

**Merrimack School Board Meeting
Merrimack High School Cafeteria
January 22, 2013
PUBLIC MEETING MINUTES**

PRESENT: Chairman Ortega, Vice Chairman Powell, Board Members Barnes, Markwell and Schneider, Superintendent Chiafery, Assistant Superintendent McLaughlin, Business Administrator Shevenell. Student Representative Crowley was excused from the meeting.

1. Call To Order

Chairman Ortega called the meeting to order at 7:35 p.m.

Chairman Ortega led the Pledge of Allegiance.

Chairman Ortega announced that Chris Gentry, who worked for Merrimack TV for several years, left his position with the Town of Merrimack. He thanked him and wished him luck.

2. Approval of January 7, 2013 Minutes

Chairman Ortega noted that revised minutes given to the board included the questions from Lisa Mooney regarding the Food Service budget as well as Mr. Dziki's answers to the questions.

Board Member Barnes moved (seconded by Board Member Markwell) to approve the minutes of the January 7, 2013 meeting and the January 9, 2013 budget meeting.

January 7, 2013 Minutes

Board Member Markwell requested the following changes to the minutes:

- Page 3 of 16, fifth paragraph from the bottom should read, "Board Member Markwell asked how many districts are included in the study and how Merrimack was chosen to be included in the study."
- Page 3 of 16, fifth paragraph from the bottom, after Board Member Markwell's question, insert the sentence "Mr. Stone responded that Merrimack was chosen because of the proximity to his home and he that had contacted thirty districts in all".

Board Member Schneider requested the following changes to the minutes:

- Page 7 of 16, first paragraph correct the spelling of Chuck Skarda.

Board Member Barnes requested the following changes to the minutes:

- Page 2 of 16, Section 4, first sentence, add an 's at the end of Asperger.
- Page 2 of 14, third bullet should read, "After the study he would share his findings".
- Page 3 of 16, 2nd paragraph after the bullets should read, "Board Member Barnes stated that she would like to know how communications with the parents of children with Asperger's would be done. She also questioned the study as, unlike other studies, it focuses on specific students in the classroom.
- Page 4 of 16, paragraph 3, add an "s" to paraeducator in the first sentence.
- Page 15 of 16, Resolution #4, replace SUA with "SAU".
- Page 16 of 16, paragraph 4, sentence 3, replace "reviews" to "supports" and after Resource Officer at "at the Merrimack Middle School".
- Page 16 of 16, Section 16, correct the spelling of complimented.

Chairman Ortega requested the following changes to the minutes:

- Page 3 of 16, last paragraph, correct the spelling of Jen Burk.
- Page 6 of 16, paragraph 2, “Chairman Ortega asked what the numbers are for in-district placement and what is the relationship to the paraeducators in the district as compared to out-of-district cost increases.”
- Page 7 of 16, paragraph 1, sentence should read, “Ms. Rose referred to the questions by Chuck Skarda who asked what the costs of the future year’s plan in the CIP plan are expected to be.”

January 9, 2013 Minutes

Board Member Barnes requested the following changes to the minutes:

- Page 3 of 7, Section James Masticola Upper Elementary School, paragraph 4, should read, “Assistant Principal Morris explained that the lease options cost more of what made sense vs. the initial purchase for the instrument.”

Board Member Schneider requested the following changes to the minutes:

- Page 4 of 7, paragraph 4 from the bottom, first sentence should read, “Board Member Schneider asked for an explanation for the increase in the athletic supplies account.”

The motion to accept the January 7, 2013 minutes and the January 9, 2013 budget meeting passed 5-0-0.

3. Public Participation

There was no public participation.

4. Acceptance of Gifts/Grants Under \$5,000

- United Health Group “Dollars for Doers” to James Masticola Elementary School for \$200.00 to support educational programs and students.
- Parents and Teachers of Thorntons Ferry (PTTF) to Thorntons Ferry Elementary School for \$4,400.33 to purchase interactive mimeo technology for classroom use.

Vice Chairman Powell moved (seconded by Board Member Markwell) to accept the gifts and grants under \$5,000 as presented.

The motion passed 5-0-0.

5. Consent Agenda

- Approval of Revised Wellness Policy

Board Member Barnes moved (seconded by Board Member Schneider) to accept the Consent Agenda as presented.

The motion passed 5-0-0.

6. Town Center Committee: Trails Master Plan Review and Request to Create an Easement Agreement

Tracy Bull, the board liaison to the Town Center Committee, introduced Peter Flood, the Town Center Committee Chair, Debra Huffman and Andy Powell who are both members of the Town Center Committee, and Leila Mellen, National Parks Service partner. She added that Mr. Powell, Ms. Huffman and Ms. Mellen are members of the Trails Easement Agreement Sub-Committee.

Tracy Bull spoke about the history and some points of the project:

- The committee has been very busy laying the groundwork necessary to begin actualizing the items in the Trails' Master Plan laid forth in the Merrimack Town Center Pedestrian and Trails Master Plan.
- The Town Council formed the Town Center Committee in November 2009.
- In June 2012 Ms. Bull came before the board to requesting a letter of support for the application to work with the National Parks Service under the Rivers, Trails and Conservation Assistance Program.
- Ms. Mellen provides assistance in trails design and development and is working on a work plan. The partnership with the National Parks Service is usually a two-year project, although sometimes, depending on the circumstances, it can be extended for another year.
- Ms. Bull referred to two maps which showed the proposed trails in the Master Plan. She explained that with all the necessary elements in place, the Town Center Committee needs help to begin coordinating and establishing an Easement Agreement between the various entities including one between the Town and the Merrimack School District in order to continue designing and laying out the trails.
- Ms. Bull will forward extra information regarding health and welfare as it refers to obesity to the board.
- The trails tie directly into other Town Center pedestrian connections, both existing and being worked on. These go hand in hand with the Safe Routes To Schools.

Mr. Andy Powell explained that one of the benefits of this project is having the trails on school district property a joint endeavor with the Town of Merrimack. He explained that the large portion of the district land is part of the Town Center. He added that many citizens of Merrimack already walk the area. The project directly ties in with health and wellness initiatives and policies for students and employees in the district. He added that Merrimack High School extensively uses the trails for training and conditioning as well as some classes, including the Science and Environmental classes.

Mr. Powell referred to a sample of a Trails Easement that is a compilation of information from other towns and districts. He added that the goal is to get permission from the school board to go ahead with the easement. He also asked the board to select a representative from the school board to work on the Easement Agreement committee. In addition, he asked permission to place colored flags along the trails to avoid people getting lost.

Ms. Mellon gave a brief introduction, stating that she works for the Outreach portion of the National Parks Service, "The River and Trails Program". This program works with community groups to help affect visions that they have for building trails, protecting rivers and protecting open areas.

Ms. Mellon explained that the proposed trails would raise home prices and increase economic development. She added that police could patrol the trails. She spoke about other areas that she has worked with in developing trails. They are St. Paul's in Concord, Bedford Vermont, Lyme NH, Plainfield NH, Orford NH and the Blue Mountain High School in Woodsville VT.

Mr. Powell stated that the easement on the south side of the river does not go anywhere. There is a walking bridge under the Merrill's Marauders' Bridge. The goal, ever since the Merrill Marauders' Bridge repair, is to hook it up and take advantage of it.

Board Member Barnes thanked the committee for the information, especially the RSA's regarding the landowner's responsibility. She asked if there is a tight deadline for the board to approve the easement at this point.

Mr. Powell responded that they were not on a time line per se, but they would like to start planning and constructing as soon as possible.

Board Member Barnes asked if the construction would start after "mud season". She also asked if the area would be for walking, jogging and bicycling only, or would motorized vehicles, such as ATV's be allowed on the trails.

Mr. Powell responded that it is only for passive, not motorized access. It is too sensitive an area for motorized vehicles and the access to it is very limited.

Board Member Barnes stated that these trails will connect a big portion of the community and the board wants to make sure it is developed in a way that will not promote intermingling walkers and motorized vehicles.

Ms. Mellon explained that basically they are asking for two things: 1) to appoint someone as the contact person from the board and 2) to get permission to mark the trails by hanging flags on the trees.

Chairman Ortega stated that, in terms of process, the presentation was to collect information. Looking for a liaison and point of contact from the district to work with the committee in terms of the actual easement would be discussed and decided at a subsequent meeting.

Board Member Markwell asked what type of equipment would be needed, what trees will be removed what land would be changed and if the trails would be gravel or dirt.

Mr. Powell replied that generally the trails would try to remain with the natural material in the area. It is wet and rough over there. They may have to bring in some gravel. A small bobcat type of machine may be brought in for land right under the power lines. Some construction is needed near the fire station. A bog bridge needs to be put in place because it is wetland. A great deal of construction would be done by hand.

Board Member Schneider stated that the map talks of a "potential pedestrian bridge". He asked if the pedestrian bridge is actually part of the plan, or is it an option.

Mr. Powell responded that a bridge is needed there because there is water flowing out of the wetlands area. The access to the trail itself from Watson Park would go down under Route 3, and through the existing area. They probably would need a small excavator to get rid of the sand and come up. They would probably have to build a stairway up to the level of the land right behind the fire station that would then lead to the bridge that would get across the wetlands area. He added that the intent is to keep the traffic away from the fire station.

Chairman Ortega asked if the trails, bridges and walkways are critical to the trail system as a whole, should the board be firmer in terms of the plan before establishing the easement for the trails on the school district property.

Mr. Flood responded that from the very beginning, there have been plans for a bridge to tie it all together. Talks with the Conservation Commission gave many examples of these types of bridges. He added that they are trying to “get a tough bridge for not a lot of money”. Having the easement could generate some interest and money for the project.

Mr. Powell added that they had a professional engineer look at the area under the bridge. They said that the ideas in place are very doable. The easement over the school land is one issue. There is an agreement in place with the NH Department of Transportation (DOT) for the area under the Everett Turnpike. There is another area that it owned by the DOT that has to be discussed. Finally, over time the committee has realized that an agreement has to be written down.

Chairman Ortega asked where the parcel of land that the town purchased is located.

Mr. Powell responded that they think they know about where it is. There are no boundary markers. They do know that it is about a one-acre area, which lies underneath half of the PSNH power lines and the other half toward the fire station.

Chairman Ortega thanked the committee again and reiterated that this will be taken up at a subsequent board meeting and it will be decided if a person to work on the easement will be selected from the board.

Mr. Powell noted that any questions should be directed to Mr. Flood.

7. Board’s Final Response to Proposed 2013-2014 School District Budget

Chairman Ortega explained that at the beginning of December the board was presented with the budget from the Administration for 2013-2014 in the amount of \$67,291,503, which was \$1,894,509 over the prior year’s budget, which is a 2.85% increase. He then summarized where the board was at concerning the budget.

- Last week the board unanimously moved to subtract the Health Contribution Holiday and Dental Contribution Holiday in the amount of \$354,946.00.
- Last week the board unanimously moved to remove two full-time school psychologists for a reduction of \$218,000.
- One contracted psychological services added in \$100,000.
- The roofing project at the Merrimack High School was deferred and removed from the budget in the amount of \$1,024,300. (Note: This passed in a motion of 4-0-1 with Chair Ortega in opposition.)
- \$56,700 was put back in the maintenance budget for building improvements in the event that the Special Services/SAU building warrant was not approved.
- Currently, the budget is \$65,850,690.00, which represents an increase of 0.65%.
- At the meeting last week a motion was withdrawn regarding the World Language position at Merrimack High School. The board members requested more time for reviewing the information.

Chairman Ortega asked if there were any other amendments to the budget as it currently stands.

Board Member Barnes moved (seconded by Board Member Schneider) to restore the World Language teaching position as a full time position at the Merrimack High School.

Board Member Barnes spoke to the motion, stating that there is an extra burden to the department head, since there are not only five foreign language programs in place, there is also a Mandarin foreign exchange in place and a proposed Arabic foreign exchange program. There is a lot of work that needs to be done to make these programs successful. She added that earlier in the year there was a discussion about marketing more foreign languages in the middle school (Arabic, Latin and Mandarin), which also requires more work. By understaffing we would not be doing what needs to be done.

Board Member Schneider stated that he did not support completely cutting the position. At this point he would support a half-time position as opposed to a full-time position, as proposed by the Administration.

Board Member Markwell stated that he agreed with Board Member Schneider regarding a half-time position. He added that he believed that future enrollment will be down and there will be fewer students taking French. A half-time teacher supports the educational stability the board is looking for.

Board Member Schneider added that as part of the discussion the board has been flexible with population changes. He stated that he would approve of a half-time position but if the population should change, it could be revisited.

Vice Chairman Powell agreed with Board Members Schneider and Markwell in support of a half-time teacher as opposed to a full-time teacher. He said that the data presented shows that the enrollment in French is static.

Chairman Ortega presented the motion by Board Member Barnes, stating that \$70,014 would be added to the budget for the full-time language teacher.

The motion failed 1-4-0 with Board Members Schneider and Markwell, Vice Chairman Powell and Chairman Ortega in opposition.

Board Member Schneider moved (seconded by Vice Chairman Powell) to reinstate a part-time French teaching position that was proposed by the Administration in the amount of \$30,274.00.

The motion passed 5-0-0.

Chairman Ortega stated that the total budget for 2013-2014 is \$65,880,964.00.

Vice Chairman Powell moved (seconded by Board Member Barnes) to move the school board budget forward in the amount of \$65,880,964.00.

Vice Chairman Powell stated that he was comfortable with this budget and that even though it did not come in level-funded, he felt really good about it.

Board Member Markwell stated that if the New Hampshire Retirement System did not come in so high, the budget would have been lower by \$90,000, which would have been below last year's budget.

Chairman Ortega stated that deliberations got the board to this point, not individual items, and that is what is being voted on. The revised budget schedule this year, with the additional time given, has allowed the board to spend more time where it was needed.

The motion passed 5-0-0.

8. Board's Response to the Establishment of a Separate Bank Account for NHSBA Dues and Other Membership Dues

Chairman Ortega stated that at last meeting, there was a discussion related to an issue that was brought before the board for which there was a legal opinion rendered by their attorney. It stated that the district needs to physically segregate any funds that we pay to organizations that might lobby full time or some small percentage of time from those monies received from state funds. In order to do this the board would have to physically create a bank account that needs to be opened and closed each year. The discussion was tabled at the last board meeting so that Business Administrator Shevenell could come back to the board with a proposal.

Business Administrator Shevenell stated that there are a certain number of memberships for the district. It is hard to determine which part of the memberships are lobbying efforts. To play it safe and leave no doubt, he suggested that they get a separate check from the town before they receive any state money and open the bank account for that purpose. If something is paid out of that account, he would provide a report. He stated that this is a clean way to do it, leaving no doubt.

Business Administrator Shevenell clarified that the account would start at the beginning of the fiscal year and end at the end of the fiscal year.

School Board Member Barnes moved (seconded by Vice Chairman Powell) to authorize the Administration to open an account to allow non-state funds to be deposited for the purpose of paying memberships which may or may not have lobbying in their organizational structure.

Board Member Barnes stated that we would be the first district in the state to do this, based on the amount of research she has done. She stated that if the board feels this covers their bases, Merrimack would be the example to see how this works. She added that this process would take extra time and money.

Board Member Markwell asked if there is a way to open this separate account without an added cost to the district.

Business Administrator Shevenell stated that enough business is done by the school district with TD Bank that would allow this to be done. Funds cannot be electronically transferred. It has to be a brand new account that is opened and closed every year, so he would have to go to the bank with Richard Hastings, the school district treasurer, to set it up.

Board Member Markwell asked if it would be possible to leave a penny in the account every year so that it would not have to be opened and closed every year.

Business Administrator Shevenell stated that he would like to do that, but it cannot be done. He said that it would be utilized similar to a student activity account, except it would be for the Central Office.

Board Member Markwell asked if Business Administrator Shevenell could come before the board if there are any additional costs so that it can be reconsidered for the following year.

Board Member Barnes asked that if we did keep a penny in the account, would that account need to be voted on by the voters.

Business Administrator Shevenell responded that it's a bookkeeping game. The money will still be raised and appropriated from the general fund. A check would be cut at the beginning of the year and put into the account. He added that whatever is left over at the end of the year would go back as a credit against those expenditures. So a vote of the people would not be needed.

Board Member Barnes stated that her concern was keeping the account open and having monies go in and out year after year. She would like to open and close the account every year.

Board Member Schneider asked if every year the board has to make a motion to move the money into a separate account.

Business Administrator Shevenell replied that nothing in the law states that it has to be reauthorized every year. It just states that the district has to abide by the law. The detail in the operating budget will show that "this money will be transferred into the separate account that does not include any money from the state, but just local sources."

Board Member Schneider stated that he would prefer not to visit this each year.

Chairman Ortega stated that he has concerns about this part of the discussion based upon the attorney's rendering:

"Note that unless a non-lapsing fund is properly created and any balance left in this account at the end of the fiscal year could not be spent. This will obviously mean additional work for your business office, opening and closing a separate account each year and making sure that local tax revenue is deposited directly into this account. However, this seems to us to be the easiest way to avoid a violation of RSA:15:5"

In that case we do not have an option. The board has a fiduciary responsibility to be in compliance with the law. He added that Merrimack could be on the leading edge of this and that there could be a lot more towns and cities that have to deal with this.

The motion passed 5-0-0.

9. Initial Consideration of Draft Warrant Articles for 2013 Warrant

Business Administrator Shevenell presented the School District Warrant for deliberations on March 6, 2013 and the April 9, 2013 election.

Article 1: *To elect all necessary school district officers for the ensuing year (vote by ballot).*

This does not have to be voted on by the board.

Article 2: *Shall the Merrimack School Board be authorized to accept on behalf of the District, without further action by the voters, gifts, legacies and devices of personal or real property, which may become available to the District during the fiscal year? (Majority vote required)*

Business Administrator Shevenell explained that this is a mechanism to accept cash according to RSA 198:b. He added that this is needed to be able to purchase a parcel of land donated to the district without a vote of the people. This shows up on the ballot each year.

Chairman Ortega moved (seconded by Vice Chairman Powell) to recommend Warrant Article 2.

The motion passed 5-0-0.

Article 3: *Shall the District see if the Town will vote to discontinue the following Capital Reserve Fund with said funds with accumulated interest to date of withdrawal, to be transferred to the School District's general fund? (Majority vote required)*

Approximate Amount Remaining

<i>Fund Purpose</i>	<i>Year Created</i>	<i>Balance Remaining</i>
<i>Thorntons Ferry Sewer</i>	<i>1997</i>	<i>\$11,550.00</i>
<i>School Building Construction</i>	<i>1995</i>	<i>\$13,030.00</i>
<i>Mastricola Renovations</i>	<i>2004</i>	<i>\$42,897.00</i>
<i>Approximate Total</i>		<i>\$67,477.00</i>

Business Administrator Shevenell explained this warrant, which is based on the fact that sometimes balances are held onto with Capital Reserve Funds.

Board Member Barnes moved (seconded by Board Member Schneider) to recommend Warrant Article 3.

Board Member Barnes spoke to the motion. She stated that she thought the Warrant Article makes total sense.

The motion passed 5-0-0.

Article 4: *(Special Warrant Article) Shall the District raise and appropriate an amount up to Sixty-Seven Thousand Four Hundred Seventy Seven Dollars (\$67,477.00) and transfer that amount to the School District Repair Capital Reserve Fund? (Majority vote required)*

Business Administrator Shevenell explained that the District Repair Capital Reserve Fund has been used for the repair of half the roof of the blue building that was damaged by Hurricane Sandy and for upgrading the phone system at the high school. He added that there is currently about \$38,000 in the District Repair Emergency Fund.

Board Member Schneider asked why the Warrant Article states “up to \$67,477”.

Business Administrator Shevenell responded that money could be raised, but not more than \$67,477. He added that it was standard wording and was provided in the Department of Revenue Administration template. He added we are asking that the district raise up to \$67,433, but we cannot raise \$65,000 or \$68,000. That specific amount needs to be made, or a lesser amount.

Board Member Schneider asked why the “lesser amount”.

Chairman Ortega stated that his concern was keeping the Article open for a lesser amount. He stated that an amount “up to” is typically used when talking about the Capital Reserve Fund and retaining some amount of the surplus. He asked if this is the actual amount, or is it “up to”.

Board Member Markwell stated that he thought the wording of the Warrant Article should remain unchanged. He asked if Article 3 fails and the money is not available to be moved, and Article 4 passes, does that mean that taxes will have to be raised to get the \$67,477.

Business Administrator Shevenell responded yes, that taxes would have to be raised.

Board Member Markwell stated that if Article 3 fails, we need to make sure we can say that we are going to raise an appropriate sum. He added that he didn't think it was the board's intent to add an additional tax burden to the voters.

Business Administrator Shevenell stated that even if this is a Warrant Article on the town ballot, all the money does not have to be transferred. He added that a transfer would be up to \$67,477 if you choose to, but a transfer \$1.00 could be made.

Board Member Markwell asked, in that case, what would happen with the remaining money if only \$1.00 is transferred.

Business Administrator Shevenell responded that it would go back into the general fund and reduce taxes.

Board Member Markwell stated that for safety, if Article 3 fails and Article 4 passes, we would want to have the ability to not tax for the additional \$67,477.

Chairman Ortega stated that an amount "up to" is typically used when talking about the Capital Reserve Fund. He asked if this is the actual amount, or is it "up to".

Board member Barnes stated that when we were going through the blue building renovations for Hurricane Sandy, we talked about how we needed to take funds out. We talked about the phone system having to take funds out. We talked about needing to put \$50,000 back. There is no safety net with \$1.00. She added that before it was known about the \$67,477, we were already talking about the \$50,000. She added that the \$50,000 is needed, regardless. If the bottom line is \$67,477 because we are retiring Capital Reserve Funds and we don't have to tax it, thank you for funding it, but we still need the money where it belongs.

Vice Chairman Powell stated that he felt the board was getting lost in semantics. The way he read it was "up to" \$67,477" gives us some leeway that if something happens after the vote is taken, the board would then have the option to only put \$50,000 in at that point. He added that he wanted to call the question.

Board Member Schneider stated that he wanted clarity on what the intent of this is because the voters will ask what our intentions are. He stated that our intent is to put the money into the District Repair Capital Reserve Fund to cover emergencies.

The motion to recommend Warrant Article #4 passed 5-0-0.

Warrant Article 5: Merrimack Teachers Association Placeholder.

Business Administrator Shevenell explained that this is a placeholder for the Merrimack Teachers Association contract if it is ratified and all the tentative agreements are signed off, which he believed was not yet done.

Warrant Article 6: Merrimack Teachers Association Contract-Additional Meeting for Cost Items Placeholder.

Business Administrator Shevenell explained that this spot is reserved for a meeting of the Merrimack Teachers Association if the contract fails to discuss cost items only. This is a standard practice. He added that both of these Warrant Articles would be taken up at the next board meeting when everything is complete with the Merrimack Teachers Association.

Warrant Article 7: (Special Warrant Article). *Shall the District raise and appropriate the sum of One Million Five Hundred Twelve thousand Nine Hundred Ninety Six Dollars (\$1,512,996.00) for the construction and original equipping of a new Special Services and Central Office Consolidated Building; One million Five Hundred Twelve Thousand Nine Hundred Ninety Six Dollars (\$1,512,996) of such sum to be raised through the issuance of bonds and notes under and in compliance with the Municipal Finance Act, RSA 33:1, et.seq., as amended; and further raise and appropriate by general taxation Thirty Thousand Three Hundred Fifteen Dollars (\$30,315.00) for the purpose of interest payments on said bonds or notes, during the fiscal year 2013-2014; and further authorize the School Board to issue, negotiate, sell and deliver said bonds and notes and determine the rate of interest thereon and the maturity and other terms thereof; and finally authorize the School Board to apply for, obtain and accept Federal, State, or any other aid, if any, which may be available for said project? (Three-fifths vote required.)*

Business Administrator Shevenell presented Warrant Article 7, stating that it concerns the consolidation of the Special Services building and the Central Office. It speaks to raising \$1,512,996 for this building, such sums to be raised by the issuance of bonds and notes.

Chairman Ortega stated that this project has gone through some recent changes and he has invited Rich Hendricks, Chairman of the Planning and Building Committee to refresh the board and the public on this project.

Mr. Hendricks gave a brief timeline of the project:

- The project has been on the Capital Improvement Plan for ten years.
- In November 2008, the project was given priority by the board who gave formal charge to the committee to look at how best to consolidate and centralize the Administration building and the Special Services building.
- In September 2007, the Town Council gave the district a one-acre parcel of land adjacent to the Masticola Elementary athletic field.
- In October 2010 the committee gave a report to the board with all its recommendations. Mr. Hendricks added that it has always been the intention of the Superintendent that this was always to be put behind anything that could benefit a student, staff or instructional material. He agreed that is the way it should be, but now is the time to help her employees and thus this plan can no longer be put off.
- In October 2012 the committee came before the board with new plans and costs and a better quote.

Mr. Hendricks explained that the Administration building (green house) was purchased in 1973 and the Special Services Building was purchased in 1979. These two buildings were built as freestanding homes, not as offices. They do not meet Federal and State regulations.

Mr. Hendricks presented a slide show of the interior and exterior of the blue and green buildings and pointed out the deficiencies with both buildings. He stated that the immediate concerns are lack of adequate space, lack of building security, lack of confidentiality and lack of conference/meeting space. He also presented a video of the Transportation Coordinator showing the remnants of Hurricane Sandy to the Special Services building.

Mr. Hendricks explained that the committee is planning on producing a video for the public to see.

Chairman Ortega stated that he thought a video of the damages from Hurricane Sandy is available on the Merrimack TV web site.

Mr. Hendricks stated that four visits were made to the James Mastricola Elementary School to see if space was available there to permanently relocate the Special Services offices. There would be problems with confidentiality. The playground would not be accessible. A separate entrance would be needed. Fire drills (12 times a year) must occur because it is a school, so all the doors of the building must be unlocked. All the space has to be refigured. It is not a workable solution.

Mr. Hendricks continues, stating that the original estimate from the 2010 report of the architects had to be revised. The committee met with a construction/management company who brought the original estimate down by \$350,000 and a separate meeting space would be available for use by the district as well as the public. He added that it would actually cost \$330,000 more to renovate the upper elementary school and that would not include new space for the Administration.

Chairman Ortega thanked Mr. Hendricks for coming to the meeting and for all his efforts and the committee's efforts in working on this project. He urged anyone to look at the report of the Planning and Building Committee which is found on the district web site. He added that this has been a three-year project and is definitely a priority. He said that the project went before the Planning Board and it was considered urgent.

Board Member Schneider moved (seconded by Vice Chairman Powell) to recommend Warrant Article 7.

Board Member Markwell stated that this is an urgent need. He would want to see the money put into a new building, giving the district a new meeting room rather than more money being put into old buildings that have gone past their useful life span.

Vice Chairman Powell thanked Superintendent Chiafery for putting her staff needs behind the needs of the students, but now is the time for the employees in the green and blue buildings. He added that it is not fiscally prudent to put this money into the operating budget and hopes the voters will see their way clear to vote for this Warrant Article.

Board Member Markwell stated that if the consolidated is going to go forward, it should be done now, since interest rates are very low.

Chairman Ortega stated that there is \$57,000 in the board's operating budget that, if this Warrant Article passes, will not be spent to fix the existing buildings.

The motion to recommend Article 7 passed 5-0-0.

Warrant Article 8: *Shall the district see if the Town will vote to authorize, indefinitely until rescinded, to retain year-end unassigned general funds in the amount not to exceed, in any fiscal year, two and one half percent (2.5%) of the current fiscal year's net assessment, in accordance with RSA 198:4-b, II. Such fund balances retained may only be used to reduce the tax rate or for emergencies to be approved by the Department of Education under RSA 32:111.*

Business Administrator Shevenell explained that this is part of a new law. He explained that the Department of Revenue Administration recommends that responsible long-term financial planning requires an adequate level of unassigned general fund balance to mitigate future risks and ensure stable

tax rates. The GFOA (Government Financial Officers Association) suggests municipalities retain between 8%-17% of their general fund operating budget. The town of Merrimack passed an Advisory Warrant Article a couple of years ago not to go over two million dollars and they have held true to that. This Warrant Article would allow school districts to retain the funds, although there is no law that says they can't and towns continue to do it even though there is no law that says they can. We could potentially retain up to 2.5% (1.5 million dollars).

Business Administrator Shevenell stated that Article 8 is very important. The town's main purpose with this article is to retain things. When they book a tax warrant, the reality is that they are not going to collect 100% of the taxes. So they are not going to have all the cash need to meet their obligations during the year. This allows them to retain a surplus to take care of those that don't pay, it helps with the cash flow and obviously helps in the event of an emergency.

Business Administrator Shevenell added that the board would have to authorize the Superintendent to write a letter to the Commissioner of the Department of Education to expend any monies from the fund.

Vice Chairman Powell asked what would constitute an emergency as it relates to this article.

Business Administrator Shevenell responded that in the past there was a flooding situation at the lower field. All draining from the roof, parking lot, etc. collected on that side and went down to the road. The road practically washed out. We had to dip into the Emergency Repair Fund for \$50,000. That amount of money would take care of those items not covered by insurance claims.

Vice Chairman Powell stated that it was a catchall. It would not be just for catastrophic aid.

Board Member Markwell had a concern with this Warrant Article because we are retaining some of the town's tax money. He added that he always has concern when governments use taxpayer money. He would like to see all the tax money that is unencumbered return to the people.

Board Member Barnes stated that the board needs to look at its fiscal responsibilities. We have aging facilities. We have dodged a bunch of "financial bullets" when it comes to things like the phone system lasting long beyond its useful life at the high school and things that we had to scramble to fix because we held off in expenditures (PowerSchool). In areas of technology, infrastructure, and buildings, they could all go wrong.

Board Member Barnes stated that a 1.5 million dollar surplus is not realistic and we aren't going to have a surplus that even comes close to that. If we're lucky it could be tens of thousands; 1.5 million dollars is unrealistic and should not be "put out there".

Board Member Schneider stated that having an option to return a surplus is good, but the budget is very tight. He asked if it is up to the board that is sitting each year to determine the amount to be detained.

Business Administrator Shevenell responded that he believes the Town Council approves "x" amount of dollars to be retained," and "x" amount of dollars to be used to reduce the tax rate.

Board Member Schneider asked if the expectation is that the school board would dictate those two figures.

Business Administrator Shevenell replied that was correct.

Board Member Schneider asked if ultimately the elected officials would dictate how much money is retained and how much is taken for taxation.

Business Administrator Shevenell responded that it is something new and has to be looked at. It is up to the board sitting at the time to set the percentage on how much and what the dollar amount would be.

Chairman Ortega suggested that the Warrant Article should be taken up at the next board meeting based on some of the questions, and since we are waiting on the teachers' contractual amounts.

Board Member Markwell asked if every time the board expends money from these funds, whether it is for reducing the tax rate or for an emergency, does it have to go through the Department of Education.

Business Administrator Shevenell replied that was true and that permission is needed.

Board Member Markwell stated that in reality, we don't have the ability to spend the surplus.

Business Administrator Shevenell, responded that you have to put down a reason for spending the money because you are over expending your operating budget and using surplus to fund it. You have to get permission from a "higher authority.

Board Member Barnes asked if there was any other material that Business Administrator Shevenell could share with the board it would be helpful. She also asked if emergencies or tax rates have to be approved by the Department of Education.

Business Administrator responded that he would find out.

Board Member Schneider asked for the surplus to be clarified. He wanted to know how much money was returned this year to offset the tax rate.

Business Administrator Shevenell responded that 1.5 million dollars was returned, which is less than 2.5%.

Chairman Ortega asked Business Administrator Shevenell if, in addition to doing research on the RSA's, there is any guidance he has from the DRA related to the RSA's or things along those lines that he can share with the board. He added that the board could ask the NHSBA for guidance as well.

Board Member Barnes stated that she thought the board had the power to reduce the tax rate and that emergencies had to go through the Department of Education. She asked if both go through the Department of Education.

Business Administrator read from the Warrant Article: "*Such fund balance retained may only be used to reduce the tax rate for emergencies to be approved by the Department of Education under RSA 32.11.*" He stated that he would look into it.

Board Member Barnes stated that she would be interested in the numbers, based on a three-year average of what the surplus has been and what those numbers would be. She added that there needs to be a realistic expectation of what those numbers would look like.

Board Member Schneider asked, just to clarify, if the 2.5% in the Warrant Article is a number the RSA prescribes, or is that a number chosen by the board.

Business Administrator Shevenell responded that it is the number in the RSA. He added that it could be lower since it is “up to” 2.5%.

Business Administrator Shevenell stated that we are heading into an area of large roofing projects. This Article is looking for levelization and for use for emergencies.

Superintendent Chiafery stated that we don’t want to get into “offline budgeting”. Every now and then you can have an unanticipated consequence. It was more a stabilization and a real catastrophic issue. We don’t have to be the first to recommend this Article. She added that between the meeting and February 4 some research could be done. Whether or not the board recommends this Article, at least the members are aware of what it means, so they can answer questions about it from the public.

Board Member Barnes stated that Ted Comstock, from the NHSBA, said that he is enthusiastic about polling districts about things of relevance to them. This could be one of them.

Board Member Schneider asked that if the board decides at the next meeting to not approve this Warrant Article, could it be removed from the ballot.

Chairman Ortega responded that it could be removed.

The Warrant Article discussion was tabled until the next board meeting.

Warrant Article 9: *Shall the District raise and appropriate as an operating budget, not including appropriations by special warrant articles and other appropriations voted separately, the amounts set forth on the budget posed with the warrant or as amended by vote of the first session, for the purposes set forth therein, totaling \$?*

(Should the Article be defeated, the operating budget shall be \$ which is the same as last year, with certain adjustments required by previous action of the District or by law, or the governing body may hold one special meeting, in accordance with RSA: 40:13, X and XVI, to take up the issue of a revised operating budget only?) (Majority vote required).

Business Administrator Shevenell explained that if you vote no on the budget, you would go to the default budget or the board could choose to hold a meeting to discuss the operating budget only. You wouldn’t have to automatically select the default budget as your budget. It is lower than what we budgeted this year, which has to do with personnel cuts.

Business Administrator explained that he took the operating budget of \$62,545,336.00 and made some adjustments:

- Decreased by \$152,000 due to the decrease in the retirement incentive
- Increase by \$12,000 because of the contracted services in the SAU offices for the software programs
- Decreased because of the Health and Dental Holiday, the net effect is minus \$29,238.
- Increase in transportation of \$161,000
- Retirement increase of \$760,000
- Driver Ed fund was reduced by \$20,250
- Paving at Reeds Ferry Elementary School is not something that is normally done. It’s a one-time item not likely to reoccur.
- Utilities were looked at to have a healthy and safe environment for the school.

All added up, it came to an increase of \$12,575.00

- Special Ed out-of-district placement is up \$319,000
- Subtract the amount of our declining debt service by \$53,448.00

Business Administrator stated that all these adjustments come to the default budget.

Chairman Ortega stated that there is an operating budget in Article 9 of \$65,880,964.00 and a default budget of \$66,328,061.00. Essentially the default is a little less than the \$500,000 over the operating budget that was approved by the board.

Board Member Markwell moved (seconded by Board Member Schneider) to recommend Warrant Article 9.

Board Member Schneider asked Business Administrator Shevenell to please itemize how he got to the default budget since it will probably come up in the budget committee.

Business Administrator Shevenell agreed to do this.

The motion to recommend Warrant Article 9 passed 5-0-0.

10. Merrimack School Board Budget Hearings

Superintendent Chiafery reported on the dates and times of the School Board Budget Hearings. The meetings will take place in the Merrimack High School Cafeteria, beginning at 7:00 p.m.

The agendas are:

Tuesday, January 29th (snow day January 31st)

- James Mastricola Elementary School
- Reeds Ferry Elementary School
- Thorntons Ferry Elementary School
- James Mastricola Upper Elementary School
- Merrimack Middle School
- Merrimack High School
- Maintenance

Tuesday, February 5 (snow day February 7)

- Food Services
- Library/Media/Technology
- Special Services
- District Wide

11. Board's Response to a Request to Conduct a Doctoral Study Regarding Asperger Syndrome at the Elementary Level

Chairman Ortega explained that at the board meeting on January 7, 2013, Mr. Kevin Stone, a doctoral candidate, had come before the board looking to conduct a study examining the way teachers interact with students with Asperger's in their classroom. He would keep the school system, teachers and students anonymous. He was looking for the board's approval of conducting this study. He added that there were some questions by the board related to the approval to participate in the study, letting the parents know the anonymity of the students in particular affected by Asperger's.

Assistant Superintendent McLaughlin stated that chiefly, Mr. Stone talked a lot about confidentiality at the end of the process (how names would be changed) but not about the effect of observations on the students in real time. Also, given the fact that pre-fourth grade is difficult to diagnose Asperger's so the recommendation might be that the observations be conducted at the fourth grade level or above. Third, it would be helpful to have the Director of Special Services, Mr. Fabrizio, be consulted during the process.

Assistant Superintendent McLaughlin continued, stating that he had several conversations with Mr. Stone regarding the concerns of the board. He put Mr. Stone in touch with Mr. Fabrizio, who felt confident that Mr. Stone has and will make and has made the proper adjustments to his study to accommodate these three things. In particular, the proposal is to work with fourth grade and above, which is a change to the original plan. Second, he has agreed to be an observer without any focus on individual students. He will focus on the teacher interactions in the classroom. In a post-conference, Mr. Stone will have conversations about his/her interactions. He added that there will be no hovering. He added that Mr. Fabrizio is confident that Mr. Stone understands the concerns and will modify his plan to accommodate these concerns.

Board Member Schneider stated that he had conversations with Assistant Superintendent McLaughlin regarding several questions that came up at the meeting. He added that if Mr. Fabrizio was willing to work with Mr. Stone, he was very comfortable with that.

Vice Chairman Powell stated that his biggest concern was the hovering and how it would affect the students in question. He stated that if Mr. Fabrizio feels confident that this has been addressed, he is comfortable with it.

Chairman Ortega stated that the board had also talked about concerns regarding parental approval notifying parents that Mr. Stone would be in the classroom.

Assistant Superintendent McLaughlin responded that proper protocol is needed to make sure that parents understand there will be another party in the classroom. A letter will be sent that will state that a Doctoral student would be in the class to observe teacher interactions with students, not identifying the particular student or the needs. He added that the district is required to send out such a notification.

Chairman Ortega moved (seconded by Board Member Markwell) to approve Mr. Stone's request to conduct a Doctoral study regarding Asperger's at the elementary level, grades four and above.

Board Member Markwell asked Assistant Superintendent McLaughlin if there had been any inquiries from parents on Mr. Stone's proposed project.

Assistant Superintendent McLaughlin replied that he had not received any inquiries on Mr. Stone's proposal.

The motion passed 5-0-0.

12. Other

Correspondence:

Chairman Ortega reported that e-mail was received from a parent thanking the board for the process and discussion on the World Language Department at the high school.

Chairman Ortega reported that e-mail was sent to all board members to increase the amount of money for GATEWAY by the amount the Administration had reduced it.

Comments:

Board Member Markwell commented that having extra time to work on the budget without being stressed during the holidays was excellent.

Board Member Schneider stated that he would have preferred that the board verbalize their questions to the department heads before the Budget Committee questions were presented.

Chairman Ortega stated that the budgeting process allowed for far more depth of interrogation and absorption of what was being presented than in previous years. He added that in the future, the processes might have to be modified.

13. New Business

There was no new business

14. Committee Report

Board Member Markwell attended the Healthcare Cost Containment Committee meeting on January 8th. They covered the review dates for the new assessment. They also discussed the Slice of Life program and points for cash, how points are earned and how to submit the material. Members received and reviewed a prescription drug claims executive summary by the Local Government Center which showed that Merrimack School District is a little bit behind the average as far as the as the average for prescription mail orders (78.4% as compared to 80.8%) and brands vs. generic (74.7% as compared to 75.9%).

Board Member Markwell also stated that the Planning and Building Committee met on January 8, 2013. There was not a quorum so there was just discussion.

15. Public Comment on Agenda Items

There were no public comments on the agenda items.

16. Manifest

The Board signed the manifest.

At 10:30 p.m. Vice Chairman Powell moved (seconded by Board Member Markwell) to adjourn the meeting.

The motion passed 5-0-0 on a roll call vote.