Concord School District
Finance Committee Minutes

School Board Committee: Finance Committee
Date: October 24, 2012
Finance Committee members present: Clint Cogswell, Chair, Barb Higgins, Tara Reardon, Betty Hoadley
Other Board member(s) present: Kass Ardinger, Chris Casko, Bill Glahn, Nick Metalious, Jennifer Patterson
Administration: Superintendent Chris Rath, Business Administrator Jack Dunn, Director of Human Resources Larry Prince

Finance Committee Chair Clint Cogswell called the meeting to order at 5:35 p.m., welcomed the community and explained that the meeting would focus on the FY 2012-2013 Tax Impact, FY 2011-2012 Summary, Unreserved Fund Balance Recommendations and the FY 2013-2014 Anticipated Expenditures. Mr. Cogswell then turned the meeting over to Business Administrator Jack Dunn to review the current budget and present the proposed budget changes.

Mr. Dunn reviewed the FY 2012-2013 Tax Impact handout and slide showing the differences in the current to the anticipated tax impact. The approved amount to be raised in taxes is $44,577,191. The current estimated local tax impact is $10.90. Based on the latest valuation the new local tax impact will be $10.51. Mr. Dunn explained that the estimated state portion of the tax impact is now $2.53 and based on the latest valuation the new state tax impact will be $2.44. The local valuation will increase from the estimated $3,334,336,136 to $3,458,837,930 and state valuation will increase from $3,244,349,111 to $3,368,422,930 if approved. Finally, the total tax rate is currently $13.43 and if approved will be $12.95.

School Board President Kass Ardinger stated this is good news and the valuation shows higher growth than expected. She explained that the valuation has been dropping or flat for four or more years. Mr. Dunn noted a steady decrease in valuation since FY 2009-2010.

Mr. Dunn explained the FY 2011-2012 Summary handout and slide displaying revenue at $70,396,914 (less grants and food service) and expenses at $67,680,180 (less grants and food service). The net from revenue and expenses leaves a year-end fund balance of $2,716,734 FY 2011-2012. After applying $2,000,000 to the FY 2012-2013 budget that leaves an uncommitted balance of $716,734.

Mr. Dunn directed the Committee’s attention to the Unreserved Fund Balance Recommendations handout and slide and made several proposals. He recommended
to raise and appropriate the sum of up to five hundred fifty thousand dollars ($550,000) to be added to the Facilities Purchase and Renovation Expendable Trust Fund, with such amount to be funded from the June 30, 2012 unreserved fund balance available for transfer during the FY 2012-2013 Budget Year.

Mr. Dunn explained that on April 4, 2011 $830,000 was transferred out of the Facilities Purchase and Renovation Expendable Trust Fund into the General Fund. Ms. Ardinger stated that during the last legislative budget cycle there were numerous State budget cuts affecting the District and this money was put into the Superintendent’s Contingency Fund so that the Board would have the flexibility to make up for such cuts if and when it became necessary. The administration now proposed to take the money not spent from the Superintendent’s Contingency Fund and close the loop by putting the $550,000, not spent, back into the tax impact stability fund.

The Committee discussed the recommendation to raise and appropriate the sum of up to one-hundred thousand dollars ($100,000) to be added to the Superintendent’s Contingency Fund, with such amount to be funded from the June 30, 2012 unreserved fund balance available for transfer during the FY 2012-2013 Budget Year.

Betty Hoadley asked to hear more about the Superintendent’s Contingency Fund. Mr. Dunn explained that although the focus is on education, the funds could be used for MUNIS training, renovation of Rundlett bathrooms, wireless improvement, food service steamer, anticipated expenses for snowplowing, the childcare facility and aid losses from potential sequestration.

Mrs. Hoadley asked about the process for extracting funds from the Superintendent’s Contingency Fund. Superintendent Rath explained that, typically, the use of funds has not been separately approved once the Board places funds into the Superintendent’s Contingency Fund. Bill Glahn noted that there is an obligation to use the funds on the items that were approved and if the funds were to be used otherwise, the Board would need to know and approve.

Mr. Dunn recommended creating an expendable trust fund under the provisions of RSA 198:20-c, to be known as the Technology Innovation Expendable Trust Fund, for the purpose of self-insuring, researching and implementing new District hardware and software technology. Furthermore, to name the School Board as agents to expend and to raise and appropriate the sum of up to fifty thousand dollars ($50,000) with such amount to be funded from the June 30, 2012 unreserved fund balance available for transfer during the FY 2012-2013 Budget Year. The purpose of this fund is to support infrastructure for the increase in the use of technology. The District has a technology plan that includes upgrading Internet, wired, and wireless access. There is also a continued need for a replacement plan, which includes upgrading the software of Office and Windows and upgrading the wire connections in the schools and the Central Office. Mr. Dunn explained that an additional unexpected $125,000 ($100 per iPad) is spent on protective cases for such occurrences as a student dropping an iPad. The reserve might serve as a self-insurance fund saving the District $125,000. Another
use for these funds would be to replace the current Alert Now system by integrating it with the existing student system.

Superintendent Rath stated that technology purchases would need full Board approval.

Mr. Dunn explained that if the recommendations are accepted sixteen thousand seven hundred thirty-four dollars ($16,734) would be left for the Board to relieve the tax rate. The Board discussed various reserve accounts and recommended depositing the funds into the Building Facilities and Maintenance Expendable Trust Fund.

Finally, Mr. Dunn discussed the FY 2013-2014 anticipated expenditures. He explained that New Hampshire Retirement is no longer contributing to employee retirement benefits. Ms. Ardinger explained that due to State budget cuts, the District absorbed $1.8 million a year ago when the State went from 25% contribution to 0% contribution. Mr. Prince stated that the District’s rate increase occurred two years ago.

Mr. Cogswell asked for motions for the proposed allocations.

The Committee voted 4–0 to recommend that the full Board raise and appropriate the sum of up to five hundred fifty thousand dollars ($550,000) to be added to the Facilities Purchase and Renovation Expendable Trust Fund, with such amount to be funded from the June 30, 2012 unreserved fund balance available for transfer during the FY 2012-2013 Budget Year (motioned by Barbara Higgins, seconded by Mrs. Hoadley).

The Committee voted 4–0 to recommend that the full Board raise and appropriate the sum of up to one hundred thousand dollars ($100,000) to be added to the Superintendent’s Contingency Fund, with such amount to be funded from the June 30, 2012 unreserved fund balance available for transfer during the FY 2012-2013 Budget Year (motioned by Tara Reardon, seconded by Ms. Higgins).

The Committee voted 4–0 to recommend that the full Board create an expendable trust fund under the provisions of RSA 198:20-c, to be known as the Technology Innovation Expendable Trust Fund, for the purpose of self-insuring, researching and implementing new District hardware and software technology. Furthermore, to name the School Board as agents to expend and to raise and appropriate the sum of up to fifty thousand dollars ($50,000) with such amount to be funded from the June 30, 2012 unreserved fund balance available for transfer during the FY 2012-2013 Budget Year (motioned by Mrs. Hoadley, seconded by Ms. Reardon).

The Committee voted 4–0 to recommend that the full Board vote raise and appropriate up to the sum of sixteen thousand seven hundred thirty-four dollars ($16,734) to be added to the Building Facilities and Maintenance Fund, with such amount to be funded from the June 30, 2012 unreserved fund
balance available for transfer during the FY 2012-2013 Budget Year (motioned by Mr. Cogswell, seconded by Ms. Higgins).

The meeting adjourned at 6:35 p.m.

Respectfully submitted,

Clint Cogswell, Finance Committee Chair
Jack Dunn, Recorder