

**Minutes
Nottingham Budget Committee Meeting
December 20, 2018**

Members Present: Tim Dabrieo, Miska Hadik, Michael Koester, Lee Lederer, Karyl Martin, Erin Maskwa, Roslyn Chavda – School Board Rep

Excused Absences: Carrie Lee, John Morin, Ben Bartlett

Other in Attendance:

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

2nd Draft 2019/2020 Proposed School Budget / General School Updates: The School Board presented the second draft of the proposed school budget, highlighting the most recent changes.

Mr. Reuning reported there are increases to the amount the school now will pay for Substitute Teachers, as it hasn't been updated for a couple of years; all corresponding tax lines have also been adjusted accordingly. Notice was received from two staff members about proposed retirements and the salary accounts have been decreased with the intent of a new hire. The amount needed for the district audit has been reduced, as well as a reduction to the GASB 45 audit requirements. Advertising and Legal Notices was reduced based on prior Budget Committee comments and is more in line with actual expenditures. The Principal New Equipment account was reduced to zero with the possible use of Cable Franchise Fees. A decision was also made to remove \$7,000.00 for repair to sink holes, as some repairs have already been made and funds can be used from the reserve fund if any additional issues are found during the school year. The Food Services Food and Milk account was reduced by \$1000.00.

Mr. Reuning reported all Health Insurance accounts have been decreased. The percentage of increase used in the 1st draft was reduced by 1%, based on a review of the maximum allowable increase per the contract.

Ms. Levenson reminded the Budget Committee that they will continue to see increases in the High School Tuition accounts with the higher number of students entering high school versus the number of students graduating.

Members of the SAU, Mr. Sousa and the School Board answered questions previously asked by the Budget Committee.

The large swing in Art Supplies is based on a change in purchasing paper. The school now purchases large rolls of construction paper for all to use with a larger discount versus ordering the amount in separate supply accounts.

Classroom Workbooks decreased with the need to purchase fewer books, especially in math, and the use of online subscriptions.

A new sink for the science classroom was purchased in 2018, causing the decrease in Regular Education New Equipment.

Mr. Sousa explained the process of how overnight stipends are paid to staff, which is also new to the teacher contract. The 2019/2020 budget includes the 7th/8th grade trip to Washington DC, which takes place every other year and the fluctuation will be seen every year.

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38 New baseball uniforms were purchased during the 2016/2017 school year and none were
39 purchased in 2017/2018. In an attempt to keep the account level funded uniform purchases are
40 staggered and basketball uniforms are planned for 2019/2020.

41 The school plans to install bumpers for the volleyball court to help keep the sand in, as well as a
42 cover to keep animals and debris out. This includes regular maintenance and refill of sand when
43 needed. There is also the plan to start work on upgrading the softball field, which should take a
44 couple of years to complete.

45 The school has a total of 387 Chromebooks that are managed and maintained by the Technology
46 Director.

47 Mr. Reuning reviewed the amount of actuals for Advertising and Legal Notices and stated the
48 amount could be reduced based on historical spending.

49 There is a plan to replace two backpack style vacuums for \$863.00.

50 Mr. Reuning reviewed the process of transferring funds to the Food Service program, stating the
51 school is required to cover any shortfalls between received revenues and the costs to operate.
52 The Transfer to Food Service account helps the board track how much they must transfer every
53 year.

54 The Food Service Repairs to Equipment expenses include work to the storage room door and
55 door locks, replacement of the commercial kitchen appliance thermostats, and repairs to the walk
56 in cooler.

57 Mr. Reuning reviewed the 2nd draft of the proposed budget.

58 The Health Insurance amount was reduced from 8.7% to 7.7% premium increase throughout the
59 total budget. Any changes to salary amounts have also impacted all associated tax and
60 retirement accounts.

61 Special Education Tuition – Preschool changed account numbers, with a slight decrease. Ms.
62 Levenson stated the costs are based on a three year rolling average to each school to level out
63 any annual spikes or drops.

64 This type of account number change happens throughout the budget to account for prior coding
65 errors, based on the recommendation of the auditors. This change will now make accounts
66 match the state codes making it easier to file required financial forms.

67 The School Board reduced the amount planned for audit expenses.

68 Discussion took place about the proposed accounting software purchase. The funds were taken
69 from the SAU surplus to reduce any tax impact. Ms. Levenson stated work has been taking
70 place by the Joint School Board to review how much money the SAU keeps in surplus to cover
71 regular expenses, payroll, grant funds, and other items. This is to make sure the SAU has
72 enough cash on hand, but there is a return to try and reduce taxes.

73 There were no changes to the Transportation section.

74 There were minor changes to the High School section.

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75 The grand total 2nd draft proposed budget is \$13,062,475.07.

76 Ms. Levenson reviewed the Transfer to Capital Reserve account was to provide the history of
77 approved warrant article transfers to their applicable reserve funds.

78 Chair Hadik stated he appreciate the transition of the budget over the years and having so much
79 additional information in the notes makes it easy to track activity over the years.

80 The Revenues were reviewed.

81 The title of the Catastrophic Aid was changed to Special Education Aid and reviewed how the
82 school receives reimbursement. Increases in the amount of money received for Special
83 Education Aid isn't necessarily a good thing, as it typically means the school is spending more
84 on special education for students; a lower amount is preferred.

85 Kindergarten Aid revenue is new for 2019 and the amount will be the town percentage of
86 statewide Keno revenues. This provides the town an additional \$1100.00 per student on top of
87 other aid to support full day kindergarten programs.

88 Mr. Dabrieo asked about the differences in Food Services revenues. Mr. O'Sullivan explained it
89 is a trending of the average of lunch program sales. Lunch program sales continue to see a
90 reduction in sales across many communities.

91 The estimated tax rate information was reviewed. It was stated the amount is only an estimate as
92 it doesn't account for any changes in property values or the amount of surplus returned at the end
93 of the 2018/2019 school year.

94 It was stated the estimated tax rate is an increase of \$1.37 above the prior year tax of \$15.17.

95 Discussion took place about the Dover High School Tuition agreement. The amount of the
96 Dover Tuition amount won't be received until the fall of 2019 and the estimate is conservative.
97 It was stated the budget will be adjusted before the public hearing to account for high school
98 selections, which are currently being received.

99 A review of each of the proposed warrant articles took place. Mr. Reuning stated he would be
100 able to provide the Paraprofessional agreement once it has been approved by all parties.

101 Article #1 is for school district officers.

102 Article #2 is for the proposed and default budgets.

103 Article #3 is for the Paraprofessional agreement, along with the first year of funds to support
104 salary increases.

105 Article #4 is a proposal for an extra special meeting if Article #3 does not pass with the voters.
106 The School Board isn't required to include this article and they will continue their discussion at
107 their next board meeting.

108 Article #5 is to add \$20,000.00 to the Textbook reserve fund.

109 Article #6 is to add \$25,000.00 to the Building Repair reserve fund.

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110 Article #7 is to raise funds for the creation of a Strategic Plan. Ms. Martin asked about the cost
111 for the plan. It was stated the board doesn't have an exact cost and is looking at all alternatives
112 to complete a plan at a lower cost and will know more soon. There is an option to work with the
113 School Board Association. It was stated the board may make the decision to remove Article #7.

114 Ms. Levenson reviewed the reasons and goals the School Board is considering completing a
115 strategic plan and work with the Facility Committee. This new work is utilizing work completed
116 a few years ago, updating the information with costs for possible plans and incorporating the
117 changes that have been made to the school spaces.

118 General information was supplied about how the State of NH Building Fund works and the steps
119 the school would need to take to try and receive those funds, which includes an application and
120 approval process.

121 Article #8 is to add \$25,000.00 to the Grounds Improvement reserve fund.

122 Mr. Reuning reviewed the changes in the law regarding Default budgets, stating additional
123 information is now required to specifically document complete explanations of how the funds
124 will be spent. Mr. O'Sullivan stated the entire default budget will be posted.

125 Mr. O'Sullivan reviewed the different types of items and costs that are allowed to be included in
126 the Default Budget, such as contractual obligations.

127 A review of some of the differences between the proposed budget and default budget took place,
128 such as transportation.

129 Discussion took place about the budget planning timeline.

130 Discussion took place about the current expenses and how the accounting system is used,
131 including the encumbrance section. The SAU meets the week before the board reviews the
132 budget to make sure all necessary changes have been accounted for. Purchases orders are used
133 by the school.

134 It was stated the school receives a monthly credit for the missing school bus.

135 Mr. Reuning reviewed the upgrades to the gym lighting for electric savings, which now include
136 motion sensors and dimmers, as well as more efficient bulbs.

137 General discussion took place about homeless students and how those funds can be used.

138 Chair Hadik thanked the School Board and SAU for their review of the budget.

139 **General Town Updates:** None

140 **Sub-Committee Reports:**

141 CIP: Ms. Lederer reported the committee hasn't yet met.

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

143 **OTHER BUSINESS:** None

144 **ROUNDTABLE:** Discussion took place about when the committee will vote recommendation
145 for the school budget, which would take place on January 10th. Including when the committee

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146 would revote their recommendations, if the school budget changed drastically at the deliberative
147 session.

148 General discussion took place about the town meeting.

149 **ACTION ITEMS:**

150 **Town:**

151 **School:**

152 **ADJOURN**: Having no further business,

153 **9:30 PM Motion:** by Mr. Dabrieo, second by Ms. Lederer.

154 **Vote:** 7 – 0 in favor.

155 Respectfully Submitted,

156 Dawn Calley-Murdough