

Merrimack School District Budget Committee
February 4, 2020
Minutes

Present: L French, S. Heinrich (by phone), A. Hunter, A. Hyde-Berger, D. Illg, C. Lang (by phone), C. Mower, M. Murphy G. Savitch, and School Board liaison A. Schneider

Excused: J. Guagliumi, S. Jacoby, and B. Stisser

Also present: Superintendent Dr. M. McLaughlin, Assistant Superintendent J. Fabrizio and Assistant Superintendent for Business M. Shevenell

Vice Chair C. Mower called the meeting to order at 7:05 PM and led those present in the Pledge of Allegiance.

At this time S. Heinrich and C. Lang joined the meeting via speakerphone. C. Lang said she was in Satellite Beach, Florida and there was no one in the room with her. S. Heinrich said he was in-patient at Southern Regional Medical Center in Nashua and there was no one in the room with him.

Announcements

S. Heinrich announced that a member of the public had sent an email request for information to the Committee using the Committee's generic email address and it had not been received by the entire Committee. He said the District Network staff are working to resolve the email problem. He also said the email raised legal questions and had been referred to the District's legal counsel. As a result, the Committee would go into Non-Public session at the end of the meeting to receive the opinion from legal counsel regarding the email.

S. Heinrich also reminded the Committee that all votes taken during the meeting would require roll call votes since there were members participating by phone.

Warrant Article Review

C. Mower told the Committee that one of its responsibilities was to vote whether to recommend or not recommend all monied warrant articles. He said Article 2 was non-monied and did not require a recommendation of the Committee.

S. Heinrich said that the Committee would vote on warrant article recommendations just before the upcoming Public Hearing and would vote, if needed, after the Hearing.

Repair Capital Reserve Fund (C.R.F.)

A. Schneider and M. Shevenell explained that the Repair C.R.F. currently has about \$350,000 in it but the School Board would like the fund to have \$500,000. They said the funds deposited would be 10% of any surplus but would be no more than \$150,000. The fund was used in the past to replace the High School bleachers that broke during the school year. The School Board is the agent to expend from the fund but must vote at a public meeting to approve expenditures from the fund.

Discussion included:

- If the needed repair is greater than the funds in the account, the District will have to use funds in the operating budget or possibly look for grants as they did for the bat mitigation.
- The reason for the \$500,000 amount was that the cost to replace a school boiler is between \$400,000 and \$500,000.

S. Heinrich asked that speakers be identified by both first and last names.

Window Replacement at Merrimack High School

M. Shevenell told the Committee that this article requests funding to replace 26 high school windows which have manual locking systems that are not operational.

A. Schneider told the Committee that replacing windows is on the Capital Improvement Plan (C.I.P.) and the School Board chose to put them in a warrant article rather than in the operating budget because, while they do need to be replaced, their replacement is not critical.

Discussion included the following:

- It is highly probable that the caulking sealing the windows on the outside contains asbestos. However, test results have not come back yet.
- Asbestos abatement increases the cost of replacement.
- If there is no asbestos found, the District will replace as many windows as the warrant article funds.
- Possibly the words “asbestos” or “asbestos abatement” should be in the warrant article.
- Administration will work to obtain a more detailed cost breakdown for replacement costs and asbestos abatement costs.

S. Heinrich told the Committee that there would be time for additional discussion when the Committee votes on warrant article recommendations both before and after the Public Hearing.

Master Plan Study

A. Schneider explained the thought process behind the article. He said the School Board wants funds to hire an engineer to oversee a charrette style community discussion to get ideas about usage of the high school campus area after which the engineer would develop and validate a master plan.

Discussion included the following:

- The objective of this study is to hear from a cross section of community members, create a community master plan committee and increase community buy-in for the master plan.
- Bonded Debt
 - The proposed operating budget includes both high school addition and new middle school bonds and is \$1.1 million dollars.
 - The last high school addition bond payment will be in the 2020-2021 budget year.
 - The last middle school bond payment will be in the 2023-24 budget year.
- Funds (\$100,000) for this project were originally proposed in the operating budget but were removed to be put in a warrant article. The amount requested was reduced to \$82,500 after a consultation with local engineer Steve Keach.
- It’s too early to tell what the time line for a new Administrative Office proposal will be.
- Brentwood (red building)
 - The will of the School Board is to retain the red building for at least one more year.
 - The District has budgeted \$23,000 to maintain the building.
 - Most people seem to agree that the building will eventually be torn down.
- Possibly the article could be more simply worded.

JMUES Bleachers

M. Shevenell told the Committee that the intent of this article is to provide ADA compliant bleaches in the Smith Gym at the upper elementary school. He said the item was in the C.I.P.

A. Schneider said the School Board put the bleachers in a warrant article to give voters a say rather than putting this expenditure in the operating budget. He said replacing these bleachers is important, but not critical.

Discussion included the following:

- The bleachers were “grandfathered in” when ADA went into effect. They do not have to be made ADA-assessable until any significant renovations to the JMUES APR.
- They could be considered a risk.
- The current bleachers are well maintained, inspected yearly and could last 10 – 15 years.
- All high school bleachers, inside and outside, are now ADA compliant.
- There are two sets of bleachers at the JMUES.
 - The bleachers in the Smith Gym are higher so they are being replaced first.
 - The bleachers in the All Purpose Room will be replaced when the APR floor is replaced which is an upcoming item in the C.I.P.

Operating budget

C. Mower told the Committee that the last warrant article is the Operating Budget and the amount currently shown in the article is the amount proposed by the School Board. He said the amount that will be in this article at Deliberative Session will be the amount approved by the Committee after the Public Hearing.

C. Mower asked M. Shevenell to explain the Default Budget.

M. Shevenell told the Committee that the NH Department of Revenue Administration (D.R.A.) provides a form which districts fill out to arrive at the amount of the Default Budget. He said this form would be posted on the District website. He explained that basically the default budget is the last approved operating budget plus approved contractual increases and minus one time expenditures. He indicated that the District has approved contracts with the teaching staff and the support staff which include salary increases and benefits as well as contracts for transportation and utilities. Increases or decreases in any of these contracts are included in the default budget. However, a recent change in the “default budget rules” means that if the District has proposed a reduction in force in proposed budget, it can only include salary and benefits for the reduced number of staff in the default budget. M. Shevenell said that the District has contracts for utilities and transportation. As a result, increases or decreases in these contracts must be included in the default budget. He explained that costs for things like the Masticola complex parking lot repair, the transfer to a CRF, the expired Honeywell lease payment, and decreased bonded debt interest payments are removed from the default.

Discussion included the following:

- The District is budgeting for 5 additional teachers, yet the proposed budget is below the default because a lot of maintenance items that could have been included in the proposed budget are being proposed as warrant articles.
- Contracts (for example: Principals and Assistant Principals) that are not voted on by Annual School District Meeting are not part of the default.
- The amount budgeted for insurance was corrected in both the proposed and the default budgets.
- By law, administration cannot overspend the budget.
- Any year-end appropriation surplus is the result of careful management.
- The School Board approves the default budget. The Committee cannot change it.

C. Mower called for a recess at 8:30 PM. G. Savitch left the meeting at this time.

The meeting resumed at 8:40 PM.

Work Session on the Proposed Operating Budget

C. Mower said he would review the proposed operating budget department by department and ask if any member wanted to propose any adjustments.

Elementary & Upper Elementary School

No member proposed any adjustments.

Middle School

No member proposed any adjustments.

High School

C. Lang asked for an Administration opinion about whether adding an accordion wall would add more utility to the wall that is being restructured.

C. Mower asked her to make a motion for adjustment.

C. Lang said she had did not have cost information.

S. Heinrich suggested contacting Superintendent McLaughlin for information and stated that additional motions for changes could still be made to the proposed operating budget before or after the Public Hearing.

There were no other adjustments to the High School Budget proposed.

Library/Technology

No member proposed any adjustments.

District Wide

L. French made a MOTION to add \$125,000 to the proposed operating budget to demolish the Brentwood (red) building. Second, for purposes of discussion: S. Heinrich.

L. French told the Committee that the building has no value and limited purpose. He said he felt continuing to pay to heat the building adds an unfair burden to the taxpayers.

Discussion included the following:

- The Committee approved the same motion last year and the School Board made a motion to remove the funds at Deliberative Session which passed.
- Spending \$23,000 to heat the building serves no useful school purpose.
- A petitioned warrant article for these funds could be crafted and submitted before the February 11th deadline.

C. Lang made a MOTION to table L. French's motion. Second: S. Heinrich.

A roll call vote was held. MOTION PASSED 8 – 1 – 0. (C. Mower opposed.)

C. Mower said motion was tabled and could be taken off the table and addressed before the Public Hearing.

There were no further adjustments to the District Wide Budget proposed.

Maintenance

A. Hunter made a MOTION to remove \$75,000 for sports field drainage repairs at the middle school. Second: C. Mower.

A. Hunter told the Committee he felt the project was probably necessary but he was not comfortable with the level of planning for and information about the project the Committee had received. He wanted to know what kind of improvement was expected, how improvement would be quantified and how much improvement was needed before the School Board would request funds for additional repairs.

Discussion included the following:

- The field is basically unusable.
- The repairs requested will have to be done anyway.

A roll call vote was held. MOTION FAILED 1 – 8 – 0. (A Hunter in favor.)

There were no further adjustments to the Maintenance Budget proposed

Student Services

No member proposed any adjustments.

C. Mower told the Committee that the proposed budget stood at \$80,111,563 and that there was a tabled motion that would have to be dealt with at the next meeting.

Public Participation

Scott Adler asked for an explanation of the Committee's authority to go into Non-Public Session.

The School District Clerk, Pat Heinrich, explained the Committee was going into Non-Public Session under RSA 91-A:3,(1) to receive a legal opinion. She said the members had not yet received the legal opinion. She said the Superintendent would be giving the attorney's opinion to the Committee and the attorney did not have to be present for the Committee to go into non-public session.

Mr. Adler asked for an explanation of the Committee's rules on attendance.

Mrs. Heinrich explained that the only attendance rule for Budget Committee members is RSA 32:15,VI which states a member at large ceases to hold office after 4 consecutive unexcused absences. Members can have an unlimited number of excused absences.

Other

S. Heinrich explained that the next Meeting of the Committee would be on Thursday, February 13th at 7 PM at Masticola Elementary School. He said the Committee would start the meeting and then recess at 7:30 PM to hold the Public Hearing and then resume the meeting to take final actions on the operating budget and warrant article recommendations.

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Non-Public Session

C. Mower made a MOTION to go into Non-Public Session under RSA 91-A:3,(1). Second: L. French.

A roll call vote was held. MOTION PASSED 9 – 0 – 0.

The Committee went into Non-Public Session at 9:15 PM.

The Committee lost its physical quorum at 9:30 PM which ended the meeting.

Respectfully submitted,

Pat Heinrich