

Merrimack School District Budget Committee  
Minutes  
February 1, 2022

Present: S. Albuquerque, D. Coakley, G. Groff, L. French, C. Lang (by phone), C. Mower, M. Murphy, N. Schoenfeld G. Savitch, B. Stisser, E. Wilson and School Board liaison L. Peters

Excused: S. Adler

Also Present: Interim Chief Educational Officer B. Olsen, Business Administrator M. Shevenell, and Assistant Superintendent K. Yarlott

C. Mower called the meeting to order at 7:00 PM and led those present in the Pledge of Allegiance.

C. Mower told the Committee that C. Lang was attending the meeting via speakerphone and as a result, any vote taken during the meeting would be a roll call vote. C. Lang told the Committee she was in Satellite Beach, Florida and there was no one in the room with her.

**Public Participation I**

There was none.

**Approval of Prior Minutes**

S. Albuquerque made a MOTION to approve the minutes of January 20, 2022. Second: D. Coakley. No corrections were suggested. A roll call vote was held. MOTION PASSED: 12 – 0 – 0.

E. Wilson made a MOTION to approve the minutes of January 25, 2022. Second: L. French N. Schoenfeld requested a correction regarding rising costs may result in the Maintenance budget being underfunded. A roll call vote was held. MOTION PASSED: 9 – 0 – 3. (Abstaining: G. Savitch, B. Stisser and E. Wilson.)

**Warrant Article Review**

**Article 2: Authority to accept non-money gifts**

M. Shevenell told the Committee this is the annual article which allows the School Board to accept non-monetary gifts of personal property or real land.

**Article 3, 4 and 5: MTA contract**

M. Shevenell told the Committee that the teacher's contract will be covered by Article 3 and Article 5. He said Article 4 gives the School Board the option to renegotiate a contract and hold a meeting to fund cost items only should Article 3 fail.

M. Shevenell said the amounts specified in Warrant Article 3 cover the increase in salary, workers comp and benefit costs of the contract. He further noted this is a one-year contract which gives staff a 3.75% pay increase. M. Shevenell told the Committee that a survey of area communities has shown that Merrimack teacher salaries, even with the proposed contract, are well below what other communities offer. He mentioned, for example, that a starting teacher's

salary is \$7,000 less in Merrimack than in area communities. He said there is a teacher shortage and Merrimack is having trouble both recruiting and retaining teachers. In order to move closer to having a salary scale that can compete with area communities, the School Board is also proposing Article 5: a “market adjustment” to the salary scale funded by up to 25% or \$950,000, whichever is less, of this year’s surplus. He said that the Board expects to have sufficient surplus to fully fund this article. He told the Committee that the intent is to bump up starting teacher salaries but noted that this adjustment does not take into account any salary increases that area communities may implement this spring. He also said the plan is to come back next year with a multi-year contract that will bring the Merrimack salary scale more in line with area communities.

B. Olsen said that when people consider moving to Merrimack, they look at the quality of our schools and good teachers are the number one indicator of school quality. He said the District must be competitive to get and retain quality staff.

Discussion included the following:

- Many teachers start their careers in Merrimack and go elsewhere for more money.
- The amount mentioned in Article 3 is the total change in funding between the current contract and the new contract.
- Even if this contract passes, our salary scale will still be lower than the salary scale of other communities.
- It will take more than one year to increase the salary scale to be more competitive with area communities.
- A recent article in Forbes Magazine suggested that education is reaching a crisis and we need to take care of our teachers.
- The proposed salary increase will put more money in the lower steps of the salary scale and then spread the rest fairly evenly over the higher steps of the scale.
- The Board and the MTA agreed this was not the year to propose a multi-year contract.
- The MTA understands that both articles may not pass.
- Teachers are also leaving teaching.
- What is Merrimack’s teacher turnover rate and how does it compare to area communities? Is there an industry average?
- Last year, Merrimack started the school year with 20 teaching vacancies.
- Some teaching positions like high school specialized teachers are harder to fill than elementary school teaching positions.
- Merrimack has a mentorship program and teaching supports in place for new teachers.
- In a normal year, there is a yearly budget savings totaling about \$300,000 when experienced teachers leave and are replaced by newer teachers.
- The teacher salary budget is around \$22,000,000.

#### **Article 6: TFS roof**

M. Shevenell told the Committee that, for several years the District has been doing what it can to maintain all school roofs and defer roof replacements. However, the roofing consultant who inspects our roofs with the Maintenance Director Tom Touseau has indicated the roof at Thorntons Ferry School can’t be put off any longer. The sections of the roof (14,000 sq. ft) that need to be replaced went out of warranty in 2009. The replacement roof will have a 40-year

warranty. M. Shevenell said, due to possible fiberglass insulation supply chain issues, he plans to go out to bid by the end of February and hopes to have a finalized bid, which will be contingent on article passage, to share at the Deliberative Session.

Discussion included the following:

- The District is requesting a specific style of insulation, not a specific brand.
- The roof will be a “built-up” roof.
- The warranty on the sections not being replaced ends in 2057.
- After the upcoming roof projects are completed, the District should consider annually putting funds in the Roof Capital Reserve Fund to save for future roof replacements.
- The last bond payment for the middle school will be made in FY2023-24.

**Article 7: Authority to retain 5% of net assessment**

M. Shevenell explained that passage of this warrant article allows the District to retain to 5% of its net assessment taken from the year-end “unassigned fund balance” (surplus.) He explained that “net assessment” is the “gross budget” minus “revenue” (food service, catastrophic aid, federal aid, state aid, Medicaid, state portion of the income tax.) He said this past year, the net assessment was about \$53 million which means the School Board could have kept about \$2.6 million dollars.

Discussion included the following:

- This is a management tool.
- Each year, all of the retained 5% funds that are not spent will go back into the unassigned fund balance. Then the School Board will meet to decide if it will retain up to 5% of its net assessment from the unassigned fund or send it all back to the town.
- The law allows the School Board to spend the retained funds after a public hearing.
- The “5% funds” can’t be put into a Capital Reserve Fund unless there is a warrant article putting a portion of unassigned funds into a Capital Reserve Fund.

**Work Session on Operating Budget**

M. Shevenell told the Committee the operating budget as currently proposed is \$83,439,156. He said the Budget Committee sets the operating budget number and the School Board approves the default budget number, which this year is \$83,174,461 and is determined by a statutory formula. If the operating budget article fails, the School Board can hold a special meeting to approve a new budget or the School Board can decide to accept the default budget. He also said the last time the budget failed, the default budget was \$50,000 less than the proposed budget and the School Board at that time decided to accept the default budget.

C. Mower said the Committee would review the budget book, department by department.

C. Lang said she wanted a discussion on Brentwood and asked when such a discussion would be appropriate.

C. Mower requested that she wait and then asked if anyone had any budget alterations in the District-Wide budget to propose.

When no one did, C. Mower made a MOTION to create a new purpose line in the District-Wide budget to raze the Red Building (Brentwood) and fund the new line with \$10. Second: C. Lang.

C. Mower spoke to his motion by saying that in general, everyone is in agreement that the Brentwood building should be gone. He said the School Board has indicated it wants more clarity and the new School Board may find some clarity and decide to tear down the building during the coming school year. This would provide them with a purpose line within the budget.

B. Stisser made a MOTION to AMEND to shift the funds from all Maintenance utility budget lines to the new budget line, leaving only \$10 for Maintenance and Utilities and move the remaining funds to this new budget line. Second: G. Savitch.

B. Stisser said his purpose was to use funds from the other Brentwood budget lines to fund the new purpose rather than increase the current bottom-line amount. He said this action also sends a clear message to the School Board.

Discussion included the following:

- The School Board has the authority to move money into other budget lines.
- Per RSA 32, the Budget Committee creates the budget which means it can change budget line amounts or add new budget lines and purposes to the budget.
- There are several utility lines in the budget for Brentwood totaling \$6,568.
- The cost of demolition has already increased by \$50,000 since demolition was first proposed.
- It doesn't cost a lot to fix a dirt parking lot if it is damaged during master plan implementation.

B. Stisser clarified that his intention was to reduce all utility and maintenance lines to \$10 each and to shift the remaining funds to the new purpose so that the budget bottom line remains as currently proposed.

C. Mower told the Committee his original motion was a simple and uncomplicated way to accomplish a good thing, but he felt the amendment might have unintended consequences and urged the Committee to defeat the amendment and approve the original motion.

A roll call vote on the AMENDMENT was held. AMENDMENT FAILED: 4 – 8 – 0. (In favor: D. Coakley, G. Groff, M. Murphy and B. Stisser. Opposed: S. Albuquerque, L. French, C. Lang, C. Mower, N. Schoenfeld, G. Savitch, E. Wilson and L. Peters.)

A roll call vote on the original MOTION was held: MOTION PASSED: 11 – 1 – 0. (Opposed: L. Peters.)

C. Mowers announced the Budget Committee has added a purpose “Raze Brentwood” to the District-Wide budget with a budgeted amount of \$10.

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C. Mower asked if members would prefer to discuss possible budget alterations department by department or look at the budget as a whole. By consensus, members agreed to look at the budget as a whole.

C. Mower asked if any member wanted to propose any other alternations to the operating budget.

N. Schoenfeld asked L. Peters to summarize the top three cut list items discussed by the School Board.

L. Peters said the School Board made no changes to the budget, approving the budget as it was presented by the Administration.

There were no other Committee member comments or operating budget changes proposed.

G. Savitch made a MOTION to move an operating budget of \$83,439,166 to the Public Hearing. Second: L. French. A roll call vote was held. MOTION PASSED: 12 – 0 – 0.

C. Mower told the committee that he felt the Committee had done an exceptional job reviewing and discussing the proposed budget. He said the budget was a fair and supportive budget for the School District which he felt provided the staff, equipment and supplies needed for education in Merrimack to move forward.

G. Savitch left the meeting at this time.

### **Warrant Article Recommendation**

#### **Article 3: MTA contract**

B. Stisser made a MOTION to recommend Article 3. Second: C. Mower. A roll call vote was held. MOTION PASSED: 11 – 0 – 0.

#### **Article 5: surplus funds to adjust teacher's salary scale**

L. French made a MOTION to recommend Article 5. Second: S. Albuquerque. A roll call vote was held. MOTION PASSED: 11 – 0 – 0.

#### **Article 6: TFS roof**

B. Stisser made a MOTION to recommend Article 6. Second: E. Wilson. A roll call vote was held. MOTION PASSED: 11 – 0 – 0.

C. Mower and M. Shevenell told the Committee that Article 7 about retaining surplus funds does not contain an appropriation and does not require a Committee recommendation,

### **Public Participation II**

There was none.

### **Member Comments**

There were none.

Minutes, 2-1-2022, continued

C. Mower told the Committee about the following upcoming dates of importance:

- The next meeting will be on February 8<sup>th</sup>. The Committee will review petitioned warrant articles, if any; hold a public hearing on the budget and take a final recommendation vote on the operating budget.
- Filing period runs from February 23<sup>rd</sup> to March 4<sup>th</sup>. Four three-year seats and one one-year seat are up for election.
- Deliberative Session will be held on March 8<sup>th</sup>. The committee will hold a short meeting immediately after Deliberative Session in the JMUES All Purpose Room.

C. Lang left the meeting at this time.

E. Wilson made a MOTION to adjourn. Second: G. Groff.

C. Mower declared the meeting adjourned at 9:06 PM.

Respectfully submitted,

Pat Heinrich