

Merrimack School District Budget Committee
Minutes
November 19, 2020

Present: D. Coakley, L French, D. Illg, C. Lang, C. Mower, M. Murphy, G. Savitch, J. Guagliumi, E. Wilson, B. Stisser and School Board Alternate J. Hardy

Excused: L. Peters

Also Present: Assistant Superintendent for Finance M. Shevenell

C. Mower called the meeting to order at 7:01 PM and led everyone present in the Pledge of Allegiance.

At this time E. Wilson and M. Shevenell joined the meeting via speakerphone. E. Wilson said she was at home in Merrimack and there was no one in the room with her. M. Shevenell said he was at home in Bedford and there was no one in the room with him.

Approval of Prior Minutes

C. Lang made a MOTION to approve the minutes of October 27, 2020. Second: J. Guagliumi. There were no corrections. A roll call vote was held. MOTION PASSED unanimously.

Training Q & A

C. Mower asked members if anyone had any questions relative to the training that was conducted at the last meeting. There were none.

Financial Updates

FY 2019-2020 End of Year Review

M. Shevenell explained to the Committee that when the District “shut down” due to Covid in March, 10 teams of staff members were established to make recommendations about how the District should proceed. He said the District spent \$73,510 to purchase equipment and supplies recommended by these teams.

M. Shevenell reported that the District ended FY 2019-2020 with a surplus (unassigned fund balance) of \$ 4,772,282 which is \$1.5 million dollars more than last year. He indicated that 94% of the operating budget was expended and due to the increased amount of the surplus returned to the town, the school portion of the tax rate went down 39¢ per thousand dollars of valuation.

M. Shevenell reviewed the main areas of the budget that were under-expended due to Covid shut-down: substitutes, custodians, support staff, utilities, professional development, field trips and extracurricular athletics. M. Shevenell said the Driver’s Ed. Program was completely shut down.

M. Shevenell said that a lot of out-of-district student programs shut down, which meant the District did not have to pay tuition for those placements. However, staff did a lot of work to develop in-house programs to meet the needs of the affected students. In addition, a new Executive Order by the Governor meant the District had to change the “who and how” of

medical recommendations for I.E.P.s which resulted in unexpected additional costs to the District.

The District received a grant of \$392,000 from the CARES Act. To receive the grant, the District had to keep all its contracts in place. This meant that the District paid the full amount of the transportation contract and the bus company paid its drivers. While the District received a fuel credit from the bus company, the bus drivers worked with food service and teachers to deliver bag lunches and instructional material packets to students as needed. Bag lunches were also available for pick up at the high school. M. Shevenell said the state applied for a waiver which allowed every meal to be part of the free lunch program so that the District would be reimbursed \$3.50 per meal.

In addition, one issue that was raised as a result of Covid was interior air exchange. During the shut-down, the District reduced heat or air conditioning since buildings were unoccupied. However, DHHS now recommends that HVAC systems be run continuously (24/7) to improve air quality. M. Shevenell said the District has implemented this recommendation which may result in an over-expenditure in the current budget.

M. Shevenell said the District did spend more money in legal fees than anticipated. In addition, he said the graduation expense line was over-expended due to changes made to follow Covid guidelines.

M. Shevenell said that part of the revenue surplus was because the District did receive more state aid than anticipated. In addition, some of the surplus, by warrant article approved in the spring, goes to the Maintenance Capital Reserve Fund which now has approximately \$500,000 in it.

Discussion included the following:

- Food Service
 - The program was under-expended by \$184,000. While the District continued to make and deliver bag lunches, there were no hot lunches and no salad bar. However, gluten-free lunches were available.
 - Food Service revenue was down because the District did not charge for lunches. However, the District did receive \$300,000 in federal reimbursement.
 - The Food Services fund is still solvent.
- Though Kindergarten Aid could be considered part of adequacy aid, Kindergarten aid comes as a separate check.
- Student Services aid is divided into two categories because one category is for in-district services and one is for out of district services.

FY 2020-2021 Current Status

M. Shevenell told the Committee he had provided a report on the first quarter's expenses of the is expended.

M. Shevenell told the Committee the District is currently running a hybrid schedule: some students at home and some at school. However, the District has to provide lunch remotely as well as in-person. The costs for bag lunches provided over the summer months are being paid from the current budget.

M. Shevenell said there was a question about the number of teachers in District during last year's budget discussions. He said he wanted to clarify there were 344.6 teachers in the District last year. However, almost 40 teachers did not return in the fall. This will affect the current budget since replacements are on a lower step of the salary scale and often take a less expensive health insurance plan.

M. Shevenell reported that in order to deep clean all buildings daily, 2nd shift custodians now work 10 hour shifts (3 PM – 1 AM) 4 days a week.

M. Shevenell stated that the District received a \$750,000 "Covid" grant for technological devices and these funds have to be spent (items received and operational) by end of December.

Discussion included the following:

- The federal reimbursement lunch waiver is still in effect, but expires in December.
- The District has seen a need for more substitutes; however, not a lot of people are willing to substitute so frequently principals and assistant principals substitute.
- Technology grant
 - The focus of the grant is purchasing devices to support remote learning rather than improving technology available.
 - The District is looking at mid-priced devices which are more available than low priced chrome books.

FY 2021-2022 Outlook

M. Shevenell said the District is still updating the Capital Improvement Plan (C.I.P.). He said the District needs to review the issues raised by Covid and make a plan to address them. He explained further that a new focus in the C.I.P. will be improved or increased ventilation projects. He said these projects will probably be planned over several years rather than requested in one year.

Discussion included the following:

- Besides running HVAC systems continuously, the District is looking at different kinds of filters as well as how often to replace them.
- Covid has revealed a number of District weaknesses, including a need to improve technology, which will need to be addressed.

Preparations for FY 2021-2022 Budget Proposal

C. Mower told the members that Budget Books will be ready for pick up at the Superintendent's Office during business hours shortly after December 8th. He said the first Committee meeting to review the proposed budget would be either January 19th or January 21st. C. Mower told members he would be sending out Department Liaison Assignments early in December so that

Minutes, 11-19-2020, continued

members might watch or attend School Board meetings where their liaison department budget requests are discussed.

Public Participation

There was none.

Member Comments

There were none.

E. Wilson left the meeting at this time.

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

C Mower adjourned the meeting at 8:30 PM.

Respectfully submitted,

Pat Heinrich