

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

CONTOOCH VALLEY SCHOOL DISTRICT

BUDGET & PROPERTY

Tuesday, April 13, 2021

5:30 PM

Physical Location: SAU #1 Board Room

Virtual Location:

<https://us02web.zoom.us/j/83100678874?pwd=cS8yNE12aTdEdm9CcTFTWDFZaStYQT09>

Meeting ID: 831 0067 8874

Password: N8m11D

Phone: +1 646 558 8656

Meeting ID: 831 0067 8874

Password: 000267

Minutes

Committee Members:

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

Committee Members Present: Richard Dunning, Alan Edelkind, Jim Fredrickson, Katherine Heck, Robert Short, Jr.

Others Present: Dr. Kimberly Saunders, Lori Schmidt, Tim Grossi, Kevin Pobst, Tim Theberge (6:51 p.m.)

1. Call meeting to Order

Dick Dunning called the meeting to order at 5:34 p.m.

2. Elect Committee Chairman

Dick Dunning nominated Jim Fredrickson as Chairman. Alan Edelkind second. Unanimous.

3. Approval of Minutes - March 4, 2021

Dick Dunning moved to approve the minutes of March 4, 2021. Katherine Heck second. Katherine Heck abstained. All others in favor. Motion carried.

Dick Dunning moved to seal the minutes of the non-public session at the March 4th meeting. Robert Short second. Katherine Heck abstained. All others in favor. Motion carried.

4. Solar Project

Tim Grossi reported that Dan Weeks has responded to all of the district's questions. Tim said that he is comfortable with what was provided.

Lori Schmidt said that some performance questions were unanswered. Dan Weeks has responded to those. Lori said that she has references to connect with.

Jim Fredrickson said that our attorney was comfortable with the review of information.

Lori said that red line edits stressing non-negotiables that need to be included in the agreement have been sent to Revision Energy. A meeting to discuss further will be scheduled.
Lori Schmidt suggested monthly meetings on solar moving forward.
Jim said that information should go to the full board. The May meeting was slated.

5. Committee Priorities

Priorities for this committee for the coming year were discussed. Jim Fredrickson referenced a March 6th email he sent out listing priorities. Urgency and priority should be determined.
Capital Improvement Plan (CIP), Trust Fund Balances and Utilization, major contracts (transportation & solar), review and update financial policies, financial reports, COVID Relief funding, FY'23 guidance, and tuition recommendations are all on the table.
Jim Fredrickson said urgency, priority, and ease of completion should be considered.
Dr. Kimberly Saunders said that she will need budget guidance in July. Budget guidance should be in writing so that it is documented and clear to administration.
An earlier discussion on the proposed budget should take place.
Kimberly Saunders said that if a bond is under consideration within the next two years it should begin as a priority. Jim Fredrickson said that this would tie into the CIP. FY'23 guidance would include information on a proposed bond.
Jim said CIP is one of our highest priorities.
Dick Dunning said that middle school renovation and looking at the elementary school costs are priorities.
Jim Fredrickson asked when tuition rates should be set for the 22-23 school year. February at the latest was suggested.
Katherine Heck said that after budget season ends CIP work typically begins. Specific projects are mentioned, but a higher level CIP needs determination. Defining a percentage of operating budget that should go into planned maintenance costs and other characteristics will allow further deferring to take place. The plan will tell us what we want to bond and how much we can afford to bond. A fiscal capacity for every town in our district needs definition. There are diverse factors going on in each of the communities.
Robert Short, Jr. asked if reports can be run on the proposed 21-22 budget by school.
Lori Schmidt said that when the budget is prepared it is built on the detail.
Lori said that the CVEA agreement is not built into the recently passed budget.
Kimberly Saunders said that before we look at the elementary schools the Board and Budget & Property Committee needs to decide which costs they are going to allocate to schools and which are not. If the committee is looking at the cost to run an elementary school, specific costs need to be determined.
Jim Fredrickson said that two pieces are needed with the CIP; a better process and a list from Tim Grossi on what work we need to do. On elementary costs, Lori Schmidt can likely provide information.
Katherine Heck said that it would be helpful to define what is allocated and what is aggregated as a district so informed decisions can be made. Value statements are a component. For example, how many students are viable for a school building?
Information should be first brought to the Budget & Property Committee before going to the full board.
Katherine Heck said that information would be gained on the capacity of a town to pass a bond and for those to pay their tax bill. What becomes out of the range as possible would also be defined.
Dick Dunning said that we should look at the costs of the schools and determine if there is a reduction in cost by consolidating. Bringing the financial advantage information and educational advantages for consolidation need to be shared.
Jim Fredrickson said that we need the elementary school costs. A long-term decision needs to be made from information that will inform those decisions.
Discussion took place about having an outside person do some of this work. An RFP was developed in the past with no response.
A fiscal analysis is different from looking at educational program and different from looking at the small schools.
A fiscal capacity study is the hope.

Kevin Pobst asked if this committee is going to discuss the \$780K slated for the remote school and the plan for it. Jim Fredrickson said that it will be addressed.

6. Policy DIA - Fund Balance

Jim Fredrickson spoke about multiple policies on this topic.

Katherine Heck said that current policy does not have enough substance. We did have a discussion about the policy Katherine drafted. It was crafted so voters could understand what the district is trying to do. Language from the Department of Revenue Administration was incorporated into the proposal. Making sure that the public understands that the funds would be used prudently is part of the policy. 2.5% of net assessment does not compound. The self-governance piece assures diligence. It allows the district a cushion to take financial stress away.

Jim Fredrickson said that he will send the proposed policy to the committee.

7. Capital Improvement Plan

Jim Fredrickson said that renovations or modernizations were touched on. Tim Grossi said that the buildings built in 1989 are far different from what would be designed today. Updating pricing on the current plan has been started for renovation. The cost of materials is through the roof. As a result the CIP pricing needs updating.

Jim Fredrickson said that the starting point is doing the subdivision.

Katherine Heck said that the years will get assigned by priority with a thorough plan. Windows of time will identify the work done within it.

Kimberly Saunders said that the difficulty comes in when we consistently steal from Peter to pay Paul. We tend to look at what can be done in a year and move all else to the CIP. The plan needs to be carefully designed.

Kimberly said that there is a lot happening this time of year to pull the current school year to a close. Tents, cleanup, additional sanitization etc. A four week window to redo the CIP is not reasonable.

Tim Grossi said that he can update out two years, but further would be an issue in short time.

8. FY22 Budget - MS22...Reallocation

Lori Schmidt spoke about cost allocations. The MS25 is done in the fall.

State reporting is based on function, not object. Article 2 is included.

Alan Edelkind had asked about how the \$780K would be allocated. Jim Fredrickson said that it is a full board discussion.

Alan Edelkind said that he asked what the options are. He said that he is not clear about the options with the \$780K prior to July 1 and subsequent to July 1. Options could then go to the full board for decision making.

Kimberly Saunders said that it is not actually \$780K. There were significant concessions that administrators went through to arrive at the proposed budget, which included the remote school. Those pieces, totaling \$250K, would be reinstated.

Jim Fredrickson said that is why this was put on the agenda, to have those discussions. He understands and wants to determine a definitive idea about how it plays out. In addition, medical savings by object code needs to be reviewed. A running tally of things that we know we don't have to spend is needed. He wants to develop a "reserve" not to be spent to be discussed by the board.

Kimberly Saunders said that would be a great discussion for the next meeting.

Kimberly further said that the only way to give the money back prior to July 1 or early 21/22 would be to not collect it from the towns, if even possible. Because it was voted and it passed, we have to raise those dollars.

Katherine Heck said that we cannot reduce the appropriation. The board put forth a budget and it passed. The board, after the recount, decided we would remove a program prior to July 1. An appropriate decision is to set aside public money for specific purpose. We made a political decision not to further a program. There is no ability to do a transfer. We need to figure out what those dollars are and commit it back to the taxpayers. We can't give it back until the following December.

Tim Theberge said that if there are monies leftover, it is hard for him to recognize that extra money is around when hearing talk about the CIP. The rush to give it back and then discuss the need to focus on CIP is an inward push.

Jim Fredrickson wanted to know how much money has not been spent that could be returned a year from December. If loss learning is a big issue, money to address that will need to be identified.

Kimberly Saunders said that four or five years ago, a mistake was made during the budgeting process. The board made a very clear vote that no matter what, that amount of money would go back to the taxpayers at the end of that fiscal year. It is not immediate but is a clear indication to the constituencies. It has been done before.

Jim Fredrickson said that it is premature to talk about it, there are too many unknowns. This money should be earmarked to address an urgent need and not touch that money otherwise.

Discussion ensued.

Kimberly Saunders suggested that she have a discussion with legal and bring forward a list of what the options are legally. The committee agreed.

9. FY21 Budget - Fund Balance estimate, COVID Funding update

Jim Fredrickson asked when we will have an idea of what might remain in the current budget.

Lori Schmidt said that we know what our ESSER II funding is. FEMA money factors in. A plan needs to be devised on how we will use these funds. Final allocation will not be made available to schools until the 60 day window the State has is up. We have a 30 day window to publish our reopening plan with a public comment period.

Lori said that she is confident that we will be able to fund our trusts and give some money back.

Robert Short, Jr. asked what the status of our audit report for last year is.

Kimberly said that we recently got the audit in. She and Lori will review. It will be on a near School Board agenda.

The waterfall effect of getting FEMA funds, ESSER funds, etc. will impact what will remain at the end of the school year.

Board Reports – Jim Fredrickson said that we have three basic needs; board report that covers general budget, report that covers grants, and a revenue and expense statement. His view is that the board report that is provided all of the time has been reformatted, relabeled, and summarized. A synopsis was included.

Jim said that he asked Lori Schmidt to provide a primer to the full board on what the report means. Day 1 of FY'22 is the date that funds for next year's budget can be encumbered. Items like salary and contracts make that possible. What happens when the manifest is approved? Requisition approval impact can be summarized.

Lori Schmidt shared a document titled "Budget Passed – Now What?" The MS-22, budget, encumbrances, expenditures, manifest, etc. were detailed in the document that outlined process.

Jim Fredrickson asked if anything different needs to happen with the general ledger report.

Robert Short, Jr. said that he wanted to see what other reports our system might be able to generate. He is looking to simplify the report and see what is available. What does the system do? He is not looking for anyone to have to manipulate reports.

Lori shared what sorting abilities might be possible.

Katherine Heck suggested revenue, cash flow, and a balance sheet several times a year.

Discussion took place.

Lori Schmidt said that she can provide some sample reports.

Dick Dunning motioned to adjourn at 7:35 p.m. Robert Short, Jr. second. Unanimous.

Respectfully submitted,

Brenda Marschok