Meeting of Concord School Board and
City Council Financial Policy Advisory Committee
March 26, 2009

School Board members present: Kass Ardinger, Megan DeVorsey, Clint Cogswell, Jack Dunn, Eric Williams, Laura Bonk

City Council members present: Allen Bennett, Keith Nyhan, Fred Keach, Mark Coen, Dan Hilliard, Rob Werner, Jan McClure. Mayor Jim Bouley was in the audience as were Bob Berry, Carlos Baia, Tara Reardon, Charlie Russell, Peter Thompson and Shira Schoenberg.

School District Administrators: Matt Cashman, Michele Croteau, Chris Rath

City Administrators: Tom Aspell, Jim Howard, Sue Stevens

Chair of the Fiscal Policy Advisory Committee Allen Bennett and City Manager Tom Aspell welcomed the two committees and explained that the purpose of the meeting has changed from its original intent, to focus on projected bonding plans, to a request from the city to the school district for financial assistance to help offset the consequences of the loss of revenue currently planned in the Governor’s budget. The city expect stimulus money, including the additional adequacy funding the school district is scheduled to receive from the state.

City Manager Tom Aspell reviewed the fiscal problem facing the city of Concord, including the loss of state revenues, resulting in an anticipated budget deficit up to $6.4 million. The recent announcement that the rooms and meals tax revenue ($1.7 million) will be returned to the city lowered the city’s budget gap to $4.7 million. The city acknowledged that $3.5 million was the city’s problem, but requested that the school district help offset the city’s losses due to the loss of state revenue of a total of $2.2 million.

Mr. Aspell reviewed the many ways in which the city and school district had cooperated over the years, and asked the school district to engage in the process of solving the city’s fiscal problems this spring. Tom outlined a number of areas in which the city was requesting additional revenue from the school district, including paying for maintenance of Memorial Field, providing a “contingency fund” for snow plowing and paying fees for the high school teams which use the Beaver Meadow golf course. (The school district already pays fees to use the hockey arena.) In addition, Tom asked the school district to take over the operation of the city library for two years while a long-range plan could be developed. Tom Aspell summarized this section of the meeting agenda by requesting that the school district contribute an additional $500,000 to the city to offset expenses in these areas.

Superintendent Chris Rath explained some of the constraints attached to the anticipated stimulus money that prevent the school district from supplanting existing costs in the budget
with stimulus funds. School Board President Kass Ardinger noted that both the school district and city must recognize the many factors up in the air, including the resolution of the Governor’s budget, decisions about room and meals taxes and revenue sharing and rules governing the use of stimulus funds. City officials indicated there is no stimulus money slated for municipalities. Chief of Police Berry reported that his department was receiving a formula grant of $185,000 which City Manager Aspell suggested was but a “drop in the bucket.”

Assistant City Manager Jim Howard and School District Business Administrator Michele Croteau each distributed information about the impact of the most recent city and school district budgets.

School district representatives said that they continue to look at areas in which the school district might be able to help in ways that are beneficial for both entities. Additional thoughts include the possibility of distributing food stamps from school offices, allowing the city to cut welfare department costs; looking for potential savings if the two entities combine health insurance plans; offering city employees who lose jobs or hours the opportunity to apply for jobs in the school district (e.g. snow plow drivers might be able to apply for a bus driver job.)

School district representatives inquired whether the Merrimack Valley School District would be asked to contribute as well. Mr. Aspell indicated that Superintendent Martin was unable to attend this meeting but he would be contacting Merrimack Valley on this issue.

School Board member Laura Bonk raised the issue of the $800,000 being held by the school district for the capital facilities reserve. The school district distributed information about its declining debt service and explained the plan the School Board has implemented in order to avoid any sudden increases in the tax rate when the work on the elementary facilities begins. Superintendent Chris Rath thanked the city for the assistance of city departments as the district has developed its master plan and hoped this support for the school district’s effort to improve the city’s schools would continue.

All present acknowledged the need to continue this conversation in the coming weeks and months. The city was not interested in using the Joint City Council / School Board committee for this purpose. School Board members indicated the need to review the proposals the city had made today and requested that written proposals be provided.

City officials asked School Board members and district officials to contact members of our NH Legislature delegation urging them to oppose HB 351, which could result in further losses for the city.

Mr. Aspell told the committees that the city is working on what the recent decision that the tax cap is unconstitutional means for the city, and would keep the groups informed.

Chair: Laura Bonk
Recorder: Chris Rath