

Merrimack School District
Budget Committee
Public Hearing

Minutes
February 8, 2011

Present: R. Barnes, T. Beard, B. Boyd, R. Buckley J. Burk, B. Cummings, S. Heinrich, G. Markwell, M. Publicover, A. Schneider and School Board Alternate R. Swonger

Excused: M. Beck

Also Present: Superintendent M. Chiafery, Assistant Superintendent, Dr. M. McLaughlin, and School Business Administrator M. Shevenell

A. Schneider opened the Public Comment Hearing at 7:30 PM. He welcomed those present and told the audience that the Budget Committee only deals with the operating budget and monied warrant articles and that only those articles would be under discussion at the hearing. He mentioned that the School District had provided handouts, which showed details of the proposed budget and warrant articles.

Warrant Article 3: Teacher Contract

A. Schneider told the audience that the School District is proposing a two-year teacher contract. He said that the two components that are mentioned in the warrant article are \$630, 656 for total salary increase and \$450,000 for savings in the health insurance plan. He said these result in a net additional appropriation of \$180,656 and that this amount equates to 5.5 ¢ on the tax rate. A. Schneider said that there is expected to be some health insurance savings in the second year of the contract, but that amount cannot be determined until the guaranteed maximum increase for that year is known. He indicated that the School Board voted 5 – 0 – 0 to recommend this warrant article and the Budget Committee had voted 10 – 1 – 0 to recommend this warrant article

A. Schneider asked for questions or comments from the audience.

There were none.

Warrant Article 5: Capital Reserve Fund for Special Services and Central Office

A. Schneider said this article is the result of a study done by the School Planning and Building Committee. The article establishes a Capital Reserve Fund, specifically for building a new combined office building, and funded from surplus, by up to \$200,000 or 20% whichever is less. A. Schneider said the School Board voted 5 – 0 – 0 to recommend this warrant article and the Budget Committee voted 8 – 2 – 1 to recommend this article.

A. Schneider asked for questions or comments from the audience.

S. Heinrich, who is also a member of the Planning and Building Committee told the audience that the report generated by the Planning and Building Committee could be found on the School District website. He said the Committee had met with several professional and considered

options such as buying or leasing available commercial space and renovating and using existing school space. He suggested that people may be interested in looking at the report to get some insight into research the Committee had undertaken before coming to the conclusion that a new building was the correct option.

There were no comments from the public.

Warrant Article 6: Operating budget

A. Schneider told the audience that the operating budget article proposes two numbers: the proposed budget, which is \$65,340, 419 and the default budget, which is \$65,7221,640 and is approximately \$381,000 more than the proposed budget. He said that last year's proposed budget had been \$64,198,143 and the difference between last year's proposed budget and this year's proposed budget is \$1,100,000. He said this amounts to a 1.8% increase or a 33¢ impact on the tax rate per \$1,000 of valuation. A. Schneider said that the two big things that impacted this increase were health care and retirement costs. Health care had a 6.87% increase resulting in an additional \$372,000 being added to the budget and NH retirement went up 21% based which resulted in an increase of \$543,903. He noted that the District expects 127 fewer students next year than this year, which has resulted in a reduction of 6.5 teaching positions and 1 support staff position. He said that the middle school had requested no staff reductions, but a compromise has been reached where 2 teaching positions were cut which will create a "half-team" with the flexibility to move the team between grades from one year to the next as needed to keep student: teacher ratios at 24:1. He said that other cuts were made to the budget and these cuts were spread over all facets of District operations. He also said that there were no warrant articles for maintenance items this year because the School Board put these items in the operating budget. He cited carpet replacement, asbestos removal and creating secure entrances at Thorntons and Reeds Ferry Schools. In addition, he said the budget also includes funds for repairs to Lyons Road, which is owned by the District. He said that the School Board hopes to get these smaller infrastructure items taken care of now because many larger and more expensive items are in the Capital Improvement Plan for repair or replacement soon. A. Schneider indicated that the proposed budget includes the final bond payment for the 1997 additions.

A. Schneider ended his remarks by saying the Committee spent a lot of time reviewing the budget. He said there were a lot of motions made to add to or remove funds from the proposed budget, all of which failed by a significant majority. He said, in the end, the Committee felt the Administration and the School Board had done a good job and felt comfortable with the budget as proposed.

A. Schneider asked for questions or comments from the audience.

There were none.

A. Schneider noted for the record that there were people in the audience and closed the Public Hearing at 7:49 PM