

Merrimack School Board Meeting
James Mastricola Elementary School-All Purpose Room
January 12, 2016
PUBLIC MEETING MINUTES

Present: Chairman Ortega, Vice Chair Barnes, Board Members Powell, Schneider and Guagliumi, Superintendent Chiafery, Assistant Superintendent McLaughlin, Business Administrator Shevenell and Student Representative Marcus.

1. Call to Order

Chairman Ortega called the meeting to order at 7:00 p.m.

2. Pledge of Allegiance

Chairman Ortega led the Pledge of Allegiance.

3. Public Participation

There was no public participation.

4. Budget Presentation

Merrimack Middle School

Chairman Ortega invited to the table Principal Adam Caragher and Assistant Principal Shawna D'Amour.

Principal Caragher opened his remarks by stating that the Merrimack Middle School budget proposal for 2016-2017 shows a continued commitment to the district logic model through attention to literacy, numeracy, technology, school climate and safety. He continued on by noting that this proposal includes the third installment in adherence to a five year plan to replace worn out science lab and art room stools.

Funds are also being requested to create an interscholastic volleyball team, which would increase costs for transportation, supplies, and officials.

Supply accounts are based on per pupil expenditures.

Board Member Schneider had submitted the question: "The addition of the interscholastic volleyball team impacts several areas of the budget (supplies, transportation, referees, etc.) Can you share the details about adding a sport such as this in terms of timing when we would need to commit in order for scheduling, etc.? Can you share what steps have been taken to ensure that there will be adequate participation during the first year of this sport to make sure a team can be successfully fielded?"

Principal Caragher responded that in order to be in the schedule for the 2016-2017 schedule the Tri-County Athletic Association know of our intentions. This program would be open to students in grades seven and eight. At this time there is no competitive volleyball program in the

area for students in this age group. Based on the success of the Merrimack High School team and student interest, there would be enough students to field a team in 2016-2017.

Board Member Schneider had submitted the question: "Aside from the music all-state competition, are there any other co-curricular teams that require a transportation budget?"

Principal Caragher responded that while there are a variety of clubs such as First Lego League, Destination Imagination, Guitar Club and Sewing Club, there has not been a situation that required transportation funds.

Board Member Schneider had submitted the question: "The Merrimack High School budget now breaks out the transportation costs for each sport. It would make sense to start doing this for the Merrimack Middle School given the proposal to add the volleyball team. Is it possible to provide the break-out of the transportation cost by sport, including any possible tournament budgeting?"

Principal Caragher responded that that information has been provided to the School Board for review and that in the future this information will be inserted under the appropriate accounts. The cost per bus trip is \$208.99 and the total request is \$16,928.00.

Principal Caragher referred to a question submitted by Vice Chair Barnes in regards to the gifted and talented program.

Principal Caragher responded that it was his understanding that Assistant Superintendent McLaughlin had answered this question during a discussion on the matter at the January 7, 2016 budget hearing meeting.

Board Member Powell noted that under testing and scoring on page one, there is approximately a \$2,800.00 increase and asked if this was related to the new Smarter Balanced testing.

Principal Caragher responded that this amount would enable the Merrimack Middle School to utilize the same progress monitoring tools as the elementary schools in regards to assessment. This would be an annual cost.

Chairman Ortega thanked Principal Caragher and Assistant Principal D'Amour for their time.

Central Office

Chairman Ortega next invited Superintendent Chiafery, Assistant Superintendent McLaughlin, and Business Administrator Shevenell to present the Central Office budget for 2016-2017.

Business Administrator Shevenell provided the overview. He began by stating that the district budget includes items not found in other budgets such as: benefits derived from contractual agreements, legal services, audit services, funds for software such as budget sense (budget sense produces the budget books, payroll, and fund accounting), funds for the school messaging service, bandwidth, programs such as COPsync (a partnership with the Merrimack Police Department), contracted services for the new on-line kindergarten registration program and new modules to add to PowerSchool.

Areas in which the budget does not see increases are: retirement due to the two-year rate set by the State of New Hampshire last year, the transportation contract which was re-negotiated two years ago and a decrease in the bonded debt.

The one significant increase was in health insurance due to the 12.5% rate increase. The anticipated amount of the increase is about \$295,000.00.

Vice Chair Barnes had submitted the question: “Retirement Incentive: Please explain how the budget calculation for the incentive is established-by the first seven eligible employees or the highest salaries of eligible employees (noticing the 2014-2015 line item was overspent)?”

Superintendent Chiafery responded that this year the retirement incentive was purposely level-funded due to contract negotiations. Retirement letters must be received by November 15 each year. The top seven eligible employee salaries are used to calculate the expense.

Vice Chair Barnes had submitted the question: “Advertising: With Internet resources increasing for things like job search, why is this account not decreasing?”

Superintendent Chiafery responded that a combination of sources are used. The on-line sources NewHampshireEdJobs.com and AppliTrack are used for most professional positions. The highest employee turnover exists among support staff positions such as food service, custodians, mechanics and the adult education coordinator. These positions are more successfully advertised in local print sources such as the Nashua Telegraph, Union Leader and Concord Monitor. These are tracked on a monthly basis and runs between \$250 and \$450 monthly. This line item has consistently remained around \$20,000.00. Professional positions for principals and assistant principals are advertised in print and on-line venues.

Student Representative Marcus questioned the line item for the late busses. There are currently two late busses and only one is noted in the line-item.

Business Administrator noted that it was a language point.

Chairman Ortega made an observation about the health care costs. Past School Boards have worked to move the district contribution toward the employee health plan from the middle tier to the lower cost plan and the fruits of these efforts is now being realized in lower costs to the district.

Board Member Powell commented on the transportation savings achieved due to the work of Business Administrator Shevenell.

Chairman Ortega thanked Superintendent Chiafery, Assistant Superintendent McLaughlin and Business Administrator Shevenell for the presentation.

5. Proposed Warrant Articles

Chairman Ortega brought the board’s attention to the two Warrant Articles that were included in packets mailed to the members before the meeting. He anticipates a total of four Warrant Articles to be presented on the April ballot.

The first proposed Warrant Article to review is related to a presentation from the Trustees of the Trust Fund that authorizes the Trustees “to charge any contracted management expenses incurred for the management of any District Capital Reserve funds for which the Trustees have been granted custody pursuant to RSA 35:2 against the capital reserve funds involved, rather than paying such expenses from the District general funds. Such authority shall remain in effect until rescinded by vote of the School District which shall not occur within five (5) years from the date of this original authorization.” (Majority vote required)

The second proposed Warrant Article relates to the Capital Reserve Fund. “Shall the District raise and appropriate an amount up to One Hundred Thousand Dollars (\$100,000) or Ten percent (10%) of the unencumbered surplus funds remaining at the end of the fiscal year 2015-2016, whichever amount is less and to transfer that amount to the School District Repair Capital Reserve Fund?” (Majority vote required) (Recommended by the School Board Vote: _-_-). Recommended by the Budget Committee Vote: _-_-).

This would replenish the currently under-funded account. Money was withdrawn to pay for replacing the bleachers and improvements to the road to the lower ball field.

Warrant Articles regarding the Merrimack Teacher’s Association and the Operating Budget will be presented at a later date.

Chairman Ortega opened the floor to a review and discussion on the first two Warrant Articles.

Vice Chair Barnes asked if the Warrant Articles had been reviewed by legal counsel before the meeting.

Superintendent Chiafery responded that Warrant Article 1 was written by legal counsel Kathy Peahl and that Warrant Article 2 was crafted by Business Administrator Shevenell and that it is in draft state. All four Warrant Articles will be reviewed by legal counsel before they are brought before the School Board for approval.

Business Administrator Shevenell read aloud the two Warrant Articles up for discussion and review. He noted that in order to be aligned with the Town Council on this matter a Warrant Article is required.

Board Member Powell asked for the definition of “School District” as it appears in the proposed Warrant Article 1. According to legal counsel the term refers to the legislative body (voters). The School Board has no legislative authority.

Superintendent Chiafery suggested that she refer the Warrant back to Attorney Peahl for clearer language. If it cannot be changed legally than an explanation can be provided in the voter’s guide.

Board Member Guagliumi agreed with an explanation in the voter’s guide.

Board Member Schneider saw an inconsistency in the Warrant Article. He noted language in the first sentence: “Shall the District...” And then at the end: “...rescinded by a vote of the School District...” He would like to see both terms using the same language.

Superintendent Chiafery shared that Attorney Peahl will attend the Deliberative Session in March when the Warrant Articles will be presented for vote.

In regards to Warrant Article 2 Business Administrator Shevenell explained how the amount to be deposited in the fund is derived. As of June 30, 2015 the account balance was \$27,000.00. Upon further review, a Warrant Article authorized last April dissolved the Asbestos Capital Reserve Fund. The \$50,000.00 from this fund is to go into the School District Repair Capital Reserve Account which would bring the balance up to \$77,000.00.

Board Member Powell asked what the initial and highest balances are for this account.

Business Administrator Shevenell responded that the initial seed money was \$50,000.00 and the highest balance was \$150,000.00.

Board Member Powell asked if there were other stale Capital Reserve Funds that might be closed out.

Business Administrator Shevenell responded that the Asbestos Capital Reserve Fund was the last one to close out.

Board Member Guagliumi asked for a five-year average for the School District Repair Capital Reserve Account.

Business Administrator Shevenell responded that the average is about \$75,000.00.

Vice Chair Barnes brought up the Planning Board's recommendations that pertain to asbestos abatement and guest bleachers at Merrimack High School. These two deferred items would use all of the existing Capital Reserve funds and therefore there is an argument for adding an additional \$100,000.00 to the fund.

Board Member Schneider agreed with increasing the amount in the School District Repair Capital Reserve Fund but suggested an increase of \$75,000.00.

Board Member Guagliumi suggested considering a two-step process that would bring the total to \$150,000. She also expressed concerns over a warrant article for \$100,000 on the ballot this year.

Vice Chair Barnes noted that during her several years on the School Board she has never seen a surplus of \$150,000.00. But she would like to see an increase in the fund balance.

Chairman Ortega commented that all of the Capital Reserve Funds have been under-funded. This Warrant Article is a good first step in rebuilding the reserve accounts.

Board Member Powell asked if a major technology infrastructure failure occurred, would the funds come out of this account.

Business Administrator Shevenell replied that he would definitely consider this account in such a situation. He provided the example of the Storage Area Network (SAN), which cost 65,000.00 initially.

Chairman Ortega suggested settling the amount at the time of the moving of the Warrant Article.

6. Budget Discussion

Chairman Ortega opened his remarks by referencing the School Board's request to Superintendent Chiafery to reduce the budget by one million dollars and to submit this proposal in a tiered format.

Superintendent Chiafery began by stating that all nineteen Leadership Team members and the Director of Maintenance participated in the reduction process. She noted that the group avoided eliminating the specific areas and items that the School Board did not want to see cut. They are: reductions in staff, the roof at the Merrimack Middle School, the track behind Merrimack High School, the HVAC at Merrimack High School and the pre-school to be established at Thorntons Ferry Elementary School. The total cuts to the proposed budget amount to \$600,000.00.

Superintendent Chiafery then referred to a spreadsheet that had been prepared by Business Administrator Shevenell and distributed to the Board Members at the meeting. Four tiers of proposed budget cuts were then read out and explanations were provided where needed.

The tier amounts are: Tier I totaled \$252,554.00; Tier II totaled \$251,543.00; Tier III total \$43,654.00; and Tier IV totaled \$53,806.00.

The proposed reductions totaled \$601,457.00. The current budget increase less the Tier I, II, III and IV cuts amount to \$1,483,097.00.

It is valuable to note that the originally proposed budget increase of \$2,084,554.00 is about equal to the four major Capital Improvement projects proposed for 2016-2017.

Board Member Schneider expressed concern that in Tier II the proposed cut of \$10,000 to hire a .5 para-educator was a reduction in force and that the resources designated for a local Charter School would be under-staffed.

Superintendent Chiafery responded that this line item was not for currently needs rather an anticipation of a future need. The position can be eliminated and if the need arises the funds can be pulled from the Special Education budget.

Board Member Schneider then spoke about the cuts that delay software purchases. He supports the proposed cuts in Tier I plus the first line in Tier II as it relates to retirements and new hires. Proposed cuts in Tiers II, III and IV would impact staffing and operations.

Vice Chair Barnes expressed concern in regards to the proposed cut in Tier II, line 4: SEP/Computer Software.

Superintendent Chiafery responded that this is a more optimal assessment process than paper and pencil. Since it has not yet been purchased and implemented it was chosen as an area to eliminate.

Vice Chair Barnes stated that she saw this proposed cut as an example of the School Board not providing the necessary resources to provide the most successful education to the students. She highlighted other areas such as book binding that are not cost effective or fiscally responsible.

Board Member Powell thanked the Leadership Team for their work in finding places to cut the budget. He agreed on cutting the .5 paraeducator position for Charter Schools and not cutting the SEP/Computer Software.

In regards to a question from Board Member Powell about the soccer goals and nets in Tier III, Chairman Ortega responded that there were no freshman teams in the last two seasons. Part of the challenge is field availability, and NHIAA scheduling which is set two years in advance. He noted that the student interest is there and might be a possibility if they find a field and have the nets and goals.

Board Member Powell stated that freshman soccer and middle school volleyball are feeder sports and would like to see them remain in the budget.

Board Member Powell asked why the retirees were placed in Tier II rather than in Tier I.

Superintendent Chiafery responded that she used \$250,000.00 in each tier as a target range when working with the Leadership Team.

Business Administrator Shevenell stated that proposed Tier II cuts are not guaranteed, but estimates.

Chairman Ortega observed that it appeared that the Board was not in favor of any additional proposed cuts. The School Board will take the list under advisement for the School Board meeting scheduled for January 18, 2016.

16. Public Comments on Agenda Items

There were no public comments.

At 8:17 p.m. Vice Chair Barnes moved (seconded by Board Member Powell) to adjourn the public meeting.

Student Representative Marcus voted In-Favor.

The motion passed 5-0-0.