

Concord School District
Public Hearing and Special Board Meeting
October 29, 2018

School Board members present: Jennifer Patterson, *President*, Clint Cogswell, Tom Croteau, Chuck Crush, Nathan Fennessy, Liza Poinier, Jim Richards, Maureen Redmond Scura, Pam Wicks

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

Agenda:

1. History of budget finalization meetings
2. Review of FY18 Budget
 - Budget vs actual (*Handout & Highlights*)
 - Unreserved Fund Balance
3. Review of FY19 Budget and recommendations
 - Overview of budget (*approved March 19, 2018*)
 - Finance Committee recommendation (*October 3, 2018*) & DRA changes
 - Summary of changes
4. Upcoming meeting

Jennifer Patterson opened the meeting, explaining that it was comprised of two parts. The first was a public hearing to review the closing of the FY2018 Budget and to consider options for setting the FY2019 Budget. Following the public hearing, the Board would hold a special meeting to consider the final budget for FY2019.

Public Hearing

Jack Dunn reviewed the budget, referring to a presentation and a handout that Board members received at the meeting. (See attachment FY2017-2018 Budget Summary, June 30, 2018.)

After reviewing the projections, Mr. Dunn summarized the project tax impact, given the current numbers. Maureen Redmond Scura asked for confirmation about the (\$57) noted on slide #18 as the impact on a home valued at \$250,000.

Jim Richards asked about the Special Education Trust Fund and, specifically, whether the Board should consider adding funds to that account given the unpredictability and increasing needs in this area. Superintendent Forsten replied that in her three-year tenure as Superintendent, the administration had not needed to access those funds. She also said that the Board should be confident that having \$250,000 to \$500,000 in that account would support most significant needs that might arise from special education. Mr. Dunn agreed.

Clint Cogswell asked whether the Board should consider adding more to the Middle School Facility and Renovation Fund to support the proposed new facility. There was a conversation about the Facilities Renovation Fund and whether it was just for the middle school or whether it could support other facility needs. Mr. Dunn confirmed that these funds were available for any facility needs.

Ms. Patterson asked Mr. Dunn to explain the difference between real growth (brand new homes to market) and market growth (homes that will see a tax differential based on their market valuation).

Mr. Dunn explained the unreserved fund balance. The FY19 Budget currently requires \$1.4 million from the prior fiscal year to meet its obligations. Any amount above \$1.4 million without Board action of at least 2/3 of the Board, or 7 votes, would result in a decrease of the local tax rate. The tax rate is based on the best information available after receiving the valuation from the City Assessor's office. The New Hampshire State Department of Revenue would still review all financial information to finalize the rate.

Concord resident Betty Hoadley offered public comments related to the Board's work to create the school district budget and its responsibility to consider the tax impact. She commended its work, asking the Board to be mindful of budget trending and to maintain predictability for taxpayers. Mrs. Hoadley also asked Board members to keep the taxpayers in mind as they considered their options this evening.

The Board voted 9-0 to close the public hearing at 6:08 p.m. (motioned by Mr. Richards, seconded by Tom Croteau).

Special Board meeting

Ms. Patterson opened the Special meeting of the Board at 6:09 p.m.

Liza Poinier recommended that the Board consider maintaining the same tax rate for the coming year as it established in FY2018.

Nathan Fennessy recommended that the Board examine several options to consider the finalization of the budget for FY2019. In response to these requests, Mr. Dunn offered a couple of scenarios for the Board's consideration, to add either five cents or ten cents (per \$1,000 of valuation) to the local tax rate.

Board members expressed caution about adjusting the tax rate; however, Mr. Richards spoke to the value and importance of putting these funds in the Facilities Trust Fund. By raising the local rate by a nickel, the Board would raise approximately \$202,000, and by raising the local rate by a dime, The Board would raise approximately \$400,000. Mr. Croteau reinforced that for a relatively small impact on the tax locally, the Board would be able to put substantial funds to the Facility Trust Fund.

Mr. Fennessy made a motion that the Board set the local tax rate at \$13.40 per \$1,000; this would maintain a level tax rate for this year. Mr. Cogswell seconded this motion.

Mr. Fennessy spoke further to his motion by reinforcing the opportunity to set aside substantial funds to the Facility Trust Fund to support District facilities, with little impact

on the local tax rate. Mr. Richards also spoke in support of the motion as the additional funds would be put into the Facility Trust Fund. Mr. Croteau and Chuck Crush both spoke in favor of the motion. Ms. Patterson agreed that it was important to add funds to the Facility Trust Fund, with a caution about whether to do this at this time. Pam Wicks spoke in support of the motion, as the City is growing and there is a need and interest in the community to develop a new middle school.

Mr. Dunn offered an overview of the range of amount to be raised for the Board’s consideration.

Description	\$.05	\$.07	\$.10	\$13.40
Amount Raised	\$202,000	\$278,000	\$392,000	\$886,000
Local Rate	\$13.22	\$13.24	\$13.27	\$13.40

Ms. Patterson called the question.

The Board voted 9-0 to table the motion (moved by Mr. Richards, seconded by Ms. Redmond Scura).

The Board voted 9-0 to allow for public comments (motioned by Mr. Fennessy, seconded by Chuck Crush).

Mrs. Hoadley offered public comment on and reviewed several years of the local tax rate history. She reminded the Board of this valuable opportunity to decrease the tax rate, even if just slightly.

Mr. Patterson requested a recess for five minutes at 6:39 p.m., so that options for a motion could be created.

The meeting reconvened at 6:46 p.m.

Mr. Fennessy read the following motion:

“... that the School Board adopt the following changes to the FY19 budget for the purpose 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 \$89,000,306 with a general fund of \$83,435,683, and 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 \$1,983,055

Food Service Fund for an amount up to \$82,000

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.

Mr. Cogswell seconded the motion.

In response to a question from Mr. Crush for clarification between the Facilities and Renovation Fund and the Renovation and Maintenance Fund, Mr. Dunn explained the difference between the two funds.

Mr. Richards called for a roll call vote.

The Board voted 9-0 by roll call to approve the above motion (motioned by Mr. Fennessy, seconded by Mr. Cogswell).

The Board voted 9-0 to adjourn (motioned by Mr. Cogswell, seconded by Ms. Wicks).

The meeting adjourned at 6:54 pm.

Respectfully submitted,

Maureen Redmond-Scura, *Secretary*

Terri Forsten, *Recorder*

Revenue -		FY 17/18 Budget	Savings /	Year End Revenue,
General Fund:		Approved 10/25/17	(Shortfall)	6/30/18
Local Tuition (includes local Voc Capital fee)		3,421,886	43,310	3,465,196
Transportation		158,500	57,151	215,651
Investments		7,000	28,025	35,025
Other		525,845	102,277	628,122
State				
Adequacy & Differentiated Sp Ed Charter Schools Building Aid		13,527,184	47,946	13,575,129
Catastrophic Aid		1,003,482	-	1,003,482
Vocational Aid		286,211	(53,986)	232,215
Voc. Capital Fee		1,062,442	101,644	1,164,086
		99,464	5,642	105,106
Federal				
Medicaid		1,075,000	(41,138)	1,033,862
E-rate		29,999	(2,017)	27,982
Interest Rebates		824,450	1,280	825,730
Other				
W/Draw Facilities Purchase & Renovation Fund		-	-	-
W/Draw Elementary Construction Project		-	-	-
W/Draw Instructional Trust Fund		-	-	-
W/Draw Buildings Renovation & Maintenance		-	-	-
W/Draw Risk Management Reserve		-	-	-
W/Draw Voc Center Capital Reserve		-	-	-
Indirect Cost (Grants)		90,000	(9,337)	80,663
Subtotal Revenue		22,111,463	280,786	22,392,249
Amount to be Raised in Taxes		56,481,351	-	56,481,351
Prior Year Unreserved Fund Balance		1,411,560	-	1,411,560
Total General Fund Revenue and Credits		80,004,374	280,786	80,285,160

Expenses -		FY 17/18 Approved Budget Including	Savings /	Year End Expenditures,
General Fund:		Budget Transfers	(Overage)	6/30/18
Salaries		41,661,470	812,529	40,848,941
Benefits		19,340,132	507,241	18,832,891
Professional Services		2,526,038	(16,250)	2,542,288
Purchased Property (leases, plowing, repairs, etc)		2,435,241	52,592	2,382,649
Purchased Services (transp., ins., tuition, etc.)		3,063,768	(21,794)	3,085,562
Supplies, Books and Utilities		3,221,294	111,915	3,109,379
Equipment		1,005,841	(929)	1,006,770
Dues, Fees & Interest & Contingency		3,113,111	4,311	3,108,800
Dues, Fees, Interest & Maintenance Contingency		-	-	-
Principal and Transfers:				
Principal		2,965,000	-	2,965,000
Transfer to Vocational Capital Reserve		145,398	-	145,398
Transfer to Reserves		427,080	-	427,080
Transfer to Food Service (Make Fund Whole)		100,000	-	100,000
Total General Fund		80,004,373	1,449,616	78,554,757

Projected General Fund Unreserved Fund Balance @ Year End:	
Release of Prior Year Encumbrances	379,110
Revenue Excess / (Shortfall)	280,786
Expenditure Savings / (Overage)	1,449,616
Change in Reserve for Special Purposes (Oil),	2,322
Decrease in Reserve results in Increase to UFB.	
Release of Prior Year Prepayment Deposit	10,000
Total to Contribute to Unreserved Fund Balance	2,121,833