

Merrimack School District Budget Committee
Public Hearing
Minutes
February 18, 2020

Present: L. French, J. Guagliumi, S. Heinrich, A. Hunter (by phone), C. Lang (by phone), C. Mower, G. Savitch, and School Board liaison A. Schneider

Excused: A. Hyde-Berger, D. Illg, S. Jacoby, B. Stisser and M. Murphy

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

At 7:40 PM, S. Heinrich opened the Public Hearing and announced that a physical quorum had not been reasonably practical and that immediate action by the Budget Committee was imperative since that this was the last date on which the Budget Committee could hold a Public Hearing on the budget and warrant articles. Accordingly, he stated that he had determined that an emergency existed under RSA 91-a:2,III and that C. Lang and A. Hunter, who were attending the meeting by speakerphone, created a quorum so that the Public Hearing could be held. He indicated that C. Lang was in Satellite Beach, Florida and and A. Hunter was in a waiting area at Detroit International Airport.

S. Heinrich stated that the purpose of the Public Hearing was to give members of the public an opportunity to make comments on the proposed operating budget and any monied warrant articles. He said the purpose of the Budget Committee was to go over the budget proposed by the School Board and Administration, meet with department heads, review School Board recommendations and recommend a budget amount to the voters. He said the Committee also must vote to recommend or not recommend all monied warrant articles, which it had done just before the Hearing started. He noted that the Committee does not have the authority to change the wording of these warrant articles.

After explaining that Articles 1 and 2 do not contain money and were not discussed by the Committee, S. Heinrich stated Article 3 proposes transferring up to \$150,000 of the Fiscal Year 2019-20 budget's unencumbered surplus funds into the School District Emergency Repair Capital Reserve Fund. He said the Committee had unanimously recommended this article.

S. Heinrich asked if there were any comments or questions. There were none.

S. Heinrich stated that Article 4 proposes appropriating \$265,000 for window replacement at the high school. He said this article was unanimously recommended by the Committee.

S. Heinrich asked if there were any comments or questions.

Scott Adler (Deerwood Drive) asked if any of the windows were cracked or just the seals were cracked.

S. Heinrich read the warrant article out loud and clarified that it is the window seals that are cracked, not the windows..

G. Savitch said at a previous Committee meeting it was discussed that this article also includes costs for asbestos abatement because there is good possibility that the window seals contain asbestos.

A. Hunter asked for a point of information and asked if it was too late to add his votes to the motions to recommend the various warrant articles. S. Heinrich said it was.

There were no more comments.

S. Heinrich stated Article 5 proposes appropriating \$82,500 for an engineer to work with the public to develop a master plan for the Merrimack High School campus. He said this article was unanimously recommended by the Committee.

S. Heinrich asked if there were any comments or questions. There were none.

S. Heinrich stated Article 6 proposes appropriating \$105,000 to replace the bleachers in the Smith Gym at the James Mastricola Upper Elementary School. He said this article was unanimously recommended by the Committee.

S. Heinrich asked if there were any comments or questions. There were none.

S. Heinrich said Article 8 was a petitioned warrant article which proposes appropriating \$125,000 to raze the Brentwood Building. He said this article was recommended by the Committee by a 6 – 1 – 0 vote.

S. Heinrich asked if there were any comments or questions. There were none.

S. Heinrich said that Article 7 was the operating budget. He explained the Committee has bottom line authority but gives guidance and direction about line item amounts. He said the Committee had voted to propose an operating budget of \$80,111,563 to the Public Hearing. He stated if the proposed budget fails, the default budget (\$80,264,413) would be considered as approved. He said the default budget is created by Administration using a statutory formula and the Committee has no say in the creation of the default budget.

S. Heinrich asked if anyone had any questions about the default budget.

Henry Trijullo (Dumas Lane) thanked the Committee for its time and asked why the original proposed default budget amount had changed. A. Schneider explained that there had been an error in the insurance amount that was originally proposed in both the default and operating budgets which was corrected.

Mr. Trijullo asked if the default budget has ever gone down and wanted to know if there was ever any consideration to reducing the default budget. He said he was concerned that the default budget could reach \$100 million dollars.

M. Shevenell that the default budget is created following a formula in the RSAs.

Mr. Trujillo asked what the RSAs were.

M. Shevenell replied the RSAs were the state laws and explained how the default budget was created.

Mr. Trijullo said that the default budget keeps going up and he has heard that student populations have gone down.

A. Schneider stated the default budget is always going to increase because the default formula starts with the immediate past year's budget and, while one-time costs are removed, contractual obligations for the new budget year are added. He said the School Board worked very hard to keep the proposed budget lower than the default.

M. Shevenell stated that a default budget with the same number of teachers would still be greater than the current budget due to contracted salary increases. He also said that health care costs have never gone down.

C. Mower stated that the School District is required to return any budget surplus to the Town to reduce the School District's portion of the taxes. He said the District regularly returns approximately \$3 million dollars through careful managements which helps keep the tax rate stable. He said the School Board cannot overspend budget.

C. Lang said the proposed budget is 2.6% higher than the budget approved than last year. She noted that inflation is around 2%. She also said that there had been a decrease in student population and the District had responded by decreasing staff by 8% but the student population has started to increase and the District cannot cut infrastructure costs.

A. Hunter stated that the Social Security cost of living increase was 1.6% and he thought that people should be concerned about that.

M. Shevenell stated that the 2.6% budget increase was based on the original Administration budget. The budget that was sent to the Committee after School Board reductions is actually 1.36% more than the current budget and would add 30¢ to the tax rate.

A. Hunter said most of the cuts made by the School Board were in areas that historically have been underspent. He said these cuts will mean that there will be a smaller surplus at the end of the year.

M. Shevenell said that the School Board made budget cuts in areas that have been underspent in years past but also decided to propose several maintenance items as warrant articles rather than include them in the operating budget.

Paul Lagasse (Brewster St.) said that 60% of the tax rate is for the schools and he said he thought one of the problems with the default budget was that it started with the amount that was approved, not what was actually spent.

M. Shevenell stated that a recent change in the law about how the default budget is calculated requires that if a reduction in force is part of the proposed operating budget then the default budget can only include funding for that reduced number of staff.

L. French asked how many teachers the District employed.

M. Shevenell said in 2010-2011, there were 366 teachers. He said the current budget proposal adds 4 teachers which would result in 344 teachers so that has been a reduction in staff as well as a decrease in student population in the intervening years. He also mentioned the staffing number discrepancies listed on the Department of Education website.

Matt Young (Baboosic Lake Rd) said that education was the most valuable thing residents can do for the town and that he appreciated that Committee's efforts to keep the budget from getting out of control.

S. Heinrich said the purpose of the Budget Committee is not to just cut the budget, but rather to recommend a prudent budget with necessary and reasonable expenditures.

Lori Peters (Newton St) asked for clarification of "bottom line authority." She asked if the Committee looks at the various individual line items.

S. Heinrich said the Budget Committee looks at individual budget lines but recommends a bottom line and offers direction on individual budget lines. He said the School Board makes the ultimate decisions about how much and where to spend the operating budget. He said the RSAs allow the School Board to transfer money between budget accounts. However, the School Board does not have the authority to spend the funds in special warrant articles on anything but the warrant article.

Robbie Reisman (Iris Dr) stated he thought the cost of inflation and the resulting impact of budget increases on senior citizens speak to larger societal issues.

Jenna Reynolds (Valleyview Dr.) stated she moved to Merrimack for the schools and she felt the services are appropriate and the taxes were appropriate. She said she wanted quality teachers and felt it was important to look at the bigger picture.

Mr. Trijullo asked who has oversight over the School Board when it shifts money between budget lines and where is the transparency in the process.

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M. Shevenell said that the transfer of funds between budget lines is done by the Board as an agenda item in Public Session during a regular meeting. However, he said his practice has been to leave overages in place for future budget planning purposes.

Mr. Lagasse said that the discussion during the hearing had covered all the points of the presentation he had been planning so he felt it was unnecessary to make his presentation. However, he stated that Bedford is always in the top ten of school rankings and Merrimack is not and he thought the School Board should take note that Bedford spends \$2,000 less per student and ranks higher than Merrimack.

At 8:25 PM, S. Heinrich thanked those present for coming and closed the Hearing.

Respectfully submitted,

Pat Heinrich