

Merrimack School District 2019-2020 Proposed Operating Budget

Significant Budget Drivers

Fixed Costs and Maintenance Projects

2019-2020 Proposed Budget Overview 12/17/18

Description	2018-2019	2019-2020	Dollar	Percent
	Approved	Proposed	Variance	Variance
	Budget	Budget	2018-2019 vs.	2018-2019 vs.
	2018-2019	2019-2020	2019-2020	2019-2020
General Fund Operating Budget	73,737,072	75,334,849	1,597,777	2.17%
Food Service	1,344,214	1,363,970	19,756	1.47%
Federal Funds	<u>1,500,000</u>	<u>1,500,000</u>	<u>-</u>	<u>0.00%</u>
Total Budget	76,581,286	78,198,819	1,617,533	2.11%

The proposed 2019-2020 operating budget is \$1.6 million dollars higher than the 2018-2019 approved budget representing a 2.11% increase over the 2018-2019 approved budget.

Total fixed costs that are contractual obligations include Health Insurance, Dental Insurance, New Hampshire Retirement Payments and Transportation. This totals \$1.75 million. Without fixed cost increases, the 2019-2020 budget, with all other cost items, would have been level funded.

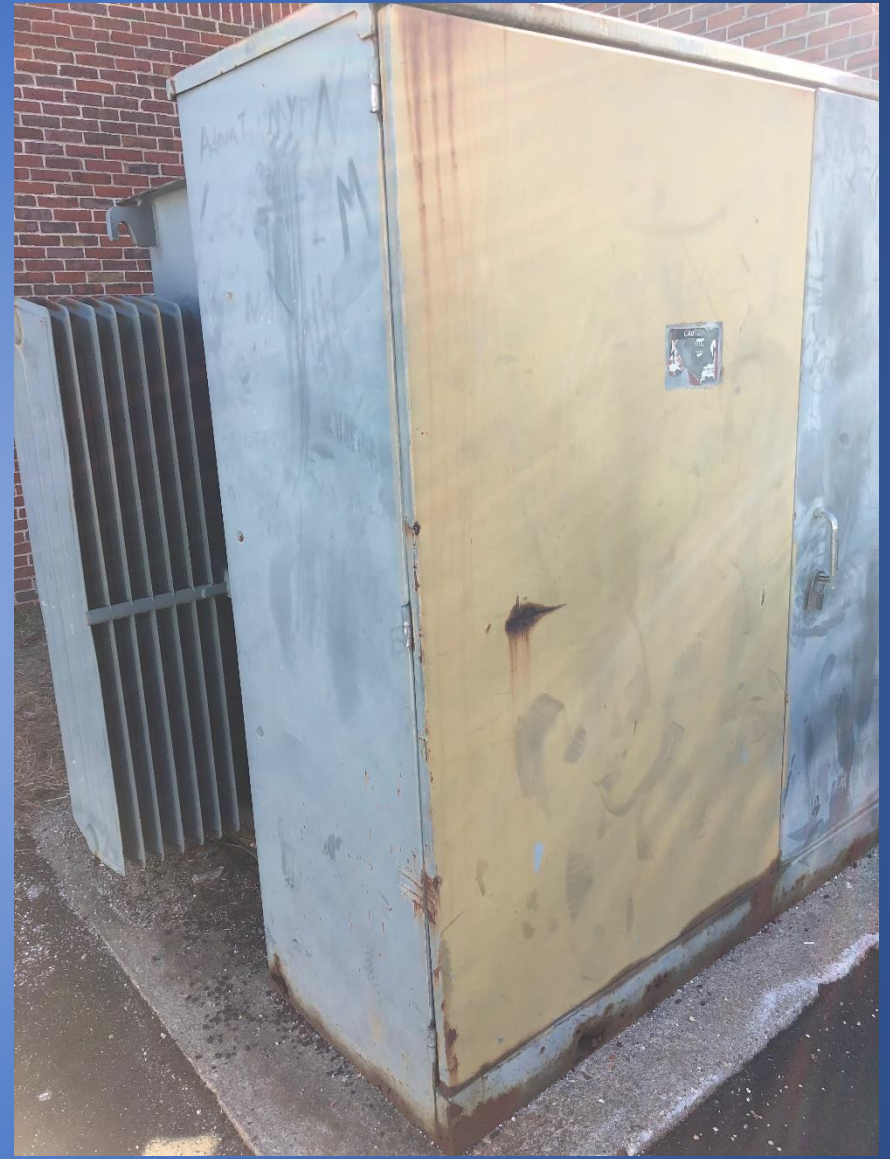
Health Insurance - DW	\$ 1,471,753	13.7 % Increase
Dental Insurance - DW	\$ 108,067	2.3% Increase
NH Retire/Professional Staff	\$ 95,269	The rate for 2019-2020 is 17.80% of salary which is a 2.5% increase
Transport/Reg	\$ 79,454	3.5% Contractual Increase
Total Fixed Costs	\$ 1,754,543	

Total essential maintenance costs are items that need to be repaired or replaced in order for the school district to maintain operations and keep facilities open for school and the public. The sum includes the replacement of a 1977 transformer for the high school, a 1992 switchgear (electric switchboard) for Mastricola Upper Elementary School, 30 year old boilers for Mastricola Elementary School, replacement of a 1993/99 roof at Mastricola Elementary School and the Upper Elementary School, as well as additional security cameras district-wide. Oversight and ongoing maintenance of these items have extended their productive use. These projects total \$1.2 million.

MHS- Transformer Replacement	\$ 75,000	1977 vintage, life expectancy exceeded
MUES - Switchgear Replacement	\$ 100,000	1992 vintage, life expectancy exceeded
MES - Boiler Replacement	\$ 350,000	life expectancy exceeded
MUES/MES -Roof Replacement	\$ 655,805	21,155 square feet of roof
Cameras/Additional - DW	\$ 50,000	MUES - 6 interior and 2 exterior cameras. MES - 3 interior and 1 exterior camera. RFS - 1 interior and 3 exterior cameras. TFS - 1 interior and 3 exterior cameras.
Total Essential Maintenance Costs	\$ 1,230,805	

The Proposed 2019-2020 Operating Budget includes cuts/decreases in other areas such as a **3 position reduction in force**, a reduction in bonded debt, and furniture replacement. These items were carefully selected to limit impacts on the delivery of educational services.

MHS-
Transformer
Replacement
\$75,000
Installed in
1977. Life
expectancy
exceeded.



MUES -
Switchgear
Replacement
\$100,000
Installed in
1992. Life
expectancy
exceeded

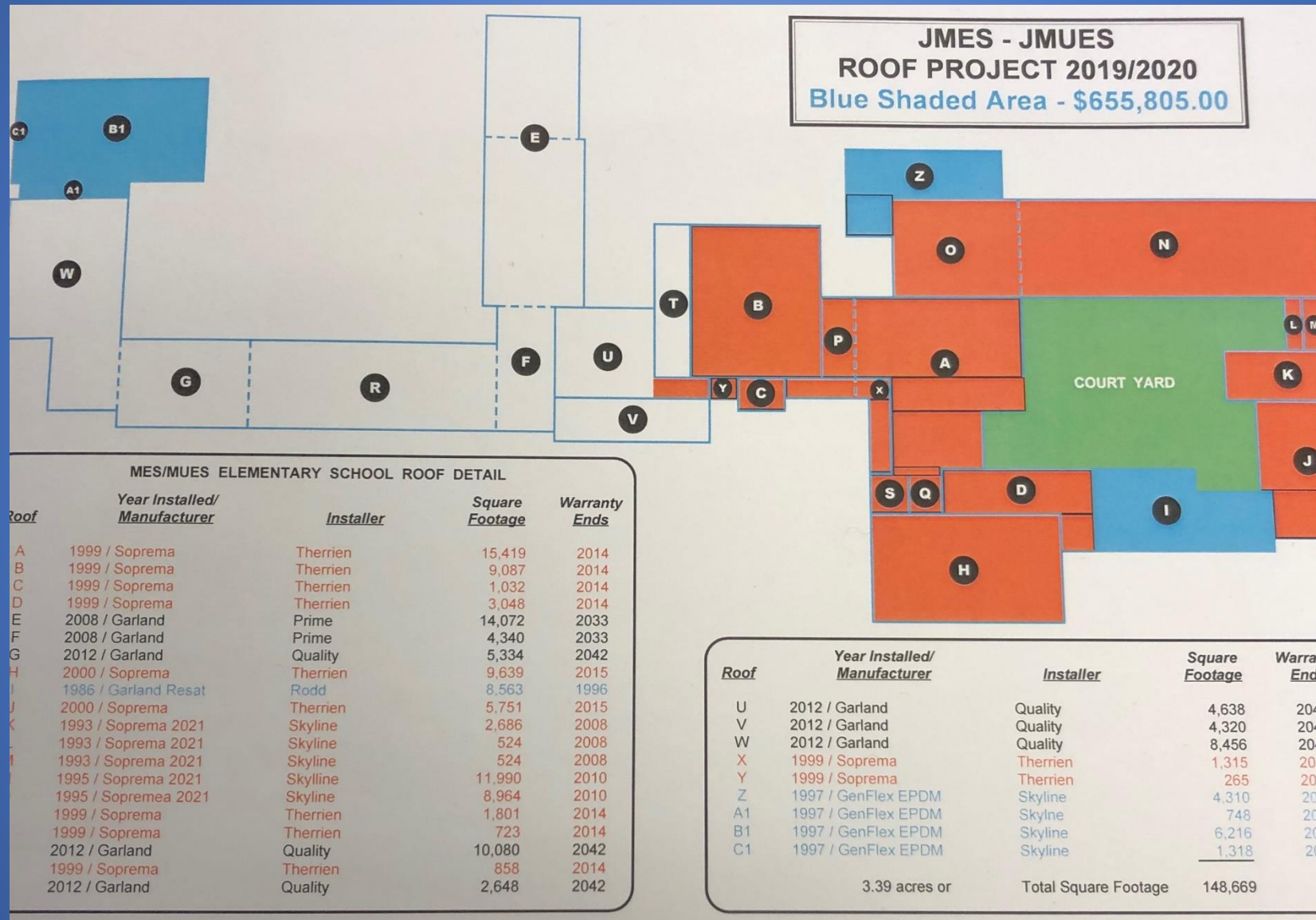


Federal Pacific
brand, non-UL
rated, company
out of business.

MES - Boiler Replacement \$350,000 Installed in 1991. Life expectancy exceeded.



MUES/MES -Roof Replacement (21,155 square feet of roof) \$655,805 Installed in 1992. Life expectancy reached. Warranty ended in 1996 and 2001.



Cameras/Additional – District Wide
\$50,000

MUES - 6 interior and 2 exterior
cameras.

MES - 3 interior and 1 exterior camera.

RFS - 1 interior and 3 exterior cameras.

TFS - 1 interior and 3 exterior cameras.



The Proposed 2019-2020 Budget is \$414,251 more than the Default Budget. The Default Budget will take effect if the Budget Article Fails. If that occurs essential maintenance items or programs will have to be cut.

2019-2020 DEFAULT BUDGET		
2019-2020	2019-2020	Dollar
Default	Proposed	Variance
Budget	Budget	2019-2020 vs.
2019-2020	2019-2020	2019-2020 Default
74,925,766	75,334,849	409,083
1,361,802	1,363,970	2,168
<u>1,500,000</u>	<u>1,500,000</u>	-
77,787,568	78,198,819	411,251

The Default Budget - RSA 40:13, IX (b) as used in this subdivision means the amount of the same appropriations as contained in the operating budget authorized for the previous year, reduced and increased, as the case may be, by debt service, contracts, and other obligations previously incurred or mandated by law, and reduced by one-time expenditures contained in the operating budget. For the purposes of this paragraph, one-time expenditures shall be appropriations not likely to recur in the succeeding budget, as determined by the governing body, unless the provisions of RSA 40:14-b are adopted, of the local political subdivision.

2019-2020 DEFAULT BUDGET		
2019-2020	2019-2020	Dollar
Default	Proposed	Variance
Budget	Budget	2019-2020 vs.
2019-2020	2019-2020	2019-2020 Default
74,925,766	75,334,849	409,083
1,361,802	1,363,970	2,168
<u>1,500,000</u>	<u>1,500,000</u>	<u>-</u>
77,787,568	78,198,819	411,251