

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

CONTOOCCOOK VALLEY SCHOOL DISTRICT

BUDGET & PROPERTY

Wednesday, October 21, 2020

5:30 PM

**Physical Location: ConVal High School Library
184 Hancock Rd., Peterborough, NH**

Virtual Location:

<https://us02web.zoom.us/j/87623886098?pwd=V0l6TjNRUnNKRDNQOGt2VDBWsgNhQT09>

Meeting ID: 876 2388 6098

Password: YqQ83L

Phone: +1 312 626 6799 US

Meeting ID: 876 2388 6098

Password: 578700

Minutes

Committee Members:

- Richard Dunning
- Alan Edelkind
- Jim Fredrickson
- Katherine Heck
- Robert Short, Jr.

Present: Jim Fredrickson, Richard Dunning, Alan Edelkind, Katherine Heck, Robert Short, Jr., Rich Cahoon, Kimberly Saunders, Tim Grossi, Lori Schmidt

1. Call Meeting to Order

Jim Fredrickson called the meeting to order at 5:36 p.m.

2. Approval of Minutes – September 8, 2020

Dick Dunning moved to approve the minutes of September 8, 2020. Robert Short, Jr. second. Unanimous.

3. Solar Project

Jim Fredrickson referenced a tax credit change from 26% to 22% for the project, which will impact the proforma. They need to be lined up by October 31st to take advantage, which is unlikely.

Jim Fredrickson said that discussion took place about the need for two meetings; one with Revision Energy and one with the district.

Tim Grossi said that Jonathan Bass, Bob Hayden and Mr. Housman from Eversource are working to make determinations. Once that work is complete, Tim will schedule a meeting.

Jim Fredrickson referenced a Proforma Update that Revision sent. The numbers can be played with. Assumptions on the utility rate and escalation clause can be worked with. 10.8 cents per KWH down from 12+. Other changes were noted. The net effect is a \$400K decrease in net value after 40 years to us. Savings of \$350K were noted. Jim Fredrickson said that the cost of the buyback came down. There are a lot of variables and some numbers are likely negotiable with Revision.

Jim asked everyone to review this information and forward questions to him.

Robert Short, Jr. asked what the useful life is. The Proforma goes out 40 years but the efficiency decreases every year. Robert said that the actual useful life should be determined. Jim Fredrickson said that they are great questions that will be answered as a team.

4. 19-20 Audit Update

Jim Fredrickson said that we received the 18/19 audit report. The 19/20 audit has been completed but the report has not yet been received.

What is the difference between the DOE 25 and MS 25?

The DOE 25 is data collection provided to the Department of Education. They use the data for their various aids and needs. That document drives the MS 25. The MS 25 contains the same high-level data and is submitted to the Department of Revenue Administration.

What is the unreserved fund balance? \$570K is the number we will likely land at.

The board will vote on the retention of a fund balance. Jim Fredrickson asked for a handout for reference.

Katherine said that a statement from the Superintendent or Business Administrator with a narrative on why we are utilizing the retention would be helpful. Telling the public, the reasons why we aren't giving the \$570K back to the towns is important. It is not our wish to overtax anyone, but we are in a precarious situation with the reopening costs that reach into the daily operations.

Kimberly Saunders said that we have prepared a letter to the Commissioner stating that we are asking to retain funds. The next piece is to attach those expenses that are identified as unplanned expenses that were incurred. We need to go back onto the piece about FEMA. The Governor has released \$200.00 additional dollars per student. This will help close the gap on what we thought would be FEMA reimbursement monies.

Jim Fredrickson said that if we are going to vote on Tuesday, he would like a succinct statement on what is being voted.

Kimberly Saunders said that we have the associated charts related to FEMA expectations.

Jim asked what is being voted on Tuesday.

Katherine Heck said that it is to vote on retaining \$570K. Kimberly Saunders disagreed, she said that we always plan on having some amount of dollars remaining. She spoke about the expectation for district assessment. She suggested that we decrease the figure by the unreserved fund balance.

Jim Fredrickson said that \$250K was anticipated in unreserved fund balance.

Lori Schmidt said that the full amount is listed in the letter but the Board needs to vote at a properly noticed meeting. The letter is based on legal input to contain all of the elements that it needs to. There are two separate issues. We need the letter submitted to the State and then information on a document

Katherine Heck said that towns are working to decrease expenditures to keep the budget flat.

The discussion on how much we retain and the justification for doing so needs to take place.

Kimberly Saunders said that the FEMA related costs would be listed out that we planned on receiving reimbursement toward. Showing that the costs would be decreased by \$320K from the unreserved fund balance and then showing CAREs dollars and how they were applied was suggested.

Rich Cahoon said that the purpose of this letter is to petition the State to allow us to do this. He thought that he heard Lori Schmidt say that if we include the \$570K number, the State will say that we can retain up to \$570K. From there, the decision of how much of the \$570K should be retained takes place with a vote of the board.

Jim Fredrickson said that an agenda item that will be described on Tuesday that should have backup and a well drafted motion to document the intent.

Kimberly Saunders said that she and Lori Schmidt will put together an administration draft. She is concerned that we don't usually draft motions ahead of time; it leans the discussion in one way or another.

Dick Dunning said that we are sending a letter; done deal. The other part is that we have \$570K.

Why do we want to give anything back to the towns? What is the rationale knowing that we are going to have these costs?

Jim Fredrickson said that it is up to the board to decide how much to return. We will have the discussion on Tuesday.

5. 20-21 Budget Summary

Unanticipated cost summary information was reviewed. FEMA is off the list and the ESSER Grant figures were revised.

Lori Schmidt noted changes made to the document.

Jim Fredrickson asked if the \$739,905.35 includes the full Monadnock Tent and Event amount. Lori Schmidt said that the full amount is in this figure. We have paid half but have received authorization to purchase additional tents.

Jim Fredrickson suggested adding a column for the potential use of Trust Funds. Lori said that we have not discussed using Trust Funds for unanticipated costs.

Jim said that we have to make decisions on the use of trust funds to free money up.

6. 21-22 Budget Guidance/Schedule

Kimberly Saunders said that administration will work tomorrow to roll out budget guidance with them. Commitments already discussed will be shared with them. This may be our world for a little while and we need to plan for a similar world. What does it mean for us long term?

Jim Fredrickson said that he thought we were to assume full participation in class with the option to remote as well.

Dick Dunning said that we need to look at another similar year as we are in now.

Rich Cahoon said that the Department of Education has a requirement that we continue to offer a remote option that is not tied to the Emergency Order. Kimberly Saunders said that it has not passed yet.

Katherine Heck said that even if it does not pass, ConVal should continue with a remote option; it has been great for families to have the choice.

7. Capital Improvement Plan

The 2021 total is accurate on the Capital Improvement Plan (CIP) and it reflects work that will get done. The 2022 totals \$3.3M. Jim Fredrickson asked when determination for how this will be funded will take place.

Kimberly Saunders said that if we are going to put CIP items in the budget, we need to go line by line and determine the funding source.

Rich Cahoon said that the possibility of an ATC Regional Bond needs to be accounted for in the scheduling of possible bonds.

Kimberly Saunders said that we were last, or second to last, on the list for funds but districts have skipped, which pushes us up on the list.

Jim Fredrickson asked the committee when they should meet for this purpose. The process needs to take place.

Tim Grossi reported going through the list and identified six items that have to take place. The CIP was designed to take information and spread out the expenses over a period of years. The bigger conversation should be that, with a bond or two being paid off soon, how do we finance this CIP over a time frame? The CIP items will be tied to funding source suggestions.

Dick Dunning shared concerns with getting a bond approved in this climate.

Katherine Heck spoke about approaches to fund the CIP in terms of fiscal planning.

This work session would be scheduled before the next Budget & Property Committee meeting.

8. Monitoring the School Budget

Katherine Heck said that over time, the board has requested documents or filling in spreadsheets. These types of reports that the board are looking for should be placed in a consistent location was the point. Policy and budget are the focus of the board. The board recommends the budget and monitors it.

A budget document is supposed to allow for timely decision making, monitoring of funds, provide insight, and assist in capital planning and future budgets. There are a lot of best practice reports that

we can get. A report by function code might be helpful. Katherine said that she would like to look at the types of reports that we get on a consistent basis.

Jim Fredrickson spoke about the flexibility of reports to provide specific information. As an example, he was looking for one report that he would like to see subtotals included.

Lori Schmidt spoke about the reports being pulled out of modules, there is some flexibility. She can do some digging in the software to see if it can be accommodated.

Rich Cahoon asked if the software package comes with a suite of canned reports. Confirmed.

Could sample reports be provided from those so that additional work would not be needed?

The recommendation was made to list the account number and account balance on purchase recommendation requests.

Jim Fredrickson said that reaching a balance is the goal; not rubber stamping the budget requests and not micro-managing.

Alan Edelkind said that there are two levels of needs; Budget and Property and the School Board as a whole. Is it logical to lay out what reports could be used that are detailed for Budget & Property and also the roll up types for the School Board? Finding out the difficulty in getting these reports could be determined and presented to Budget & Property.

Discussion took place further about the interest and need in the details of this committee.

Jim Fredrickson said that he would send out a list of action items from tonight's meeting.

Jim said that he receives reports asking him to approve. He asked at what level of detail he and Dick Dunning should go into. He is unsure he is going deep enough. What is the expectation of a board member when approving these? He is looking for balance.

Kimberly Saunders said that she would reach out to other districts to find out their practice.

Katherine Heck said that the internal control is that the board member has some level of threshold where they ask questions or get the source documents. A spot check so to speak.

Dick Dunning shared the process he goes through to approve these.

Katherine Heck shared her practice to look for a threshold and ask for the backup or questions.

Kimberly Saunders said that information can be requested and the response can be scanned and sent.

Katherine Heck agreed to send Jim Fredrickson the policy on this topic.

Friday, October 30th from 9 to 10:30 was the date and time set aside for review of the CIP.

9. Trust Funds

Jim Fredrickson noted "projected transfers" that have already been transferred.

Transfers out were discussed.

10. Non-Public Session: RSA 91-A:3,II (If Required)

None.

Dick Dunning motioned to adjourn at 7:32 p.m. Robert Short, Jr., second. Unanimous.

Respectfully submitted,

Brenda Marschok