

Merrimack School District Budget Committee
Minutes
November 18, 2021

Present: S. Adler, S. Albuquerque, D. Coakley, C. Lang, C. Mower, N. Schoenfeld, B. Stisser, and E. Wilson

Excused: G. Groff, G. Savitch and School Board liaisons

Absent: L. French and M. Murphy

Also Present: Interim Chief Educational Officer B. Olsen and Business Administrator M. Shevenell

C. Mower called meeting to order at 7:06 PM.

Approval of Prior Minutes

C. Lang made a MOTION to approve the minutes for June 8, 2021. Second: E. Wilson. MOTION PASSED 7 – 0 – 1 (B. Stisser abstained.)

Opening Remarks

C. Mower told the Committee that the job of the Budget Committee is to prepare a budget that is prudent and meets the needs of the District. He told the Committee that the Administration had undertaken a listening tour by meeting with staff throughout the District to hear what their needs, wants and expectations were relative to crafting an appropriate budget. He also said that the School Board has directed the Administration to prepare a level funded budget while still providing funding improvements that the Board wants to see implemented.

Year-End Review of FY 2019-2020 Budget

M. Shevenell told the Committee that the District ended FY 2019-2020 with a surplus of \$8,163,070 which was mainly due to lack of staff and the associated benefits during the Covid shutdown. He said many professionals left and Covid made it difficult to find qualified replacements. In addition, Out-Of-District placements were down because there were no placements. He noted that a lot of work was done over the summer to meet student I.E.P. goals. He stated that school buses were used to provide food services throughout town which maintained the bus contract but there was a refund since overall fuel costs were down. Further, the Federal government reimbursed the District \$3.53 per meal. Maintenance operating budget expenditures were also down because the District got funds through the CARES Act to offset cleaning and sanitizing costs. He also said that the planned repairs to the Smith Gym were paid for using funds from the Masticola Trust Fund through the Trustees of the Trust Funds. Finally, he said bonded debt was down. However, the Technology budget was up due to a need to provide software and devices to students for remote learning. For comparison, he told the Committee that surplus from FY 2018-19 was \$4.7 million dollars.

Capital Improvement Plan (C.I.P)

M. Shevenell shared the proposed C.I.P. with the Committee.

Roof replacement

M. Shevenell told the Committee that even though most school roofs are out of warranty, good maintenance has allowed the District to defer roof replacement. However, some projects can be deferred no longer. As a result, there will likely be a roof replacement project in the budget or on the warrant for the next several years. He indicated that the District inspects roofs yearly and the various replacement projects are in the C.I.P in order of priority. The coming year's project is the roof at Thorntons Ferry. He explained the District will go out to bid in December to see if a firm price can be locked in. He also said the new roofs will have a 35-year warranty

Ventilation

M. Shevenell said the warrant article for the lease-purchase of ventilators passed. Sixty-one ventilators were installed and more are coming as product becomes available.

Paving

M. Shevenell told the Committee the sidewalk on O'Gara Drive needs to be repaved and extended. He said this was also a project in the C.I.P. for the coming year.

Master Plan

M. Shevenell said that Steve Keach was the engineer hired by the District to work with the Planning and Building Committee as well as members of the public to develop a master plan for the high school campus. Several projects will be added to the C.I.P once the plan is finalized.

Building Maintenance Projects

M. Shevenell said that other future major projects in the C.I.P. are boilers and window replacement but none are specifically planned at this time.

FY 2021-2022 Budget Preparations

C. Mower asked B. Olsen to tell the Committee about the "listening tour" the Administrators had undertaken.

B. Olsen told the Committee that Administrators had met with staff at each school to hear what staff had to suggest regarding school budget needs and wants. He said that he felt the classrooms were well-provisioned but meeting the needs of Special Education students is a challenge and he plans to request additional para-professionals and Special Education teachers. He also said he wants to develop a positive mindset toward innovative thinking by staff and students. He said he expects a more pro-active approach to improving technology needs in the District. He said that Covid has disrupted the education of our students as well as the social and emotional wellness of the students.

C. Mower opened the discussion for member comments and questions.

Discussion included:

- Staff is happy with happy current class sizes but wants more professional development opportunities in technology.
- The School Board has requested a level budget. Administration is planning at a level service budget hovering around the default budget..
- The Brentwood (Red) building will be part of the master plan and may be brought up during the upcoming budget cycle.

- The ventilation project was planned to address CO₂ levels in classrooms before Covid but has had a side benefit of providing better air circulation in the classrooms.
- Covid was the impetus to push the District into a more digital environment. The goal is a device for each student. Major progress was made on this goal. A majority of students are using devices provided by school rather than using personal devices.
- “Canvas,” a learning management system and plug-in to Power School was purchased by the state and provided to all schools statewide.
- The Town assesses property and sets the tax rate. The formula for tax rate is driven by the town and parameters set up as best practices. The School District has no role in assessment.
- A new roof at Thorntons Ferry School will be proposed this year. The District has an estimate of \$41 per square foot from the roof inspector. The work will be done over summer 2022. The project may be a warrant article rather than part of the operating budget. The project will be bid out before the April vote, contingent upon passage. If the bid is more than the amount passed, the project could be done in sections.
- A summer lunch program may be offered if there is a public demand for it.
- The high school parking lots, sidewalks and O’Gara Drive will be part of the Master Plan. The upcoming widening of the Everett Turnpike and rebuilding the bridge on Baboosic Lake Road over the highway may result in some of these projects needing to be deferred.

McGaw Fund

C. Mower told the Committee that the Merrimack Historical Society now occupies the old PTA Kindergarten building which is owned by the School District. This property was willed to the School District by Robert McGaw, must be used for educational purposes and included \$10,000 that the District carries within its budget because the will also states if this property ceases to be used for educational purposes, these funds be given to Dartmouth College. C. Mower suggested that these funds could be made into a Trust Fund and transferred to the Trustees of the Trust Funds to be used for education.

S. Albuquerque made a MOTION to recommend that the School Board consider investigating ways to turn the McGaw \$10,000 carried in the budget into a Trust Fund for educational purposes to be managed by the Trustees of the Trust Fund. Second: C. Lang

C. Mower called for a vote on the motion. MOTION PASSED: 6 – 1 – 1 (E. Wilson opposed and S. Adler abstained.)

Other Budget Considerations

C. Mower told the Committee that one of the ways the District can save money is to encourage the development and use of Capital Reserve Funds. He said if the District has a surplus at the end of the year, it is required to return that surplus to the town. He noted that in the past, the School Board has put forth warrant articles to capture some of District’s surplus to fund School District Capital Reserve Funds. However, the District has not regularly continued the practice. He said surplus monies have already been raised and appropriated, so saving some of that money would be a better idea than getting the money, returning the money and then asking for it again.

He said he is proposing that the School Board establish a Capital Reserve Funds funded by a small percentage of the surplus to save to known District needs such the Central Office, projects in the Master Plan and even General Education.

M. Shevenell said the District currently has 5 Capital Reserve Funds (CRF):

- Emergency Repair CRF which has \$500,000 in it, the approximate cost to replace a school boiler.
- Special Education CRF which has \$550,000 in it to fund new or unexpected costly placements which might put the Special Education budget in a deficit situation.
- Remedial Reading & Math CRF which has \$88,000 in it to cover costs if Title 1 funds disappear.
- Roof Reconstruction CRF which has \$3,500 in it and has not been funded in several years.
- Paving Reconstruction CRF which has \$1,300 in it and has not been funded in several years.

M. Shevenell also said there is a way for the District to retain some surplus by passing a warrant article to annually retain up to 5% of net assessment (the amount of money raised after revenues) which could be applied to tax rate and whatever is not used must be returned to the town.

Discussion included the following:

- Except for approving the total amount of the Operating Budget, all the Budget Committee can do is make recommendations.
- In the recent past, the School Board has only wanted to fund immediate needs
- Often the District has funded a CRF one year and spent it the next year.
- A warrant article to put surplus into existing CRFs or to annually retain surplus funds up to 5% of the net assessment has to be created by the School Board or petitioned.
- In the past, articles to transfer surplus to CRFs have overwhelmingly passed.
- A warrant article to create a CRF for a new Central Office failed.
- It is too late to capture any of the \$8 million dollar surplus
- Could roofs be bonded? Is it possible to take a bond out for the cost of several roofs and spend it over 3 – 5 years?
- The current economy might make saving for future needs rather than just paying for current needs difficult.
- The middle school bond will be paid off in FY 2023-2024.
- CRFs can be created to manage emergency situations as well as to save for future needs.
- Should the Budget Committee have a joint meeting/conversation with the School Board?

N. Schoenfeld made a MOTION to ask the School Board to actively consult with the Administration on such vehicles as Capital Reserve Funds and provide their reasoning or detailed philosophy in regard to these vehicles to the Budget Committee. Second: C. Lang

C. Lang requested that the motion also include “surplus retention warrant articles.” N. Schoenfeld agreed.

REVISED MOTION made by N. Schoenfeld, seconded by C. Lang: Ask the School Board to actively consult with the Administration on such vehicles as Capital Reserve Funds and surplus retention warrant articles and provide their reasoning or detailed philosophy in regard to these vehicles to the Budget Committee.

C. Mower called for a vote. MOTION PASSED unanimously. Since both School Board members were excused from the meeting, C. Mower asked B. Olsen and M. Shevenell to tell the School Board about the Budget Committee's request.

FY 2022-23 Budget Review Preparations

C. Mower reminded members that they had already been provided with a copy of the upcoming Committee meeting schedule and the next Committee meeting would be on January 20, 2022.

M. Shevenell told the members that he expected budget books should be available for pick-up during regular business hours at the SAU office starting December 9 or 10th. C. Mower said a reminder about budget books would be sent out to members when a definite date was determined.

C. Mower asked members fill out and return to him the Department Liaison Request Forms so that he could set up the Department Liaison Teams. He reminded members that these teams will be meeting with Department Heads in early January.

Public Participation

There was no public participation

Member Comments

There were no member comments.

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

C. Mower reminded the members that a brief new member training would be held immediately after adjournment and adjourned the meeting at 9:45 PM

Respectfully submitted,

Pat Heinrich