

Concord School Board
October 28, 2020
Special Board Meeting – Vote on FY21 Budget

Board members present (physical): Jim Richards, *President*, Liza Poinier, Danielle Smith

Board members present (virtual): Tom Croteau, Maureen Redmond-Scura, Chuck Crush, David Parker, Barbara Higgins, Gina Cannon

Administrators present: Kathleen Murphy, *Superintendent* (physical); Jack Dunn, *Business Administrator*; Clint Cogswell (virtual), *Treasurer*

Jim Richards called the meeting to order at 5:30 p.m. and read the following emergency meeting statement:

As President of the Concord School Board, I find that due to the State of Emergency declared by the Governor as a result of the Covid-19 pandemic and in accordance with the Governor’s Emergency Order #12 pursuant to Executive Order 2020-04, this public body is authorized to meet electronically. The business we intend to conduct today is necessary due to the need to vote on the final FY21 budget. Please note that there is no physical location to observe and listen contemporaneously to this meeting. However, in accordance with the Emergency Order, we are:

a) Providing public access to the meeting by telephone, with additional access by other electronic means:

We are utilizing Microsoft Teams for this electronic meeting. All members of the Board have the ability to communicate contemporaneously during this meeting through this platform, and the public has access to contemporaneously listen and, if necessary, participate in this meeting through dialing the following phone number (925) 391-1169, Conf ID: # 983 748 633#, by clicking on the link provided on the sau8.org website, or by watching the meeting on ConcordTV’s YouTube channel. A recording of the meeting will also be posted on ConcordTV’s website.

The Board intends to take public comment during this meeting. We encourage the submission of citizen comments via e-mail at: concordinfo@sau8.org

b) Providing public notice of the necessary information for accessing the meeting:

We previously gave notice to the public of the necessary information for accessing the meeting, including how to access the meeting using *Teams* or telephonically. The meeting and pertinent instructions were posted on the District website: **sau8.org** more than 24 hours prior to the meeting, and are highlighted at the top of the website.

c) Mechanism for the public to alert the public body during the meeting if there are problems with access:

If anybody has a problem, please call 603 513-9008

d) Adjourning the meeting if the public is unable to access the meeting:

In the event the public is unable to access the meeting, the meeting will be adjourned and rescheduled.

Roll call. Some members will be participating remotely. Any votes that are taken during this meeting shall be done by roll call vote. When each member states their presence, please also state whether there is anyone in the room with you during this meeting, which is required under the Right-to-Know law.

Board members present (physical): Jim Richards, *President*, Liza Poinier, Danielle Smith.
Board members present (virtual): Tom Croteau, Maureen Redmond-Scura, Chuck Crush, David Parker, Barbara Higgins, Gina Cannon. District/Central office staff present: Kathleen Murphy (in person), Jack Dunn (virtual), Treasurer Clint Cogswell (virtual).

Mr. Richards noted that the purpose of the meeting was to review and finalize the budget for the upcoming fiscal year 2021. Jack Dunn reviewed the meeting agenda items, which included the following:

1. BUDGET FINALIZATION HISTORY MEETINGS
2. REVIEW FY21 BUDGET & RECOMMENDATIONS
 1. Overview of Budget
 2. Impacts to FY21 Budget
3. QUESTIONS
4. PUBLIC COMMENT
5. PROPOSED MOTION

Mr. Dunn presented a history of the budget finalization meetings for the past eight years:

FY20 (ENDING) & FY21 (FINALIZE)

- September 30, 2020 – Finance Committee meeting
- October 28, 2020– Special Board meeting (*Public Hearing and Finalize FY20 Budget*)

FY19 (ENDING) & FY20 (FINALIZE)

- September 30, 2019 – Finance Committee meeting
- October 28, 2019– Special Board meeting (*Public Hearing and Finalize FY20 Budget*)

FY18 (ENDING) & FY19 (FINALIZE)

- October 3, 2018 – Finance Committee meeting
- October 29, 2018– Special Board meeting (*Public Hearing and Finalize FY19 Budget*)

FY17 (ENDING) & FY18 (FINALIZE)

- September 20, 2017 – Finance Committee meeting
- October 25, 2017– Special Board meeting (*Public Hearing and Finalize FY18 Budget*)

FY16 (ENDING) & FY17 (FINALIZE)

- October 17, 2016 – Finance Committee meeting

- October 26th – Special Board Meeting (*Public Hearing and Finalize FY17 Budget*)

FY15 (ENDING) & FY16 (FINALIZE)

- October 7, 2015 – Finance Committee meeting
- October 26 – Special Board meeting (*Public Hearing and Finalize FY16 Budget*)

FY14 (ENDING) & FY15 (FINALIZE)

- September 15, 2014 – Finance Committee meeting
- October 22, 2014 – Special Board meeting (*Public Hearing and Finalize FY15 Budget*)

FY13 (ENDING) & FY14 (FINALIZE)

- September 30, 2013 – Finance Committee meeting
- October 28, 2013 - (*Public Hearing and Finalize FY14 Budget*)

FY12 (ENDING) & FY13 (FINALIZE)

- October 24, 2012 – Finance Committee meeting
- October 24, 2012 – Special Board Meeting (*Public Hearing and Finalize FY13 Budget*)

Mr. Dunn reviewed the budget the Board passed in April 2020 and noted that, based on state valuations that came in, the projected tax increase was smaller than originally projected in April.

SPECIAL BOARD MEETING - FY21 APPROVED BUDGET

| FUND | APPROVED 4/13/2020 |
|--|-----------------------|
| - Operations Excluding Debt Service | 79,759,150 |
| - Operations Debt Service | 6,212,817 |
| - Transfer <u>to</u> Facilities and Renovation Trust | 1,417,746 |
| - Transfer <u>to</u> School Bldg. Maint. Trust | 98,665 |
| - Transfer <u>to</u> Vocational Reserve* | 193,918 |
| - Transfer <u>to</u> Food Service | 20,000 |
| Total General Fund | 87,702,296 |
| Food Service Fund | 1,968,514 |
| Grant Fund | 3,600,200 |
| CRTC Capital Projects Fund (FY20) | 125,000 |
| TOTAL APPROPRIATIONS | 93,396,010 |

| | PROJECTED TAX IMPACT (4/13/20) | PROJECTED TAX IMPACT (10/28/20) |
|--|-----------------------------------|------------------------------------|
| Projected City Valuation (real growth) | .58% or \$24,675,937 | - |
| Tax Rate (local) | \$13.44/th (+\$0.18 or 1.36%) | \$13.19/th (-\$0.08 or 0.57%) |
| Tax Rate (state) Fixed Amount | \$1.99/th (-0.06 or - 2.93%) | \$1.88/th (-0.17 or - 8.29%) |
| Tax Rate (local and state combined) | \$15.43/th (\$0.12 or .78%) | \$15.07/th (-\$0.24 or - 1.57%) |

Mr. Dunn reviewed impacts on the FY21 General Fund budget:

EXPENDITURES:

- Salaries
- Benefits
 - Dental
- Purchased Property
 - Snow Plowing
- Supplies
 - PPE, PPE, PPE
 - Utilities (Electricity & Natural Gas)
 - Postage
- Technology
 - Laptops, Chromebooks, Winbooks, Headsets, Data Connections, Cell Phones
- Negotiations

Mr. Dunn reviewed revenue items that had been impacted this year at the local, state, and federal levels:

SPECIAL BOARD MEETING – IMPACTS ON FY21 GENERAL FUND BUDGET

REVENUE:

| LOCAL | STATE | FEDERAL |
|--|---|----------|
| Summer School – Academic Summer School – CRTC Summer Camp Summer School – Enrichment – Robotics Vocational Center Students Preschool Bus Passes Charters Earnings on Investments Athletic Fees Gate Receipts Building Rental | Equitable Aid Special Education Aid (formerly CAT Aid) Differentiated Aid – Sped Ed | Medicaid |

Mr. Dunn reviewed the Food Service fund, with a snapshot of expenses and revenue. He noted that at least up until December, all student meals will be free regardless of family economic status, and that meal service is currently running in the schools, as well as for pickup and delivery.

Mr. Dunn reviewed the projected tax impact, noting a projected .53% decrease as of October 28th after the city valuations came in. He opened the meeting up for questions from board members.

SPECIAL BOARD MEETING – PROJECTED TAX IMPACT

| | FY20 – FINAL RATE | | FY21 – Apr 13 th Board Approved Budget | | PRESENTED (NOT RECOMMENDED) FY21 – Sep 30 th – Finance Committee – IF ADJUSTMENTS MADE | | SPECIAL BOARD MEETING FY21 – 10/28/20 PROJECTED TAX IMPACT | |
|-------------------------|-------------------|--|--|------------|---|-------------|--|--------------|
| | (\$) | | (\$) | (%) | (\$) | (%) | (\$) | (%) |
| Local Tax Rate | 13.26 | | 13.44 | 1.36 | 13.68 | 3.17 | 13.19 | -0.53 |
| State Tax Rate* | 2.05 | | 1.99 | -2.93 | 1.99 | -2.93 | 1.88 | -8.29 |
| Total Tax Rate** | 15.31 | | 15.43 | .78 | 15.67 | 1.57 | 15.07 | -1.57 |
| Per Thousand Increase | | | .12 | .78 | .24 | 1.57 | -0.24 | -1.57 |

SPECIAL BOARD MEETING – FOOD SERVICE – YTD SNAPSHOT AND PROJECTION

| EXPENSES | | | | YTD | 2021 PROJECTION |
|--|--|--|--|---------------------|-----------------------|
| Salaries & Benefits | | | | (159,222.00) | (700,576.80) |
| Purchased Services, Supplies, Dues & Fees, etc | | | | (130,424.87) | (652,124.35) |
| TOTAL YTD | | | | (289,646.87) | (1,352,701.15) |

| REVENUE | SEPTEMBER 2020 | | OCTOBER 2020 (as of 10/27/20) | | YTD | 2021 PROJECTION |
|-------------------------------|------------------|------------------|-------------------------------|------------------|-------------------|-----------------|
| | BREAKFAST | LUNCH | BREAKFAST | LUNCH | | |
| MEALS SOLD | 8,475 | 10,489 | 8,357 | 11,588 | 38,909 | |
| REIMBURSEMENT RATE (SSO PRGM) | 2.29 | 3.58 | 2.29 | 3.58 | - | |
| TOTALS (in dollars) | 19,407.75 | 37,550.62 | 19,137.53 | 41,485.04 | 117,580.94 | 620,000 |

| | | | | | |
|--|--|--|--|---------------------|---------------------|
| NET OF EXPENSES AND REVENUE YTD | | | | (172,065.93) | (732,701.15) |
|--|--|--|--|---------------------|---------------------|

Chuck Crush asked, given the current landscape, whether anything related to mental health/special education was included in the current budget. Mr. Dunn suggested he would defer to Superintendent Murphy for any future projections. The Governor would be distributing \$200 per pupil to each district which should bring in an additional \$840,000; he will find out specifics tomorrow. Mr. Crush indicated he would like to have some sort of plan/infrastructure to help support students and the community during a period of such uncertainty.

Superintendent Murphy noted that about \$150,000 of the CARES money remains. It has been used to support students with additional instructional assistants and onsite classroom monitors, as well as nursing staff. Another special education teacher was hired today. This money was not in the operating budget. The money is not a grant, it is a gift. She was also concerned about students’ mental health and District supports for students and community, and noted that some of this money would be used for those supports.

Tom Croteau asked what items Mr. Dunn was concerned about in next year’s budget. Mr. Dunn noted that four bargaining unit negotiations were impending, and the NHRS rate would be increasing effective July 1. He noted that the impact of this number alone was

over \$1 million, without factoring in salary/step increases for teaching staff. He also noted increases in healthcare premiums and decreasing enrollment numbers, implying less adequacy funding from the state. He noted that some grants had received extensions to help spend money that was unable to be spent at the end of the last school year.

Liza Poinier asked whether, given the considerations for next school year and those budget impacts, it might make sense to try to bring in more tax revenue this year to help offset spikes in the next year or two. Mr. Dunn noted that the surplus money put away in June had already been raised in taxes, so to try to put away additional money now would be a double hit to taxpayers, now that the city valuations have come in. His biggest concern was if there was a correction in valuation, and that number decreases. Ms. Poinier asked what the tax impact would be if the number was kept as is, in trying to protect this Board and the District from an unanticipated burden in next year's budget. Mr. Dunn said he would provide these numbers after calculating them. Mr. Parker noted that, as property values go up, people would already be paying more in taxes, so keeping school budget low would help taxpayers. He appreciated Mr. Dunn's response to those questions, noting it was a challenge to keep all these things balanced. Ms. Higgins echoed previous sentiments about keeping taxes as low as possible during such an uncertain time that has been very hard economically on many families and residents.

Mr. Richards asked about the amount of uncertainty in these budget estimates. Mr. Dunn reviewed the trust fund balances and explained that he was comfortable with the amounts set aside for unanticipated expenses this winter. Mr. Richards asked, should things improve for the next fiscal year, what would happen if healthcare spending increased dramatically, as people started going back to the doctor more than they are now. Mr. Dunn said that almost \$1.6 million was in the health risk reserve, which could be drawn on if needed. He met with insurance consultants recently, and noted that SchoolCare was only taking claims until January into consideration to avoid creating an artificial dip due to the decreased numbers from March – July. The District could see an additional “payment holiday” next year as a result.

Ms. Poinier asked where funds came from for the recent additional classroom staff mentioned earlier in the meeting; Mr. Dunn noted that at this point funds were coming out of CARES funds. The Board would need to vote to withdraw funds from the trust fund otherwise.

Mr. Richards – may need even more than we estimated for mental health support and other supports depending on the state of the remote/hybrid model. Superintendent Murphy – given the fact that there is about \$100,000-150,000 left in the CARES funds, we do anticipate more federal grant money, similar to the CARES Act. We will use the money from the governor for staffing, as we are in great shape in other areas such as technology and hardware/software. We will re-evaluate after the holidays how the remote/hybrid model and what sort of staffing needs exist. Mental health needs are huge and many students and families are struggling, we will be looking at school counselor and psychologist roles. Also had some extra Title II money.

Ms. Poinier – has there been any further state level conversation about next year's adequacy aid? Superintendent Murphy – there has been discussion, concerned about

increased number of students who switched to homeschooling as well as students who transferred to local private or charter schools, as these numbers affect adequacy funding. Asked state to use enrollment numbers from last year rather than this year.

Mr. Richards – there is significant challenge with space/facilities, especially due to social distancing guidelines. Has there been any planning for if/when things improve and more students choose to come back to the hybrid model rather than full remote? Should we be looking at temporary additional space options? Superintendent Murphy – we gained about 10K square feet at CHS by opening up locker areas, that is helping right now. Just now beginning potential space option discussions with Facilities, especially for elementary schools. Could use CARES/grant money to help fund any temporary additional space options. Mr. Richards – should we need temporary structures, do we have funds in this budget without making adjustments to support that? Mr. Dunn – yes, if we needed to tap into building and maintenance trust fund, also have a scheduled transfer of funds into facilities and renovation trust fund, would be able to weigh advantages/disadvantages of doing that. Multiple options to help support those needs should they arise. Board can move money between various trust funds fairly quickly if needed.

Ms. Cannon – complimented Mr. Dunn for his work managing the budget in such unprecedented and unique times.

Clint Cogswell – community is hurting, businesses are hurting, city has asked that school district keep budget as low as possible to help community in these times and Mr. Dunn has done a great job at this.

Mr. Dunn, in response to Ms. Poinier’s earlier question. To keep the tax rate the same, would roughly need to increase the budget \$300K.

Mr. Richards opened the meeting for public comment. He reminded members of the public that they are welcome to email comments or questions to the school board at any time, contact info can be found on the district website (sau8.org), under the School Board tab, or email concordinfo@sau8.org. There was no public comment.

Motion – Liza Poinier, seconded by Tom Croteau

Move that the School Board adopt a budget for fiscal year 2020-2021 in the amount of \$93,396,010, with a general fund budget of \$87,702,296 appropriating \$ 55,161,818 in local taxes and \$7,495,955 in state taxes inclusive of the following, deposits, and withdrawals to existing funds or expendable trust funds:

DEPOSITS

Vocational Capital Reserve fund for an amount up to \$193,918

Facilities and Renovation Trust Fund for an amount up to \$1,417,746

Food Service Fund for an amount up to \$20,000

Renovation and Maintenance Trust Fund for an amount up to \$98,665

and also inclusive of the following WITHDRAWALS from expendable trust funds to fund appropriations:

Special Education Expendable Trust Fund for an amount up to \$100,000

Vocational Capital Reserve for an amount up to \$125,000

Instructional Trust for an amount up to \$50,000

Health Risk Management Reserve for an amount up to \$100,000

Mr. Richards called a roll call vote:

Ms. Cannon – aye; Mr. Crush – not present at time of vote; Mr. Croteau – aye; Ms. Higgins – aye; Mr. Parker – aye; Ms. Poinier – aye; Ms. Redmond-Scura – aye; Ms. Smith – aye; Mr. Richards – aye

Mr. Richards noted that at this point, based on discussions with NESDEC, the board will include a discussion on the state of the superintendent search at the monthly board meeting on November 3rd and the possibility of postponing it until fall 2021. It will be difficult to find a superintendent who meets the district's needs given the current recruiting/hiring environment. Mr. Croteau – very important the community knows that the board is very satisfied with the work of Superintendent Murphy. Task has been tremendous to juggle all the issues and logistics during COVID-19. Ms. Smith – noted there have also been many logistical issues gathering the recruiting/vetting team to discuss candidates. Mr. Croteau – important to maintain a sense of stability with everything else going on rather than try to change leadership during this time.

Move to adjourn – Ms. Higgins, seconded by Ms. Poinier, the meeting adjourned at 7:00 p.m.