

# WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL

## WLCS BUDGET COMMITTEE MEETING & JOINT SCHOOL BOARD BUDGET SESSION Tuesday January 22, 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 January 15, 2019 BC Meeting Minutes
4. Budget Committee Review and Planning Session
5. Joint Budget Session – Final Draft Preparation for Public Hearing at 7:00 p.m. in the Media Room
6. Other Business:
  - a. Schedule Next Meeting
  - 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. Adjournment of Budget Committee

**Attendees:** *Leslie Browne, Christine Tiedemann, Lisa Post, Pam Altner (phone), Jennifer Bernet, Dennis Golding, Edwina Hastings, William Ryan, Alex LoVerme.*

1. Chair Browne called the Budget Committee to order at 6:36 p.m.
2. No Public Comment during Budget Committee Meeting

3. Review and Approval of 15, 2019 Budge Committee Meeting Minutes

***A MOTION was made by Christine Tiedemann to accept the minutes as amended; Seconded by Edwina Hastings. Voting: All in favor. Motion passed unanimously.***

4. Budget Committee Review and Planning Session

Chair Browne indicated from our vote last week the number we voted on was wrong because we took it out of the 2018/19 budget and the figure we deducted was actually from the proposed 19/20 budget. She indicated she wants to look at before food service in order to determine a number that we want for our budget and then add special and food service for our bottom line number 12,289,061. Ms. Tiedemann noted that we were looking at a General Fund revenue sheet and it was decided we would work of the budget numbers for our recommendation. Chair Browne was comfortable with the adding in the contractual obligations to the adopted number from last year \$12,598,674 which includes this year's food service. There was a discussion regarding email from Mr. Lane regarding our request where the budget could be reduced. Ms. Bernet was concerned where cuts would come from and Mrs. Post indicated that the student population has continued to decline while the budget has continued to increase year over year and stated that you if you have less income you have to figure out how it works. There are a lot of people who have to live on budget and year after year we increase their taxes and their incomes do not increase. Mrs. Hastings agreed and suggested this number is still an increase over last year's budget and is not warranted. Ms. Post suggested that we take the amount of \$26,055 in oil costs out of the proposed 2020 budget. Mrs.

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Altner confirmed that Mr. Boette's number was an oil cost. Mr. Ryan indicated that he would like to hear what the School Board had to say before making a decision.

***A Motion was made by Christine Tiedemann to recess at 7:30 p.m. and reconvene at the Joint Session; Seconded by Dennis Golding. Voting: All in favor. Motion passed.***

***School Board Attendees: Harry Dailey, Matt Ballou, Jonathan Vanderhoof, Mark Legere, Charlie Post, Joyce Fisk, Carol LeBlanc, Miriam Lemire, Alex LoVerme.***

***SAU Attendees: Superintendent Bryan Lane, Principals Tim O'Connell and Brian Bagley, Technology Director Kevin Verratti and Clerk Kristina Fowler.***

5. FY 2019-20 Joint Budget Session: Final Draft Preparation for Public Hearing in the Media Room (7:05 p.m.)  
Chair Dailey opened the Joint Session and asked the Budget Committee where they stand. Chair Brown stated that we have not gotten any further than a starting point of last year's adopted plus and contractual agreements. The specific number is 12,112,232K before Food Service. We do not have full Committee support but it is a starting number. We did ask for information on telephone and data increases that needs further clarification. Mr. Lane state there was a 13,540K reduction in the telephone area (Object Code 531) but has not been put in the General Fund Revenue numbers received today and can be taken off the bottom line expenditures.

Chair Dailey questioned the superintendent of the School Board's number before Food Service. Mr. Lane stated \$12,275,520 which includes the \$13,540K reduction. Mr. Dailey stated the difference in working numbers is roughly \$163K. Mr. Lane stated that \$163,288K would be the difference between the SB and BC working number. Mr. Dailey suggested if we take the adopted budget prior to Food Service of \$11,995,353 expenditures and \$12,598,674 after Food Service, based on the email Bryan sent to the School Board on the 17<sup>th</sup>, he is most focused on the number we are taxed on and apportioned to the two towns. Mr. Dailey suggest we take the actual number that we paid taxes on, \$9,428,183K, and add contractual obligated salary increases of \$116,674 that would mean we would have to subtract \$90,175K from our current working number to get to the taxed amount minus revenue adding back in contractual obligated raised and that is the number you will be taxed on. Mr. Dailey felt it was import to remember what we are really paying taxes on. Mr. Vanderhoof believes that we should go by the gross number the taxpayers vote on regardless of our projected revenue since we are ultimately responsible for the whole number and would potentially but unlikely have to pay the entire amount. Mr. Dailey felt it was important to look at it both ways. Mr. Post stated that the State is paying per ADM student that we have and it goes back 2 to 3 years and so they are giving us less because, as the State Senator told me, because we have less kids and they pay per child. We are asking the town to make up the difference. This is what happened this year in Lyndeborough we had to pay an additional 3%in taxes because we are subsidizing locally and asking the taxpayers to make up the difference. Mrs. Post stated that Mr. Leclerc at the Department of Education stated there is going to be \$3.5 million dollar short-fall this year and that revenue will not be paid to the School District for Home-Schooled children. Mrs. Post stated this is another thing that we must consider in our budgeting. Mr. Dailey indicated that is exactly why we should look at both sides of the equation and that our number one concern is "what are we actually paying in taxes." It will make us be sharper in projecting revenues in the future.

Mr. Post questioned asked Chair Browne what is the percentage of increase in the working number over last year. Ms. Browne did not have the number calculated. Mr. Lane indicated that it was \$11,995,353 divided

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it by the increase of \$163,288 and arrived at 1.36%. Mr. Dailey indicated that with the Budget Hearing is in two weeks and Chair Browne replied that the Committee was going to reconvene after the Joint Session to vote on a number.

Ms. Hastings asked for clarification on Special Education numbers which were sent out today. Mr. Lane stated at this point there are 12 students who have been referred and have 45 days to get results to the parents. He indicated that the District has been good about meeting expectations and goals and getting them done in a timely fashion and are still within the time frame for the ones that are in process. However, they are not able to anticipate the needs for additional staff at this time. Mr. Lane suggested that this would be worked out within the budget for the school year and if additional funds are needed it would be done through a budget transfer using funds from the Special Education Trust Fund.

Mr. Ryan questioned Mr. Lane why we take money from the general fund when we have Capital Reserve Funds for Special Education and questioned if it was taken out of the regular funding, aren't we taking it away from the regular student's education. Mr. Lane indicated that funds are moved through budgeted Special Education accounts that have not been used and is not taken from the general fund balance.

## **Warrant Articles:**

Superintendent Lane reviewed Warrant Article 04 Operating Budget and noted that no final number had been voted on by either the School Board or Budget Committee. Chairman Dailey commented that he was under the impression the funding formula could only be changed once every 5 years, but apparently the wording in HB 149 is ambiguous. He indicated that if the Board decides to change the funding formula and it gets voted down, no changes can be made in the preceding five years. Superintendent Lane stated if the article to change the apportionment formula was brought forward and failed, a change could not be made until 2024. More clarification is needed.

The Superintendent reviewed Warrant Article 05 to add \$60,000 to the WLC Building/Equipment & Roadway Capital Reserve Fund and questioned if the Board wanted to make a motion to approve this amount.

***A MOTION was made by Alex LoVerme to approve \$60,000 to be added to the draft warrant article for the WLC Building/Equipment & Roadway Capital Reserve Fund; Seconded by Carol LeBlanc. Voting: All in favor. Motion: passed unanimously.***

There was a discussion regarding the apportionment Warrant Article and whether we postpone a decision until the next budget cycle after more information was gathered and considered. Chair Dailey stated that with the current 50% ADM and 50% Town Valuation it has been relatively level over the years with the exception of two years ago when the town of Lyndeborough had a spike. Mr. Vanderhoof expressed a desire to review data before being put to a vote and that if we do not vote on rolling averages it stays the same 50/50 apportionment. Mrs. LeBlanc requested more information on rolling averages. Mr. Dailey felt the 50/50 apportionment has more tax impact than the three-year rolling average. Mr. Lane stated it was coming down to the wire and that it can be decided on or withdrawn at the Public Hearing or the District Meeting. Mrs. LeBlanc suggested that we leave it in and request more information and after we have a chance to review the information before making a decision. Chair Dailey recommended leaving it in so the public can be aware of what is being considered and because it can be withdrawn at the Public Hearing or District Meeting. He queried the Board's support of the three year rolling average formula and Mr. Post offered his support. Mr. Lane will provide variations in the 50% Valuation of the Towns at the Board's request.

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Chair Dailey discussed to adding wording such as; “anticipated or projected” next to “Tax Impact” on Warrant Article 04 and 05. Mr. Lane noted he has never seen any Warrant Article with this language. Mrs. Tiedemann brought up the point of using the gross number in the tax impact calculation rather than the net amount which is misleading number. Mr. Lane stated he would seek legal advice and get back to the Board and Budget Committee and suggested this could be explained at the Public Hearing as part of the presentation. Mr. Vanderhoof stated that the gross number is the only number in the whole process that is “the number” regardless of changes in revenue and the gross number is what the towns are obligated to raise and appropriate. Mr. Dailey is looking for a “disclaimer word” that would indicate the Tax Impact number is only a estimation. Mr. Lane will check with DRA for language. Mr. Post suggested that if we are not able to add defining language, the Budget Committee could explain that and there should be a slide to explain that.

Chair Dailey questioned the Board and Committee if there are any more questions or discussions. Chair Browne commented the Budget Committee has nothing further at this time. Mr. Lane asked the Budget Committee to provide a budget number to the Board as soon as possible.

Mr. Dailey opened the floor to Public Comment on budget issues only: **Joint Session Public Comments provided by Kristina Fowler, Clerk**

Mr. Adam Lavallee, Lyndeborough spoke of attending his first Budget Committee meeting which he indicated was boring. He spoke of hearing things at the meeting such as results not being where they want them and the need to “send the schools a message.” He does not think that the results are not where they want because the students are “rolling in too many resources” and does not necessarily agree that we will achieve more with less. In terms of sending a message to the school it is not really sending them a message, it is giving less to students. He believes it comes back to the Chief Executive Officer of the schools if the resources are not being spent properly. There are towns spending less on their schools and their property values are rising, if the funds are spent properly, their value goes up.

***A MOTION was made by Christine Tiedemann to adjourn the Joint Session at 8:01 p.m. and reconvene the Budget Committee Meeting in the Conference Room; Seconded by Lisa Post. Voting: All in favor. Motion passed unanimously.***

Budget Committee Review and Planning Session Continued:

Mr. Golding question whether we are working off the \$12,112,232 (which is the \$11,995,353 plus the \$116,879 contractual salary obligations) and are we going to also deducted the \$13,540 off of this number. Chair Browne clarified we would not as this number is not in the FY19 Adopted Budget which we are working off of. Mrs. Post stated the \$13,540 should come off the 19/20 proposed number of \$12,275,520 and Mrs. Hastings confirmed it is the reduction in the telephone budget.

Mrs. Post asked Ms. Tiedemann to explain the “net” number versus the gross number tax impact. Ms. Tiedemann stated that in Warrant Article 04: Operating Budget, the “tax impact” number is not calculated off the gross number but rather the “net” number which takes into account the deduction of projected revenue and therefore the net number is not an accurate projection of the tax impact and is misleading. Ms. Tiedemann suggested we speak to this in the presentation. All other warrant articles are off of gross number. Chair Browne will prepare a slide explain how the tax impact number works and that it falls on the Budget Committee

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to explain. Mrs. Hastings said that the premise of going back to working off the number what was actually spent and what the revenue was in the past and work from there because they are the only true numbers in order to get an accurate number to work with. Accurate numbers from the year before are necessary. Chair Browne reviewed the process of projection and felt we do a good job of that since every year we are within \$200K and that is only 1% of the budget that we projected 18 months out. And you can't predict revenues based on ADM numbers because the values for the students change. Mrs. Altner indicated that we discussed this last year. She asked if we have recently asked Mr. Lane to make suggestion where cuts could be made. Mrs. Browne indicated that questioned has been asked and answered that there was nothing he could come up with, which she felt his responses were justified and did not offer any reductions. Mr. Ryan suggested that he has to come up with some cuts because the Taxpayers are not going to continue to put trust in us or the School Board. Ms. Browne did not agree with that statement. Ms. Post stated that while folks speak out on social media that they want school taxes cut, they rarely show up at the meeting. The people who show up are the parent and the teachers who want more and more spending and don't want the budget cut. Ms. Tiedemann suggested that the Budget Committee is the check and balance to the people who have the check book rather. She also did not feel that money equaled a return on investment because not all children learn in the same way or in the same time frame. Mrs. Post suggested we are not really a check and balance because we don't get to say what the School Board spends the money on. The other part of this is, we are elected and we represent our communities who come out an express their options, so if you have many people saying we can afford our taxes and our selectman saying we are putting off our projects because the school taxes are escalating, you really want to try to reign it in to get it in control. However, people don't come to these meetings because they are intimidated by the fact that someone will say you don't have enough to do this, or Ms. Hastings added "you're not investing in our children" and people won't come because of them. I find it a balance as an elected official to say I support my town, my people but I also want to support our schools, because as that gentleman said it, good schools increase the value of homes. Ms. Tiedemann said when push comes to shove, we need to come up with a number and suggest what they should spend.

Ms. Post made a Motion to recommend that the 3-year rolling average not be put forth on a Warrant Article. There was a discussion and a decision not to move forward as clarification is needed. The motion was tabled at this time.

***A Motion was made by Chair Browne for an Operating Budget of \$12,598,674; Seconded by Christine Tiedemann. Voting: All in favor. Motion passed unanimously.***

Ms. Tiedeman outlined that the \$12,598,674 is the Budget Committee's proposed operating budget for FY 19/20 and was derived as follows: FY19 Adopted Budget of \$11,995,353 plus the contractual salary obligations of \$116,879 and Special and Food Service Funds of \$486,442 budget for 19/20. She indicated this is a difference of \$163,289 from the proposed 2019/20 Proposed Budget which is a 1.278% increase from 2019 adopted budget and included the \$13,540 reduction of telephone costs for the proposed 19/20 budget.

Chair Browne asked the committee if the Committee was in favor of supporting the \$60K to be added to the Building, Equipment and Roadway Capital Reserve Fund.

***A Motion was made by William Ryan to recommended adding \$60K to the WLC Building/Equipment & Roadway Capital Reserve Fund; Seconded by Christine Tiedemann. Voting: All in favor. Motion passed unanimously.***

Chair Browne will prepare the presentation and the Committee will review at the next scheduled meeting.  
Other Business:

01/22/2019 BC Final Meeting Minutes



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- a. The next Budget Committee Meeting is scheduled for Tuesday, January 29, 2019 in the MS/HS Conference 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).

## **2. The Budget Committee adjourned at 8:30 p.m.**

***A Motion was made by Christine Tiedemann to adjourn the Budget Committee; Seconded by Dennis Golding.***

***Voting: All in favor. Motion passed unanimously.***

Respectfully Submitted,  
Lisa C.M. Post, Secretary