

**OFFICE OF THE SUPERINTENDENT OF SCHOOLS  
106 Hancock Rd.  
Peterborough, New Hampshire**

**CONTOOCOOK VALLEY SCHOOL DISTRICT**

**BUDGET & PROPERTY**

**Tuesday, October 23, 2018**

**SAU #1 Board Room  
5:30 PM**

**Minutes**

**Committee Members:**

- Jim Fredrickson, Chair
- Rich Cahoon
- Richard Dunning
- Niki McGettigan
- Stephan Morrissey
- Pierce Rigrod

**Present:** Jim Fredrickson, Rich Cahoon, Richard Dunning, Niki McGettigan, Pierce Rigrod, Stephan Morrissey (5:45 pm) Myron Steere, Kristen Reilly, Jerry Wilson, Janine Lesser, Linda Quintanilha (6:00 pm), Mindy Ryan, Kimberly Saunders, Dr. Ann Forrest, Tim Grossi, John Jordan (SAC)

**1. Call to Order**

**Jim Fredrickson called the meeting to order at 5:31 p.m.**

**2. Approval of Minutes – September 25, 2018**

**Rich Cahoon moved to approve the minutes of September 25, 2018. Dick Dunning second. Unanimous.**

**3. Proposed Solar Project Update**

Is there any progress on a third party review. No progress to report.

Michelle Russell reported that a template is available for an RFP for the district use. Solar Schools 2025 is a program to match up a school with a school that has installed solar to walk through the process. Other potential resources for guidance were cited. Local investors have been talking about this potential project and have expressed interest in partnering to take advantage of the tax advantage.

Emily Mann said that there are reasons to do such a project before the end of 2019.

Rich Cahoon said that the end of 2019 would mean it would impact the budget that is being worked on now. A figure would need to be known now.

Tim Grossi said that a new roof would need to be looked at if we are talking about a 25 year lease. Funding and time are the issues. Risk is also an issue. Purchasing power at certain rates is also a concern. Financial details would need to be looked at.

**4. 2019-2020 Budget – Changes to Budget Guidance**

Kimberly Saunders distributed a copy of "Tax Apportionment Analysis for the ConVal School District" (see attached). The report detailed the history for nine towns from 2014 to 18/19. This does not mean that tax rates will go up at the % increase. The DRA sets the tax rate. ConVal had \$3.3M in increases in expenditures; \$1.1M on the operating budget and \$1.7M on the Factfinders Report. \$500K is a result of

reductions in revenue. One of the reasons there is a decrease in revenue is because the district gave back money, which is a difference in revenue.

The budget has been steadily held back for approximately 8 years. This is the first significant jump in a long time.

The most important piece in the message is that we don't want people to get blind-sided and so that they can plan. Downshifts and loss of revenue has impacted in the past. This is not about either of these, it is about expenditures.

The difference in the operating budget was discussed in terms of what was voted and the \$1.1M stated tonight. It is complicated.

John Jordan asked about the numbers. Tax assessment is what is due from the town, education tax or SWEPT is individual to the town, adequacy grant, ADM, and equalized evaluation is how the tax assessment is arrived at.

Towns will be getting a revised payment schedule crediting anything paid so far. The \$851,000 returned to the towns has already been taken off of the tax assessment figure.

What do we do about this?

Kimberly is meeting with towns, as they wish, to explain the figures. The board needs to make decisions on how they want to go forward. Looking at the current budget and making decisions about the 19/20 is next. Many options exist. Cutting the budget will involve items outside of core curriculum. Direction is needed. A working budget is in progress for 19/20.

A default budget hearing would be needed. Default calculation has been changed by legislature.

Anything that isn't approved cannot go into the default. For example, the bus contract. If the contract went up from this year to next, we cannot carry the increase into the default calculation. In addition, health insurance increases, food service contract increases, and increases in NH Retirement etc. If the totality of the contracts is \$1M, the default has to be \$1M less. It means a widening difference between the default and the proposed.

Budgeting to default and then putting separate items on the warrant was once suggested.

Worst case scenario is that the budget put forward is reduced on the floor at deliberative session. An approved budget that is lower than the default is possible.

Contracts include bus, food service, health insurance, Primex (workman's compensation and liability) to name a few. Nothing that was approved the prior year can be part of the default.

A capital reserve fund to hold the district harmless for contracts is a possibility. Another, to level unreserved fund balance is possible moving forward. SB2 could be undone and we could go back to district meeting. A charter could be created; deliberative session would be held and a day of voting could still take place. The default budget exists because of SB2. None of these things would help this year. Communities should be told what we are committing to. Is it a certain budget? The situation needs explanation with commitments to offset it in this fiscal year.

Funding Cornucopia and other programs need consideration. Co-curricular activities needs review. Cell phones etc.

Kimberly Saunders said that she is looking for some direction from the board. It is people or it is program.

Can we define status quo? This increase this year is 6.2%. Following this would result in approximately a 4% increase plus the teacher's contract.

Open positions unfilled is a starting point.

Inflation is 2.3%.

Staying status quo and considering a default, where would the money be found?

When the default is known, the public needs to know what will fall. It should be published.

What is less dangerous for students?

Staying the course would result in an increase in the budget of 4% as a result of the teacher's contract now moving to the budget in part.

Not cutting program was suggested to protect the default.

Rich Cahoon cautioned if the board comes in with too hard a number, a cut could be made at deliberative session.

Looking hard at programs and people and putting forward a responsible budget was asked.

Coming in with status quo -2% and various other percentages could be developed.

This board strongly recommended that the public not support the teacher's contract. Concern about the default being devastating was voiced. No increase except those that are forced with a default was asked. Overhead costs need to be addressed; it is staff and buildings that need to be addressed.

Starting with a fixed cost budget with a long list of items was once created. Items off of the list were added back in as decided.

What number is the fixed starting point; the operating budget for this year? Anything above would go on a list. There are dollars in the current budget for positions that were not filled. Those dollars could be shifted toward the contract but not for all positions. Clarification was asked for the budget retreat.

Developing the budget on flat programming and not flat dollars was asked.

A soft hiring freeze will result. Attrition through retirements could be an option.

#### **5. High School Science Project**

Jim Fredrickson reported that the high school project is complete. Final figures are expected next week. A punch list of small items are still underway.

#### **6. Plans for School Board Budget Work Session Meeting on November 3, 2018**

Discussed in agenda item four above.

#### **7. Other**

None.

**Dick Dunning motioned to adjourn at 7:03 p.m. Rich Cahoon second. Unanimous.**

Respectfully submitted,

Brenda Marschok

Tax Apportionment Analysis ConVal School District							
	2014-15	2015-16	2016-17	2017-18	2018-19	Variance FY 18 vs FY 19	% Inc
<b>Town</b>							
	\$ 45,322,549	\$ 45,573,110	\$ 45,896,170	\$ 45,858,369	\$ 48,712,397	\$ 2,854,028	6.224%
<b>Total</b>							
	\$ 5,139,021	\$ 5,539,947	\$ 5,127,953	\$ 5,489,641	\$ 5,275,417	\$ (214,224)	-3.902%
	\$ 40,183,528	\$ 40,033,163	\$ 40,768,217	\$ 40,368,728	\$ 43,436,980	\$ 3,068,252	7.601%
	\$ 2,626,343	\$ 2,594,193	\$ 2,681,235	\$ 2,874,978	\$ 3,401,494	\$ 526,516	18.314%
	\$ 540,416	\$ 511,248	\$ 509,400	\$ 496,075	\$ 479,990	\$ (16,085)	-3.242%
	\$ 2,211,810	\$ 2,207,236	\$ 2,170,952	\$ 2,102,497	\$ 2,033,699	\$ (68,798)	-3.272%
	361.94	359.77	343.05	343.88	329.13	\$ (15)	-4.289%
	\$ 215,123,765	\$ 221,579,595	\$ 224,377,968	\$ 228,588,210	\$ 254,561,843	\$ 26,073,633	11.406%
	\$ 1,394,771	\$ 1,504,320	\$ 1,655,968	\$ 1,670,828	\$ 1,773,391	\$ 102,563	6.138%
	\$ 257,928	\$ 250,444	\$ 227,405	\$ 237,106	\$ 242,362	\$ 5,256	2.217%
	\$ 1,244,232	\$ 1,188,354	\$ 1,143,790	\$ 1,112,030	\$ 1,092,272	\$ (19,758)	-1.777%
	207.83	227.90	215.81	203.62	201.57	\$ (2)	-1.007%
	\$ 104,749,874	\$ 98,390,638	\$ 106,705,179	\$ 113,412,619	\$ 105,089,881	\$ (8,322,738)	-7.338%
	\$ 3,182,601	\$ 3,033,425	\$ 3,292,387	\$ 2,837,395	\$ 3,340,326	\$ 502,931	17.725%
	\$ 569,366	\$ 599,003	\$ 526,732	\$ 567,275	\$ 446,119	\$ (121,156)	-21.358%
	\$ 18,544	\$ 20,038	\$ 110,107	\$ 102,886	\$ 167,775	\$ 64,889	63.069%
	139.28	159.90	154.41	155.24	148.32	\$ (7)	-4.458%
	\$ 249,529,201	\$ 226,825,864	\$ 253,285,654	\$ 207,798,582	\$ 242,147,350	\$ 34,348,768	16.530%
	\$ 2,526,575	\$ 2,514,386	\$ 2,560,271	\$ 2,402,359	\$ 2,836,798	\$ 434,439	18.094%
	\$ 457,922	\$ 452,169	\$ 441,714	\$ 420,481	\$ 391,086	\$ (29,395)	-6.991%
	\$ 376,333	\$ 390,166	\$ 381,267	\$ 459,258	\$ 485,652	\$ 26,394	5.747%
	163.44	168.31	165.54	156.77	171.47	\$ 15	9.377%
	\$ 188,521,577	\$ 190,265,174	\$ 188,242,068	\$ 182,300,239	\$ 195,136,161	\$ 12,835,922	7.041%
	\$ 2,023,549	\$ 2,144,167	\$ 2,128,124	\$ 2,358,123	\$ 2,425,389	\$ 67,266	2.853%
	\$ 368,393	\$ 330,776	\$ 334,773	\$ 333,453	\$ 335,168	\$ 1,715	0.514%
	\$ 850,989	\$ 854,415	\$ 871,756	\$ 818,937	\$ 833,071	\$ 14,134	1.726%
	207.98	218.48	202.25	209.69	195.50	\$ (14)	-6.767%
	\$ 138,544,543	\$ 144,806,381	\$ 149,730,208	\$ 156,545,562	\$ 159,182,700	\$ 2,637,138	1.685%

		Tax Apportionment Analysis										Variance	% Inc	
		ConVal School District												
		2014-15	2015-16	2016-17	2017-18	2018-19								
<b>Town</b>														
	Tax Assessments	\$ 3,250,415	\$ 3,242,361	\$ 3,332,898	\$ 3,174,970	\$ 3,602,756					\$ 427,786	13.474%		
	Education Tax	\$ 594,821	\$ 592,558	\$ 577,600	\$ 572,316	\$ 510,184					\$ (62,132)	-10.856%		
	Adequacy Grant	\$ 238,134	\$ 233,231	\$ 205,378	\$ 197,886	\$ 276,475					\$ 78,589	39.714%		
	ADM	175.78	180.36	169.93	166.30	156.63					\$ (10)	-5.815%		
	Equalized Evaluation	248,716,488	\$ 250,716,441	\$ 257,819,839	\$ 239,392,496	\$ 276,835,135					\$ 37,442,639	15.641%		
	<b>Peterborough</b>													
	Tax Assessments	\$ 9,916,677	\$ 9,894,478	\$ 10,353,288	\$ 10,249,362	\$ 11,371,884					\$ 1,122,522	10.952%		
	Education Tax	\$ 1,519,109	\$ 1,532,314	\$ 1,524,124	\$ 1,505,840	\$ 1,461,843					\$ (43,997)	-2.922%		
	Adequacy Grant	\$ 2,193,799	\$ 2,179,263	\$ 2,137,022	\$ 2,148,073	\$ 2,024,283					\$ (123,790)	-5.763%		
	ADM	806.47	814.00	799.45	762.15	756.49					\$ (6)	-0.743%		
	Equalized Evaluation	640,626,120	\$ 658,960,739	\$ 675,565,610	\$ 682,515,027	\$ 710,112,297					\$ 27,597,270	4.043%		
	<b>Sharon</b>													
	Tax Assessments	\$ 569,689	\$ 560,305	\$ 595,902	\$ 670,396	\$ 716,139					\$ 45,743	6.823%		
	Education Tax	\$ 126,467	\$ 117,605	\$ 119,433	\$ 109,270	\$ 108,640					\$ (630)	-0.577%		
	Adequacy Grant	\$ 28,775	\$ 31,077	\$ 28,170	\$ 98,619	\$ 116,544					\$ 17,925	18.176%		
	ADM	25.52	22.34	28.18	40.00	41.83					\$ 2	4.575%		
	Equalized Evaluation	49,061,087	\$ 51,442,079	\$ 48,880,861	\$ 50,569,181	\$ 51,104,854					\$ 535,673	1.059%		
	<b>Temple</b>													
	Tax Assessments	\$ 2,273,647	\$ 2,318,844	\$ 2,164,862	\$ 2,185,309	\$ 2,313,308					\$ 127,999	5.857%		
	Education Tax	\$ 334,266	\$ 322,329	\$ 339,314	\$ 319,320	\$ 306,333					\$ (12,987)	-4.067%		
	Adequacy Grant	\$ 487,947	\$ 414,458	\$ 354,345	\$ 343,686	\$ 343,999					\$ 313	0.091%		
	ADM	195.44	184.42	157.01	152.56	139.79					\$ (13)	-8.370%		
	Equalized Evaluation	134,942,843	\$ 146,615,487	\$ 143,339,712	\$ 143,100,246	\$ 152,778,135					\$ 9,677,889	6.763%		
	<b>Totals</b>													
	Tax Assessments	\$ 27,764,267	\$ 27,806,479	\$ 28,764,935	\$ 28,423,720	\$ 31,781,485					\$ 3,357,765			
	Education Tax	\$ 4,768,688	\$ 4,708,446	\$ 4,600,495	\$ 4,561,136	\$ 4,281,725					\$ (279,411)			
	Adequacy Grant	\$ 7,650,563	\$ 7,518,238	\$ 7,402,787	\$ 7,383,872	\$ 7,373,770					\$ (10,102)			
	ADM	2,283.68	2,335.48	2,235.63	2,190.21	2,140.73					\$ -49.48			
	Equalized Evaluation	\$ 1,969,815,498	\$ 1,989,602,398	\$ 2,047,947,099	\$ 2,004,222,162	\$ 2,147,048,356					\$ 142,826,194			
	<b>Total</b>	\$ 40,183,518	\$ 40,033,163	\$ 40,768,217	\$ 40,368,728	\$ 43,436,980								