Date: October 3, 2018

Committee members present: Tom Croteau, Jim Richards, Chuck Crush, Pam Wicks

Other Board members present: Jennifer Patterson, Maureen Redmond-Scura, Nathan Fennessy

Administration: Terri Forsten, Superintendent; Jack Dunn, Business Administrator

Tom Croteau opened the meeting at 5:35 pm with an overview of the agenda: a review of the FY2018 budget (last year’s budget), considering recommendations for the FY2019 budget (the current budget) and preparing for the special Board meeting later this month. In the meeting presentation, the agenda was listed as “budget finalization history meetings, review FY18 budget, review FY19 budget & recommendations, FY19 considerations, upcoming important meeting.”

Jack Dunn offered an overview of the budget summary for June 30, 2018 as last year was closed out. Nathan Fennessy asked when the city valuations were anticipated; Mr. Dunn explained that this often comes at the last minute, late in October, and likely by the October 29 meeting. Mr. Dunn outlined that “real growth” is used in the final process of setting the budget. Below is an overview of the projected city valuation, local and state tax rates.

| Projected City Valuation (real growth) | .60% |
| Tax Rate (local)                     | $13.63 per thousand or 2.95% |
| Tax Rate (state) Fixed Amount        | $2.22 per thousand or -3.48% |
| Tax Rate (local and state combined)  | $15.85 per thousand or 1.99% |

An overview of the District’s reserve accounts was presented.

| School Building maintenance | 574,436 |
| Instructional               | 118,728 |
| Health Risk                 | 925,552 |
| Energy                      | 91,492 |
| Facilities Renovation       | 4,123,924 |
| Special Education           | 404,022 |
| Tech Innovation             | 50,588 |
| TOTAL RESERVES              | 6,288,742 |

Mr. Dunn provided an overview of recommendation for the Board to consider, in adjusting accounts for the current fiscal year.
Negotiations  275,000  Needed to satisfy contracts
Technology  110,000  Payoff 18-19 equipment purchases instead of lease
             Sets up for Technology Stabilization Fund in FY20
Energy Risk Reserve  77,000  Excess funds from natural gas usage projections
Tractor  22,000  Lawn cutting, snow plowing
TOTAL  484,000  *Funding would be appropriated from unreserved balances

Mr. Dunn noted that $183,464 comes from a one-time State reimbursement connected to
an energy efficiency and in support of a middle school facility renovation project from
several years ago.

From the Food Service Fund, the administration recommended a transfer of $155,478 to
support an increase in the salaries and benefits line due to full-day kindergarten students’
meals, an increase in food supplies, an increase in equipment and an increase for the
Fresh Fruits and Vegetables Program (FFVP). The administration projected an increase in
revenue to offset some of the increases related to a greater number of students in the
elementary meal programs. Committee members discussed reimbursable meals, and
moving away from supplemental food sales so that students are buying full meals. Jim
Richards asked for an update on encouraging families to sign up for free and reduced-
price meals this fall. Mr. Dunn reviewed the process that began with families last June
and has continued with support and prompts to families regarding the free and reduced-
price meal program applications. The food service program has explored innovative ideas
to grow this program in response to students’ interests (pizza, salads, smoothies) and
their buying history.

The FY19 budget currently requires $1.4 million from the prior fiscal year to meet all
obligations. Any amount above $1.4 million without Board action of at least 2/3 of the
Board, or seven votes, will result in a decrease of the local tax rate.

Two options were offered for consideration for the revisions to the FY2019 budget. The
first option included all the recommendations reviewed with the committee, for a total
change of $823,262. The second option included funding for negotiations, accepting the
State reimbursement, and the food service program, for a total of $614,262. The committee
was also given an opportunity to consider creating an option of its own.

Mr. Dunn showed the tax impact for each of the options. The variance of the impact
ranged from a total tax rate between $15.73 – $15.85, or 1.22% – 1.99%.

Nathan Fennessy recommended adding funds to the Facility Renovation Trust Fund. Mr.
Croteau and others concurred that was is important to set aside funding in this trust, in
consideration of known needs at several schools. Jennifer Patterson clarified that the
committee is considering adding $200,000 to the Facility Renovation Trust Fund.

Mr. Croteau asked about the NH Retirement System’s projected impact on next year’s
budget. Mr. Dunn explained that the projected increase to teachers’ retirement is $17.80;
non-teachers’ retirement will see a slight reduction. The projected increase attributed to teachers is approximately $300,000 to next year’s budget.

Mr. Richards asked about the purchase of doors as part of the high school infrastructure safety grant. Mr. Dunn reminded the committee that there would be an in-depth conversation on this topic at a future meeting.

Committee members discussed which option to recommend to the full Board.

Mr. Richards moved that the Finance Committee recommend that the Board adopt the following changes to the FY19 budget for the purposes of appropriating unreserved fund balance funds to pay for negotiations, technology purchases, transfer to the energy risk reserve, transfer to the facilities and renovation trust fund, adjustments to the food service fund, and a new tractor. This will bring the total budget to $88,042,037 with a general fund of $82,459,414. He further moved to amend the budget for fiscal year 2018–2019 as approved on March 19, 2018, inclusive of the following program(s), deposits, and withdrawals to existing funds or expendable trust funds:

Deposits:
Vocational Capital Reserve fund for an amount up to $151,568
Facilities and Renovation Trust Fund for an amount up to $988,786
Food Service Fund for an amount up to $100,000
Renovation and Maintenance Trust Fund for an amount up to $80,000
Energy Risk Reserve for an amount up to $77,000
and also inclusive of the following WITHDRAWALS from expendable trust funds to fund appropriations:
Vocational Capital Reserve for an amount up to $110,000;
Risk Management Reserve for an amount up to $100,000;
Instructional Trust for an amount up to $25,000;

The committee members voted 4-0 to recommend the above action to the full Board for its consideration at the special Board meeting on Monday, October 29, 2018 (moved by Mr. Richards, seconded by Mr. Croteau).

This presentation will be done at the public hearing.

The committee voted 4-0 to adjourn (moved by Mr. Richards, seconded by Ms. Wicks).

The meeting adjourned at 6:57 pm.

Respectfully submitted,

Tom Croteau, Chair
Terri Forsten, Recorder