Concord School District
Finance Committee Minutes

School Board Committee: Finance Committee
Date: November 18, 2013
Committee members present: Clint Cogswell, Chair, Oliver Spencer
Other Board member(s) present: Kassandra Ardinger, Tom Croteau, Tara Reardon
Board member(s) not present: Bill Glahn, Barbara Higgins, Nick Metalious, Jennifer Patterson

Administration: Superintendent Chris Rath, Business Administrator Jack Dunn, Director of Facilities and Planning Matt Cashman, Director of Human Resources Larry Prince

Finance Committee Chair Clint Cogswell called the meeting to order at 5:32 p.m. Mr. Cogswell appointed Kass Ardinger, Tara Reardon and Tom Croteau as members of the Finance Committee for this evening in the absence of Nick Metalious and Barbara Higgins and the early departure of Oliver Spencer. Mr. Cogswell turned the meeting over to Business Administrator Jack Dunn. Mr. Dunn explained that the purpose of this meeting is to review the tax rate setting for this year and discuss budget goals for the 2014-2015 school year, followed by a non-public session to discuss negotiations with the City regarding the COMF Lease and negotiations with Second Start regarding the Garrison School.

Mr. Dunn explained that the 2013-2014 Budget Tax Rate contains four components:

- City Tax – funds fire, police, general services, administrative and recreation.
- County Tax – funds the county jail, nursing home, registry of deeds and sheriff.
- Local Education Tax – funds schools
- State Education Tax – funds schools

Mr. Dunn further explained that the State Education Property Tax is a tax of total equalized valuation assessed on all New Hampshire property owners, less utilities. The tax is paid by all New Hampshire property owners and assessed and collected by local municipalities.

Mr. Dunn displayed the FY14 Budget breakdown with a total appropriation of $79,057,155. He noted that after the total revenue and credits in the amount of $32,904,892 from Trusts, Grants, State Aid, Fees, etc. are subtracted from the total appropriation, the amount to be raised in state and local property taxes is $46,152,263. $8,031,555 is covered by the statewide property tax and $38,120,708 is paid by local property taxpayers who reside in the Concord School District portion of the city.
The local property tax rate for the FY14 budget was increased by a penny, due to rounding, by the Department of Revenue, to be $11.14 in order to raise the required local revenue of $38,120,708.

Ms. Ardinger asked about the recent Concord Monitor article that broke down the local and state tax rate. Mr. Dunn explained how each of the rates is obtained and that the presentation to the Board reflected the overall increase of the combined state and local tax that resulted in the 4.71% increase.

Larry Prince, Director of Human Resources provided a description of projected salary increases, health insurance and NH Retirement for the FY15 budget. He displayed a slide that showed the projected increase of $79,455.06 for FY15 from the recently ratified Custodial, Maintenance and Transportation, Food Service and Transportation collective bargaining agreements. In addition, he displayed a five-year history of salary percentage increases to base salaries for all groups and unaffiliated staffing.

Mr. Prince described the 2014-2015 Health Insurance Projection for the HMO, POS, OAPIN and CDHP plans and included coverage amounts for Single, Two-Person and Family coverage. Also included in the projection is the coverage for Plan D (Retirees 65+) both with and without prescription coverage.

Mr. Prince showed the Committee a letter from the New Hampshire Retirement System (NHRS) with Employer Normal Contribution rates effective July 1, 2014 – June 30, 2015. These rates will remain the same as the period July 1, 2013 – June 30, 2014. Included with this letter was a history of Employer and Member Contribution rates since 1970.

Mr. Dunn explained there are no significant spikes in utilities forecasted for FY15 and that, in fact, Concord Steam would be decreasing by .58%.

He stated that out-of-district placements were budgeted at $1.54 million for FY14, but the actual cost is expected to be closer to $1.6 million. In FY15, the District is projecting a cost of $1.711 million for out-of-district placements.

Mr. Dunn displayed the Capital Lease Schedule, which listed each lease, the equipment it was financing, and the cost per year for each until the final payment. Mr. Spencer asked if the advantage to leasing was shelf life or cost. Mr. Dunn replied that any advantage would be due to both factors. In an effort to equalize the technology experience across all elementary schools it is necessary to finance the equipment, as it would be cost-prohibitive to buy the equipment in one budget cycle. He also noted that the technology replacement schedule is typically three years for end-user equipment such as laptops and iPads, and five years for infrastructure equipment such as network switches, servers, and firewalls.

Ms. Ardinger and Superintendent Rath noted the fact that the District has had to catch up with infrastructure and that the current year has been a big move toward that. Mr. Dunn added that there are still facilities to fill in, such as White Farm.
Superintendent Rath reviewed some needs, changes and decisions for the District in the 2014-2015 school year for staffing related to projections and class size with regard to declining enrollments. Staffing related to co-teaching and extended classes must also be considered. She explained how the District plans to meet NH minimum standards and Common Core standards.

Mr. Dunn displayed the list of current District buses and vehicles and noted that the administration was working to determine which vehicles will need replacement in FY15.

Mr. Dunn discussed the funding of Capital Improvement Building Projects, displaying a slide showing the District’s current debt payments. In 2005, the Board set a goal of maintaining a level debt service of 5% of the budget, which at the time was $3.2 million. Under the current schedule, the District is expected to fall below the $3.2 million dollar level in the FY17 budget. Ms. Ardinger noted that it is good to maintain 5% of the municipal budget as debt and that if the District went below the $3.2 million and put the differential away, as it has done historically, it would mitigate spikes in the tax rate. Mr. Dunn suggested that the bonding of future capital projects that are in the foreseeable future be considered.

The Committee reviewed the balances in each of the District’s expendable trust funds.

The last topic of discussion for the public Finance Committee meeting was Revenue Projections. Mr. Dunn explained that it is a goal that Community Education be self-supporting, and Food Service also be self-supporting.

Superintendent Rath noted a projected decrease of $400,000 in state adequacy aid for FY15 based on estimated enrollments. She noted the administration does not yet have this year’s Catastrophic Aid but that this area will be budgeted conservatively.

Mr. Dunn displayed the Medicaid Revenue History slide and noted that revenue above budgeted amounts go into the Unreserved Fund Balance.

He noted that the District does not expect a change in Building Aid.

Mr. Dunn explained that due to sequestration on grants, the District expects to lose $80,000 for Build America bonds and Qualified School Construction bonds and there may be further reductions in federal grants for educational programs.

Superintendent Rath noted that the new agreement with Deerfield will result in an approximate $300,000 loss of revenue to the general fund.

Ms. Ardinger announced that the Committee needed to go into a non-public session for the purpose of discussing negotiations with the City regarding the COMF Lease and negotiations with Second Start regarding the Garrison School.

The Committee voted 4–0 by roll call vote to adjourn into a non-public session.

The Committee voted 4–0 by roll call vote to reconvene into public session at 6:42 p.m.
Ms. Ardinger stated that it was not necessary to seal the minutes.

The Committee voted 4-0 (motioned by Ms. Ardinger, seconded by Mr. Cogswell) to adjourn.

The meeting adjourned at 6:45 p.m.

Respectfully submitted,

Clint Cogswell, Chair
Jack Dunn, Recorder