

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

CONTOOCOOK VALLEY SCHOOL DISTRICT

BUDGET & PROPERTY

Tuesday, January 11, 2022

Immediately Following Budget Hearing that begins at 6:00 p.m.

Physical Location: SAU Board Room

Agenda

Committee Members:

- Richard Dunning
- Alan Edelkind
- Jim Fredrickson, Chairman
- Katherine Heck
- Greg Kriebel

- 1. Call meeting to Order**
- 2. Approval of Minutes – December 14, 2021**
- 3. FY'23 Budget**
- 4. Capital Improvement Plan and Policy (FY'24-26)**
 - a. Policy DID: Fixed Assets
- 5. Solar Project Completion**
- 6. CTE Renovation/CTE**
- 7. Community Forum**
- 8. Other**

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CONTOOCOOK VALLEY SCHOOL DISTRICT

BUDGET & PROPERTY

**Tuesday, December 14, 2021
6:00 PM**

Physical Location: SAU Board Room

Minutes

Committee Members:

- Richard Dunning
- Alan Edelkind
- Jim Fredrickson, Chairman
- Katherine Heck
- Greg Kriebel

Present: Jim Fredrickson, Richard Dunning, Dr. Kimberly Saunders, Cari Christian-Coates, Ben Moenter, Tim Grossi, Amy Janoch, Lori Schmidt, Nicole Pease, Kevin Pobst, Katherine Heck, Alan Edelkind (6:25 pm)

1. Call meeting to Order

Jim Fredrickson called the meeting to order at 6:00 p.m.

2. Approval of Minutes – November 9, 2021

Dick Dunning moved to accept the minutes of November 9, 2021. Jim Fredrickson second. Unanimous.

3. Preschool Expansion

Kimberly Saunders said that there were concerns shared about cost. Creative ways to phase this in so that there would not be a greater impact on the budget have been explored.

Cari Christian-Coates said that there are two options.

The first option would include the social worker position being funded through grant monies at various levels. At a point in time, in 2024/2025, it would come out of the grant and into the budget. Budget impact for 2022/2023 would be \$477,120. In 2023/2024, the impact would be \$133,496, and the same in 2024/2025.

The second option included not adding the social worker position. The budget impact in 2022/2023 would be \$566,274, in 2023/2024 it would be \$133,496 and \$44,342 in 2024/2025.

Which option would be preferred?

Kimberly Saunders said that option one could take place but would stretch grant funds. The second option would be preferred. The thought was to mirror the other two options that were trying to be phased in in a more fiscally appropriate way.

Would this come back next year as part of the proposed budget? Kimberly said that if the Budget & Property Committee and the School Board said that they wanted it in the budget, it would be rolled in.

Transportation has not been part of the conversation as of yet.

Alan Edelkind joined the meeting at 6:25 p.m.

Transportation has not been a barrier so far with this program.

Cari Christian-Coates said that transportation and the sliding fee payment schedule were discussions that have not taken place. The thought was to wait until program capacity was met. These are two complete elements.

Regardless of whether the program is expanded or not, the district will still have to provide transportation for special needs students. Even though we are expanding the program the district is still required to provide transportation for identified students.

Dick Dunning said that he has an issue with not hiring a Social Worker with Option 2.

These resources were needed to provide what is needed for kids. He said that we need to have a program that we said that we needed to do.

Kimberly Saunders said that a decision is not required. She said that she saw six board members that struggled with the impact on the budget. A look at how the impact on the budget could be lessened was made. The goal was to bring a level of comfort to the board that it could be managed and be the best program with less impact on the budget.

Katherine Heck said that she continues to have a lot of questions. She said that she could not find historical information on how we got to this point. She looks to see if it was part of the long-term Strategic Plan. She is not sure the community understands this expansion given the board delay of the expansion. It is not a new concept. We were also under different economic circumstances. She goes to where the public is with understanding this proposal.

Kimberly Saunders said that the intent tonight was to share these two options and provide a slower phased in approach.

Dick Dunning said that Katherine Heck is correct in wanting to make sure the public understands. Phasing it in is a great approach. He said that communications have to be made clear to communities as to why the district is doing this. Dick said that his hope is that this is a way to address preschool and the advantages that it provides. It is a communication issue. Dick Dunning asked if the \$700K was the issue or the communication.

Katherine Heck said that they are together and separate. People have a limit. She said that this should be a separate warrant article. Do we risk losing the whole budget because we put something in that people don't have a firm understanding of? There is a lot at stake here. Her recommendation is to present it to the public. She wants to know if the communities support this.

Jim Fredrickson said that the Communication Committee has talked about explaining the budget and what is new in it. Several board members voted on this option because the budget target was met.

Jim said that the program could be reduced to help the budget. It could also be proposed as a separate warrant article but Jim did not recommend it. There is already a preschool program in place.

Cari Christian-Coates said that this was proposed several years ago. It feels uncomfortable to discuss the passing or failing of the budget because of the preschool program. The budget coming in \$40K over the target is not a direct result of the preschool; it doesn't help sell the program.

Kevin Pobst asked where the constituents were at with the staffing of the program with such a supportive program rich with regard to staff/student ratio.

Kimberly Saunders said that the program presented is based on the program run right now. A video was created last year that was well received. We have a highly successful program that is proposed for expansion.

Cari Christian-Coates said that the program has been expanded to address the four-year old students. It is a half-day expanded to a full day.

What are the longitudinal measures of success? At one point, we would have children from other districts in our program which complicates pulling data.

The success of the program should not be referred to absent data. There is incidental data about what has been done immediately. The place we got to was when we had kindergarten students who did not know colors or numbers. We have to do something or have issues later. Cari Christian-Coates said that in 2017/2018, it was a planning year. The second year, a two-phased process of rolling out to eight classrooms was presented. A request to reduce the budget resulted in a Phase A and B with options to move forward. Eight classrooms have been discussed since the beginning. Staffing proposals have been discussed.

Families have moved in the district since COVID. Every year we have a different audience of people with different groups who are listening if the topic is of interest to them.

Jim Fredrickson said that he would be in favor of bringing a reduction option to the full board. Jim noted that Dick Dunning said that the Social Worker is valuable. How do we address that concern?

Cari Christian-Coates said that we have one full-time Social Worker. It would stretch that person. Cari offered an option to increase the position through time.

Dick Dunning asked why we wouldn't go with the option that seven board members feel addresses the need. He said that people look at the bottom line of the budget.

Kimberly Saunders added that the budget is the financial representation of the board's vision for the district.

Katherine Heck shared what she hears from constituents about the budget. They wonder how we can spend over \$700K on preschool while cutting other things.

Kimberly said that misinformation was put out to the voters about the remote school purposefully to sabotage the budget. When it was corrected, those people continued to perpetuate the misinformation.

Cari Christian-Coates said that she feels that administration is here to propose something that is truly in the best interest for students.

Kevin Pobst said that he would be proposing exactly what is being proposed if he were administration. Offering a rich promising program for children is their job. The board's job is to decide how it balances out. Kevin asked if the fifth class was not added with all of the personnel needed. A teacher was added but not the other positions. Fourteen new employees would be needed for sixty new children. He thinks about this as a yearly requirement. He has to think about that as a board member.

Jim Fredrickson asked the committee if they would like to take these new options to the full board. Confirmed.

Dick Dunning told Kevin that he is correct, we need to add fourteen staff because of the way that our district is structured.

Jim Fredrickson asked that this information be presented in a way to manage and inspire the full board.

4. Solar Update

Tim Grossi reported that Revision Energy Project Manager reports the project will wrap up on December 15th with the exception of work with the switchgear. Electrical inspection will occur and pull off line until the parts are received that are needed for completion.

The plan is to have it up and online by December 31, 2021.

5. FY'2023 Warrant Articles

Warrant Articles and Trust Funds. Are there any other warrant articles that should be added? What should the difference between the operational budget and gross budget be?

The Proposed Budget is \$52,223,192.00.

Should the Warrant Article be based on gross or operational budget? ConVal's attorney confirms the gross budget.

Discussion took place about funding trust funds through surplus and counting them in the percentage of impact on the proposed budget. You do not include them in the percentage calculation.

District assessment is what impacts tax bills.

Is one million dollars directed to trust funds still in agreement? Confirmed.

6.41% increase in total gross budget is the impact.

Order of warrants: \$500K in Building Capital, \$50K Health/Maintenance, \$100K Energy Trust, \$250K Building Capital, and create a new Tech Trust with \$100K (raise and appropriate or fund through trust).

A suggestion was to establish and fund \$100K for a Technology Trust. The creation and raising and appropriating of tech trust should come first in order.

1-4 will be fund balance funded and fifth will be new trust and to raise and appropriate.

Tech should be last if it is decided to be funded through fund balance.

Order could change based on full board discussion. Raise and appropriate would place it first, fund balance places it last.

6. Capital Improvement Plan and Policy (FY'24-26)

A draft plan and policy were referenced that Katherine Heck created. Target numbers, thresholds, and percentages, and percentage goal are not included at onset.

Translating CIP into a financial plan is part of the process. The two would be implemented together.

Kimberly recommended that as part of the process, the towns are brought in to learn about their capital plans. They impact one another long-term.

Kevin Pobst exited the meeting at 7:45 p.m.

7. SKIP Lease

8. State Building Aid

Letter of Intent needs to be submitted. An architect needs to come on. Letter of Intent gets ConVal in the queue. Deadline is January 3rd. Only funded through next biennium budget. Confirmed.

9. Pavilion for HES/Public Hearing

Nicole Pease and Amy Janoch shared information about a proposed pavilion at HES. Nicole said that this processed started under Amy Janoch's tenure as principal at HES.

Amy Janoch said that four years ago, discussion took place about work needed on the basketball court and fence work. Amy Janoch said that she wanted to add several pieces of playground apparatus on the large space available. Jonathan Coyne spoke about the summer program and the possibility of a pavilion to provide cover. COVID hit and everything was placed aside.

John Huntley worked with an architect to look into further.

Soon after, Amy transitioned to the SAU and Nicole became principal.

Nicole Pease referenced drawings and financials. The Daniel's Trust is the hoped for as the funding source.

Lori said that the Daniel's Trust can be used for structural work and new items. The Daniel's Trust interest would be used without touching the principal.

The request is that the Budget & Property Committee take this to the full board for approval.

Is a Memorandum of Understanding needed with the Town of Hancock? Yes, the Daniel's Fund is specific to school needs.

The picture shows that there is storage space. Whose storage space is it? Is it divided?

This will be district built and district owned. It is district property.

What is the overall cost? \$58K for the pavilion and 12715 for equipment and install 9850.00.

Is there any reason that these funds should not be used for this purpose? None were voiced.

A Public Hearing will be necessary once/if approved.

Dick, Katherine, and Jim were in favor of the project.

10. Non-Public Session: RSA 91-A:3,II (if needed)

Katherine Heck moved to enter into Non-Public Session in accordance with RSA 91-A:3,II for negotiations at 7:45 p.m. Unanimous on a roll call vote.

Dick Dunning moved to exit the Non-Public session at 7:57 p.m. Katherine Heck second. Unanimous.

Dick Dunning moved to seal the minutes of Non-Public Session for five years. Second. Unanimous.

Katherine Heck motioned to adjourn at 7:57. Dick Dunning second. Unanimous.

Respectfully submitted,

Brenda Marschok

DID Fixed Assets DRAFT Policy / Procedure 1.06.22

CAPITAL (FIXED) ASSETS

The ConVal School District has invested in a broad range of capital assets that are used in the school system's operations. The Business Administrator is responsible for managing the District's capital assets and maintaining the fixed assets inventory. In accounting for capital assets, the District will implement the standards required by Statement 34 of the Government Accounting Standards Board.

Capital assets are real or personal property that have a value equal to or greater than the capitalization threshold of the particular classification of asset, and have an estimated useful life of greater than one year.

Capital assets include:

- Land
- Land Improvements (not depreciable)
- Land Improvements (depreciable)
- Infrastructure
- Construction in Progress
- Leasehold Improvements
- Buildings and Building Improvements
- Vehicles
- Furniture, Equipment & Machinery

All assets, or at least a representative sampling, including those that are reported on a composite basis, must be evaluated once annually to reflect either an increase or decrease in total value.

CAPITALIZATION THRESHOLD

For financial reporting purposes, capitalization thresholds are set at \$10,000 per item, or for like kind (aggregate) purchases, for all classes except Infrastructure assets, which are capitalized and depreciated if over \$100,000 per item.

ESTIMATED USEFUL LIFE THRESHOLD

For financial reporting purposes, an asset must have an estimated useful life greater than five years to be considered for capitalization and depreciation.

ACQUISITION OF ASSETS

Capital assets may be acquired through donation, purchase, or may be constructed. The asset value for donations will be the fair market value at the time of the donation. The asset value, when purchased, will be the initial cost plus the trade-in value of any old asset given up, plus all costs related to placing the asset into operation. The asset value of constructed assets will include all costs of construction.

DEPRECIATION OF ASSETS

For all assets that qualify as a depreciable asset, the straight-line, full-year depreciation method should be utilized to depreciate the capital asset, over the estimated useful life of the related asset.

DISPOSITION OF ASSETS

When capital assets are sold or otherwise disposed of, the inventory of capital assets should be relieved of the cost of the asset and the associated accumulated depreciation. Assets will be removed on an annual basis in conjunction with the annual update. The appropriate depreciation will be taken for the year of disposal.