

Merrimack School District Budget Committee
November 27, 2018
Minutes

Present: K. Bobbitt, S. Heinrich, A. Hyde-Berger, D. Illg, C. Lang, C. Mower, M. Murphy, G. Savitch, B. Stisser and School Board Liaison N. Schoenfeld

Excused: S. Jacoby

Absent: J. Guagliumi

Also present: Assistant Superintendent of Business M. Shevenell

S. Heinrich called the meeting to order at 7:04 P.M and asked C Mower to lead those present in the Pledge of Allegiance.

Welcome/Introductions

S. Heinrich welcomed everyone to the first Budget Committee meeting of the year and asked all present to introduce themselves. He stated that in the handouts there was a “members only” contact information sheet and asked members to check their information for accuracy and completeness.

FY 2017-2018 Budget Review

S. Heinrich introduced M. Shevenell who was present to review the final budget figures for FY2017-18.

M. Shevenell said the approved operating budget was \$71,403,513. He said that \$69,171,320 was expended which left the district with an appropriation surplus of \$2,232,192. In addition there was a revenue surplus of \$687,530 which resulted in a total unassigned fund balance of \$2,919,723. M. Shevenell told the Committee that by law, this surplus goes back to the town to reduce the school portion of the tax rate.

M. Shevenell provided the actual expenditure amounts of the FY2017-18 budget. He said he had divided the budget into 16 categories and reviewed significant over-expended and under-expended categories.

Professional Salaries: He said the proposed budget is built based on current professional staff and that an average of 34 professional staff leave the district each year. This equates to an attrition rate of about 10%. Usually replacements are hired at a lower salary which results in a surplus in this area.

Retirement incentives: The rules about who can apply and how the retirement incentive works are part of the professional staff contract.

Benefits: There was a savings in the health insurance, but not dental insurance.

Maintenance: The bat mitigation process at Mastricola Upper Elementary cost \$600,000 and was the cause of the over-expenditure in this area. The District did get a grant of \$187,000 to help defray the mitigation cost and did use some money from the Maintenance Capital Trust Fund. In addition, a grant from the state was used to pay for some security cameras at schools.

Special Services: This budget was under-expended because the District was able to provide sufficient “In-District” services rather than the more expensive “Out-Of-District Placements” for some students.

Equipment Repairs: There were fewer equipment repairs needed during this budget year that anticipated.

Transportation: The bus company, Student Transportation of America, experienced a driver shortage and was not able to provide the contracted number of buses so they provided a rebate to the District. M. Shevenell also told the Committee that staff is working with the bus drivers to develop skills in assessing mental health issues in children.

Equipment: M. Shevenell said that the District is near the end of the furniture replacement plan that was developed about 10 years ago.

Bonded Debt: M. Shevenell said that last bond payments for the Middle School will occur in FY2023-2024, which is the last of the District bonded debt. He said that the bond is regularly renegotiated to get a lower rate.

Revenue Surplus: The revenue surplus is due to the “Bat Mitigation” grant and getting more Medicaid Aid than expected.

Food Service: M. Shevenell said that Food Service is a “special revenue” fund. This department is self-supporting and keeps excess revenues which can be used to sustain the program into the future. The current Food Service fund balance is \$43,083.96.

Discussion included the following:

- All new support staff, regardless of experience, start at step one of the salary scale.
- When a bond is written for one of the Merrimack governing bodies, the bond bank looks at the total financial situation of all three.
- The water filtration system was installed over the summer and within the budgeted amount. (This expenditure is part of the current budget, not FY 2017-18.)
- Power School has proven to be successful by subjective or anecdotal evaluations.
- Retirement incentive
 - By contract, the District must pay a maximum of 7 teacher-retirement incentives.
 - The amount paid may vary due to the salaries of the teachers who take the incentive.
- Transportation Rebate
 - The bus company combined some routes which led to long bus rides for some students.

- Each year the bus numbers are reviewed and routes are configured to be as efficient and cost effective as possible.
- Red, formerly known as Brentwood, Building
 - An engineering assessment of the building has determined that the building cannot be used without some major work.
 - The district has contacted a certified fire engineer to get further recommendations.
 - The School Board will be looking at whether it is more cost effective to renovate or raze and re-build.
 - It is unlikely that anything regarding this project will be on the ballot in the spring.

Proposed C.I.P. (Capital Improvement Plan)

M. Shevenell reviewed the currently proposed C.I.P. with the Committee. Projects for the upcoming fiscal year include three boiler upgrades and paving at the Masticola complex plus a new turf field at the high school.

Discussion included

- All boilers in the district now run on gas.
- The “Safe Routes to Schools” partnership is effectively over.
- Turf Field
 - The life of a turf field is 15 years.
 - A maintenance contract for the field is cheaper than the district purchasing the maintenance equipment and doing field maintenance itself.
 - The School Board wants this to be a warrant article rather than part of the operating budget.
 - A turf field would increase the availability of the field for practices and other sports.
 - The high school soccer teams do not have a “home field.”

FY2019-20 Budget

Budget Book Pick up

M. Shevenell told the Committee that their Budget Books will be available at the School District offices after December 5th.

S. Heinrich told the members that they will need to sign for the budget book when it is picked up at the Superintendent’s Office.

Liaison Request Form

S. Heinrich explained that the Committee creates liaison teams of 2 or more members, led by an experienced member, to visit with department heads and learn about the department’s budget. Each member usually has two liaison assignments. He told members that there was a liaison request form in the meeting packet on which members should fill in and return after listing their liaison preferences.

Meeting Schedule

S. Heinrich said there is no set meeting schedule yet, but that meetings will probably start toward the end of January. Meetings have been held on Tuesdays, starting at 7 PM. In the past there have been two meetings to review department budgets, one meeting to review warrant articles and hold a work session on the budget, and then a public hearing after which the Committee makes final recommendations on warrant articles and takes a final vote on the operating budget. He said snow dates will be built into the meeting schedule and the Committee would also meet immediately after the end of the Deliberative Session in March.

Re-Organization

Election of Chair

D. Illg nominated S. Heinrich to be Chair. There were no other nominations. S. Heinrich was unanimously elected Chair.

Election of Vice Chair

S. Heinrich nominated K. Bobbitt to be Vice-Chair. K. Bobbitt declined. S. Heinrich nominated C. Mower to be Vice Chair. C. Mower accepted the nomination and was unanimously elected Vice Chair.

Other Business

Vacant Seat

S. Heinrich told the Committee that, since Brandi Nunez was selected to fill the vacant seat on the School Board, her seat on the Committee is vacant. He told the members the Committee could advertise in an attempt to fill the seat before the Budget Review meetings start or leave the seat vacant.

C. Mower made a MOTION to advertise to fill the seat. Second: K. Bobbitt. MOTION PASSED 10 – 0 – 1. (C. Mower abstaining). S. Heinrich said he would advertise the vacancy and schedule a meeting in early December to interview any candidates.

Excused Absences

S. Heinrich reminded members that, if they miss 4 consecutive meetings without being excused by the Committee chair they cease to hold their seats. He said all members have to do to be considered excused is call or email the Chair.

Training

S. Heinrich also said that he could set up a training in early December for members who were interested.

Public Participation

There was none.

C. Mower made a MOTION to adjourn. Second: C. Lang. MOTION PASSED unanimously.

S. Heinrich adjourned the meeting at 9:15 PM.