

Concord School District  
Board of Education  
**Special Board meeting on the budget**  
**June 25, 2020**

**Board members present:** Jennifer Patterson, Tom Croteau, Jim Richards, Gina Cannon, Chuck Crush, David Parker, Liza Poinier, Danielle Smith, Barb Higgins (arrived 5:51 p.m.)

**Administrator:** *Business Administrator* Jack Dunn

Board President Jennifer Patterson called the meeting to order at 5:30 p.m. Based on Governor Sununu's emergency order #12, and the necessity of all Board members to remain in separate locations to protect public health during the Covid-19 emergency, she determined as Board President that all members would participate remotely, and this emergency determination would be noted in the minutes.

Ms. Patterson said she would confirm by roll call who was participating, that participating members were able to speak and to hear each other, and whether anyone else was present in the rooms from which Board members were participating. She said any vote taken during the meeting would be by roll call. The following Board members noted that they were present, could speak and hear others speaking on the call, and that no one else was present in the room: Gina Cannon, Tom Croteau, Chuck Crush, David Parker, Liza Poinier, Jim Richards, Danielle Smith, and Jennifer Patterson. Barb Higgins arrived at 5:51 p.m. *Business Administrator* Jack Dunn, incoming *Interim Superintendent* Kathleen Murphy, *Assistant Superintendent* Donna Palley and *Assistant Principal* Nancy Pender were also present.

Ms. Patterson noted that a declaration of an emergency meeting which would suspend the presence of quorum or a physical location under the Governor's emergency order #12 and RSA 91-A must be stated and included in the minutes. She read the following 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 review Finance Committee recommendations and discuss possible changes to the current (FY20) budget, and to finalize the salary for our 2020-2021 Interim Superintendent. This will include taking public comment by unmuting phone lines one by one during the public comment period. We encourage the submission of comments via e-mail at: [concordinfo@sau8.org](mailto:concordinfo@sau8.org)

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 meeting. All members of the Board have the ability to communicate contemporaneously through this platform, and the public has access to contemporaneously listen and, if necessary, participate in this meeting through dialing the following phone # (925) 391-1169, Conf ID: 908 748 307#, by clicking on the link provided on the sau8.org website. The meeting is being broadcasted contemporaneously on ConcordTV's education channel (Comcast Channel 6 or [www.youtube.com/ConcordNHTV](http://www.youtube.com/ConcordNHTV)), and a recording of the meeting will be posted on ConcordTV's website.

*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 *Microsoft Teams* or telephonically. The meeting and pertinent instructions were posted on the website of the Board at: 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.

She asked that Board members and members of the public mute their microphones when not speaking, and wait to be recognized.

Business Administrator Jack Dunn noted the meeting would be largely a repeat of the joint Capital Facilities/Finance meeting on June 11, with some additional information included, and that a motion would be presented for consideration. He reviewed the agenda, which included a review of the FY20 budget, upcoming considerations for the FY21 and FY22 budgets, and the Interim Superintendent salary. He noted that the Board would be requested to take action on both the FY20 budget adjustment and the Interim Superintendent's salary.

Mr. Dunn reviewed the FY20 approved budget, noting it would end on Tuesday, June 30. He explained that the year-end fund balance would be between \$3.5 and \$4 million, and that the estimate of what was needed for FY21 was \$2.1 million. He proposed that everything above the required \$2.1 million be put into existing District trust funds.

Mr. Dunn described FY20 impacts and considerations, noting that while medical/dental claims were currently down, there could be a surge down the road due to artificial suppression in the pandemic. He also noted a large decrease in gas costs due to remote learning.

## **Education**

- Wage savings for non-additional hours and hires
- Substitute accounts
- Benefits (for example, dental) – claims anomaly
- Unused transportation expenses
- Unused supply and books funds

## **Food Service**

- Allocation of salaries for staff not working in Food Service program per USDA guidance (waiting for additional guidance from DOE)

## **Grants**

- Extension for carryover funds (no cap)

Mr. Dunn noted that it was recommended at the June 11 meeting that the surpluses in several budget lines be moved to District trust funds corresponding with each particular line, such as school buildings and renovation; instructional materials; health and dental; and special education. He emphasized that these surpluses were anomalies due to the Covid-19 pandemic and that these funds should be saved.

Mr. Dunn reviewed the budget timeline, noting that it was a busy time of year for financial and budget processes.

## **June**

- Close out fiscal year
- Latest numbers (provided two hours ago)

## **July**

- Reconcile all account lines (General Fund alone: 4,825 accounts; Food Service: 461; and federal)
- Initial reports sent to auditors

## **August**

- Report status of transfers to Board
- Auditors arrive second or third week of August

Jennifer Patterson asked whether there was a sense of which funds would be seeing the biggest transfers. Mr. Dunn explained that there was \$529,000 left over in FY19 and that in the current year (FY20), that number was \$3 to \$4 million. He displayed the “dashboard” used to manage the District budget, and showed where this surplus came from. He explained that overages should be rolled into the most relevant trust fund; for example, an overage in the teacher salary line should be rolled into the Instructional Trust Fund. He explained for clarification that this was money that had already been raised in taxes and that the motion was not to add more money to the budget, but simply to reallocate existing money from an unexpected surplus into appropriate Trust Funds for savings. Ms. Patterson added that this might allow the District to use monies in the Trust Funds if needed when adjusting the budget in October, rather than increasing the budget. Mr. Dunn explained

that he would not want the Board to be in a position to have to increase, given all the unknowns in the near future.

Mr. Croteau added that the Board would not want to give anyone in the community false hope about “giving it back to the taxpayers,” noting that the Trust Funds were developed to help keep the budget as level as possible year after year, in case of financial crises that may arise, mitigating/minimizing the tax impact.

Ms. Cannon asked for clarification that \$2.1 million needed to be rolled over into this year’s budget to keep all budget lines balanced, and then funds above that should be put into “rainy-day funds” to offset contingencies that might come up. She asked whether, with the District network being down, some of this rainy-day fund should perhaps be used to fix whatever is causing that problem. Mr. Dunn explained that the outage was most likely a vendor issue or a piece of hardware and that IT was working on the issue immediately. He said a redundancy site might help service if some part of the network goes down.

In response to a question from Mr. Crush whether funds could be moved among Trust Funds if needed, Mr. Dunn replied that was a possibility, with a vote of the Board.

Mr. Parker asked whether there were additional expenses over the last few months. Mr. Dunn said he was analyzing many factors and accounts now, but that the data was very raw, and that he was not sure what expenditures might be covered under CARES. He said that there were savings overall. Mr. Parker commented that the needs of students were changing and being impacted. As the District moved into a new school year with many unknowns ahead, he was glad the Board had the flexibility to move the money where needed.

There was no public comment.

Ms. Higgins joined the meeting at 5:51 p.m. She said that putting the surplus into a Trust Fund in order to develop savings was a prudent thing to do.

Mr. Croteau made the following motion, seconded by Jim Richards: Move that the school Board authorize the administration to transfer funds that exceed the required \$2.1 million dollars for the FY21 budget from FY20 budget line surpluses into the appropriate Trust Funds. The administration will report at the August monthly Board meeting, or as requested, the status of the transfers and fund balances. The Board understands that until the second week of August it has the ability to adjust the transfers.

Mr. Richards commented that it was reassuring that this discussion paralleled the June 11 meeting. He fully supported the motion, echoed points made by Mr. Parker and others, and thanked Mr. Dunn for his budget work. Ms. Patterson commented that this was a prudent approach, providing significant flexibility.

**The Board voted 9-0 by roll call (Tom Croteau, Chuck Crush, Barb Higgins, David Parker, Jennifer Patterson, Liza Poinier, Jim Richards and Danielle Smith voted aye) to authorize the administration to transfer funds that exceed the required \$2.1 million dollars for the FY21 budget from FY20 budget line surpluses into the appropriate Trust Funds. The administration will report at the August monthly**

**Board meeting, or as requested, the status of the transfers and fund balances. The Board understands that until the second week of August it has the ability to adjust the transfers**

Mr. Dunn reviewed the FY21 budget, which was approved on April 13, 2020.

| FUND  | APPROVED<br>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. <u>Maint.</u> Trust | 98,665                |
| - Transfer <u>to</u> Vocational Reserve*              | 193,918               |
| - Transfer <u>to</u> Food Service                     | 20,000                |
| <b>Total General Fund</b>                             | <b>87,702,296</b>     |
| Food Service Fund                                     | 1,968,514             |
| Grant Fund  | 3,600,200             |
| CRTC Capital Projects Fund (FY20)                     | 125,000               |
| <b>TOTAL APPROPRIATIONS</b>                           | <b>93,396,010</b>     |

| PROJECTED TAX IMPACT SUMMARY (VALUATION EXPECTED LATE OCTOBER 2020) |                               |
|---|-------------------------------|
| Projected City Valuation (real growth)                              | .58% or \$24,675,937          |
| Tax Rate (local)  | \$13.44/th (+\$0.18 or 1.36%) |
| Tax Rate (state) Fixed Amount                                       | \$1.99/th (-0.06 or -2.93%)   |
| Tax Rate (local and state combined)                                 | \$15.43/th (\$0.12 or .78%)   |

He reviewed impacts and considerations of the budget, noting adaptations needed in Food Service if more meals needed to be prepped and delivered.

### Education

- Reopening of school
- Staffing (*ex. temporary or substitutes*)
- Compensatory education
- Social and emotional support
- PPE equipment and supplies
- Technology (*i.e. phones, computers, etc.*)
- Remote learning (*i.e. software, books, conferencing, supplies*)
- The possibility of starting normally, then going back to remote learning
- CRTC enrollment

### Food Service

- Staffing
- Food preparation
- Delivery
- Supplies

## **Community**

- Tax rate

## **Grants**

- Coronavirus Aid, Relief, and Economic Security (CARES) Act – Elementary and Secondary School Emergency Relief Fund (ESSER): \$953,636.64\*
- FEMA Public Assistance (PA)
- 75% Federal
- 25% Local operating budget

## **Other**

- TBD

Ms. Patterson noted that the Board would hear an update on the plan for opening for the 20-21 school year at the monthly meeting in July.

Mr. Dunn reviewed FY22 budget impacts/considerations, reminding the Board that NHRS rates would go up next year. He reminded the Board that the District sent out the MS-22, a document which needs to be electronically signed by all Board members, that covers the budget passed in April. Another MS-22 would be needed to cover adjustments made at this meeting, as both need to go to the Department of Revenue.

## **Continuation of additional equitable aid** *(see NHSBA notice)*

- FY20 – additional \$1,040,776
- FY21 – additional \$671,596
- FY22 – funding due to expire

## **New Hampshire Retirement System (NHRS)**

- News: NHRS Trustees reduce assumed rate of return *(press release)*
- CSD estimated impact if the employer rate increases\*:
  - Teacher rate (1%): all funds – \$342,506
  - Non-teacher rate (.5%): all funds – \$43,536

## **Settled agreements:**

- UAW: Food Service
- Maintenance/Transportation
- NEA: Administrative Assistants
- NEA: Teachers/Nurses

Ms. Patterson noted that on June 1 the Board approved Kathleen Murphy as Interim Superintendent for the 2020-2021 school year. The salary at that time was listed as “TBD” so she was bringing the proposed salary of \$155,000 for one year forward for Board approval. She noted that this Superintendent salary level was consistent with that for similar districts across the state. She motioned that the Board approve a salary of \$155,000 for Interim Superintendent Kathleen Murphy for the 2020-2021 school year. Mr. Crush seconded.

Mr. Croteau asked whether other expenditures related to this position were included in the \$155,000 figure. Ms. Patterson replied that typically the salary amount was voted on, as benefits include all standard health insurance terms, in line with other administrator

contracts. Mr. Dunn commented that Ms. Murphy would have the same SchoolCare plan and contribution amount, same tax annuity as other administrators, no sick day payout, payments into NHRS. No other “fringe” benefits were included.

**The Board voted 9-0 by roll call (Tom Croteau, Chuck Crush, Barb Higgins, David Parker, Jennifer Patterson, Liza Poinier, Jim Richards and Danielle Smith voted aye) to approve a salary of \$155,000 for Interim Superintendent Kathleen Murphy for the 2020-2021 school year**

Mr. Parker suggested listing benefits cost in the future for the benefit of taxpayer and transparency. Mr. Dunn said he could provide the more information on the value of the District’s health insurance plans as well as other standard benefits.

Kathleen Murphy thanked the Board for their work and said she was looking forward to serving the District. She said flexibility would be important in the coming school year, and this was a good budget move to help be prepared.

Adjournment

**The Board voted 9-0 to adjourn (motioned by Ms. Higgins, seconded by Mr. Richards).**

The Board adjourned at 6:42 p.m.

Respectfully submitted,

Barb Higgins, *Secretary*  
Lauren Hynds, *Recorder*