

Merrimack School District Budget Committee  
Minutes  
February 2, 2016

Present: K. Bobbitt, B. Cummings, S. Heinrich, D. Illg, C. Lang (via telephone, after meeting started), J. Guagliumi, J. Hanson, S. Jacoby, L. Mooney, C. Ortega and School Board liaison D. Powell

Excused: C. Mower

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

S. Heinrich called the meeting to order at 7:00 P.M. and asked Caitlyn Ortega to lead those present in the Pledge of Allegiance.

At this time Carol Lang joined the meeting via speakerphone. She was in Satellite Beach, Florida and there was no one in the room with her.

**Announcement**

S. Heinrich asked M. Shevenell to give the Committee a report on the middle school roof bid opening.

M. Shevenell reported that the District has received and accepted a bid from a reputable, pre-qualified contractor that allows the District to replace the entire middle school roof within the amount (\$1,139,750) currently proposed in the budget. He said the roof would also have a 40-year, non pro-rated warranty.

Discussion included the following:

- Another contractor had submitted a bid for the entire roof that was \$300,000 higher than the bid that was accepted.
- The original bid specifications has requested a bid for the entire roof as well as a bid for three-fourths of the roof.
- The bid from the accepted contractor for three-fourths of the roof was \$843,500.

**Warrant Article Reviews**

S. Heinrich told the Committee that while there are other articles on the warrant, the Committee only votes on monied warrant articles.

**Article 3: Teachers Contract**

M. Shevenell told the Committee that the proposed teachers contract is a three-year contract and the additional cost per year are as follows:

- 1<sup>st</sup> year - \$750,714
- 2<sup>nd</sup> year - \$742,335
- 3<sup>rd</sup> year - \$764,605.

M. Shevenell said the contracts offers a 3% salary increase per year and maintains the current 85/15 health insurance contribution but offers an increased “buy-out” to those who elect not the take the District health insurance benefit. He also says the contract now allows the District to offer other health insurance plans and there is an increase in staff development funds. He said by statute the Committee only votes to recommend the money and that by including the increases

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for each year of the contract in the warrant article now, the future increases go into the default budget.

Discussion included the following:

- The decrease in the cost between year one and year two of the contract is that the first increase includes the increase in staff development funds.
- The salary increase in the last contract was 2.99%.
- The District prefers multi-year contracts and prefers not to have both contracts up for negotiation in the same year.
- The District is on the lower side when its salary scale is compared with other districts.
- A 3% salary increase is comparable to what private industry is offering.

**Article 5: School District Repair Capital Reserve Fund (C.R.F.)**

M. Shevenell told the Committee this article requests permission to deposit \$75,000 or 10% of the District's surplus from this year, whichever is less, into the District's Repair CRF. He said the District hopes to build this fund to \$200,000 and may ask for an additional amount next year.

D. Powell told the Committee that the fund currently has \$27,000 in it, which is not enough if something catastrophic happens. He said the fund has been used in the past to repair damage that was not covered by insurance, to the Special Service building from Hurricane Sandy as well as damage to the Superintendent's office when a pipe burst. He said the School Board wants to have enough in the fund to cover the costs if the District's servers fail.

Discussion included the following:

- This article uses funds from the current fiscal year surplus.
- The District currently anticipates a surplus of \$2 million dollars.
- The C.R.F. was started with a deposit of \$50,000 and grew to \$127,000.
- The C.R.F. has never had a balance higher than \$150,000.

The Committee took a short recess at 7:30 PM

The Committee resumed meeting at 7:40 PM

**Warrant Article Recommendations**

B. Cummings made a MOTION to recommend Article 3. Second: J. Hanson. S. Heinrich told the Committee that if the Committee does not recommend the contract, it is not subject to the 10% rule. A roll call vote was held. MOTION PASSED: 10 – 0 - 1 (L. Mooney abstained.)

S. Jacoby made a MOTION to recommend Article 5. Second: J. Hanson. There was no discussion. A roll call vote was held. MOTION PASSED: 10 – 0 - 1 (L. Mooney abstained.)

S. Heinrich asked D. Powell to explain Article 6. D. Powell said that the Trustees of the Trust Funds hold and invest all the town and school trust funds. He said that this article codifies how investment fees are handled. C. Lang asked that the School Board request information about how much is being paid in fees.

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**Operating Budget Work Session**

S. Heinrich told the Committee it had no input on the default budget. S. Heinrich listed each department and asked if any member had any changes they wanted to propose.

No one did.

S. Heinrich made a MOTION to recommend an operating budget of \$72,283,299 be brought to the Public Hearing. Second: D. Powell.

S. Heinrich told the Committee it would take a final vote on the proposed operating budget after the Public Hearing. He asked if any member had any comments.

C. Lang said the fact that the Committee did not make any adjustments was a testament to the School Board and the Administration. She said that, if the middle school roof bid had not covered the entire roof, there might have been some adjustments proposed.

D. Powell thanked the Committee for its hard work. He said eleven sets of eyes are better than five and that some of the questions Committee asked were about things different things than those the School Board asked.

A roll call vote was held. MOTION PASSED unanimously.

S. Heinrich asked if the Administration had any comments. M. Chiafery thanked the Committee for its service. She said she and the staff appreciate the time Committee members spend doing building visits.

**Next Meeting**

S. Heinrich reminded the Committee that the Public hearing was Tuesday, February 9<sup>th</sup>. He said the meeting would start with a work session at 7 PM at which members would approve prior minutes and discuss any petitioned warrant articles. He said the Public Hearing would start at 7:30 PM followed by any final actions by the Committee. He reminded everyone the meeting would be held in the Masticola Elementary School APR. He said if the Public Hearing was snowed out, the snow date and location was Thursday, February 11<sup>th</sup> at the high school.

**Public Participation**

There was no public participation.

At this time, C. Lang ended her telephonic participation in the meeting.

D. Powell made a MOTION to adjourn. Second: S. Jacoby. MOTION PASSED unanimously.

S. Heinrich adjourned the meeting at 8 P.M.