowing what is going to be allocated for each year. This will provide for an accountability to the amount to be spent over 5-10 years. He explained that he has asked Mr. Chamberlin, for a list for FY20, of what the funds being allocated, are going to buy.*

Mr. O'Brien explained that they are also talking about preparing the Facilities Bond Project. Some of the deferred items will be in that \$1M project, to be paid off over 10-20 years.

Mr. Traum asked why the Performance Contract Payment of \$40,489 starting in FY20 is in the Operating Budget now? *Mr. O'Brien explained that his understanding is that it is part of the budget that he has presented, and this amount would come out of the Performance Contract and then would be put into the Operating Budget as a revenue line; when the Performance Contract was agreed upon, that was the structure the School Board agreed to have the funding flow. He will get greater detail from Mr. Chamberlin.*

Jonathan Cohen asked how much the vendor cost is for breaking out the budget item requested for the Programmatic Budget? *Mr. O'Brien explained that about \$7,000 has been spent so far. He's not sure how much more it costs each time they need to go back with further requests.*

PUBLIC COMMENT

Steve Lux shared his concern that in the Municipal Finance Act, RSA Chapter 33, Section 3, Purpose of Issuance of Bonds, states that the municipality cannot issue bonds for payment of maintenance and operations. He's not sure how this will impact the request for a potential bond for the deferred maintenance.

UPCOMING BUDGET COMMITTEE MEETINGS

- January 16, 2019 – Continued presentation of the School Budget including the bond amount
- January 23, 2019 – Follow up discussion to the budget presentation. Review of all Budgets.
- January 30, 2019 – Budget Committee deliberations, if needed
- February 6, 2019 – Public Hearing on all Budgets at the High School at 6:30 pm
- February 13, 2019 – Final Budget Committee Deliberations, if needed
Public Hearing on School Petition Warrant Articles, if needed

MOTION TO ADJOURN

Mark Zankel motioned to adjourn at 8:30 pm. Don Houston seconded the motion. There was no further discussion. A vote was taken, and all the Board Members approved.

Respectfully submitted,
Tammy Clay