

Merrimack School District Budget Committee
December 10, 2019
Minutes

Present: S. Heinrich, J. Guagliumi, C. Lang, C. Mower, M. Murphy, G. Savitch, B. Stisser
School Board Liaison A. Schneider and L. French.

Excused: A. Hyde-Berger, S. Jacoby and D. Illg

Also present: Assistant Superintendent of Business M. Shevenell

S. Heinrich called the meeting to order at 7:01 P.M and asked C. Mower to lead those present in the Pledge of Allegiance. S. Heinrich welcomed everyone and asked members to introduce themselves.

FY 2018-2019 Budget Review

S. Heinrich said that M. Shevenell was present to share the audited budget figures from FY 2018 – 2019.

M. Shevenell told the Committee that the District had ended the 2018-2019 budget year with a total unexpended fund balance (surplus) of \$3,172,868 which was returned to the town to reduce the school portion of the tax rate. He said the amount of the surplus was similar to the year-end surplus amounts for the last several years. He said that the surplus consisted of \$2,593,463 from the appropriation and \$579,405 from unanticipated revenue.

M. Shevenell then explained the over-expenditures and under-expenditures in the various general budget categories:

- Salaries: New hires usually start at a lower salary rate than the prior employee which resulted in these lines being under-expended.
- Benefits: There was an increase in the number of employees who took the health insurance buy-out which resulted in these lines being under-expended.
- Utilities: These lines were over-expended due to higher than anticipated distribution charges.
- SpEd: These lines were under-expended since there were fewer Out-of-District Placements.
- Transportation: These lines were under-expended due to a driver shortage which meant that some routes were doubled up and fewer buses were used.
- Bonded Debt: One bond was refinanced at a lower rate.

The other budget categories were close to fully expended. (L. French arrived during the budget review.)

M. Shevenell told the Committee that Food Service spent more than it received in revenue which meant that its fund balance went down but the balance is still positive. He mentioned there will likely be an increase in the charge for school lunch because the District must charge at least the amount that it gets reimbursed for each free or reduced lunch.

M. Shevenell told the Committee that “catastrophic aid” is now called “SpEd Aid” and is in addition to the revenue the District receives from other districts who send students to Merrimack SpEd programs.

Discussion included the following:

- The District buys energy from a provider and must pay Eversource a distribution fee since Eversource owns the lines.
- Healthcare costs and options as well as starting salary are negotiated items.
- Due to an exceptional circumstance, a student who lives in another town may attend school in Merrimack tuition free.
- The amount requested in the high school turf field warrant article should be a good planning amount for the next few years; however, the field did not go out to bid since the warrant article failed.

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

M. Shevenell reviewed the C.I.P. that was recently approved by the School Board. He reminded the Committee that the C.I.P. is a planning document and the items listed on it may or may not be budgeted or in a warrant article in the years specified in the document. He told the Committee that new items in the C.I.P. are demolition of the Brentwood/Blue Building and a Master Plan Study of the entire high school campus which would include a traffic study, parking lot re-design, athletic facilities and relocating Administrative Offices.

M. Shevenell also told the Committee that the 2020-2021 budget proposed to the School Board by the Administration is 2.6% greater than the current (2019-2020) budget. He said enrollments are increasing by about 50 students a year and the proposed budget is \$400,000 over the proposed default budget.

Discussion included the following:

- Master Plan Study
 - The Planning and Building Committee will have an integral part in the development of the Master Plan.
 - Ideally, the Master Plan Study will suggest the best use of the entire space and the best location for the Administrative Offices.
 - The footprint/size of the Administrative Offices will be based on what has been proposed in the past.
 - It is expected sidewalks will be part of the plan.
- When Honeywell did its energy study a few years ago, the final report identified areas in some schools that have ventilation issues which the District wants to start addressing.

Re-organization

C. Mower nominated S. Heinrich for Chair of the Committee. There were no other nominations. S. Heinrich was unanimously elected Chair.

S. Heinrich nominated C. Mower for Vice Chair of the Committee. There were no other nominations. C. Mower was unanimously elected Vice Chair.

Member Resignation

S. Heinrich told the Committee that Kevin Bobbitt has submitted a letter of resignation and made a MOTION to accept, with regret, his resignation. Second: C. Lang. MOTION PASSED unanimously.

S. Heinrich told the members that this is the last year of K. Bobbitt's term on the Committee so the Committee could advertise in an attempt to fill the seat for the upcoming Budget Review meetings or leave the seat vacant until elections in April.

Discussion included:

- Past practice has been to solicit applicants to fill the seat.
- The Committee could make use of social media and personal contacts rather than advertise.
- A date of January 7th was suggested as the date to interview any interested parties so that a new member would be in place before budget reviews start.

By consensus, the members agreed that they were empowering the Chair to announce the open seat and set a date specific calendar to smoothly and efficiently move this process forward.

FY 2020-2021 Budget Preparations

Budget Book Pick-Up

S. Heinrich confirmed with M. Shevenell that budget books are now available for members to pick up at the Superintendent's office during business hours.

School Board Budget Review Meetings

S. Heinrich reminded the members that the School Board holds public meetings at which it meets with Department Heads to discuss proposed budgets and members might want to attend those meetings.

Committee Meeting Schedule

S. Heinrich told the Committee that meetings are usually scheduled for Tuesdays with an occasional Thursday meeting date. However, he said there would be no meeting on the day of the Presidential Primary. He also said that snow dates would be built into the meeting schedule.

Department Liaison Requests

S. Heinrich announced that he would send out the liaison request form and asked that members email their choices to him as soon as possible.

Public Participation

Bill Foote, a Bedford resident, asked for an explanation of the function of the Committee and suggested that copies of the Committee handouts be made available so that members of the public who attend Budget Committee meetings can follow the various presentations.

Various members told him about the benefit and process of the Committee and explained that it was the Committee's budget that was proposed at Deliberative Session.

Minutes, 12-10-2019, continued

(G. Savitch left the meeting at this time.)

Other

S. Heinrich thanked Merrimack Cable TV for their efforts to facilitate taping the meeting.

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

S. Heinrich adjourned the meeting at 8:35 PM