

TIMBERLANE REGIONAL SCHOOL DISTRICT

Atkinson, Danville, Plaistow and Sandown, New Hampshire

Minutes of the Deliberative Session

February 6, 2020

District Moderator Robert Harb called the February 6, 2020 Deliberative Session, held at the Timberlane Regional High School, 36 Greenough Road, Plaistow, NH, to order at 7:05 PM. The Moderator led the assembly in the Pledge of Allegiance, which was followed by a performance of the Timberlane Regional High School Chamber Choir.

School Board Members in attendance: Brian Boyle, Lee Dubé, Kimberly Farah, Sheila Lowes, Sarah Machemer, Shawn O’Neil (Chair), Kristin Savage, Susan Sherman, and Jennifer Silva (Vice Chair).

Budget Committee Members in attendance: Peter Bealo, Alan David, Julie Hammond, Michael Mascola, Todd McCormick and Phil Sherwood.

Also seated with the Board and Committee: Superintendent of Schools Dr. Earl Metzler, District Legal Counsel Attorney James O’Shaughnessy, and CFO/Business Administrator Geoff Dowd.

Moderator Harb reviewed the moderator rules of the meeting and directed all makers of motions and seconds state their names for the record. With no objections, the standard moderator rules were adopted for the conduct of the meeting.

MOTION: Shawn O’Neil moved to allow non-residents Superintendent of Schools Dr. Earl Metzler, District Legal Counsel Attorney James O’Shaughnessy, Business Administrator Geoff Dowd, and TTA President Ryan Richman to speak, seconded by Kristin Savage.

Approved by voice vote.

Moderator Harb reviewed the rules to amend warrant articles to the qualified voters in attendance: Atkinson (40), Danville (35), Plaistow (49), and Sandown (55).

This first session of the annual meeting shall consist of explanation, discussion, and debate of warrant articles number 2 through number 10. 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)

Voting on warrant articles number 1 through number 6 will be conducted by official ballot to be held in conjunction with town meeting voting to be held on Tuesday, the 10th day of March, 2020, at the Town election polls in Atkinson, Danville, Plaistow, and Sandown, New Hampshire.

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|----------|--|
| 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 |

Article 1 - Election of Officers

To choose the following school district officers:

| | | |
|-----------------|-------------------------|-------------|
| Atkinson Voters | School Board Member | 3-Year Term |
| Danville Voters | School Board Member | 3-Year Term |
| Plaistow Voters | School Board Member | 3-Year Term |
| Atkinson Voters | Budget Committee Member | 3-Year Term |
| Danville Voters | Budget Committee Member | 3-Year Term |
| Danville Voters | Budget Committee Member | 2-Year Term |
| Plaistow Voters | Budget Committee Member | 3-Year Term |
| All Voters | District Moderator | 3-Year Term |

Article 2 – Operating Budget

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 **\$72,999,000**? Should this article be defeated, the operating budget shall be **\$72,620,557*** 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)

**amended by School Board vote 01/29/2020*

Recommended by the School Board 7-2-0

Recommended by the Budget Committee 8-0-0

MOTION: Shawn O’Neil motioned to put Article 2 on the floor for discussion; seconded by Susan Sherman.

MOTION: Brian Boyle moved to increase the operating budget by \$100,000 to a new total of 73,099,000, seconded by Sheila Lowes.

Discussion:

Mr. Boyle stated there was \$100,000 which was set aside in the operating budget for expenses related to the transition period for withdrawal. The budget committee removed the \$100,000 after its public hearing since there was a warrant article that would address that purpose. It’s an obligation of the district and Mr. Boyle believed the money should be within the budget.

Chris True from Sandown asked for clarification that it’s a bottom-line budget, and upon confirmation stated that discussing budget lines is meaningless.

Myra Hogan from Plaistow had a question if Article 10 would be wiped out. She thinks it would be confusing to the public.

Brian Boyle believes it should be addressed in the operating budget.

Rob Collins from Danville stated he brought forward Article 10 since the school board did not address the issue. It is not an obligation until 60% of the people vote for it. If withdrawal fails, the \$100,000 in the budget is not needed. If withdrawal does not pass his warrant article is moot.

Chris Edris from Sandown stated his concern that if article 10 were defeated, is there a no means no situation.

POINT OF ORDER: Kim Farah stated legal already weighed in with a written legal opinion, and that the money cannot be put on the withdrawal warrant article as the language for the warrant is proscribed by statute.

Attorney O'Shaughnessy stated the language for the warrant article is from the statute and that the language must be substantially in the following form. The opinion the district received as well as his opinion is that the question that has to be placed before the voters is whether the voters approve the plan "yes" or "no", and money cannot be added to the warrant article on withdrawal. Under RSA 32:10, if a purpose or appropriation is zeroed out, funds cannot be spent for that purpose. He cannot state with certainty what a court would do with the conflicting statutes, but it is his opinion that the district would have to spend money to proceed with withdrawal.

Chris Edris requested clarification that if the voters approve withdrawal, it would have to be funded regardless if there was a warrant or default.

Kim Farah stated correct.

Chris Longchamp from Sandown questioned what the \$100,000 is for.

Kim Farah stated the \$100,000 is for funding the transition from SAU55 to the new SAU comprised solely of Timberlane. SAU55 has 14 employees and there will be overlap of staffing. It is not a hard number, but an adequate number to fund transition costs. The withdrawal committee was advised through counsel to put the \$100,000 in the budget.

Diana True from Sandown asked if the budget is increased by \$100,000, how do the voters know that is where the money is going.

Brian Boyle stated it's a bottom-line budget, and if the voters state they want to withdraw it ensures the funds are there. This motion puts the money back to where it was recommended to be rather than a petitioned article.

Diana True states warrant articles allow the people to speak.

Peter Bealo agrees with Mrs. True. If the money is operating budget and Article 7 fails, there would be a \$100,000 "slush fund."

Sheila Lowes stated there was \$4.1 million "slush fund" on a default year. The school board took care of some facilities and the rest went back to the voters. She will personally make sure that \$100,000 gets returned to surplus if withdrawal doesn't go through.

Jen Silva stated understands the concern about the \$100,000, but if the people speak that withdrawal will happen then they need to make it happen. She's not concerned about the money being spent erroneously.

Todd McCormick asked why add the money if there is so much money in the budget. The budget committee kept the budget low and did not want to take the money from capital. If “no” means “no” he doesn’t know the problem. There is enough money in an almost \$73 million budget.

Phil Sherwood from Atkinson is encouraged that voters acknowledge there are costs to withdrawal. There is no way of knowing the exact costs. If there is a cost associated with withdrawal, it decreases the chance it will pass and he believes it should go in the warrant article to be transparent.

Kim Farah disagreed that school board is trying to bury the costs of withdrawal. There is no way the school board could put the money in the warrant by statute. There is a cost associated with the transition year, and a savings associated with withdrawal.

Rob Collins stated that the school board could have created another warrant article for the money for the withdrawal. The surplus was \$4.1 million but only \$3.1 million went back to the voters. He stated that \$1 million of the \$4.1 million “slush fund” was taken by the school board; \$700,000 was spent on capital projects and another \$300,000 was put into retention.

Carsten Springer from Danville believes the school board will return the money. He wanted to clarify there was over \$4 million returned to the voters.

Brian Boyle stated yes, money was invested in capital improvements or returned to voters.

Carsten Springer discussed percentages built into the budget. Why increase the budget if there is already a buffer built in for unexpected costs.

Kim Farah addressed Mr. Collins’ point the school board did not put forward a separate warrant article for the money because it was in the proposed operating budget.

Jim Garrity from Atkinson wants to remind everyone we are on Article 2 not 7.

Seeing no other speakers approach, Moderator Harb called the question.

VOTE: Motion failed by voice vote.

Moderator Harb called for discussion on the main motion.

MOTION: Chris True moved to amend the budget to \$71,000,000; seconded by Chris Edris.

Discussion:

Chris True stated it’s about a \$2 million cut to the budget. Without any explanation, the school board increased the default by about \$400,000. A \$4 million surplus occurred last year, but only \$3 million was returned to the taxpayers. The school should be able to run with \$71 million without any real cuts to the operation of the school.

Jen Silva doesn’t want voters to overlook the improvements to facilities that are greatly needed.

Brian Boyle spoke against the motion. It would be hard to run Timberlane on \$71 million. The default was raised as a result of a lawsuit. Reducing the proposed budget would be tying the hands of the staff.

Sheila Lowes asked if the person who made the motion is against replacing the roofs which were at the end of life. The board used \$700,000 to replace roofs in three elementary schools.

Moderator Harb requested that all questions be addressed to the moderator.

Chris True believes any unit of government can find ways to spend money.

Phil Sherwood stated a lot of people can relate to government overspending. However, the reason the facilities are in the shape they are is because past boards kicked the can down the road. The conservative approach is to invest in the facilities.

Fred Miller from Sandown doesn't disagree with spending money on roofs. The problem is transparency and it should have been part of a previous budget. After a plan was presented on what was going to be done, extra money was spent on new projects.

Todd McCormick believed the surplus came off the default, which would not have any capital projects built in or planned facility updates. The budget committee is trying to conservatively reinvest in buildings overtime rather than go for another \$50 million bond. The difference between the default budget and the proposed budget is capital.

Rob Collins stated Mr. True is talking about a surplus from the 18-19 school year, 2 years of increases need to be accounted for. He requested the business administrator speak to the actual surplus as he does not believe it was \$4 million. Every year capital lines were cut back, and for years improvements were deferred. However, he believes it should be in the budget and there should be a capital improvement plan that should be followed.

Geoffrey Dowd stated the actual surplus for 18-19 was \$3,284,921 and the fund balance retention was \$500,000.

Michael Mascola stated that different years have large surplus because in September the budget committee is predicting the budget a year and a half in advance. There must be a buffer to account for things like contract increases, fuel, utilities, salaries, and insurance.

Chris Edris asked what is in the capital reserve fund.

Geoffrey Dowd stated \$1,450,000.

Chris Edris asked is there is anything for the middle school roofs, or if there is a separate fund for the middle school roofs.

Sue Sherman said no.

Barry Hantman from Danville stated the budget difference between what was expended in 18-19 and being proposed is about \$5 million. There is something more than the capital expenses being discussed driving the increasing proposed budget.

Rob Collins stated there is a two-year offset. There are salaries, fuel costs and other increases driving the budget.

VOTE: Motion failed by card vote.

Warrant Article 2 moved to the ballot by voice vote.

MOTION: Louise Pajak from Sandown motioned to restrict reconsideration of Warrant Article 2; seconded by Susan Sherman. The motion passed by voice vote.

Article 3 – Capital Reserve Fund

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, 2020 unassigned fund balance available for transfer on July 1 of this year which were apportioned as Capital Expenses in 2019-2020 in accordance with Article 6 of the Timberlane Regional School District Articles of Agreement? No amount to be raised by taxation. (MAJORITY VOTE REQUIRED)

Recommended by the School Board 9-0-0

Recommended by the Budget Committee 8-0-0

MOTION: Susan Sherman motioned to put Warrant Article 3 on the floor for discussion; seconded by Kristin Savage.

Discussion:

Susan Sherman stated there is about \$1.4 million in the fund at this time, and the school board cannot move money from this fund. The voters are the agent, and any expense must be approved by ballot. It has previously been used for kitchen repairs and other improvements.

Chris Longchamp wants to make sure it can be used for maintenance

Susan Sherman stated no, not for maintenance. The money cannot be taken out without voter approval.

Jen Silva asked the business administrator how much is in the fund.

Geoffrey Dowd stated about \$1,450,000 or about 1,500,000 with interest.

Kim Farah wanted to clarify that the \$1,500,000 is after money was removed for the PAC wall as approved by the voters.

Geoffrey Dowd stated no, that money has not been removed. The money to be removed is approximately \$531,000.

Kim Farah stated the reserve fund is really around \$1 million after that money is removed. The \$250,000 is only put in the fund if there is any money remaining in the capital line. Last year only about \$30,000 was left to put into the fund.

Seeing no other discussion or motions, Moderator Harb moved Warrant Article 4 to the ballot as written.

Article 4 – Three Year Collective Bargaining Agreement (Timberlane Support Staff Union)

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 | <u>2020-21</u> | <u>2021-22</u> | <u>2022-23</u> |
| Estimated Increase | \$305, 644 | \$242,921 | \$231,638 |
| | | 3-Year Total | \$780,203 |

And further to raise and appropriate the sum of **\$305,644** for the 2020-21 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)

Recommended by the School Board 9-0-0

Recommended by the Budget Committee 8-0-0

MOTION: Brian Boyle motioned to put Warrant Article 4 on the floor for discussion; seconded by Kristin Savage.

Discussion:

Brian Boyle discussed it was a bargaining unit between administrators, support staff and school board members. The negotiation was relatively smooth, and it is important to pass this article for the support staff. The school board has been attempting to increase and maintain the benefit packages so all employees are treated the same.

Ryan Richman, President of the Timberlane Teachers Association (“TTA”) spoke on behalf of the TTA in support of the warrant article. The TSSU are some of the most important and vital components of the Timberlane community. They had been undercompensated for far too long. This collective bargaining unit finally values their work.

Laurie Herchenroder, Timberlane Support Staff Union (“TSSU”) President spoke in support of the article. The support staff is a vital part of the school and requests the voters to support them. The TSSU is appreciative of the support of the school board. The support staff go above and beyond what is expected of them everyday to ensure the safety of students. Increasing wages for the lowest paid employees and aligning rights and benefits with other staff is long overdue acknowledgement of their work.

With no further discussion Moderator Harb declared Warrant Article 4 would appear on the ballot as written.

Article 5 – Authorization for Special Meeting on Cost Items

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? (MAJORITY VOTE REQUIRED)

Recommended by the School Board 9-0-0

MOTION: Kristin Savage motioned to put Warrant Article 5 on the floor for discussion; seconded by Sarah Machemer.

Discussion:

Brian Boyle discussed the need to give voters a choice and this gives the voters a second chance if the operating budget fails.

With no further discussion Warrant Article 5 will appear on the ballot as written.

Article 6 – Middle School Roof Maintenance and Repair

Should Article 2 fail, shall the voters of the Timberlane Regional School District raise and appropriate **\$500,000** for maintenance and repairs of the Timberlane Regional Middle School roof as referenced in the

Timberlane Regional School District Capital Improvement Plan? This special warrant article will be a non-lapsing appropriation per RSA 32:7, VI and will not lapse until June 30, 2023. (MAJORITY VOTE REQUIRED)

Recommended by the School Board 7-0-0

Recommended by the Budget Committee 7-1-0

MOTION: Sheila Lowes to put Warrant Article 6 on the floor for discussion: seconded by Lee Dube.

Discussion:

Brian Boyle apologized since he was off on his articles, and this article is the one that will give voters a second chance to invest in capital if the proposed does not pass.

Rob Collins stated \$250,000 was put in the budget for sprinklers for a school, and it ended up being more than \$250,000. He questioned if there are quotes.

Dr. Metzler stated that there is a quote for the sections not covered by warranty, which is \$978,000.

Rob Collins questioned if there is a plan to get the other \$500,000.

Shawn O'Neil stated the board would look at surplus to see if it can be funded. The amount is lower since the likelihood of a warrant passing increases as the amount decreases.

Rob Collins stated surplus money would be operating money, which takes money from Danville and Sandown and gives it to Atkinson and Plaistow. Danville taxpayers lost \$35,000 and Sandown lost over \$50,000 last year because of the shift between operating and capital.

Sheila Lowes stated that there is money in capital.

Dr. Metzler stated that surplus comes from 3-5% of the spend rate. Some of the roofs are under warranty.

Kim Farah addressed Mr. Collins concern of the difference between operating and capital expenses. The school board ran the expenditure last year by the auditor and the auditors agreed it is repairs and maintenance. not capital.

Chris Longchamp asked if the warrant article doesn't pass, can the roofs get done?

Kim Farah stated some lines are repair and maintenance. If the default passes there is only about \$400,000 for roofs and this warrant article would provide the additional sum, which is provided for in the proposed budget.

Chris Longchamp asked why not just do the job from surplus.

Jen Silva stated projects are not typically budgeted based on surplus.

Chris Longchamp asked what is in the capital budget versus the operating budget. He questioned why the school board put \$400,000 in the capital budget for a \$900,000 job.

Kim Farah stated there is the \$900,000 in the operating budget, but the default budget only has \$400,000. This warrant article would allow the project to be completed on a default budget.

Chris True requested clarification that the warrant article is asking for money that does not account for the full cost and opined a voter will believe the project will cost \$500,000.

Moderator Harb stated he reads the article as to what is requested to be raised and appropriated in case the operating budget fails. The money is in the operating budget if the operating budget passes.

Chris True asked if there is firm bid for \$900,000

Dr. Metzler stated there is a quote, but not a firm bid.

Rob Collins stated this expense would come out of 4600, which is raised by EPV.

MOTION: Rob Collins moved to amend the Article to read:

Should Article 2 fail, shall the voters of the Timberlane Regional School District raise and appropriate \$978,000 for maintenance and repairs of the Timberlane Regional School District Capital Improvement Plan?

Seconded by Chris True.

Rob Collins discussed it's the proper way to fund the roofs.

Peter Bealo spoke in favor of the amendment. There is \$400,000 in the default which could be applied to the roofs, but then that line would be decimated.

Barbara Kiszka from Plaistow wanted to clarify if it would increase the budget by \$978,000.

The moderator clarified it would only increase the default budget. The warrant is only applicable if warrant Article 2 fails.

Kristin Savage stated it would be a one-time expenditure, which would not increase the default budget in future years.

Karen Trasatti from Atkinson asked if there were multiple quotes.

Dr. Metzler clarified there was one quote, it did not go out to bid.

Geoffrey Dowd stated there is a competitive bidding process, and the number may be more or it may be less based on the bid process.

Motion failed by voice vote.

Peter Bealo asked where in the CIP is the middle school roof repair.

Susan Sherman stated it is in the CIP and has been for three years. It was listed for the 2020-2021 year.

With no further discussion Article 6 will appear on the ballot as written.

Article 7 – Withdrawal from SAU 55

Shall the Timberlane Regional School District accept the provisions of RSA 194-C providing for the withdrawal from a school administrative unit involving the school districts of Timberlane Regional and Hampstead, in accordance with the provisions of the proposed plans? (3/5 MAJORITY VOTE REQUIRED)

Recommended by the School Board 7-2-0

Moderator Harb stated there is a legal opinion and the warrant will go on as written. It is not amendable, but it is discussable.

MOTION: Kristin Savage to put Warrant Article 7 on the floor for discussion: seconded by Lee Dube.

Discussion:

Kim Farah was chair of the withdrawal committee. It was a citizen petition article that was approved last March. This Article does not affect Timberlane as a unit, it would withdraw Timberlane from SAU 55. It was approved by the withdrawal committee 6-0, one member not present. The report is a public document posted on the school website. There was a public hearing and a hearing at the State Board of Education. At the Board hearing, the Board requested the withdrawal committee to state Timberlane will honor all liabilities of the SAU within the withdrawal plan. If this does not pass, the committee can bring it to the voters again as is next year. The Hampstead chair and vice-chair stated Hampstead is in support of Timberlane's withdrawal.

Phil Sherwood requested the attorney clarify that Article 7 is only for discussion and cannot be amended.

Attorney O'Shaughnessy stated the warrant article must be in substantially the form proscribed by statute. It is not materially amendable. This warrant is not specifically proscribed by law, but he cannot think of an amendment that would maintain substantially the same form.

Sarah Machemer spoke against the article and stated she expected more discussion of the liabilities in the withdrawal plan. She read from a letter from the Hampstead attorney, which contains a list of concerns including liabilities that extend beyond the date of withdrawal and third-party claims. The letter sent from Hampstead's attorney to the withdrawal committee attorney October 30 had recommended edits, which were not incorporated into the plan. There is concern there will be litigation over contracts that extend beyond the withdrawal date.

Karen Steele from Atkinson defers to Kim Farah for comments but requested clarification a 3/5 vote is required for the warrant to pass.

Kim Farah stated Hampstead's attorney was present at the State Board hearing and was only looking for one additional sentence to clarify Timberlane will pay its portion of the liabilities. The language was specifically added at the request of Hampstead, and the State Board subsequently approved the plan.

Jen Silva stated the recommendations Mrs. Machemer read were submitted by Hampstead's attorney on behalf of his client, not the Timberlane attorney. His request at the Board hearing was one simple sentence, which was incorporated into the plan.

Rob Collins stated he believes that Hampstead is in favor of withdrawal but does not believe they are in favor of the plan. He stated there will likely be increased legal fees and that he has a presentation.

POINT OF ORDER: Kim Farah asked if presentations are limited by time.

The Moderator stated presentations are limited to 10 minutes.

MOTION: Shawn O'Neil moved to limit the presentation to three minutes, second by Corinne Martin from Plaistow.

POINT OF ORDER: Phil Sherwood asked what percentage of voters is needed for a motion to change the rules to pass.

It was discussed only a simple majority.

Motion passed by card vote 77-69.

Rob Collins presented a PowerPoint to discuss that the savings are not accurate. The salary and benefits of the assistant superintendent was excluded. The budget states it's cutting 2 FTE, but the organizational chart has 13 positions. The transition plan calls for a Superintendent to start on April 1, in the middle of the school, and it would be hard to find a quality candidate. The transitions costs are not enough. The savings are grossly overestimated. It was previously stated the withdrawal study would not cost money, and he believes it cost \$15,000 so far. Timberlane would still be paying 77% of Dr. Metzler's salary on top of a new superintendent's salary for the 2021/2022 year.

POINT OF ORDER: Dr. Farah stated the plan is not for discussion, there was already a public hearing and the plan has been approved by the State Board.

Moderator Harb believes its germane to agreement or disagreement with the warrant article.

Phil Sherwood stated we know there are costs to withdrawal, but we don't know what they are. He believes that Hampstead only asked for one thing so Hampstead would have leverage since we acknowledged there are liabilities.

Karen Steele from Atkinson discussed confusion on the organization chart. The assistant superintendent stated she spends 80-90% of her time with Hampstead, and there is no need to hire someone if the functions required are already being fulfilled. The recommendation is for Timberlane to maintain 11 of the 14 staff.

Brian Boyle discussed the credibility of the presenter. Timberlane has been brought to court twice by Mr. Collins. Timberlane had surpluses both years the presenter stated there are insufficient funds in the budget.

Moderator Harb requested the credibility of presenters to not be challenged, rather to speak for or against the warrant.

Peter Bealo stated there is no educational harm or good that he can tell, and the only issue is financing. The Committee says it saves \$130,000 every year going forward and he requested the business administrator's opinion. He has a spreadsheet generated by the business administrator which states it would cost \$900,000 more a year to withdraw.

Moderator Harb is requesting it is not the time to debate. Voters can speak in favor or against but it will appear on the ballot as written.

Geoffrey Dowd stated that while Timberlane pays the SAU, the SAU also pays Timberlane through its lease and utilities, and Timberlane would lose that revenue source.

Barbara Kiszka asked if it was the sheet that stated 19 employees rather than 14 employees would be needed for a single district SAU.

Geoffrey Dowd stated it is not.

POINT OF ORDER: Barbara Kiszka requested the presentation be taken down now that discussion is back to the warrant.

Barbara Kiszka stated a reason to separate from SAU55 is there is not much in common with Hampstead. The only asset in common is a fingerprint machine. There would be only one school board and one audit.

Elizabeth Kosta from Plaistow informed voters that people have formed a withdrawal coalition for people to discuss withdrawal February 19th at the Plaistow Public Library from 7-8 pm.

Lee Dube stated the revenue the business administrator referred to is generated through past expenses. The expense is incurred and comes back in revenue. Also, there have been legal fees due to conflicts between the two boards.

Susan Sherman appreciates the work of the committee but stated the one thing to consider are the kids. She states the transition will have an effect on the education with a whole new staff.

Maryann Springer from Danville stated that having a single district SAU will have long-term benefits on the education and the interests of the students was taken into account in the withdrawal plan.

MOTION: Meghan Martin moved to call the question; seconded by Shawn O'Neil.

Motion passed by voice vote.

Moderator Harb declared Warrant Article 7 will appear on the ballot as written.

Article 8 – General Acceptance of Reports

Shall the voters of the Timberlane Regional School District accept reports of agents, auditors, and committees as written in the 2017 Annual Report? (MAJORITY VOTE REQUIRED)

Recommended by the School Board 9-0-0

MOTION: Sheila Lowes moved to put Warrant Article 8 on the floor for discussion: seconded by Kristin Savage.

Seeing no discussion, Moderator Harb declared Article 8 will appear on the ballot as written.

Article 9 – Expendable Trust Fund for Withdrawal by Petition

If Article 7, Withdrawal from SAU55, is approved, shall the Timberlane Regional School District raise and appropriate the sum of \$228,600 to fund a new expendable trust fund and to authorize the Timberlane School Board to use/transfer money from this fund to pay Timberlane's share of ongoing healthcare liabilities of retired SAU55 employees?

Not recommended by the School Board 6-0-1

Not recommended by the Budget Committee 6-2-0

MOTION: Peter Bealo moved to put Warrant Article 9 on the floor for discussion: seconded by Michael Mascola.

Discussion:

Peter Bealo discussed the warrant is necessary to represent 20 years of the costs to fund ongoing healthcare liabilities of retired SAU55 employees and one employee who will be eligible upon retirement.

Kim Farah stated she believes the purpose of the trust fund should be included. These liabilities have cost between \$6,000-\$8,000 per year in prior years. It would be in Timberlane's best interest to pay its liabilities regardless of withdrawal. She spoke against putting money in trust fund for an indefinite time.

MOTION: Shawn O'Neil moved to reduce the amount \$0, seconded by Lee Dube.

Discussion:

Shawn O'Neil discussed amending the motion to \$1 on the advice of legal counsel. Attorney O'Shaughnessy stated the amount could be reduced to \$0 and the motion remained as originally presented.

Chris Longchamp asked what the monetary liability is.

Moderator Harb confirmed with Dr. Farah the current liability is about \$6,600 a year.

Kim Farah stated it is impossible to quantify without knowing which employees are staying and which are leaving. If all the employees stay with Timberlane, Timberlane maintains the liability.

Barbara Kiszka stated that about \$10,000 is budgeted yearly for this and asked if it is in the current budget.

Geoffrey confirmed it is. He further stated for the record that the present value of the future obligation currently is about \$123,000.

Stefanie Dube from Danville asked if the amount is reduced to \$0, is there a cost with creating an expendable trust fund.

Geoffrey Dowd stated if there are no assets and no distribution there would be no costs associated.

John Goldman from Sandown stated the number is right, but with a large budget he is not in favor of encumbering \$230,000 indefinitely for a \$10,000 yearly liability.

Maryanne Staska from Sandown questioned whether employees will lose their healthcare if the Article is not approved.

Seeing no further discussion, Moderator Harb called the question.

Motion passed by voice vote.

MOTION: Sheila Lowes moved to amend to add advisory only, non-binding, no second.

Sheila Lowes stated the concern is the school board would be bound to establish a trust with no funds.

Attorney O'Shaughnessy stated the law is not clear and that only a legislative body can create a trust fund. If a trust is created, the next year an Article can be proposed to put money into the trust. The article directs the board to create a trust fund, he opined it cannot be advisory and it would be an inappropriate amendment.

Motion fails – no second and ruled as an inappropriate amendment.

MOTION: Jim Garrity moved to amend Article 9 to read:

If Article 7, Withdrawal from SAU 55 is approved, shall the Timberlane Regional School District study whether to create a new expendable trust fund to fund healthcare liabilities of retired SAU 55 employees?

Seconded by Jen Silva.

Attorney O'Shaughnessy stated the subject matter is intact and courts define subject matter broadly. He will not take the position it's an illegal amendment.

Motion passed by voice vote.

Seeing no further discussion, Moderator Harb stated Article 9 will appear on the ballot as amended.

MOTION: Barbara Kiszka moved to restrict reconsideration of the amended Warrant Article 9; seconded by Shawn O'Neil.

Motion passed by a voice vote.

Article 10 – Funding for Transition in Preparation for Withdrawal from SAU55 by Petition of Rob Collins et al

If Withdrawal from SAU55 is approved, shall the voters of the Timberlane Regional School District raise and appropriate \$100,000 to fund the recommended transition period defined in the SAU55 Withdrawal Plan by the SAU55 Withdrawal Planning Committee?

Not recommended by the School Board 6-0-1

Recommended by the Budget Committee 5-3-0

MOTION: Rob Collins to put Warrant Article 10 on the floor for discussion: seconded by Sarah Machermer.

Discussion:

Rob Collins stated the \$100,000 has been discussed earlier and the point of the article is so voters know the up-front costs. He believes it will be more, but that is the amount the committee determined.

Dr. Metzler stated the transition costs include search services, temporary payroll, training and others.

MOTION: Lee Dube moved to make Article 10 advisory only, non-binding, seconded by Karen Steele.

Discussion:

Lee Dube stated the amendment would allow the board to expend what is necessary if withdrawal passes.

Attorney O'Shaughnessy stated that you cannot create an advisory appropriation. However, by its nature, the warrant article is non-binding, and the school board will need to expend the amount if withdrawal passes.

Motion withdrawn.

MOTION: Shawn O'Neil moved to amend the appropriation to \$0, seconded by Stefanie Dube.

The amended Article would read as follows:

If Withdrawal from SAU55 is approved, shall the voters of the Timberlane Regional School District raise and appropriate \$0 to fund the recommended transition period defined in the SAU55 Withdrawal Plan by the SAU55 Withdrawal Planning Committee?

Discussion:

Peter Bealo is incredulous a member of the school board would reduce the amount after discussing the amount is necessary.

Shawn O'Neil stated there is more than enough in both budgets.

Motion passed by card vote 71-62.

Discussion on the motion as amended:

Rob Collins asked for clarification if any money can be expended if withdrawal passes.

Attorney O'Shaughnessy confirmed it could.

With no further discussion, Moderator Harb stated Article 10 will go to ballot as amended.

The 2020 Deliberative Session of the Timberlane Regional School District concluded at 9:45 pm.

Respectfully submitted,



Kaitlyn Hilbert

Timberlane Regional District Clerk