

OFFICE OF THE SUPERINTENDENT OF SCHOOLS
Peterborough, New Hampshire

CONTOOCOOK VALLEY SCHOOL BOARD

School Board Budget Work Session
SAU BOARD ROOM

NO PUBLIC PARTICIPATION

Saturday, November 4, 2023

8:30 a.m.

MINUTES

BOARD

William Bryk, Tom Burgess,
Richard Dunning, Alan Edelkind,
Jim Fredrickson, Dan Harper,
Katherine Heck, Michael Hoyt,
Thomas Kirlin, Liz Swan

ADMINISTRATION

Dr. Kimberly Saunders, Supt.
Dr. Ann Forrest, Asst. Supt.
Brian Cisneros, B.A.
Tim Grossi, Facilities
Michael Hatfield, H.R.
Cari Christian-Coates, Student Serv.
Ben Moenter, Special Ed.
Heather McKillop, CVHS
Tim Conway, SMS
Adam Caragher, GBS
Beth Gibney, AES
Alisha Hansen, Pierce
Nicole Pease, DCS
Rachel Hill, FES
Shawne Hilliard, GES
Jessica Vezina, HES
Larry Pimental, PES

8:30 – 9:00 - Welcome & Breakfast

Dr. Kimberly Saunders welcomed everyone for attending this morning.

9:00 – 9:30 - FY'25 Budget Work Session – Kimberly Saunders

- Overview of Materials
- FY'25 Presentation of Administrations Recommended Budget

Kimberly Saunders shared budget challenges –

Year 3 of the CVEA Agreement totals \$714,868, insurance increase of \$1,719,865, tuition increase (legal obligations to our students) of \$881,091, and a transportation increase of \$447,327.

These numbers have to go up to meet legal obligations to students.

Dollars were leveraged, tradeoffs were made to more directly impact student learning. One-time expenditures for inclusion in federal dollars and trusts were reviewed.

The budget process was rolled out to administrators in September. From there, it was reviewed and revised leading to today's workshop. A public hearing in January, followed by District Meeting in February and a March vote will follow.

The proposed budget is barely a flat service budget.

Challenges include the Guaranteed Maximum Rate increase for health insurance of 25%, transportation, tuition, and budgeting to maximum exposure.

The result is a proposed operating budget of \$56,017,506. The proposed operating budget is up 4.15%.

Salaries are down by \$479,674 or 1.73%

Benefits are up \$1,749,812 or 13.49%

Professional Services are up \$347,007 or 9.48%

Property Services are down by \$164,293 or 15.04%

Other purchased services are up \$1,351,059 or 32.97%. This includes tuition and transportation increases.

402's drive court or other legal placements. ConVal has \$285,513.00 for court placed students. We get \$12,480.00 in adequacy for these students.

In addition, three Charter schools for ConVal students have associated costs of \$113,495.00 in which ConVal receives \$29,120.00 in adequacy dollars. This does not include the cost of ConVal employees to go to these schools to service these students. These costs end up in the budget that we have no control over.

This does not count proposals for Dyslexia Screener that the local district has to cover.

Supplies and materials are down \$134,784 or down 4.32%

Furniture and equipment are down \$281,491 or down 51.4%. All new or replacement furniture that was not directly related to legal obligations was removed.

Dues & Fees, Debt Services is up \$24,590 or up 7.09%

Trusts , ESSER-3, E-Rate, and Capital Reserves - \$226,212 was removed from the budget and put into trusts for funding for things that can be purchased using these types of funds.

Considerations include Title IIA totaling \$15,228.00 and Title IVA totaling \$10,650.00.

Recommendations:

Cut one contracted service and bring in a staff member onboard.

Reading Interventionist for AES - Have to keep this position in the budget and out of ESSER.

Two full-time interventionists at GBS

Full-time technology integration specialist for GBS.

Kimberly Saunders said that this is the highest increase that she has brought forward as Superintendent.

Tom Burgess asked how our GMR increase for health insurance stacked up against other districts.

Kimberly Saunders said that it is related to usage.

Katherine Heck said that healthy reimbursements were realized during COVID and this is, in part, a result of that.

Tom Burgess asked about the out of district coordinator position. Kimberly explained that the funding of this position is being asked to pull into the district budget.

How does bringing the coordinator position back into the budget help meet kid's needs?

The ESP Clinical Coordinator continues to improve the program to meet the needs of our students in house.

The out of district coordinator works with 60-70 kids to support all of the pieces. Rather than keep this role in the grant, it is requested to move into the budget. The ESP clinical coordinator would move into the grant.

Dick Dunning asked if Katherine Heck could share a presentation at some point of what a Default Budget really looks like and what it entails.

The general public should have a clear understanding as well.

Kimberly Saunders said that Brian Cisneros, Business Administrator might provide this information.

Jim Fredrickson said that we have to get a budget passed, CVEA, trust funds, warrant articles.

Support services is down and pupil services are both down because dollars are moved into ESSER.

9:30 – 9:45 - Non-Public Session RSA 91-A:3 II

- Negotiations

- Personnel

Katherine Heck moved to enter into Non-Public Session in accordance with RSA 91-A:3 II at 9:37 a.m. for matters of personnel. Liz Swan seconded. Unanimous on a roll call vote.

Katherine Heck moved to exit Non-Public Session at 10:38 a.m. William Bryk seconded. Unanimous.

Katherine Heck moved to seal the minutes of Non-Public Session for two years. William Bryk seconded. Unanimous.

9:45 – 12:30 - Discussion

Jim Fredrickson asked how much is budgeted for health insurance. It is budgeted for \$1.79M.

\$584,000 is in the Health Trust Fund currently. A portion of the \$584K could be used toward the \$1.79M.

A public hearing would be necessary.

\$300,000 was recommended from the trust and then consideration for adding more back with unreserved funds at the end of the year.

Is this emergent? Is it significant enough? We have time to plan.

Jim Fredrickson said that trust fund balances will be looked at in the next Budget & Property Committee meeting. Mike Hoyt asked if there has been a historical need to keep a larger amount in this fund. The response was that there has not been a need.

Katherine Heck said that a target might be determined before considering an amount. A public hearing is not needed now. She recommended an "up to" number.

Tim Grossi reported putting \$226K worth of items into building and equipment trusts and out of the budget.

Special Education Trust Fund - no recommendation to take funds from. An outplacement could easily impact this fund.

Kimberly Saunders spoke about the Energy Efficiency Trust implemented to buy out the solar project. Should these funds be used for other energy uses?

Jim Fredrickson said that if the target to buy the project out is newly estimated, the money is in the trust now to do so. He suggested that \$25K or \$50K could be taken out.

Katherine Heck asked if there were any capital energy projects under consideration. Otherwise, longer term capital goals will not be reached.

Tim Grossi said that it depends on the middle school renovation conversations and CTE at the high school.

Kimberly Saunders suggested going through the budget to look at anything that might be taken out of the budget that trust funds or grant funds might be used.

The Athletics Trust Fund will be reviewed as well. Target is \$200K and the balance is \$400K. Recommendations were asked for trust targets.

A trust for Revenue Shortfalls was suggested. Katherine Heck said that is what the contingency fund is for now. Kimberly said that adequacy is a consideration. If it decreases, we could go to a trust.

The contingency is designed to offset the tax rate.

Clear legal guidance is needed on what defines an emergency from the funds retained. Katherine Heck said that it is board defined.

Katherine said that the contingency (retained) fund can do everything that is being discussed.

Jim Fredrickson said that we can define what we want to use the emergency fund for and we could also set up another trust fund.

Katherine said that she would not recommend that. It can offset a revenue shortfall. We do not have the option in NH to do what is being asked. She offered caution.

The Superintendent was asked to get a legal opinion.

Dick Dunning said that he did not believe that a new fund was needed. The retention rate could be increased from the current 2.5% to one higher.

Tom Burgess asked if we needed to go to legal opinion.

Katherine Heck said that parameters are needed for the retention fund.

Kimberly will send the policy to legal and outline the situation that currently exists.

Katherine said that legal approved our original policy and it is likely illegal to use for health insurance.

A policy change would be needed to increase from 2.5%.

Kimberly Saunders asked if items should be put into grants (Title IIA, Title IVA, ESSER and Erate). Confirmed. Kimberly will review the budget to see what else might come out of trust funds.

Other guidance?

Tom Burgess shared his concern about spending money for a legal opinion about the retention policy that we do not need. How was it left?

Dick Dunning said clarifying the policy to learn if the insurance increase would fall within the emergency.

Katherine said that the board defines emergency; we get to define that. If we take dollars now, in November, for a budget that starts July 1, we don't have available dollars for other unforeseen emergencies that we could not react to. We could also use the funds to offset the tax rate. Emergencies are unforeseen unexpected events.

Tom Burgess said that we do not need a legal opinion.

Dick Dunning said that it should be used for unanticipated emergencies. We know the impact of the health increase.

Katherine Heck said that this tool allows us flexibility within a budget year to use funds or offset the tax rate. It is a financial tool for us. If we decide to commit dollars in November for July, it is not recommended.

Katherine said that we don't raise new taxation for trust funds, we are using available funds.

Tom Burgess reiterated that he does not want to spend even a little bit of money on a legal opinion for what we already know.

We are talking about next year's budget and using funds from this year. It is two different discussions.

Katherine Heck said that when she brought retaining funds up and supported it, it was not designed to start buying things out of this budget.

Kimberly Saunders said that it is emergent.

William Bryk said that a 25% increase in health insurance is indeed an emergency.

Tom Burgess asked if this money is for this year or next.

Brian Cisneros said that you could free up expenses this year rather than next to leave funds toward the 25% increase.

Mike Hoyt said that we have six more months of this year's budget.

Direction from the board?

Use \$1M fund to utilize this year to offset costs in the projected budget?

Katherine Heck said that this is where we need legal advice. We are not associating it with health care costs.

Kimberly will seek legal advice.

Budget & Property Committee will be scheduled before the more detailed discussion.

12:30- 1:00

- **Lunch**

1:00 –

- **Discussion (Cont'd)/Additional Considerations**

- **Final Thoughts**

- **Next Steps**

- **Non-Public Session: RSA 91-A: 3, II**

a. Legal

b. Negotiations

c. Personnel

William Bryk motioned to adjourn at 11:36 p.m. Katherine Heck seconded. Unanimous.

Respectfully submitted,

Brenda Marschok