

Minutes
Nottingham Budget Committee Meeting
2016/2017 Nottingham School Public Hearing
January 14, 2016

Members Present: Anthony Dumas, Suzanne Edin, Jeff Wheeler, Miska Hadik, Michael Koester, Gene Reed, Jennifer Biron, Dawn Fernald, Carrie Lee, Mark Carpenter – BOS Rep, Susan Levenson – School Board Rep

Excused Absences:

Other in Attendance: Secretary Dawn Wirkkala, Sue Gunderson, Scott Reuning, Kim Griffiths, Melissa Behr, Sandy Sternberg, Jamie Burleigh, Marjorie Whitmore, John Knorr, Dawn Knorr, AJ Bachhuber, Roslyn Chavda, Lorraine Petrini, Jessica Winiarski, Deborah Zarta Gier, Penny Osborne, Chet Batchelder,

Mr. Wheeler called the meeting to order and introductions were completed.

JULY 2016/JUNE 2017 NOTTINGHAM SCHOOL BUDGET PUBLIC HEARING: Chair Wheeler opened the hearing and reviewed the hearing process, stating the SAU would present the budget materials.

Mr. Reuning reviewed the warrant articles.

Warrant Article #1 is for Election of new officers.

Warrant Article #2 is for the proposed Operating Budget of \$11,326,102.00 and the default budget of \$11,209,063.00.

Warrant Article #3 is for the Nottingham Paraprofessional bargaining agreement in the amount of \$25,336.00. The major changes in the agreement between the Nottingham School Board and the Paraprofessional Association included extra work hour approval, reduction of the number of salary step increases, eligibility for fringe benefits, medical insurance offerings, leave policy changes for death of a family member, and wage schedule.

Warrant Article #4 is for the Coe-Brown Tuition Agreement from July 1, 2016 to June 30, 2023, which also includes a possible three year extension option.

Warrant Article #5 is to purchase a new Reading Program in the amount of \$50,000.00, which is for ½ the cost of the program.

Mr. Sousa reviewed the desire to replace the current program that is 9-years old reading, at a total approximate cost of \$100,000.00. A decision was made to phase in new programming over two years to help reduce the tax impact, as well as trying to seek grant funding.

Mr. Carpenter asked how the phase-in of the purchase will work. Mr. Sousa responded books will be purchased for K-3 this year and then grades 4-6 during the 2017/2018 budget year.

Ms. Levenson reviewed the purchasing decisions made for text books over the last prior years. The first textbook replacements included math and social studies, with an introduction of a smaller reading section called Story Town for grades K-6.

Ms. Edin asked if there is any concern about waiting one year to introduce the new books to the older students. Mr. Sousa stated there are pros and cons to each process, but it was determined this phase in plan would benefit the students more. It won't cause the older students any unnecessary harm by continuing on with the existing program.

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Warrant Article #6 is to add more funds to the Grounds Improvement CRF in the amount of \$30,000.00.

Mr. Carpenter asked if any funds have been spent, and/or when funds would be spent from the Grounds Improvement CRF. Ms. Levenson stated the School Board would discuss the plan, but the funds are to help repair the playground and then other ground improvements. Mr. Sousa reported new equipment is being priced out, with a potential cost of \$90,000.00, and there is hope to also include some grant funding and sweat equity from volunteer public. The original plan was to buy a few pieces each year over a few years, but that idea was changed to try and complete the process within one year, which will mean consistency with the equipment vendor, eliminating the possibility of voiding warranties as pieces are connected together.

Warrant Article #7 is to continue adding to the Building Repair CRF in the amount of \$25,000.00.

Mr. Hadik asked if there are any outstanding physical needs for the school. Ms. Levenson stated newer windows are needed, repairing the flat roof, completing the blown in insulation, resurface the parking lot, and install a generator for back up power. Mr. Sousa and Ms. Levenson reviewed that these items would be found on the School CIP report. Ms. Levenson stated part of the CIP discussion included adding modular building sections to increase classroom space as they consider making Kindergarten a full school day versus the current ½ day. Adjustments will be brought forward to the CIP after the meeting with the Planning Board.

Mr. Wheeler asked about the timing of projects as presented in the CIP report and the project years were reviewed, which could be delayed, changed or postponed.

Warrant Article #8 is to add to the Special Education CRF in the amount of \$15,000.00.

Mr. Carpenter asked about the purpose of the fund. Mr. Reuning reported the CRF was established to provide supplemental funds that might be needed if special education expenses end up higher than anticipated and budgeted for; high deficits could be seen with special education if additional students move into the district with unanticipated needs.

Discussion took place about contributions to the CRF's and the included language of zero tax impact; it was stated the funds are only put into the CRF if surplus funds are available at the end of the current year (2015/2016); these funds have already been raised and paid by taxpayers and won't add to the proposed tax rate.

Discussion took place about current expenses and Ms. Whitmore explained it is difficult to try and determine where the school will be 10-months from now and if there will be surplus funds available to pay for the proposed CRF payments; if funds are available the transfers will be made, if not the CRF's will not be funded.

Mr. Hadik asked about the order of the proposed warrant articles; why does the Building Repair CRF appear after the Grounds Improvements CRF when there are building repair needs. Mr. Sousa stated the current leaks are not new, are seen in schools with the same type of buildings, and aren't in critical need of repair. The roof isn't leaking, water comes into the building when snow is blown in through the vents and melts with the ceiling mounted heaters.

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Warrant Article #9 was the creation of a new Text Book capital reserve fund in the amount of \$20,000.00.

Ms. Fernald asked why the text book warrant article appeared last. Ms. Levenson stated the School Board wanted to fund the Building Repairs CRF first. Ms. Snow stated this article was to start the process of funding future text books and not to address the immediate reading needs.

Ms. Levenson reviewed the School Board process to create the default budget, stating if the proposed budget fails at the election polls the default budget is put into place. The default amounts are based on current year budgeted amounts along with any additional increased contract obligations. The problems seen with default budget is the inability to spend funds on items planned for with the regular proposed budget.

Mr. Reuning reviewed the more significant changes to the proposed operating budget.

RegEd Paraprofessional Salaries account includes one new employee for an additional \$16,201.00, in addition to the health, FICA, and retirement expenses seen on page two.

Worker's Compensation includes a premium holiday, with an account increase of \$2,978.00.00.

Accounts for Tuition-Coe Brown was reduced by \$83,307.00 and estimating a total of \$45,369.00 for Tuition-Anticipated Move-In's.

Discussion and a review of previously presented information took place about the definition for anticipated Move-In's (students), tuition rates, the capping of tuition rates, and if a change of students moving from Dover to Coe-Brown has been seen with the tuition payment changes.

The total Regular Education, section 1100 totaled \$6,129,742.00, an increase of \$94,125.00.

Mr. Reuning reviewed increases in the Special Education Teacher Salaries, Special Education Coordinator, and SpeEd Paraprofessional Salaries. Mr. Reuning reviewed the additional Special education teacher/paraprofessional positions, Teacher of the Deaf, and special education amounts proposed for Dover High School and Other Public High Schools.

Mr. Koester asked why the special education tuition rates are new for this budget, in the amount of \$92,407.00. It was explained that the biggest change is the shift in how special education expenses are paid to Dover High School, which is no longer included in the regular tuition rate and now requires an additional payment. There is a payment for the regular tuition amount and then for a Tier 1 at an additional \$490.00 per student, Tier 2 at an additional \$5,000.00, or Tier 3 at an additional \$6,500.00 per student - depending on the level of services needed for each student.

Mr. Reuning stated he completed an exercise to compare special education expenses if paid separately versus having the amount included with the tuition rates and it was marginally different using the tiered levels. Mr. Reuning stated the amount determined for Dover HS Special Education Tuition is based on the new tiered program as agreed upon in the prior year contract.

Mr. Reuning stated the SpEd paraprofessional Salaries amount does not include the changes proposed in the new contract; those are included in the warrant article.

Mr. Reuning stated testing supplies for special education students are established by an outside agency, which includes changing tests as they are needed.

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The Special Education account #1200 was a total of \$1,759,061.00, an increase of \$168,860.00.

The Medicaid account #1299 was a total of \$4,625.00, which is level funded.

Mr. Sousa explained that the Co-Curricular Salaries Acct (#1410) has increased with the addition of a new volleyball program and the additional needs for the sport.

The total Co-Curricular Salaries account #1410 was a total of \$19,359.00, an increase of \$1,234.00.

The Athletic account #1420 was a total of \$30,735.00, an increase of \$2,881.00.

The Guidance account #2120 was a total of \$147,624.00, an increase of \$12,068.00.

Mr. Reuning reviewed the Nurse's Salary account increased with a planned retirement severance payment.

The Health account #2130 was a total of \$111,211.00, an increase of \$1,385.00.

Mr. Reuning reviewed the Outside Eval Elementary account from outside providers remains level funded at \$6,000.00, the Contracted Service-ESL has a \$1.00 budget, just incase services become needed. The Contracted Svcs-Behavior Technical account increased \$2,000.00 for a total of \$62,000.00

The Special Contracted Services account #2140 was a total of \$178,482.00, an increase of \$11,260.00.

The Speech account #2150 was a total of \$179,277.00, an increase of \$6,050.00.

Mr. Sousa reviewed the Improvement of Instruction account for Curriculum Development and tuition reimbursement for teachers, stating despite the seen benefits the accounts have been reduced by \$7,148.00 for a total Curriculum Development amount of \$14,500.00. These accounts help pay for the teachers to come in and work on curriculum plans when they don't also have to teach and teach and work with them on improvements in instructions.

The Improvement of Instruction account #2150 was a total of \$65,972.00, a decrease of \$26,146.00.

The Instruction and Curriculum Development account #2212 was a total of \$107,221.00, an increase of \$1,813.00.

The Library and Educational Media account #2220 was a total of \$114,706.00, a decrease of \$13,518.00.

The Computer Assisted Instruction account #2225 was a total of \$35,126, an increase of \$22,375. This change is primarily due to the proposed New Equipment.

The Other Support Services-Instr Staff account #2290 was a total of \$98,311.00, an increase of \$629.00.

Ms. Levenson reviewed the school Board Services account increased the Contracted Services-Atty & Negotiator account stated the School Board will have two contracts that need to be renegotiated in this school year, increasing the amount by \$10,000.00 to a total of \$35,000.00.

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Mr. Koester asked how soon the \$10,000.00 would be spent. Mr. Reuning stated there are the two negotiations planned for the year and more Right to Know requests for information have been received. Ms. Whitmore stated another issue is the unknown federal health care requirements, Cadillac Tax, and contracts are currently being accepted on a one year basis.

Mr. Dumas asked about the increase in Right-to-know requests. Mr. Reuning stated the requests are asking for additional documentation, and not necessarily based on the existing available material. The requests have decreased, but were significant during the summer months.

Ms. Levenson explained that the Printing School District Reports in the amount of \$3,000.00 is an existing account and pays for all the School Board printing, not just the newly proposed School Report.

The School Board Services account #2310 was a total of \$75,252.00, an increase of \$11,818.00.

Ms. Whitmore explained the SAU Budget was level funded for 2016/2017, but change in the Nottingham portion is based on Nottingham's equalized value that causes shifts in how much each district will pay. Ms. Levenson stated the amount is also calculated on the number of students from each district; Nottingham has a higher number of students.

Ms. Levenson and Ms. Snow reviewed that despite the SAU having a level budget; decreases in some areas allowed the district to be able to introduce another employee into the process without increasing the budget providing additional needed assistance in the accounting department.

The SAU Expense account #2320 was a total of \$443,045.00, an increase of \$9,034.00.

The Principal's Office account #2410 was a total of \$402,371, a decrease of \$4,793.00.

Ms. Levenson explained that \$1.00 is kept in the District Bookkeeper account #2510 just in case additional or supplemental personnel services are needed and the \$1.00 gives the School Board the ability to transfer funds if needed.

Mr. Sousa reviewed the change from a part-time custodian to a full time custodian, increasing the Asst. Custodian-Salaries account by \$19,827.00, to a total of \$90,567.00, including the additional increases to retirements and FICA expenses.

The Operation and Maintenance of Plant account #2620 was a total of \$468,086.00, an increase of \$19,041.00.

The Transportation account #2700 was a total of \$769,644.00, a decrease of \$43,029.00.

The Food Services account #5220 was a total of \$186,250.00, a decrease of \$11,479.00.

The grand total of the school budget was \$11,326,102.00, an increase of \$263,608.00.

Chair Wheeler asked for public comments.

Laura Wheeler thanked the SB and SAU for their hard work.

There were no additional comments.

Chair Wheeler closed the public comment portion of the school budget public hearing.

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Mr. Carpenter asked if the actual dollar amount of the tax impact would be reviewed or only the increase in percentages, which may not explain the total cost changes in the budget. The total increase in the school budget has been \$1.12 million dollars over the prior couple of years; the budget increased of over \$263,000.00, which doesn't include the warrant articles. Mr. Carpenter expressed his concern with the constantly increasing amount of money needed for the budget.

Chair Wheeler stated the total estimated tax impact is \$16.24.

A document was distributed to committee members providing a listing of the tax rate over the past several years; the tax rate for 2015 was lower than the 2014 tax rate. Mr. Carpenter stated the comparison of only the tax rate from year to year is misleading as it doesn't account for the changes in property value, which is also a big part in the process. The revaluation of property in 2015 dramatically increased the total town property value, which was a big reason for the tax rate remaining so low, not because the budgets were decreased.

Ms. Biron stated the state school adequacy funding has also decreased, which is not controlled by the School Board, which also plays a part in the process of reduced revenues.

Mr. Carpenter asked the Budget Committee to consider the fact that decreases seen outside funding/revenues should also mean there should be a consideration to tighten some areas in spending to compensate for the loss in funding.

Mr. Dumas stated the difference between the default and proposed budget are minimal, the School Board has worked to provide a tight budget, and asked Mr. Carpenter if he has suggestion about where funds could be removed. Mr. Carpenter stated he didn't have specific areas, but felt it should be part of the discussion the Budget Committee should have.

Ms. Snow stated there are things to think about, but reviewing additional information about state average on student spending is \$14,581.00 and Nottingham spent \$13,170.00. Nottingham has seen positive results with the changes they've made and Nottingham has the lowest tax rate based on the surrounding communities. Nottingham has made some really good investments and seen really good results.

Mr. Carpenter asked if Mr. Koester would present his argument about reducing the amount for high school tuition, as he has done over the last several years. Mr. Koester stated he feels the School Board has done a good job in justifying the amounts proposed in the proposed tuition amounts.

Ms. Fernald brought up her concerns that she believes Mr. Carpenter asks the school to make budget cuts, without having the same considerations for the town budget. The Selectmen have made the decision to purchase a more expensive dump truck for the Highway Department because it was a better quality product and Mr. Carpenter seemed to support the purchasing a \$800,000.00 new quint fire truck, which is almost double the cost of a regular fire truck that could suffice.

Mr. Carpenter stated he did recommend making the purchase of a slightly more expensive dump truck, because of maintenance expense history. He believes the children in Nottingham are worth investing in and tries to stay objective in the process.

Mr. Carpenter left the meeting at 8:52 pm.

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Motion: by Ms. Fernald, second by Mr. Dumas to recommend the 2016/2017 Nottingham School operating budget of \$11,326,102.00.

Vote: 9 – 0 in favor.

Chair Wheeler read Article #3 To see if the Nottingham School District will vote to approve the cost items included in the collective bargaining agreement reached between the Nottingham School Board and the Nottingham Paraprofessionals Association which calls for the following increases in salaries and benefits at the current staffing level: And further to raise and appropriate the sum of Twenty Five Thousand Three Hundred Thirty Six Dollars (\$25,536) for the 2017 fiscal year such sum, representing the additional costs attributable to the increase in salaries and benefits required by the new agreement over those that would be paid at current staffing levels in the prior fiscal year. The School Board recommends this appropriation by a 4-0 vote. The estimated additional tax impact if the article passes is \$0.04 per \$1,000.

Motion: by Mr. Dumas, second by Mr. Hadik to recommend Article #3 as presented.

Vote: 9 – 0 in favor.

Chair Wheeler read Article #4 To see if the Nottingham School District will vote to ratify and approve the Tuition Agreement between the Nottingham School District and Coe Brown-Northwood Academy for the purpose of educating Nottingham students in grades 9-12 for a seven(7) year period beginning on July 1, 2016 and ending on June 30, 2023 with an additional three (3) year extension if desired, said approval also subject to approval of the substantive terms of this Agreement by the State Board of Education. The School Board recommends this appropriation by a 3-1 vote.

Motion: by Ms. Fernald, second by Ms. Biron to recommend Article #4 as presented.

Vote: 9 – 0 in favor.

Chair Wheeler read Article #5 To see if the Nottingham School District will vote to raise and appropriate the sum of Fifty Thousand Dollars (\$50,000) for the purpose of partially funding a Reading Program. The School Board recommends this appropriation by a 4-0 vote. The tax impact if the article passes is \$0.08 per \$1,000.

Motion: by Ms. Lee, second by Mr. Dumas to recommend Article #5 as presented.

Vote: 9 – 0 in favor.

Chair Wheeler read Article #6 To see if the Nottingham School District will vote to raise and appropriate the sum of up to Thirty Thousand Dollars (\$30,000) to be added to the Grounds Improvement Capital Reserve Fund previously established. This sum to come from June 30, 2016 unassigned fund balance available for transfer on July 1. Current anticipated balance on 1/31/16 is \$30,000. The School Board recommends this appropriation by a 4-0 vote. There is no additional tax impact if the article passes.

Motion: by Mr. Hadik, second by Ms. Edin to recommend Article #6 as presented.

Vote: 9 – 0 in favor.

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Chair Wheeler read Article #7 To see if the Nottingham School District will vote to raise and appropriate up to the sum of Twenty Five Thousand Dollars (\$25,000) to be added to the Building Repair Capital Reserve Fund previously established. This sum to come from June 30, 2016 unassigned fund balance available for transfer on July 1. No additional amount to be raised from taxation. Current anticipated balance at 1/31/16 is \$36,173. The School Board recommends this appropriation by a 4-0 vote. There is no additional tax impact if this article passes.

Motion: by Mr. Koester, second by Ms. Lee to recommend Article #7 as presented.

Vote: 9 – 0 in favor.

Chair Wheeler read Article #8 To see if the Nottingham School District will vote to raise and appropriate up to the sum of Fifteen Thousand Dollars (\$15,000) to be added to the Special Education Capital Reserve Fund previously established. This sum to come from June 30, 2016 unassigned fund balance available for transfer on July 1. No additional amount to be raised by taxation. Current anticipated balance at 1/31/16 is \$87,909. The School Board recommends this appropriations 4-0 vote.

Discussion took place about including the language that refers to no additional tax impact if the warrant article passes.

Motion: by Mr. Hadik, second by Mr. Dumas to recommend Article #8 as amended, to include the tax impact statement.

Vote: 9 – 0 in favor.

Chair Wheeler read Article #9 To see if the Nottingham School District will vote to establish a capital reserve fund under the provisions of RSA 35 to be known as the Text Book Capital Reserve Fund for the purpose of funding replacement textbooks and further raise and appropriate the sum of “up to” Twenty Thousand Dollars (\$20,000) to be placed in the fund with such amount to be funded from year-end unassigned fund balance (surplus) available on June 30, 2016 and further appoints the School Board as agents to expend this fund. The School Board recommends this appropriation by a 4-0 vote. There is no additional tax impact if the article passes.

Ms. Fernald stated she felt this was a very important warrant article and asked if the amount to be included in the fund could change in future years.

Motion: by Mr. Hadik, second by Mr. Dumas to recommend Article #9 as presented.

Vote: 9 – 0 in favor.

Motion: by Mr. Koester, second by Ms. Lee to recommend the Default Budget of \$11,209,063.00.

Vote: 9 – 0 in favor.

Ms. Whitmore reviewed that some of the financial information on the NH Department of Revenue form MS-27 was not included and asked how the committee wanted to proceed with signing the signature page. DRA was asked, but she is waiting for an answer. After discussion the committee decided they would sign the form.

The committee reviewed the estimated revenues as presented by the SAU.

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Chair Wheeler asked how the catastrophic aid amount is calculated. Mr. Reuning stated the amount is pre-calculated by the NH Department of Education based on a number of factors, which is then adjusted by the legislature. Ms. Whitmore and Mr. Reuning explained as the expenses are decreased for special education services the catastrophic aid amount also decreases; population is also included in the calculation and the percentage for reimbursement is estimated.

Ms. Whitmore stated estimating revenues is very difficult because there are so many unknowns in the process. The revenue amounts include the surplus from the current school year, and state funding.

Motion: by Ms. Snow, second by to accept the revenues as presented.

Vote: 9 – 0 in favor.

Chair Wheeler closed the public hearing. All committee members thanked the SAU staff and School Board for completing a good job.

Mr. Koester stated as previously pointed out there is a slight difference in the budget amount between the proposed budget and default budget. The small dollar amount really allows the school to complete the objectives they have planned for and proposed.

Approval of Minutes

Motion: by Mr. Koester, second by Mr. Dumas, to approve the December 10, 2015 minutes as amended.

Vote: 8 in favor and 1 abstained.

SUB-COMMITTEE UPDATES:

MPEC: Mr. Hadik reported another meeting was held to review the design materials provided by the Ironwood Design Company. The committee has worked with Ironwood to break out the total design costs into a phased completion process over multiple years.

Mr. Dumas asked if the committee has reviewed the possibility of a community block grant. Mr. Hadik reported grant funding ideas have been received, and some have been shared with the school as well. The design company provided some sources and applying for funding will be part of the planning and construction process; grants will help to reduce the overall tax impact for the development expenses.

Ms. Fernald stated typically a difficult part in seeking grants is finding the matching funds in order to receive the grant. Mr. Hadik stated the committee is also reviewing alternate methods of seeking funding, including from other communities if the facilities can be shared.

Mr. Hadik reported a lot of the MPEC process has been exploring what can be included on the property and now the committee is trying to establish the phases for the development to make completing the process more attainable; stretching out the work over a series of year, involving outside groups and volunteers, and consideration of additional funding.

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Transportation: Ms. Snow stated the committee is on hold until a determination can be made about the number of incoming freshmen students before considering additional route consolidations. The next committee meeting should be closer to April 2016.

ROUNDTABLE:

Ms. Edin stated it was an interesting meeting.

Mr. Koester and others thanked Chair Wheeler for holding a well run meeting.

Ms. Snow reminded people of the vacant positions available for town and School Board positions.

Mr. Hadik reported he would be away and may not be able to attend the school deliberative session.

ADJOURNMENT: Having no further business,

9:41 PM **Motion:** by Mr. Hadik, second by Ms. Lee.

Vote: 9 – 0 in favor.

Respectfully Submitted,

Dawn Calley-Murdough