

**Nottingham Budget Committee  
2017/2018 School Public Hearing  
Meeting Minutes – January 12, 2017**

**Members Present:** Jennifer Biron, Anthony Dumas, Suzanne Edin, Miska Hadik, Michael Koester, Carrie Lee, Tiler Eaton – BOS Rep, Jackie Snow – School Board Rep

**Excused Absences:**

**Other in Attendance:** Secretary Dawn Calley-Murdough, Bonnie Schofield, Chet Batchelder, Michelle Jeannotte, Susan Levenson, Scott Reuning, Chris Sousa

Chair Dumas called the meeting to order and introductions were completed.

Chair Dumas stated he had received notice of resignation from Mr. Jeff Wheeler, who was not able to keep up with work requirements and the needs of the Budget Committee. Thanks was given to Mr. Wheeler for his service.

Chair Dumas reviewed the purpose and rules of hearing. Chair Dumas stated he would review the school budget on an account group by account group basis, asking for SAU and School comments on key items of those pages, and then asking for committee member and public questions or comments.

**2017/2018 School Budget Hearing:** Chair Dumas opened the public hearing.

**The proposed budget for General Fund/Regular Education is \$6,676,802, an 8% increase of \$507,593.00.**

Mr. Sousa reported there are many items of the budget that are beyond control of the school or school board because of contractual items, such as teacher contracts, insurance rates and class enrollment sizes. Additional text books were needed to have enough for the number of students.

Ms. Levenson reviewed that the expected insurance rates increase is an approximate 9.3%, retirement increased from 15.67% to 17.36% for certified staff, and accounts for approximately 2% of the overall total budget increase. Dover tuition rate is expected to increase an approximate 5%, and the Coe-Brown tuition rate increased an approximate 2.5% according to the contract; a large part of the increase for Coe-Brown is an increase in the attending number of students versus Dover High School. This also include a higher number of students starting as freshmen versus the number of exiting seniors, creating an overall larger class size.

Ms. Levenson stated there are also a couple of retirement payouts included in the salary account, and adjustments to include more summer programming.

**The proposed budget for Special Education is \$1,795,289.00, a 2% increase of \$36,228.00.**

Mr. Reuning reported a large part of the increase to the special education budget is based on the evergreen salary increases for teachers. The salary for paraprofessionals is slightly misleading, the proposed amount also includes the \$25,000.00 as approved in the prior year contract; it is an issue in the accounting software when amount changes are included in separate warrant articles. The other changes are based on changes in services for students; such as a Teacher of the Deaf that is no longer needed. A small decrease was seen in the Pre-school costs for Nottingham. There is a decrease in special education costs at Dover High School with the tier cost plan and the amount for Coe-Brown remains level funded.

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Ms. Snow reviewed Health Insurances not only increased with rates, but in some cases some accounts saw a decrease due to staff members choosing different plans.

**The proposed budget for Medicaid is \$4,625.00, which is level funded.**

Mr. Reuning reported a service contractor is hired to provide billing assistance for Medicaid funding, and they charge a percentage of each claim.

**The proposed budget for Co-Curricular account is \$22,236.00, a 15% increase of \$2,877.00.**

Mr. Sousa reported this increase reflects a stipend to staff that attend overnight school trips with the students; they are required to be on-call 24 hours a day while on the trip.

**The proposed budget for the Athletic account is \$30,135.00, a 2% decrease of \$600.00.**

Mr. Sousa reported this decrease is based on use of existing equipment and uniforms, only necessary replacements are being purchased.

**The proposed budget for the Guidance account is \$181,173.00, a 23% increase of \$33,549.00.**

Mr. Reuning reported many of the increases are seen from the salary, health insurance, and retirement increases. The school also included a new account, Guidance Enrichment for \$3,000.00, to help with social and emotional needs of the students and families, with new occasional public presentations.

Chair Dumas asked how the additional funding could be measured to determine future need, as it is a new account. Mr. Reuning reported the Guidance Counselors will be able to determine if it is working based on a decrease of behavior/discipline referrals for students; it is a difficult area to determine benefits.

Ms. Levenson reported part of the social and emotional needs is based on the recent issues seen with the opioid addiction problems, the School Board is making a strong effort to offer student and community skills to deal with difficult life situations. Mr. Sousa reported the school has already seen some benefits to increasing this type of help for students.

Mr. Eaton asked why the Guidance Health Insurance is increasing by 111%. Mr. Reuning reported it represents a change in staff from part-time to full-time staff member and their additional insurance plan, as well as the proposed increase of 9.3%.

**The proposed budget for the Health account is \$120,563.00, an 8% increase of \$9,352.00.**

It was stated the current staff has submitted an intent to retire with a one-time payment of \$20,000.00, and with a new employee choosing an insurance plan it is standard to calculate for the highest possible insurance coverage for newly hired staff.

**The proposed budget for the Special Contracted Services account is \$171,945.00.00, a 4% decrease of \$6,537.00.**

Mr. Reuning reported the contracted services accounts change based on the needs of students. Some grant funds will be used to help offset those expenses. There is an increasing need to test

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students for second language learners. The staff for these positions are contacted through an outside source and expenses can fluctuate depending on the level of services needed for the students and can save the district versus transporting students out of the district.

Mr. Reuning reported using contracted services is typically less expensive than sending a student out of district, which will then require additional expenses, including for transporting the student.

**The proposed budget for the Speech account is \$189,121.00, a 5% increase of \$9,844.00.**

Mr. Reuning reported many changes are due to changes in salary and insurances. An increase for Speech Therapy – High School is based on the higher number of students needing services at Coe-Brown.

**The proposed budget for the Improvement of Instruction account is \$70,678.00, a 7% increase of \$4,706.00.**

Mr. Sousa explained this account provides teachers with a stipend to work over the summer months to help review and establish lesson plans and updates to curriculum for student assessments, state/federal requirements, and new testing requirements. The staff is paid for 6 hours, but most typically work twice as long, providing significant benefits to the students. Some of the items are also contractual obligations to pay and/or reimburse teacher expenses.

**The proposed budget for the Instruction and Curriculum Development account is \$108,243.00, a 1% increase of \$1,022.00.**

Ms. Levenson reported this is the Curriculum Director position put into place two years ago. This position helps coordinate with the teachers to establish what students need to learn to meet the curriculum criteria for high school level classes. Mr. Sousa reported this position works with both High School and relaying that information to the Nottingham School, School Board and SAU.

**The proposed budget for the Library and Educational Media account is \$119,518.00, a 4% increase of \$4,812.00.**

Mr. Sousa reported the biggest increase is salary changes, and the purchase of new Computer Software Supplies and a change to a cloud based service.

Mr. Sousa reviewed the steps the library and school is looking to take for equipment and furniture changes for the library; such as more portable/moveable equipment to address the needs of the different ages and grades of students.

**The proposed budget for the Computer Assisted Instruction account is \$42,354.00, a 21% increase of \$7,228.00.**

Mr. Sousa explained this includes 25 new Chromebooks and a new cart, a new touch screen for younger students, and an attempt to develop the tablet cart for the art program; continuing the technology plan with one-to-one student use. These changes have helped reduce the number of testing days for students.

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Ms. Snow reported the PTA has also donated a Chromebook cart to help offset the budget for the school. Mr. Sousa reported the school has made a true effort to not just increase the amount of equipment but to make sure that the purchased technology is used by students and teachers and becomes part of the existing curriculum.

**The proposed budget for the Other Support Services-Instr Staff account is \$103,645.00, a 5% increase of \$5,334.00.**

Mr. Reuning reported the majority of increases are based on salary changes, health insurance, and the new Retirement rates.

Mr. Koester indicated there could be a possible error in the Health Insurance rate. Mr. Reuning reported it was a change in policy causing the increase and the notes would be updated.

**The proposed budget for the School Board Service account is \$71,427.00, a 5% decrease of \$3,825.00.**

Ms. Levenson reported there is a lower cost for Contracted Services – Atty & Negotiator as there are no significant known legal needs; there are no contract negotiations. The School Board is responsible for paying a portion of the district audit costs, as \$10,000.00. The School Board also increased Community Services to provide more community outreach efforts.

It was stated the notes for the Cable TV account were from the prior year and would be updated.

**The proposed budget for the SAU Expense account is \$453,467.00, a 2% increase of \$10,422.00.**

Ms. Levenson stated the SAU prepared the budget that was approved by the Joint School Board. Nottingham pays 37.9% of the total SAU budget, which is based on student enrollment numbers. Northwood pays 31.02% and Strafford pays for 31.08%.

**The proposed budget for the Principal's Office account is \$378,187.00, a 6% decrease of \$24,184.00.**

Mr. Sousa reported there were changes in the amount of equipment needed, new/lower contract for copier services, and changes in health insurance plans. The price for the copier maintenance agreement went down \$2,000.00.

Ms. Biron asked about the open enrollment period for health insurance. Mr. Reuning reported open enrollment are completed in June, but it doesn't account or life changing events, such as a new baby, that take place throughout the school year.

**The proposed budget for the School District Bookkeeper account remains level funded at \$1.00.**

This account is funded incase a bookkeeper needs to be hired. This position was moved under the SAU umbrella two or three years ago.

**The proposed budget for the Operation and Maintenance of Plant account is \$476,361.00, a 2% increase of \$8,275.00.**

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Mr. Sousa reported this account had the most proposed budget adjustments through the budget prep process. Many of the items are through private contracts, adjustments were made in decisions for purchases such as a new furniture, stage curtain, and floor scrubber. There is also the need to clean the HVAC system, but it was removed from the budget at this time. Rubbish removal budget now reflect the actual expenditures of the school.

There was a need for a new fire proof cabinet to store confidential files for the guidance office.

Ms. Biron asked about decision to eliminate the HVAC cleaning and if the school has received air quality testing to recommend the delay. Mr. Sousa reported testing is regularly completed and test results are clean. Ms. Levenson reported the School Board wants to try and make a better effort to try and plan for items such as this for the school as a whole, and not piece meal repairs and/or maintenance. The School Board will review when the system should receive those repairs during the next year.

**The proposed budget for the Transportation account is \$783,545.00, a 2% increase of \$13,901.00.**

Mr. Reuning reviewed the changes to the transportation expenses, which included possible future change in transportation needs, preschool, and fieldtrips. As well as all the possible special education needs.

Ms. Snow reported an RFP would be generated as the end of the current transportation contract will end in 2018; the previous RFP process resulted in only one response. Mr. Reuning reported there may be better luck getting multiple responses with some recent consolidations of other bussing companies.

General discussion took place about an expectation that rates may go up with existing bus driver staffing difficulties, seen not only for schools but across the industry.

**The proposed budget for the Building Improvements account was zeroed out.**

Ms. Edin asked why the prior year \$1.00 was removed. Ms. Levenson reported she didn't have a specific answer, but would be more comfortable leaving in an amount, just in case. However, it may be because funds could be pulled from a different account. General discussion took place about why it might have been removed.

**The Transfer to Capital Reserve account had a zero balance.**

It was stated the Transfer to Capital Reserve account was to address transfers into and use of Capital Reserve funds as voted and approved on the ballot.

**The proposed budget for the Food Service account is \$180,724.00, a 3% decrease of \$5,526.00.**

Mr. Sousa reported most of the Food Service account was level funded, except for anticipated needs in Supplies and for the Food and Milk guidelines/prices.

**The proposed Grand Total Operating Budget for 2017/2018 is \$11,980,039, a 5% increase of \$614,470.00.**

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**Chair Dumas reported that the proposed Grand Total Default Budget for 2017/2018 is \$11,966,460.00, a 5% increase of \$600,891.00.**

Statements were made about the relatively small margin between the Operating Budget and Default Budget amounts, which was \$13,579.00.

Chair Dumas reviewed the warrant articles as submitted by the School Board.

Article #1 is the election of officers.

Article #2 is the Operating Budget of \$11,980,039.00 or the Default Budget of \$11,966,460.00.

Article #3 is the cost items included in the collective bargaining agreement for the teachers, increasing rates by \$36,204.00 for 2017/2018, \$77,256.00 for 2018/2019, and \$77,819 for 2019/2020.

Ms. Levenson reviewed the collective bargaining agreement with the teachers, which included an additional holiday, a longevity payment remaining in the contract, one more year for the early retirement payment offer, health insurance offerings and additional health related options, possible changes to address federal health insurance requirements, sick leave, as well as changes in compensation,

Mr. Batchelder asked to clean up the typos in the text in Article #3, removing quotation marks and question marks.

Mr. Eaton asked about the large change between the 2017/2018 year and the 2018/2019 year. Ms. Levenson stated the large increase is year one nets out the insurance savings within the budget in the first year, but not the following years. The same is true for the salary changes.

Ms. Levenson stated the investments in the salary scales have provided the school with fewer staff turnovers and more consistency for the students and school curriculum, increasing overall test scores for students.

Discussion took place about student performance and Chair Dumas asked for some type of illustration of how the students have progressed and improved their test scores.

Article #4 is the cost items included in the collective bargaining agreement for the paraprofessionals, increasing \$39,932.00 for 2018/2019, and \$41,689.00 for 2109/2020.

Mr. Reuning reviewed the changes to the paraprofessional contract, which included language changes, clarifying/introducing probationary employment, salary rates, salary differential, disability insurance, when sick leave is offered, holiday offerings, FMLA offering, and the length of the contract for two separate cycles between teachers and the paraprofessionals. Salaries were increased in an effort to try and higher more qualified staff and increase retention.

Ms. Edin asked about sick leave changes and how the positions are covered when they are out, is the carryover number too high. Mr. Reuning stated it isn't something he can calculate, because he doesn't know how much time will be used. Mr. Sousa reported the need for substitute teachers are included in the regular budget.

Article #5 is to add \$25,000.00 to the Building Repair Capital Reserve Fund.

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Ms. Snow reported the School Board is making an attempt to plan for situations while still being frugal with the operating budget.

Ms. Levenson reported work is taking place to plan for the work needed at the school.

Mr. Hadik suggested including funds or creating a new fund to plan for needed expenses for the regular maintenance that might be needed at the school, such as the HVAC cleaning.

Article #6 is to add \$25,000.00 to the Grounds Improvement Capital Reserve Fund.

Ms. Levenson reviewed the history of the Grounds Improvement Capital Reserve Fund, which included a student raising funds to improve equipment at the playground and an increase in School Board effort to improve all school grounds, and not just the playground. Mr. Sousa reported more than fundraising was needed and ground improvements become part of the capital improvement plan. The school will hold a meeting on January 18<sup>th</sup> to review the proposed current plans. Ms. Levenson stated some of the delay for the playground is set up with the planning of the Marston project and trying to determine how the school should proceed.

Article #7 is to add \$20,000.00 to the Text Book Capital Reserve Fund.

Ms. Levenson stated this fund was created to try and offset and keep the school on a plan to update text books as they are needed and not wait until a need is critical, and is to even out expenditures on a year to year basis.

Mr. Koester asked about the trend towards online text books and the costs for online services. Mr. Sousa stated it is still more of a hybrid process; there is a very small market for only online books. There is more of a push to supplement traditional books with online content; one book per student that is left in the class and the ability to access needed material online. The school has been able to reduce the number of books, but still needs books. Mr. Sousa reported there is a cost, but feels the school gets a quality product for the amount they spend.

Mr. Reuning stated the online material is usually sold as a package with the text books.

Ms. Edin asked for clarification about the funding for the capital reserve funds and the anticipated balance amounts. Mr. Reuning reported the money will only come from any 2016/2017 year end surplus.

Article #8 is to authorize the School Board to convey a utility easement with an abutter and Eversource.

Ms. Snow reported this article is to provide an electric connection to the new addition at the preschool located next to the school.

Mr. Hadik asked if the preschool sells the property and it becomes a privately owned dwelling, what happens with the easement. Ms. Levenson stated she would determine the answer.

**The Committee recessed for 5 minutes from 10:06 pm to 10:11 pm.**

Chair Dumas reviewed the estimated revenues, with a grand total of \$243,009.00, a NH Adequacy Grant of \$1,519,320.00, and the NH Education tax amount of \$1,302,005.00; these amounts off set the amount that must be raised by local property tax.

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Chair Dumas stated the current total school tax rate was \$14.71 and reviewed the estimated tax rate. The school tax rate will increase \$1.62, to a total of \$16.92 if only the Operating Budget is approved. The school tax rate will increase \$1.74, to a total of \$17.04 if the Operating Budget and all Warrant Articles are approved.

Chair Dumas indicated the overall estimated tax increase could be \$1.74, if the Operating Budget and all Warrant Articles are approved.

Mr. Reuning reviewed that the estimated tax rates are only estimates and don't take into consideration the return of any fund balance that is used to offset the tax rate.

**10:27 pm Motion:** by Mr. Hadik, second by Mr. Eaton to adjourn the public hearing.

**Vote:** 8 – 0 in favor.

Chair Dumas reported the Budget Committee would complete one final review, introduce any recommend changes, and vote their recommendations on the budget and all warrant articles.

Chair Dumas reviewed the regular operating budget on a page by page basis asking for any proposed changes.

**Motion:** by Mr. Koester, second by Mr. Hadik to reduce account #01-110-5563-001 Tuition-Anticipated Move-In's from \$91,026.00 to \$75,000.00.

Discussion took place about the recommended change. Mr. Koester supported his motion by stating the school typically has not had a high number of students move into town, there has always been returning surplus funds of approximately \$500,000.00 at the end of the year, and feels there is enough room in the budget to reduce the amount set aside for anticipated students who might move into the school district. The final count of students that have moved into town has typically been less than what is proposed in the budget. Mr. Koester asked for a historical average of the number of students moving into and out of the district.

Others on the committee felt there should not be a change in the amount, stating the account includes an additional three students who may change from being home-schooled to attending a public high school.

Discussion took place about the number of students that move into the district, as well as out of the district, intent of home school students to attend a high school, historical data about student counts and surplus, and how much to reduce the account if at all. It was mentioned a capital reserve fund account could be created to address possible students moving into the district and remove the cost from the operating budget.

After discussion Mr. Koester decided to amend his motion.

**Motion:** by Mr. Koester, second by Ms. Edin to amend the original motion and to reduce account #01-1100-5563-001 Tuition-Anticipated Move-Ins \$15,171.00 from \$91,026.00 to \$75,855.00.

**Vote:** 7 in favor, 1 opposed.

Chair Dumas continued his page by page review for recommended changes.



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**Motion:** by Mr. Hadik, second by Ms. Lee to recommend the amended operating budget of \$11,964,868.00, warrant article #2.

**Vote:** 8 – 0 in favor.

Discussion took place about whether the default budget would change with the reduction of the operating budget; it was stated the default budget would remain the same as proposed.

**Motion:** by Mr. Hadik, second by Mr. Koester to recommend the default budget of \$11,966,460.00, warrant article #2.

**Vote:** 8 – 0 in favor.

**Motion:** by Ms. Biron, second by Ms. Lee to approve the estimated revenues in the amount of \$243,009.00.

**Vote:** 8 – 0 in favor.

**Motion:** by Mr. Koester, second by Ms. Snow to recommend Article #3 as read.

**Vote:** 8 – 0 in favor.

**Motion:** by Mr. Eaton, second by Ms. Snow to recommend Article #4 as read.

**Vote:** 8 – 0 in favor.

**Motion:** by Ms. Biron, second by Mr. Hadik to recommend Article #5 as read.

**Vote:** 8 – 0 in favor.

**Motion:** by Mr. Eaton, second by Ms. Lee to recommend Article #6 as read.

**Vote:** 8 – 0 in favor.

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

**Vote:** 8 – 0 in favor.

**Motion:** by Mr. Hadik, second by Mr. Eaton to recommend Article #8 as read.

**Vote:** 8 – 0 in favor.

**Town Updates:** Mr. Eaton reported the town is still in need of a CDL plow truck driver, the Select Board reviewed solar proposals, a postcard will be mailed to all residents regarding the vacant town positions, and there will be more information coming about USA Springs property sale soon.

The final town budget presentation will be on January 26, 2017 and the town hearing will be on February 9<sup>th</sup>.

**Approval of Minutes:** Postponed to the next meeting.

**OTHER BUSINESS:** None

**ROUNDTABLE:**

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Ms. Lee and other members agreed it was a good meeting.

Chair Dumas stated the school deliberative session is on Friday, February 10<sup>th</sup> at the school. Elections will be March 14<sup>th</sup> at the town Community Center and the Town Meeting will be on Saturday, March 18<sup>th</sup> at the school.

Mr. Koester reminded everyone that sign up for the vacant town and school positions start January 25<sup>th</sup> and end on February 3<sup>rd</sup>.

**ACTION ITEMS:**

**School:** Can the electric easement in Article #8 be transferred to a private dwelling if the property sells and is no longer a day care.

**ADJOURNMENT:** Having no further business,

**11:37 PM Motion:** by Mr. Hadik, second by Mr. Eaton.

**Vote:** 8 – 0 in favor.

Respectfully Submitted,

Dawn Calley-Murdough