

**PUBLIC HEARING OF THE BUDGET
TIMBERLANE REGIONAL SCHOOL DISTRICT BUDGET COMMITTEE
Noticed for
TIMBERLANE REGIONAL SCHOOL DISTRICT BUDGET COMMITTEE and
TIMBERLANE REGIONAL SCHOOL DISTRICT SCHOOL BOARD**

MEETING MINUTES

**2017-18 Budget Season
January 12, 2017
7:01 PM**

**Timberlane Performing Arts Center
40 Greenough Road
Plaistow, NH**

CALL TO ORDER [00:08:48] 7:01 pm

Timberlane Regional School District Budget Committee Chairman, Mr. Lee Dube, called this January 12, 2017 meeting of the Budget Committee and School Board to order at 7:01pm with the roll call.

ROLL CALL

Timberlane Regional Budget Committee Members Present: Mr. Lee Dube (Chairman), Mrs. Kate Delfino (Vice-Chair), Mr. Rob Collins (School Board Rep), Mr. Tony Cantone, Mr. Alan David, Mr. Tom Geary, Mr. David Gerns, Mrs. Julie Hammond, Mr. John Hughes, & Mr. George Manos.

Not Present: None.

Timberlane Regional School District School Board Members Present: Mr. Peter Bealo (Chairman), Mr. Kelly Ward (Vice-Chair), Mr. Rob Collins, Mrs. Stephanie Dube, Mrs. Donna Green, Mr. Daniel Guide, Mr. Jack Sapia, Mrs. Sue Sherman & Mr. Gregory Spero.

Not Present: None.

Administrators Present:

Dr. Earl F. Metzler, II, Superintendent and Mr. George Stokinger, Business Administrator

PLEDGE OF ALLEGIANCE

Mr. Dube led the Pledge of Allegiance.

OPENING COMMENTS:

Chairman Dube delivered opening comments. Members of the Budget Committee and the School Board were recognized for their efforts. Administrators were recognized. Mr. Stokinger was recognized and thanked for his 14 years of dedicated service.

The purpose and procedure of the Public Hearing were discussed. Ground rules were reviewed.

First Session of Annual Meeting (Deliberative) [00:14:10]

Read by Mr. Bealo.

You are hereby notified to meet at the Timberlane High School, 36 Greenough Road, Plaistow, New Hampshire, on Thursday, the 9th day of February 2017, at 7:00 p.m. This session shall consist of explanation, discussion, and debate of warrant articles number 2 through number 7. Warrant articles may be amended subject to the following limitations: (a) warrant articles whose wording is prescribed by law shall not be amended, (b) warrant articles that are amended shall be placed on the official ballot for a final vote on the main motion, as amended, and (c) no warrant article shall be amended to eliminate the subject matter of the article.

Second Session of Annual Meeting (Voting)

Read by Mr. Ward.

Voting on warrant articles number 1 through number 7 will be conducted by official ballot to be held in conjunction with town meeting voting to be held on Tuesday, the 14th day of March, 2017, at the Town election polls in Atkinson, Danville, Plaistow, and Sandown, New Hampshire.

- Atkinson** Voting will be conducted at the Atkinson Community Center from 7am-8pm
- Danville** Voting will be conducted at the Danville Community Center from 8am-7pm
- Plaistow** Voting will be conducted at Pollard School from 7am-8pm
- Sandown** Voting will be conducted at the Sandown Town Hall from 8am-8pm

Mr. Dube noted the slides being presented showed “Warrant Articles 1-5”, however, they have been read “Warrant Articles 1-7”.

Article 1 - Election of Officers

Read by Rob Collins

To choose the following school district officers:

Atkinson Voters	School Board Member	3-Year Term (Sapia)
Danville Voters	School Board Member	3-year Term (Collins)
Plaistow Voters	School Board Member	3-year Term (Sherman)
Atkinson Voters	Budget Committee Member	3-Year Term (Hammond)
Danville Voters	Budget Committee Member	3-Year Term (Manos)
Plaistow Voters	Budget Committee Member	3-Year Term (Geary)
All Voters	School District Moderator	3-Year Term (Ranlet)

Discussion: None.

Comments: None.

Article 2 – Operating Budget [00:17:20]

Read by Mrs. Delfino

Shall the voters of the Timberlane Regional School District raise and appropriate as an operating budget, not including appropriations by special warrant articles and other appropriations voted separately, the amounts set forth on the budget posted with the warrant or as amended by vote of the first session, for the purposes set forth therein, totaling \$71,528,092? Should this article be defeated, the operating budget shall be \$71,559,011 which is the same as last year, with certain adjustments required by previous action of the Timberlane Regional School District or by law; or the governing body may hold one special meeting, in accordance with RSA 40:13, X and XVI, to take up the issue of a revised operating budget only. Note: Warrant Article 2 (the operating budget) does not include appropriations proposed under any other warrant articles. (MAJORITY VOTE REQUIRED)

Discussion: Mr. Dube discussed the budget development process, applicable RSA’s and the Budget Committee’s

Mission Statement: "The Budget Committee will develop a fiscally sound annual budget that will optimally meet the needs of the District, by working with District personnel and in consultation with the School Board. Throughout the budget process, the Budget Committee will take into consideration district taxpayers as well as support for staff, rigor, evaluation and accountability initiatives that drive student achievement."

The committee met every two weeks and reviewed district needs and historical information in developing the budget as proposed.

Budget Drivers: Various expense changes greater than \$25,000 were reviewed. Budget increases were reviewed by Mr. Geary. Budget decreases greater than \$25,000 were reviewed by Mr. Cantone.

Chairman Dube presented the budget by object codes as presented in the accompanying budget presentation. He noted certain discrepancies on the presentation compared with the meeting handout. The handout contains most current information.

1xx Total salaries:	\$34,435,193
210 Group Insurance:	\$8,923,126
220 Social Security Contr.	\$2,572,499
231 Non-Teacher Retirement	\$710,476
232 Teacher Retirement	\$4,888,206
240 Tuition Reimbursement	\$213,511
250 Unemployment Comp.	\$30,000
260 Workers Comp.	\$182,164
290 Other Employee Benefits	\$34,000
56x Tuition	\$1,989,004
519 Student Transportation	\$3,116,757
64x/650 Books, Info. Res. & Soft.	\$1,089,233
73x Equipment	\$939,329
320 to 340 Prof. Services	\$1,275,414
610 Supplies	\$1,254,690
310 Official/Admin. Services	\$1,579,708
420 Cleaning Services	\$125,200
880/890 Misc. Expenses	\$124,361
810 Dues & Fees	\$91,774
410 Water/Sewer/Septic	\$30,000
520 Insurance	\$204,800
53x Telephone/Communications	\$185,179
490 Other Purchased Property Svcs.	\$6,001
550 Printing	\$13,560
390 Games Expenses	\$91,449
422 Snow Removal	\$11,000
441 Rental Land & Bldgs.	\$34,785
540 Advertising	\$8,000
534 Postage	\$ 5,600
580 Travel/Workshops	\$ 58,044
43x Repair & Maintenance	\$ 756,720
830/910 Bond Int. & Principal	\$1,810,000
62x Utilities & Energy	\$1,084,820

930 Fund Transfers	\$ 3,051,501
450 Construction Services	\$ 601,086
Subtotal Expenses:	<u>\$19,538,916</u>
Total:	\$71,528,092

Default Budget N.H. RSA 40:13, IX(b) was read by Mrs. Delfino.

The Default Budget of \$71,559,011 was presented by Mrs. Delfino along with prior year Default Budget and the variances.

Comments: Mr. Arthur Green, Sandown, questioned Achieve 3000 expenses of \$100,000. The amount was included in the Curriculum portion of the budget. Ms. Armfield, Director of Curriculum addressed the purchase of Achieve 3000 noted there was money set aside in digital memberships, but no contract was signed. Mr. Green inquired if \$100,000 was included in the current year budget, and whether it should be removed from the Default Budget. Mr. Green noted he is happy to remind the board to remove it next year. Mr. Stokinger noted that if it was truly a one-time item, per statute, it would be taken out.

Mr. Leon Artus, of Atkinson, inquired which line numbers and the amount of these lines were used in calculating the Default Budget. The question was directed to the School Board. Mr. Artus was directed to the handout, wherein the line items were articulated in the back of the meeting handout.

Article 3 – Capital Reserve Fund [00:38:35]

Read by Mr. Spero.

Shall the voters of the Timberlane Regional School District raise and appropriate up to \$250,000 to be placed in the School Building Construction, Reconstruction, Capital Improvement and Land Purchase Capital Reserve Fund established in 1996, with such amount to be transferred from those funds in the June 30, 2016 unassigned fund balance available for transfer on July 1 of this year which were apportioned as Capital Expenses in 2016-2017 in accordance with Article 6 of the Timberlane Regional School District Articles of Agreement? No amount to be raised by taxation. (MAJORITY VOTE REQUIRED)

[Intent: This article puts money aside for future capital improvements. Money is only put into this Capital Reserve Fund if it is available at the end of the fiscal year. Capital expense appropriations are calculated in accordance with the Timberlane Regional School District Articles of Agreement (Article 6) apportionment formula as follows:

“The capital expenses of the Timberlane Regional School District payable in each fiscal year shall be apportioned on the equalized valuation as most currently available as determined by the State Tax Commission”.]

Discussion: noted there are no recommendations on the Warrant at this time. There will be a Special Meeting of the Budget Committee after the Public Hearing, at which recommendations would be voted on.

Comments: Raymond Fournier, Atkinson, inquired the balance of the Capital Reserve. \$1,116,000 was noted to be the balance by Mr. Stokinger.

Mr. Green, Sandown, inquired whether enrollment was reviewed and what enrollment was planned for next year. noted recommendations of District, which are arrived at from a number of sources.

Mr. Leo Grondin, Atkinson, asked how Capital Reserve funds would be raised if the funds were not raised by taxation? Mr. Bealo noted the funds were from surplus and they are not raised from additional taxation. Atty. O'Shaughnessy noted the language used is language recommended by the NH Dept. of Revenue Administration and the budget looks at a specific point in time, the forthcoming budget year. Those funds are not raised from the next year's taxation. Mrs. Green noted this was coming from surplus to a reserve fund. There would be less surplus to offset the next year taxation. Mr. Collins noted a release of retention by the School Board could impact whether there was an impact on taxation.

Mr. Leon Artus, Atkinson, inquired on the cost of full time kindergarten and how many pay tuition. Mr. Dube noted the discussion is on Capital Reserve.

Article 4 – Three Year Collective Bargaining Agreement (Timberlane Support Staff Union) [00:47:20]

Read by Mrs. Sherman.

Shall the voters of the Timberlane Regional School District approve the cost items included in the collective bargaining agreement reached between the Timberlane Support Staff Union and the Timberlane Regional School Board, which calls for the following increases in salaries and benefits at the current staffing levels over the amount paid in the prior fiscal year:

Fiscal Year	2017-18	2018-19	2019-20
Estimated Increase	\$181,323	\$177,907	\$181,864

3-Year Total \$541,094

And further to raise and appropriate the sum of \$181,323 for the 2017-18 fiscal year, such sum representing the additional costs attributable to the increase in salaries and benefits required by the new agreement over those that would be paid at the current staffing levels? (MAJORITY VOTE REQUIRED)

[Intent: This article will allow the school district to enter into a successor three-year contract with the Timberlane Support Staff Union. The proposed contract ratified by the union and the school board represents a 2% increase in wages and overall costs, a 2.5% increase in year two, and a 2.5% increase in year three.]

Discussion: Mrs. Green inquired on the breakdown between salaries and benefits. She also inquired on the accuracy of the historic warrant articles. Mr. Bealo noted there are variables and estimates are used and vary. Mrs. Green inquired on general increases. Mrs. Sherman read the intent statement (which was not included on the presentation) the proposed contract represents a 2% increase in wages and overall costs in Year 1, 2.5% in Year 2, and 2.5% increase in Year 3. Mrs. Green noted that if the percentages represented wages and overall costs, whether it would be a good assumption that wage increases were less than 2% stated.

Comments: Mr. Artus inquired on how many staff are included, how many are budgeted and how many are unfilled. Mr. Bealo did not bring the proposed contract, but felt the information was available. Mr. Dube noted staffing information is available on the website. Mr. Dube noted he would share the information online. Mr. Artus clarified he was looking for all staffing information or just support staff. Mr. Cantone noted the Budget Committee reviewed the positions.

Article 5 - Authorization for Special Meeting on Cost Items [00:56:30]

Read by Mr. Sapia

Shall the voters of the Timberlane Regional School District, if Article 4 is defeated, authorize the Timberlane

Regional School Board to call one special meeting, at its option, to address Article 4 cost items only? (Without this Article the District would have to petition Superior Court for a Special School District Meeting. This saves the District the expense of attorney fees and court costs). (MAJORITY VOTE REQUIRED)

(the following was included in the Public Hearing handout, but did not appear on the screen presentation)
[Intent: This article is suggested by the NH Department of Revenue Administration as a cost saving measure.]

Discussion: Mrs. Green clarified that the language addressed a meeting if the CBA was not approved.

Comments: None.

Article 6 – General Acceptance of Reports [00:58:10]

Read by Mr. Guide.

Shall the voters of the Timberlane Regional School District accept reports of agents, auditors, and committees as written in the 2016 Annual Report? (MAJORITY VOTE REQUIRED)

Discussion: None.

Comments: None.

(the following was included in the Public Hearing handout, but did not appear on the screen presentation)

Article 7 – Change Auditing Firms on Warrant Petition by Donna Green et al [00:58:40]

Read by Mrs. Green.

In being subject to RSA 21-J:19, shall the Timberlane Regional School District be required to change auditing firms every four year or fewer, starting with the 2016-17 audit year, and that no auditor or firm be reappointed within eight years of their last appointment? (This Article is advisory and non-binding) (MAJORITY VOTE REQUIRED)

Discussion: This was noted to be a Citizen's Warrant Article. Mr. Guide inquired on the reason for 8 years? Mrs. Green noted this was to prevent switching auditors. Mr. Bealo noted the Advisory language was included in the Hearing handout and not read by Mrs. Green. Mrs. Green noted RSA 93A bound the board to include the text of the Warrant, the language was not read as it was not part of what was submitted in the Petition.

Comments: Mr. Artus, Atkinson, asked if the School Board would honor the Warrant Article if it passed. Mr. Bealo noted there would be another board in place. Mrs. Dube spoke in favor if it passed. Mr. Guide spoke in favor of following guidance. Mrs. Dube noted citizen's petitions are recognized as being non-binding, and asked counsel why the language was included. Atty. O'Shaughnessy noted the School Board had the authority to hire auditors. The petition warrant article is non-binding and is advisory. A Warrant article raising funds, for example, would be binding for that purpose.

Mr. Artus questioned whether it would be wise to change auditors in terms of best practice. He also asked whether the non-binding language would be included. Mrs. Sherman noted she was hearing that it would not be included.

Mrs. Green felt the Warrant was binding, but noted the will of the voters should be respected. Mrs. Green inquired when the last time was the auditors changed. If the warrant is binding, including non-binding language

would impact the warrant. Mr. Collins felt it was prudent to include the wording on the Warrant so voters know what the expectations are. Mr. Collins inquired on how NH RSA 21-J:19 applied.

Mr. Cantone noted he appreciates the pragmatic approach to running the District. However, unachieved expectations are not a good outcome and a statement of intent sets expectations with the voters.

Mr. Bruce Cleveland, Sandown, recognized and thanked the Boards for their efforts. He wondered how many years it had been since auditors changed. Mr. Stokinger noted they were the same firm for his tenure of 13 years. Mr. Bealo noted the auditor's staff has changed. Mr. Green noted that if the article is amended at Deliberative to say non-binding, then it would be a change. Mrs. Sherman noted she would discuss the issue with the next board, but when asked by Mr. Green, noted she would honor the will of the voters. Mr. Collins would have a similar opinion.

Mr. Artus felt the inclusion of 'non-binding' language was prejudicial.

Mr. Cantone expressed his support if he were on the Board. He noted it was more truthful to be honest about the non-binding nature. Mr. Collins noted there are cost factors, and if the additional cost becomes prohibitive, perhaps the voters would like to know. Mr. Artus noted the costs could be lower through a bid process.

Mrs. Dube noted the deliberative session could amend to say the article is binding if it is determined to be binding. Mrs. Green noted that if a Warrant Article is binding, and deliberative session includes 'non-binding' language, this is a concern. She further noted that Sandown's audit costs came back favorable when it went to a new auditor. There are plenty of municipal auditors in the state.

Mr. Cleveland inquired on the cost of the audit. Mr. Stokinger noted approximately \$23,586 was spent.

Chairman Dube noted there was an additional petition warrant article submitted which is still under legal review and was not included in the presentation or handout. There is no requirement to review all warrant articles at the Public Hearing.

Mrs. Dube spoke to Achieve 3000 being previously approved for high school and middle school, not for elementary school. She felt the \$100,000 should be removed from the budget.

Mr. Artus noted the budget was up \$1.3M, while \$2M remained unspent last year, so theoretically, we're up \$3M. The Default Budget is higher than the proposed budget; default budgets should be lower if done correctly. Mr. Artus asked how many department heads were met with. Mrs. Delfino noted perhaps a dozen or so department heads were met with, and discussed the budgets.

Mr. Sapia discussed the surplus.

Mr. Green, Sandown, noted a budget change could cause a supplementary hearing. Atty. O'Shaughnessy noted a change in purpose would require a Supplemental hearing. A reduction in budget would not require a supplemental hearing.

Mr. Grondin, Atkinson, inquired on revenues and tax impact and whether those were covered tonight. Chairman Dube noted revenues were reviewed, and tax impact would be calculated once the budget committee finalized the budget.

Mrs. Green requested a breakdown in other local revenue of \$305,330. Mr. Stokinger broke the revenue down as follows: The SAU pays Timberlane \$106k for services provided by Timberlane to the SAU; Hampstead School District pays Timberlane \$6,500 for services provided by Timberlane to Hampstead; \$100K in private music lessons which washes against an appropriation line, Band Camp \$12,500 and Impact Fees are estimated at \$75,000; and \$5,000 is paid from the Performing Arts Center's programs, account to the district for utilities and related.

Mrs. Green inquired on the other PAC revenue line. Mr. Stokinger noted the budget being presented as a gross budget. \$35,000 was explained as the gross revenues. The revenue relates to Performing Arts Center shows, but not student/school related. \$77,000 was the expense incurred.

Mr. Artus, Atkinson, asked what the cost of full time kindergarten is and how many students pay tuition. Full day kindergarten was presented at the School Board and the Budget Committee. Mr. Artus was referred to discussion several School Board meetings ago. Mr. Cantone noted the School Board material was presented at Budget Committee and showed \$46,495 in positive gross revenue. Mrs. Green noted the presentation did not include information on how many students paid tuition and how many did not.

School Board:

- **Special Meeting**, Thursday, January 12, 2017 immediately following Public Hearing at the Performing Arts Center, Room 719.

Budget Committee:

- **Special Meeting**, Thursday, January 12, 2017 immediately following Public Hearing at the Performing Arts Center, Room 716.

Deliberative Session:

- Thursday, February 9, 2017 at the Timberlane Regional High School, 36 Greenough Road, Plaistow, NH.

ADJOURNMENT [01:55:00] 8:47pm

Respectfully submitted,

Geoffrey Dowd
Recording Clerk

Approved by the School Board on January 19, 2017.

Approved by the Budget Committee on February 10, 2017.

This meeting may be watched in its entirety by logging on to:

<https://livestream.com/TRSD/events/6872533/videos/146585917>