

WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL

WLCS BUDGET COMMITTEE MEETING & JOINT SCHOOL BOARD BUDGET SESSION

Tuesday January 8, 2019 – 6:30 p.m. in the WLC MS/HS Conference & Media Room

Committee Membership: Chair Leslie Browne (Facilities Committee Rep.), Vice Chair Christine Tiedemann, Secretary Lisa Post (Strategic Planning Committee), Pam Altner, Jennifer Bernet (Strategic Planning Committee), Kevin Boette, Dennis Golding (School Board Rep.), Edwina Hastings (School Board Rep.), William Ryan (Facilities Committee Rep.), Alex Loverme (SB Budget Committee Representative).

The Agenda was as follows:

1. Call WLCS Budget Committee to Order
2. Public Comment
3. Review and Approval of December 18, 2018 BC Meeting & Joint Session Minutes
4. Budget Committee Review and Planning Session
5. **FY 2019-2020 Joint Budget Session at 7:00 p.m. in the Media Room**
 - a. Budget Review
 - b. Warrant Articles
6. Other Business:
 - a. Schedule Next Meeting
The next Budget Committee Meeting is scheduled for Tuesday, January 15, 2019 at 6:30 p.m. in the MS/HS Media Room.
7. Adjournment of Budget Committee

Attendees: *Leslie Browne, Christine Tiedemann, Lisa Post, Pam Altner, Jennifer Bernet, Kevin Boette, Dennis Golding, Edwina Hastings, William Ryan.*

1. Chair Browne called the Budget Committee to order at 6:34 p.m.
2. No Public Present
3. Review and Approval of December 18, 2018 BC Meeting & Joint Session Minutes

A MOTION was made by Edwina Hastings to approve the minutes as amended; seconded by William Ryan.

Voting: All in favor. Motion was unanimous.

4. Budget Committee Review and Planning Session

Chair Browne informed the committee that the School Board will be voting tonight on the Middle School Reorganization proposal. She indicated that she has sent via email the answered questions from the last meeting and asked if there were questions or thoughts. Ms. Post asked for clarification of 501 number the DRA posted that would calculate anticipated revenue in order to give the taxpayers and Towns time to adjust their budgets before the tax bills are sent out. Mr. Boette concurred. Edwina Hastings stated 2014/15 student ADM was 592 and for 2018/19 the ADM is 501. In this time span there has been a reduction of 4 teachers, a reduction of 7 Instructional Support position and an increase of 12 Specialist positions. She asked for clarification of the Specialist positions. The DOE reports that there are 9.6 students to each teacher in the WLC School District. There was a discussion of how this number is arrived at and the need to reduce the budget due to a decline of 91 students over the past four years. Chair Browne reminded the committee that Mr. Boette suggested that the Committee simply allow for the increase of \$116,645 in contractual obligations from the CBA Warrant Article that was approved last year as a starting point which would be a reduction of \$176K over the current year's budget. Chair Browne followed up on her conversation with School Board Chair Dailey that if the Board approved the Middle School Model with a reduction of two teachers, that would be a potential additional savings of \$100K plus

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in salary and benefits costs resulting in a flat budget of \$12,012,232K. The Committee had a conversation regarding the budget numbers, the continued financial support by committee for resources to improve student achievement and the lack of improvement, the problem with having people negotiating contracts that have relatives working in the system. Chair Browne asked for a motion.

A Motion was made by Christine Tiedemann allowing \$116,879K over last year's adoptive budget of \$12,469,005K for a total of \$12,598,674K as a starting point and if a reduction of teachers happens tonight, we expect to see that reduction taken from our starting point of \$12,598,674K; Seconded by Pam Altner.

There was a discussion regarding the motion. No vote was taken.

A Motion was made by Christine Tiedemann to recess at 7:22 p.m. and reconvene at the Joint Session; Seconded by Edwina Hastings. Voting: All in favor. Motion passed unanimously.

5. FY 2019-2020 Joint Budget Session at 7:24 p.m. in the Media Room (See School Board Minutes for additional details)

School Board Attendees: Harry Dailey, Matt Ballou, Joyce Fiske, Carol LeBlanc, Mark Legere, Alex LoVerme, Merriam Lemire, Charlie Post, John Vanderhoof.

SAU Attendees: Superintendent Bryan Lane, Business Administrator LiseTucker, Principals Tim O'Connell, Brian Bagley, Curriculum Coordinator Julie Heon, Director of Special Education Betty Moore, Technology Director Kevin Verratti.

a. Budget Review

Chair Dailey indicated that the Budget Committee was tasked at keeping the budget in line. Mr. Lane reviewed the current budget request of \$12,289,061K which is an increase of \$293,708K or 2.45% increase over FY 2019 adopted budget. The increases are primarily in salaries and benefits which is \$240,859K over the previous budget and approximately \$120,000.00-\$130,000.00 is from the Collective Bargaining Agreements. The remainder is the increase in ABA Therapist for the Rise program. The supplies are up which is from new curriculum initiatives, there is an increase in utilities of \$125,396K a good portion is due to an increase in costs which were from rates as provided from the Public Utility Commission.

Chair Dailey asked the Budget Chair if there were any questions or discussion points. Chair Browne had follow up questions regarding Revenue and ADM numbers and asked if there is any change in those numbers and if it is based on 501 ADM. Mr. Lane stated the Adequacy Aid revenue is \$1,231,727 as provided by the DRA ADM number and changes may happen but not before the FY20 Budget is voted on. Mr. Post indicated that the ADM total as posted by the State in November is 501. It is how students are measured and how many students participate, the preschool and Kindergarten are set aside, and that is the money that flows back to us from the State. We had 541 ADM students last year and 501 students this year which is a 7.5% drop. Mr. Boette confirmed revenue numbers on based on the ADM provided by the State. Mr. Lane commented this is a specific number from a specific document from the DRA which comes from DOE numbers on the FY 17/18 school year. Mrs. Post made the Board aware that the DRA is willing to do a presentation for the Budget Committee and School on how the revenue numbers are calculated and suggested that School Board members may be interested in this as well so that we can bring the taxpayers the most accurate information.

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Mr. Dailey noted that is important to remember that when a gross budget is approved, you are not taxed on the total amount appropriated as the revenue from the state, which comes in a variety of forms, enrollment, Erate, etc., offsets expenses.

Chair Browne indicated the Committee questioned the significant increase in the Specialist staff, what qualifies as Specialist, Mr. Lane indicated this is from the Rise program and are ABA Specialists for which saves money on out-of-district placements. Pam Altner questioned Professional Services for Instructional Program costs which was amount \$18K last year and reduced by \$200 for the upcoming budget. Mr. Lane indicated it is from the new Math Instruction Program.

Chair Browne stated the Committee's position is in support of the contractual agreement of \$116,879 over last year's budget and would like to know what happens after tonight's meeting with the Middle School Options. All our questions have been answered. We have an understanding of what you are looking for and support a lot of the curriculum but feel there is more room in the budget as it seems there are always funds leftover at the end of the year and rather than put the burden on the taxpayers, we would like to see a flat budget.

b. Warrant Articles

Warrant Article# 4, School District Operating Budget:

To vote to raise and appropriate the Budget Committee's recommended amount of \$XXX,XXX,XXX for the support of the school, for the payment of salaries for the school district officials and agents, and for the payment for the statutory obligations of the district. This article does not include appropriations contained in special or individual articles address separately. (Majority Vote Required) Mr. Lane stated the first Warrant Article is set by the Budget Committee and there is always hope that the Budget Committee and School Board can come up with a common number to recommend to the public and discuss at the Public Hearing and District Meeting.

Warrant Article #5, Use of CRF or ETF and Taxation:

To vote to raise and appropriate the sum of \$60,000 to be added to the WLC Building/Equipment & Roadway Capital Reserve Fund previously established. This sum is to come from general taxation. This article is a special warrant article and is not included in the operating budget warrant article. (Majority Vote Required) Mr. Lane stated this article was presented by the Facilities Committee which was discussed agreed upon in previous years for long-term maintenance of the facilities but has not been voted on by the Board or the Budget Committee which Chair Dailey noted is not typically voted on until after the Public Hearing.

Warrant Article 6, Change Apportionment Basis:

To vote pursuant to the recommendation of the School Board, to change the basis for apportionment of school district costs among the two towns to one based on a 50% average daily membership averaged over the most recent three year available; said change to be implemented July 1, 2019, pursuant to NH RSA 195:8. The implementation of this article, if passed, is contingent on the approval of the State Board of Education. (Majority vote required) .Mr. Lane noted this final Warrant Article is a change in the apportionment base formula that we would be looking to create a rolling average over a number of years to alleviate the impact of drastic tax spikes. The Board and Budget Committee will need to vote on it since there is a dollar ramification. Mr. Boette asked if that has gone through legal. Mr. Lane said once Warrant Articles are finalize they are reviewed by our attorney and the Department of Revenue Administration to make sure our wording is appropriate and meets the law.

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Mr. Vanderhoof suggested we look into this more closely before we put this forward and lock in the change for five years. Mrs. Post expressed concerns of the Lyndeborough's Selectman that the might not help Lyndeborough as much as Wilton and whether it would take longer for funds to be returned to the town. Mr. Dailey stated at the rolling average would remain relatively stable for three year period and was first proposed due to the hit Lyndeborough took on its taxes. Mr. Dailey's personally recommends the rolling average as this benefit both towns and gives the school district the ability to have a flatter tax and makes it easier on the taxpayer. Mr. Dailey indicated that you can only make a change to the funding formula in a cooperative school district once every five years. Mark Legere recommended that a document showing what happens if there is a spike, and Mr. Lane referred to a document was distributed to both boards that showed the tax impact over the past 9 years. Mr. LoVerme questioned whether both towns would be paying the same amount or just the same percentage. Chair Dailey clarified that it was the same 50% average daily membership and 50% valuations which takes into consideration both sides of the equation. This is to level out the tax burden year-to-year even though you spend the same amount over time. Mr. Boette questioned why in the warrant article it only referenced the average daily member and stated you are not changing valuations just using the valuation formula. Mr. Lane suggested if it is the will of the Board and Budget Committee is to have both, he would have it written that way. Mr. Boette believes having both creates a greater impact, Chair Dailey concurred. Ms. LeBlanc questioned the changes on the warrant articles, and indicated that we should be working off the January 4, 2019 document. Mr. Dailey said the discussion is whether to proceed with 100% ADM or 50% ADM and 50% Town Valuation and recommends implementing the rolling average with both 50% ADM and Town Valuations. Chair Dailey would accept a Motion to change that to what we thought was the original intent of 50% ADM, 50% Valuation. Mr. Lane indicated that no one does it on 100% of either. Mr. Vanderhoof responded that we need to look into these potential scenarios further as it can be 75%/25%. Chair Dailey asked Mr. Vanderhoof to clarify what type of data he wanted; he responded he would like to see it as a rolling 3-year membership with 50% ADM/50% Town Valuation, and 75%/25 or 100% of either.

A Motion was made by Matt Ballou to change Warrant Article # 6 to read "to change the basis for apportionment of school district costs among the two towns to one based on a 50% average daily membership and 50% town valuation averaged over the most recent three years available;" Seconded by Miriam Lemire. Voting: 6 Ayes, 2 Nays (Charlie Post, Jon Vanderhoof). Motion passed.

Mr. Lane will make that change and provide it to the Budget Committee as well. Mr. Lane asked if the School Board wants to consider using approximately \$20K in impact fees to offset revenue. Those funds are available from the Town of Wilton there is a time frame that they can be used during a six year period. Per business administrator from the Town, they were comfortable \$20K with it. It is not revenue it is not in the budget at this time and is a School Board decision if they want to add that to the revenue side. As a process, once a budget is approved by the voting public if that revenue is part of the budget itself we would send a letter to town in the month of May and requesting that the funds be released in a time frame appropriate according to DRA. Chair Dailey asked for a Motion.

A Motion was made by Carol Leblanc to accept the \$20,000.00 of impact fees from the Town of Wilton, Seconded by Joyce Fiske. Voting: All in favor. Motion passed unanimously.

Mr. Lane indicated that this \$20K would not impact the bottom line budget number but will reduce the total tax burden for both Wilton and Lyndeborough according to the apportionment formula.

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Leslie Browne asked for clarification that since it is a different source of revenue that it is still divided between the towns. Mr. Lane will verify with legal and noted at final decisions must be made at the next Joint Session on January 22, 2019.

Mr. Dailey opened the floor to public comment regarding budget issues: No Public Comment.

6. Other Business:

a. Schedule Next Meeting

The next Budget Committee Meeting is scheduled for Tuesday, January 15, 2019 at 6:30 p.m. in the MS/HS Media Room.

The next Joint Session is scheduled for January 22, 2019 at 6:30 p.m. in the MS/HS Conference Room followed by a 7:00 p.m. Joint Session in the Media Room.

b. Period for Filing for Elective Office is January 23 – February 1, 2019 until 5 p.m. (RSA: 671:19, RSA: 669:19).

c. WLCSD Budget/Bond & Notes Hearing is scheduled for Thursday, February 7, 2019 at 7:00 p.m. in the MS/HS Cafeteria (Snow Date: Friday, February 8, 2019).

7. The Budget Committee Adjourned at 8:05 p.m.

A Motion was made Christine Tiedemann to adjourn the Budget Committee; Seconded by Kevin Boette. Voting: All in favor. Motion passed unanimously.

Respectfully Submitted,
Lisa C.M. Post, Secretary