

Concord School District
Budget Work Session #1 – Opening Presentation
February 10, 2020

Board members present: Jennifer Patterson, Jim Richards, Gina Cannon (present by phone), Tom Croteau, Danielle Smith, David Parker, Chuck Crush, Liza Poinier

Board members absent: Barb Higgins

Administration: Dr. Frank Bass, *Interim Superintendent*, Donna Palley, *Assistant Superintendent*, Jack Dunn, *Business Administrator*, Matt Cashman, *Director of Facilities and Planning*

Jim Richards called the meeting to order at 5:33 p.m., noting that this was Board Work Session #1, for the purpose of providing an overview of the Superintendent’s proposed budget for FY20.

He asked Jennifer Patterson to conduct the colloquy to allow Board member Gina Cannon to participate via telephone, under RSA 91-A 2 III), which allows a member of the body to participate from a remote location if unable to attend in person. Ms. Cannon explained that, due to medical reasons, it was not reasonably practical for her to be physically present. Another statutory requirement is that the Board member be able to hear and be heard, which it was established was the case. Ms. Patterson also asked whether there was anyone else in the room with Ms. Cannon; she replied that her husband was present.

Mr. Richards expressed sadness and sympathy on behalf of the Board to the family of a student who died last week in a tragic event at Second Start.

Business Administrator Jack Dunn reviewed the agenda, which consisted of reviews of important dates, major funds, budget 2020-2021 goals, staffing proposals, a General Fund overview, expenditures, revenues, budget summary, other considerations/unknowns, the proposed schedule of meetings, and time for public comment. He explained that the District’s fiscal year spans July 1–June 30 while the tax year is April 1–March 30, and reviewed the major funds, which consist of the General Fund, Food Service Fund, and Grants and Special Funds.

Mr. Dunn reviewed the 2020–2021 budget objectives and expectations.

OBJECTIVES:

- Supporting school safety
- Providing services to support social, emotional and behavioral needs, including early intervention
- Re-allocating staff and resources – hiring additional certified staff and decreasing non-certified staff
- Reallocation of salary and benefits between grants and District funds
- Technology
- Increase revenue from Medicaid

EXPECTATIONS

- Reduce retiree health care costs
- Increase in Deerfield tuition – regular and special education
- Increase in special education aid
- Increase in real property growth
- Increase in vocational revenue

Mr. Dunn reviewed proposed staff changes.

OVERVIEW – STAFF CHANGES FOR 2020-2021

FTE	DESCRIPTION	IMPACT ON CLASS SIZE OR PROGRAMS	SUPERINTENDENT'S BUDGET*
1	School Safety Compliance Officer	New Position	137,462.54
1	Custodian (CHS) – Floater	New Position	66,610.27
1	District Nurse – Floater	New Position	88,928.60
1	Family Home Visitor	New Position - Ages: 0 – 5	108,360.80
5	Special Education Teacher	New Positions - ADS, BGS, BMS, CMS, & MBS	497,909.05
-10	Reduction in non-Certified Staff		-276,402.50
4.65	Permanent Substitute	New Positions - ADS, BGS, BMS, CMS, & MBS	96,323.22
-1	Reduction in Substitute Account		-107,650
3	Education Assistant – MBS Kindergarten	New Positions to Support Kindergarten @ MBS	91,236.42
2	Social Workers	New Positions - BMS, ADS/CMS (shared)	199,163.60
1	Classroom Teacher – CMS	New teacher due to enrollment	99,581.81
1	Special Education Teacher – RMS	New Position – SPED/LD	99,581.81
0.4	Occupational Therapist - BGS	Additional Support for BGS/RMS	61,567.21
1	Guidance Counselor	New Position - CHS	99,581.81
0.67	Theater Arts Teacher – CRTC	Perkins Grant Funding Expiring to General Fund (expense offset by CRTC revenue)	<u>92,562.48</u>
1	Assistant Principal – RMS	New Position	168,932.06
1	Sabbatical Coverage - ½ Year Teacher Position	Amount needed to Fund ½ year Sabbatical	52,454.22
	TOTAL		1,576,203.40

He presented the proposed budget overview, noting an overall 2.93% increase, or \$2,684,037.

FUND	FY20 10/28/2020	FY21 PROPOSED	CHANGE (\$)	CHANGE (%)
(1110) * General Fund	86,135,367	88,815,974	2,680,607	3.11
(1221) Food Service	1,960,512	1,963,942	3,430	.17
(1222) Grant Funds	3,600,200	3,600,200	0	0
TOTAL FUNDS	91,696,079	94,380,116	2,684,037	2.93

* Affects Tax Rate

He presented the expenditure summary by object, with a proposed General Fund expenditure of \$88,815,974. Increases were due to salary and benefits, contracted services, debt service, and dues, fees, and transfers.

Changed over current year budget (rounded):

Salaries and benefits: \$68,346,585

- Increase due to salary steps, increases, and new positions | +1,484,683
- Increase in benefits (incl NHRS) | +\$2,275,944
 - Increase in health care costs | +\$1,613,478
 - Increase in Teacher NHRS | +\$119,347
 - Decrease in Life/Disability | -\$12,839
 - Increase in dental insurance costs | +\$182,795
 - Decrease in Worker's Compensation costs | -\$144,272

Contracted services, maintenance, supplies and equipment: \$11,980,608

- Increase in out-of-district tuition | \$361,010
- Decrease natural gas | (\$48,000) | Propane (\$7,000)

Debt Service: \$6,212,187

- Decrease in principal and interest | (\$259,204)

Contingency, dues, fees and transfers: \$2,276,594

- Transfer \$ into the Facilities Stabilization Fund

Mr. Dunn provided an overview of the regular education program, noting an overall enrollment decrease of 2.7%.

Summary

Enrollment decreased 2.7% from last year (2% at elementary level; 1% at middle school level; 4% at high school level)

The results of a recent demographic study predict that enrollment would continue to decline in middle and high school levels, with the elementary level increasing slightly. An overall 10% decrease in the next decade was anticipated.

Highlights

- 4237 students in the District fall 2019 enrollment, K-12
- Elementary school enrollment decreased by 43 students
- Middle school enrollment decreased by 12 students
- High school enrollment decreased by 66 students

Mr. Dunn reviewed special education enrollment numbers, noting a decrease in enrollment proportionate to the overall enrollment decrease, and explained that the additional proposed staff for preschool, elementary, and middle school would support students with significant needs.

Highlights

- 704 students with IEPs, ages 3–21
- 28 students placed out of district

- 22 students attending charter schools
- 22 students attending Second Start (7 special education; 15 regular education)

Additional staff for preschool, elementary and middle school

- Staff to support students with significant social/emotional needs
- Additional Occupational Therapist support
- Early intervention for students and families in need

Chuck Crush asked if the District pays tuition for students who attend Second Start or charter schools; Ms. Palley confirmed that the District does pay special education costs for these students in accordance with their IEPs. David Parker asked how charter schools were paid. Ms. Palley explained that the state provides a certain amount of adequacy funding for each student and that she would look into further details. Liza Poinier asked if part of the reduction in special education expenditures was due to reduced out-of-District placements. Mr. Dunn confirmed that this was proportionate to the overall reduction in enrollment.

Mr. Dunn reviewed the CRTC/Vocational Education budget, noting that it included funds for staff and resources at the Concord Regional Technical Center, with a proposed budget of \$1,869,880, an increase of \$292,023 or 18.51%, with a revenue increase of \$446,577.

He reviewed the co-curricular activities budget, explaining that the budget covers school-sponsored clubs, school-sponsored athletics and summer school, with a proposed budget of \$1,167,148, an increase of \$48,012 or 4.29%. He noted that the JV hockey program was included in this part of the budget and that the topic would be addressed in greater detail at the March 2 Work Session covering Curriculum and Technology.

Mr. Dunn reviewed the support services budget, explaining that it included costs for library/media, assessment and technology programs and services as well as funds for all course reimbursements and conference and travel, with a proposed budget of \$4,181,980, an increase of \$635,298 or 17.91%. He highlighted that there were no proposed withdrawals or deposits to the Technology Trust fund and that the budget included a replacement of one CHS teacher, and student devices.

He reviewed the administration budget, explaining that the budget covers the Board, Central Office, schools, fiscal, and human resource administration, with a proposed budget of \$8,351,526, an increase of \$193,352 or 2.37%. He noted that this budget included the proposed School Safety Compliance Officer and RMS Assistant Principal positions.

Mr. Dunn reviewed the buildings and grounds budget, noting that the budget covers buildings and grounds, construction, and principal and interest on debt, with a proposed budget of \$12,450,803, a decrease of \$114,314 or -.91%. He highlighted decreases in utility costs and debt service, and noted that the topic would be discussed further at the Capital Facilities Work Session later in the evening.

He reviewed the transportation budget, explaining that the District manages its own school transportation bus system, with a proposed budget of \$3,489,152, an increase of

\$32,704 or .95%. He noted that the decrease in equipment costs was due to not needing to purchase and install cameras, as this was done last year.

Mr. Dunn reviewed the employee benefits budget, explaining that this budget covers funds for severance payments as well as benefits for retirees and accounts related to employee benefits, with a proposed budget of \$1,668,090. He noted that this topic would be discussed in more detail at Work Session #2 on February 13. Mr. Richards clarified that the decrease in retiree health costs was not a reduction in coverage, just in the amount budgeted due to a decreased use of that fund.

Mr. Dunn reviewed New Hampshire Retirement costs, explaining that employer contribution rates are set every two years. The rates are based on a biennial actuarial valuation (a model of expected liabilities based on reasonable actuarial assumptions, including the rates of investment return and payroll growth, eligibility for the various classes of benefits, and the projected life expectancies of members and retirees). The next rate setting would affect the FY22 budget. Tom Croteau added that this number would increase every year, with increases in steps for teachers, as well as when the state raises NHRS rates, over which the District has no control.

Mr. Dunn reviewed the transfers and deposits budget, explaining that this budget covers funds for deposits into reserve accounts or to other major fund accounts, with a proposed budget of \$1,768,607, a decrease of \$1,337,013. He highlighted the following transfers:

- Transfer up to **\$98,665** into the School Building Maintenance Fund
 - *Raised from Deerfield Capital Fee. No tax impact*
 - *Decrease | (\$259,741)*
- Transfer **\$1,456,024** into the Facilities and Renovation Trust Fund
 - *Maintains the Board's goal of keeping 5% of the District General Budget for debt service*
 - *Decrease | \$455,585**
- Transfer **\$193,918** into the Vocational Center Capital Reserve
 - *Raised from the state and charging the sending districts. No impact on the tax rate*
- Transfer up to **\$20,000** into the Food Service Fund to cover student debt
- Transfer up to **\$50,000** from the Instructional Trust Fund
 - *Funds used to purchase new literacy materials for grades K-5, continuing the implementation of Fountas and Pinnell Classroom begun last year.*
- Transfer up to **\$100,000** from the Health and Dental Medical Reserve Funds used to mitigate retiree health and dental costs, if necessary
- Transfer up to **\$125,000** from the Vocational Center Capital Reserve
 - *Funds used to pay for program improvements. No impact on the tax rate*

Mr. Dunn provided a summary of expenditures by function and object.

SUMMARY OF EXPENDITURES BY FUNCTION GROUP

EXPENDITURE FUNCTION	FY20 – BUDGET 10/28/19	FY21 – PROPOSED BUDGET	CHANGE (\$)	CHANGE (%)
[1100] - Regular Education	29,857,298.12	30,552,284.21	694,986.09	2.33
[1200 2100] - Special Ed and Pupil Services	21,450,727.55	23,143,977.75	1,693,250.20	7.89
[1300] - Vocational Education	1,577,857.00	1,869,880.48	292,023.48	18.51
[1400] - Co-Curricular Activities	1,133,435.00	1,181,447.00	48,012.00	4.24
[1600] - Adult Education/Community Ed	162,262.00	152,342.00	(9,920.00)	(6.11)
[2200] - Support Services	3,546,682.28	4,181,980.28	635,298.00	17.91
[2300 2400 2500 2800] - Administration	8,158,173.35	8,351,526.13	193,352.78	2.37
[2600 4600 5100] - Building, Grounds, Construction, Principal & Interest	12,565,118.70	12,450,803.97	(114,314.73)	(0.91)
[2700] - Transportation	3,456,448.00	3,489,152.18	32,704.18	0.95
[2900] - Benefits	1,121,745.00	1,668,090.00	546,345.00	48.70
[5200] - Transfers	3,105,620.00	1,768,607.00	(1,337,013.00)	(43.05)
<i>Support Services*</i>	<i>0.00</i>	<i>5,883.00</i>	<i>5,883.00</i>	
TOTAL GENERAL FUND EXPENITURES	86,135,367.00	88,815,974.00	2,680,607.00	3.11

SUMMARY BY EXPENDITURES BY OBJECT

EXPENDITURE OBJECT	FY19 – BUDGET 10/29/18	FY20 – PROPOSED BUDGET	CHANGE (\$)	CHANGE (%)
[610000] - SALARIES	44,503,905.00	45,988,588.43	1,484,683.43	3.34
[620000] - BENEFITS	20,082,053.00	22,357,996.57	2,275,943.57	11.33
[630000] - PROFESSIONAL SERVICES	2,392,580.70	2,580,956.05	188,375.35	7.87
[640000] - PURCHASED PROPERTY	1,713,767.40	1,370,650.62	(343,116.78)	(20.02)
[650000] - PURCHASED SERVICES	3,145,252.24	3,501,761.78	356,509.54	11.33
[660000] - SUPPLIES, BOOKS AND UTILITIES	3,523,067.51	3,440,361.99	(82,705.52)	(2.35)
[670000] - EQUIPMENT	448,198.15	1,086,877.56	638,679.41	142.50
[680000] - DUES, FEES & INTEREST	3,660,923.00	3,340,174.00	(320,749.00)	(8.76)
[690000] - PRINCIPAL AND TRANSFERS	6,665,620.00	5,148,607.00	(1,517,013.00)	(22.76)
TOTAL GENERAL FUND EXPENDITURES	86,135,367.00	88,815,974.00	2,680,607.00	3.11

Jennifer Patterson asked what elements of Community Education were still being conducted by the District. Ms. Palley explained that the City conducts enrichment classes

and that the District has a program for adults who are working toward their high school diplomas.

Mr. Dunn reviewed revenues, noting an increase of 2.79% or \$671,162, from sources other than taxes. He explained local, state, federal, transfer and unreserved fund balance revenue impacts.

LOCAL

FY20	FY21	CHANGE(\$)	CHANGE (%)
4,746,902	5,218,486	471,584	9.93

- Includes: Tuition, Transportation, Building Rental, Athletics, PILOT, Investments Income*, Deerfield Tuition (Special Ed)**

STATE

FY20	FY21	CHANGE(\$)	CHANGE (%)
17,908,982	17,955,656	46,674	.26

- Catastrophic Aid, Adequacy, Building Aid (grandfathered), Vocational Aid

FEDERAL

FY20	FY21	CHANGE(\$)	CHANGE (%)
824,849	1,304,698	479,849	58.17

- Medicaid, E-Rate, Bond Interest Rebates

TRANSFERS

FY20	FY21	CHANGE(\$)	CHANGE (%)
550,788	223,840	(326,948)	(59.36)

- From Grants (Indirect) and Expendable Trust Funds, Benefits Risk Management Reserve, and Instructional Trust

UNRESERVED FUND BALANCE

FY20	FY21	CHANGE(\$)	CHANGE (%)
1,952,365	1,900,000	(52,365)	(2.68)

- Savings from Prior Year Budget

Mr. Dunn reviewed tax side revenue, noting that a 3.62% increase would have a tax impact of \$105 annually on a home assessed at \$250,000.

LOCAL

	FY20	FY21	CHANGE (\$)	CHANGE (%)
Local Tax (\$)	52,405,947	54,717,336	2,311,390	4.41
Local Rate	13.26	13.74	0.48	3.62

STATE

	FY20	FY21	CHANGE (\$)	CHANGE (%)
State Tax (\$)	7,730,534	7,495,955	(234,579)	(3.03)
Local Rate	2.05	1.99	(0.06)	(2.93)

LOCAL & STATE

	FY20	FY21	CHANGE (\$)	CHANGE (%)
Local & State(\$)	60,136,481	62,213,291	2,076,810	3.45
Local & State Rate	15.31	15.73	0.42	2.74

Estimated Tax Impact:

- 250,000 = \$120.00 (local) and -\$15.00 (state) = **\$105.00***

* For a home assessed at \$250,000 for the 2019 Property Tax Year (April 1, 2019 – March 31, 2020) and assuming the same house doesn't have any increase in assessed value, the home owner would pay 2.74% more than the current year in local and state education property taxes. **THIS DOES NOT INCLUDE CITY OR COUNTY TAXES.**

Mr. Dunn provided a summary of the General Fund budget and noted that additional Board considerations and unknowns would be discussed at the next Work Session on February 13.

BUDGET SUMMARY – GENERAL FUND ONLY

DESCRIPTION	FY20 – FINALIZED 10/28/19	FY21 – PROPOSED BUDGET	CHANGE (\$)	CHANGE (%)
EXPENDITURES				
Total Appropriation	86,135,367	88,815,974	2,680,607	3.11
REVENUES				
Local	4,746,902	5,218,486	471,584	9.93
State	17,908,982	17,955,656	46,674	0.26
Federal	824,849	1,304,698	479,849	58.17
Transfers	550,788	223,840	-326,948	-59.36
Unreserved Fund Balance	1,952,365	1,900,000	-52,365	-2.68
State Education Tax	7,730,534	7,495,955	-234,579	-3.03
<u>Local Education Tax*</u>	52,405,947	54,717,336	2,311,389	4.41
TOTAL REVENUES	86,135,367	88,815,974	2,680,607	3.11

* - Affects Tax Rate

Mr. Dunn noted the upcoming budget Work Session schedule and explained that the budget must be posted by March 5 in order for it to be voted on March 26.

2020-2021 BUDGET WORK SESSION SCHEDULE

DATE	DAY	TIME	LOCATION	TOPIC	NOTE
February 13 th	Thursday	5:30pm	Central Office – Board Room	WS#2: Salaries and Benefits	
February 17 th	Monday	5:30pm	Central Office – Board Room	WS#3: Student Services	
March 2 nd	Monday	5:30pm	Central Office - Board Room	WS#4: Curriculum and Technology	Monthly Board Meeting – 7pm
March 5th	Thursday	5:30pm	Central Office – Board Room	WS#5: OPEN SESSION & POST Budget	** POST BUDGET **
March 9 th	Monday	5:30pm	Central Office – Board Room	WS#6: OPEN SESSION	
March 12 th	Thursday	5:30pm	Central Office – Board Room	WS#7: CHS and CRTC Enrollments	
March 16th	Monday	7:00pm	MILL BROOK SCHOOL	WS#8: PUBLIC HEARING #1	
March 19th	Thursday	5:30pm	RUNDLETT MIDDLE SCHOOL	WS#9: PUBLIC HEARING #2	
March 23 rd	Monday	5:45pm	Central Office – Board Room	WS#10: OPEN SESSION	
March 26th	Thursday	5:30pm	Central Office – Board Room	WS#11: OPEN SESSION & FINALIZE FY21 BUDGET	** 5 VOTES IN THE AFFIRMATIVE TO PASS**

BOLD: Action Meetings | BOLD & UNDERLINE: Public Hearings

NOTE: BUDGET MEETINGS ARE MONDAY & THURSDAY

Ms. Poinier asked about the fresh fruits and vegetables program, and planning for the middle school project. She asked whether, with the big tech expenditure this year on CHS staff and student devices, this was an appropriate year to dip into the Technology Trust Fund to offset that expenditure. She asked whether the staffing plan for a floating nurse met the needs of nurses as expressed in the letter received by Board members in the fall, and whether the possibility of a Communications Specialist was discussed and rejected, and if so, why that was. She said she wanted to learn more about the role and responsibilities of the proposed new RMS Assistant Principal position. She noted that she had “received messages” about staffing at ADS and that there seemed to be numerous unfilled positions this year. She asked whether this situation saved the District money and how it may have affected student safety and learning. She suggested that teachers might be unable to keep up with their workload and asked whether the District needed help finding qualified people to fill these roles.

Mr. Croteau echoed previous questions about the RMS Assistant Principal and the family Home Visitor positions. He said he would like to know what the latter position would be, and what student needs it would fulfill.

Mr. Crush asked whether, given recent legal support needs, that portion of the budget had been increased, and where legal fees fall within the budget. Mr. Dunn noted that about \$120,000 in legal fees is budgeted annually, a typical and consistent factor based on bargaining unit negotiation years. He asked if student impact outcomes from the new Assistant Principal positions were yet known. Ms. Palley noted that this item was scheduled to be discussed at the Student Services Work Session on February 17. He asked the amount of the Bill White & Associates contract, when the contract would be renewed, and the measurable outcomes from those services. He also asked whether more support/resources were needed for students who use communication devices.

Ms. Poinier commented that two years ago, the Board decided to issue a request for proposal (RFP) from Bill White & Associates and other providers to see if people/companies offering services had changed or improved, and suggested it might be time to issue another RFP.

Ms. Palley commented, in response to Mr. Parker’s earlier question about charter school adequacy funding from the state, that charter schools receive nearly double the amount public schools receive per student from the state.

Mr. Croteau asked that the significant (18%) increase in CRTC revenues be explained. Mr. Dunn noted that the increase was due to moving all health care and dental care costs out of grants into the General Fund, and putting salaries only into grants, as significant issues potentially requiring grants to be re-written arose whenever anyone made any health benefit changes. Mr. Croteau asked if the number was then artificially inflated. Mr. Dunn noted that Perkins grants only allow certain items in the grant and for only a specific period of time, so manual entries may be needed each month to move things back into the grant, resulting in the General Fund being temporarily, artificially inflated.

Mr. Dunn indicated that further detail about the proposed new positions would likely be discussed at the meeting on February 13. He also clarified that a 1% increase in the budget would reflect approximately \$597,000 in spending.

In response to a question from Mr. Crush about the median salary for a teacher in Concord public schools, Mr. Dunn indicated that the budget assumed a salary of \$59,000, with a total salary and benefits package totaling \$99,000. Benefits would be negotiated as part of the contract. Ms. Patterson explained that all budget numbers on the slide listing new proposed position were reflective of this total salary plus benefits package.

Mr. Richards opened the meeting for public comment.

Concord resident and half-time nurse at RMS Erin Stewart asked whether the floating nurse position would be a CEA role. Mr. Dunn said that it would be. Ms. Stewart said the school nurses would like the opportunity to address the Board at a future meeting.

Concord resident Betty Hoadley reminded the Board of the past several years of tax increases based on unexpected revenues. She emphasized the critical need to establish a mindset of prioritization, snipping and trimming the budget. She said she had never seen a list of proposed additional staff as long as on Slide 7, and was concerned about this large number of new hires. She commented that that Concord residents were angry about the events that occurred last year. She said she was puzzled by the Bill White & Associates contract and felt it should be reevaluated. Ms. Hoadley referenced student enrollment data and stated that, with an enrollment decrease of 700 over the last seven years, laypeople do not understand why taxes rise when enrollment continues to decrease. She asked why local and state taxes were on the slide referencing revenue data and tax impact, as the District and Board have no influence on this. She said the District was coming off a very bad period, possibly the worst the Board has ever experienced, with an "elephant in the room" that next year would be the time to revisit the charter. She asked the Board if they wanted angry citizens discussing and voting on the charter the year the public was hit with a massive tax increase after the events of last year.

Mr. Dunn introduced the Capital Facilities Work Session portion of the meeting and reviewed expenditures, noting that this budget covered buildings and grounds, construction, and principal and interest on debt, with a proposed budget of \$12,450,803.97, a decrease of \$114,314.73 or .91%. This budget included the Director, maintenance, and custodial staff, maintenance contracts, life/safety/security contracts, summer projects, utilities, general supplies, equipment, and debt service (BAB and QSCB). He provided an overview of buildings, grounds and debt service, and demonstrated how projects were categorized for budgeting purposes.

REPAIRS & MAINTENANCE (School Year – Operating Budget)	SUMMER PROJECTS (Contracted Work – Operating Budget)	BOND (>= 10 years – Debt Service)
Roof Repairs	Roof Repairs	Roof Replacement
HVAC Repairs	HVAC Repairs	HVAC Replacement
Floor Repairs	Floor Repairs/Replacement	Flooring
Gym Floor Repairs	Gym Floor Refinish	Gym Floor Strip
Landscaping	Landscaping	Site work/Infrastructure
Blinds/Shades/Screens Repairs	Blinds/Shades/Screens Repairs	Blinds/Shades/Screens Replacement
Life Safety Security	Life Safety / Security	Life Safety/Security
Mechanical Contractor Repairs/Replacements	Mechanical Contractor Repairs/Replacements	Mechanical Contracting
Equipment Repairs	Equipment Repairs	Equipment (including buses)

Mr. Dunn reviewed the budget numbers and operating budget components.

OBJECT DESCRIPTION	FY20	FY21	CHANGE (\$)	CHANGE (%)
[610000] - SALARIES	1,975,225.00	2,040,225.72	65,000.72	3.29
[620000] - BENEFITS	822,883.00	901,621.55	78,738.55	9.57
[630000] - PROFESSIONAL SERVICES	315,931.70	372,081.70	56,150.00	17.77
[640000] - PURCHASED PROPERTY	801,350.00	801,350.00	0.00	0.00
[650000] - PURCHASED SERVICES	222,185.00	222,185.00	0.00	0.00
[660000] - SUPPLIES, BOOKS AND UTILITIES	1,800,018.00	1,745,018.00	(55,000.00)	(3.06)
[670000] - EQUIPMENT	91,000.00	91,000.00	0.00	0.00
[680000] - DUES, FEES & INTEREST	2,976,526.00	2,897,322.00	(79,204.00)	(2.66)
[690000] - PRINCIPAL AND TRANSFERS	3,560,000.00	3,380,000.00	(180,000.00)	(5.06)
TOTALS	12,565,118.70	12,450,803.97	(114,314.73)	(0.91)

Buildings and Grounds – operating budget

Salaries (610000)

- Salaries for Director of Facilities, custodians, and maintenance staff
- Budget: \$2,040,225.72, an increase of \$65,000.72, or 3.23% over FY20

Benefits (620000)

- Health care, dental, NHRS
- Budget: \$901,622, an increase of \$78,738.55 or 9.57%

Purchased Services (630000) – aka contracted services

- HVAC service
- Pest control
- Fire alarm/sprinkler service and monitoring
- Elevator maintenance
- Fire sprinkler maintenance
- Annual fire extinguisher service

- Floor refinishing and repairs
- Roof repairs
- Service agreements
- New service agreement for AHU at BGS, BMS, RMS, and CHS
- Budget: \$372,081.70, an increase of \$56,150.00 or 17.77%

Purchased Property (640000) – aka repairs & maintenance

- Service agreement materials
- Capital leases
- Summer project funds (4600 function)
- Budget: \$801,350 (no change)

Purchased Services (650000)

- Property and liability insurance
- Cell phones
- Conference and travel
- Budget: \$222,185 (no change)

Supplies, Books, and Utilities (660000)

- Consumables: cleaning chemicals, paper products, drywall, paint, plumbing and electrical
- Utilities: electric, natural gas, water/sewer, oil, and gasoline
- Budget: \$1,745,018, a decrease of (\$55,000) or (3.06%)

Equipment (670000)

- Floor machines and vacuums
- Budget: \$91,000 (no change)

Dues, Fees and Interest (680000)

- Bond interest
- New roof debt interest
- Contingency
- Budget: \$2,897,322, a decrease of (\$79,204.00) or (2.66%)

Principal and Transfers (690000)

- Bond principal
- Transfers to/from Trust Funds
- Budget: \$3,380,000, a decrease of (\$180,000.00) or (5.06%)

Summer Projects

- See future slides
- Budget: \$250,000

Total Operating Budget: \$12,450,803.97, a decrease of (\$114,314.73) or .91%

Mr. Richards whether there were additional security expenditures the Board might want to add. Matt Cashman and Mr. Dunn noted that these items were not budgeted and could be discussed at future Work Session along with any associated budget increases. Ms. Patterson noted that the Board could recess to non-public session to discuss sensitive

safety-related issues. She asked if there were opportunities to apply for state funds for these any of these items. Mr. Cashman confirmed that there were, and that the District had taken advantage of these funds to help fund cameras and door locks.

Mr. Dunn reviewed summer project spending since 2011, noting that the Building Maintenance Fund, generally used for one-off projects as needed, was available.

SUMMER PROJECTS SPENDING HISTORY

FISCAL YEAR	BUDGET	ACTUAL
2011	173,319	185,182.55
2012	228,207	228,320.45
2013	192,921	213,054.11
2014	558,390	475,153.62
2015	528,676	466,274.49
2016	178,158	159,999.16
2017	255,000	234,281.41
2018	125,000	123,095.79
2019	260,000	263,388.88
2020	250,000	229,499.45
2021	250,000	TBD
TOTAL	2,999,671	2,578,249.91

Mr. Dunn described the proposed summer projects, which include various improvements at CHS, RMS, and several of the elementary schools.

SCHOOL	PROJECT	LIFESPAN	BUDGET
CHS	Plaza area in the front of Gym. Pavers are in <u>really bad</u> shape.	10+ Years	45,000
RMS	Paving repairs at RMS, specifically rear parking lot; mainly huge potholes, but also a few storm drainage repairs	15+ Years	30,000
RMS	Replacement of Main entry, office entry and rear door at RMS. Frames and doors are rusted out in these 3 areas.	15+ Years	25,000
BMS	Sidewalk Replacement	20+ Years	50,000
VARIOUS	Classroom painting	10+ Years	50,000
VARIOUS	Flooring	15+ Years	50,000
TOTAL			250,000

Ms. Poinier asked whether there was a temporary, inexpensive fix for the minor improvements in front of RMS. Mr. Cashman responded that when a quote was obtained for the CHS paving repairs, a price for RMS could also be obtained. He said the RMS situation was similar to the situation at CHS and both needed to be remedied. Ms. Patterson also asked whether there was a “quick and dirty” option of paving over the RMS area rather than tearing it up and replacing it.

Mr. Crush asked if there was room in the budget to pursue making all play areas and playgrounds handicapped accessible. Mr. Dunn said these funds could be pulled from the school building fund, as it would be a one-off project. Mr. Parker asked whether the administration was aware of any communities that had created universal design playgrounds. Mr. Crush suggested communities in NH might have done this.

Ms. Poinier asked whether repairing the driveways at RMS and ADS was the District's responsibility or the City's. Mr. Cashman noted that pavement off South Street belonged to the District. He commented that these repairs had not been factored into the budget, but some storm drains needed to be replaced. Repair of a few major potholes also had been factored into the summer project budget.

YEAR	PROJECT	AMOUNT
1987-88	RMS Renovation & Expansion	\$9.5 million
1994-96	CHS Renovation & Expansion	\$32.7 million
2001	Miscellaneous Projects	\$1.1 million
2009	RMS HVAC (QSCB)	\$4.3 million
2010	Elementary Consolidation Project (BAB) & SAU*	\$55 million
2017	Steam to Natural Gas, CRTC Childcare**, Buses, Technology	\$12 million
2019	Roof Replacement @ CHS	\$1 million <i>(reprioritized from \$12m)</i>
2020	Roof Replacement @ BGS and CHS	\$5 million

Mr. Dunn explained the Facilities and Renovation Trust Fund, noting that the differential was a savings into the Trust Fund, helping to avoid spikes in the tax rate.

Summary

- Since 2005, the Board has tried to maintain a level capital debt service of 5% of its General Fund operating budget, to avoid spikes in the tax rate.

Current debt used for 5%

- (2012) – three elementary schools (ADS, CMS, MBS)
- (2010) - RMS HVAC
- 5% of the 2021 budget: \$4,035,955.30
- Net debt service: \$2,715,301

Debt not used

- Leases
- Steam-to-gas project
- Buses
- Technology
- CHS roof (2018) – reprioritized funds
- CHS roof (2019)

In response to a request from Ms. Hoadley to describe the history and plan for the unused Stable Building, Mr. Dunn noted that Dr. Merwyn Bagan, representing the Abbot Downing Historical Society, indicated they were interested in using the building as

storage for historical Abbot Downing coaches. They had been attempting to coordinate with the City and the District to put the building back into use. Mr. Dunn noted that this would be an exchange of facilities without each party paying the other. All costs would be borne by the Abbot Downing Historical Society, with no tax impact to Concord residents. Ms. Hoadley noted that she was a member of the Abbot Downing Historical Society and a strong supporter of this project, noting that it would bring great value to community.

Mr. Parker commented that the building would require significant funds to restore, which must be from private fundraising and not from the District. He said it would be nice to maintain the coaches locally as they were part of local history. Mr. Richards suggested that those who would like more information could view the Capital Facilities Committee meeting in December 2019, which should be available on ConcordTV. Ms. Cannon again asked if the funds for the Stable Building would be privately, and Mr. Dunn reaffirmed that both private donations and LCHIP state conservation funds would pay for the restoration and upkeep. This is not a school budget item.

The Board voted 8-0 by roll call to adjourn (motioned by Ms. Poinier, seconded by Mr. Parker seconded).

The meeting adjourned at 7:05 p.m.

Respectfully submitted,

Jim Richards, *Vice President*

Lauren Hynds, *Recorder*