

**WILTON-LYNDEBOROUGH COOPERATIVE SCHOOL DISTRICT
SCHOOL BOARD MEETING & PUBLIC HEARING
Tuesday, October 24, 2019
Wilton-Lyndeborough Cooperative MS/HS School
5:30 p.m.**

Present: *Matt Ballou, Miriam Lemire (5:37pm), Carol LeBlanc, Jonathan Vanderhoof, Mark Legere, Tiffany Cloutier-Cabral and John Clark*

Superintendent Bryan Lane, Principals Brian Bagley and Bob LaRoche, Director of Student Support Services Ned Pratt, Curriculum Coordinator Julie Heon, and Clerk Kristina Fowler (5:35pm)

School Board Meeting 5:30 PM

I. CALL TO ORDER

Chairman Ballou called the meeting to order at 5:30pm.

II. PUBLIC COMMENT

Mr. Harry Dailey, Wilton, expresses that he hopes the Board will explain in full detail the issues at hand. He reports that there are conflicting reports in the community. Voters need to know what they are voting on.

III. TO CONSIDER WARRANT ARTICLE #1

Superintendent Lane outlines the Board's options. The Board can move forward with the approved presentation voted on at the October 22 meeting or with the new information regarding special education (SPED) funds, the Board can present the modified presentation give to the Board that afternoon.

Ms. Lemire indicated the best course of action would be to go with option 2 because it gives a more complete explanation of the issues at hand. Ms. Cloutier-Cabral agrees.

Mr. Vanderhoof expresses that it is not surprising but disappointing that the Board has had to gather at 5:30pm prior to the Public Hearing. It is not ideal that the Board is there and that we are in the same position now that we were in last year only last year we didn't know it at that time. Suggests to spend down the Capital Reserve fund and not move forward with the warrant article.

Discussion continued regarding both options of the presentation taking into account new information that has been provided.

*A MOTION was made by Ms. Cloutier-Cabral and SECONDED by Ms. LeBlanc to accept the option 2 of the slide presentation. **

Discussion was had regarding slide 13 and that it refers to the "Artist in Residence" and the PTO is paying for it; it is not in the budget. It was confirmed the PTO typically pays for a portion not the full amount and are now are paying the full payment. Mr. Vanderhoof commented that it "reads funny". Superintendent confirms we can clarify this. A question was raised how much is left in the technology capital reserve, Superintendent responds, approximately \$10,000. Superintendent clarified that there is a slide that explains if the Board accepts the SPED funding (\$93,000) at the Board level this would result in a positive fund balance of \$48,000. (remaining deficit \$44,974 with potential SPED funding \$93,206 leaves positive fund balance of \$48,231)

**Voting: all aye; motion carried unanimously.*

A brief discussion was had that Ms. Baker sent an email to the Board that clearly explains what we need to consider when making these decisions. It was suggested to share this at the Public Hearing and Ms. Baker has given her permission.

A MOTION was made by Ms. Cloutier-Cabral and SECONDED by Ms. Lemire to read the email from Ms. Baker at the public hearing.

Voting: all aye; motion carried unanimously.

Chairman Ballou noted he will be presenting; may not be able to answer all the questions and members should feel free to do so.

IV. PUBLIC COMMENTS

Chairman Ballou expressed public comment will need to be limited to 7 minutes in total.

Ms. Lisa Post questioned if the Board has taken a vote and was the decision made to go to district meeting. Superintendent responded no vote was taken to go to the November 9 meeting. Mr. Vanderhoof added the Board voted on a number not in the warrant article and thinks a new vote should be taken. Superintendent clarified there have been modifications; the number is now \$184,811 as opposed to \$287,071. The difference is the DRA gave him at 2:30pm/3:00pm, information that the maximum amount of the warrant article is only adequacy funding and we can't include the SPED funding (which brings the number down to \$184,811) and is what we will be presenting this evening. The SPED funding is a different RSA under unanticipated funds. The School Board can have a hearing and vote to accept those funds or not. This can be approved through a Board vote and not a public vote under the RSA. Chairman Ballou added as he understands it, it would not be applied to the tax rate anyway, there will be an adjustment to the revenue that is reported on the MS24 as we move forward.

A MOTION was made by Ms. Lemire and SECONDED by Ms. Cloutier-Cabral to adjust the warrant article to \$184,811.

Voting: six ayes; one nay from Mr. Vanderhoof, motion carried.

Mr. Harry Dailey expressed he hopes you will explain all of this to the public.

Ms. Brianne Lavallee commented regarding communication and questioned if there will be a mailing sent out regarding a vote. Superintendent responded a notice will go out, information will be put into the newspaper via letter to the editor which will not advocate for a direction of any nature, information will go out to parents through email.

Superintendent expressed that he was unsure of which presentation would be made tonight and will post the one given on the website tomorrow morning. Anyone who wants it tonight let him know and he will provide it before leaving this evening.

Chairman Ballou called a recess to move across the hall at 5:47pm for the Public Hearing.

PUBLIC HEARING FOR CHANGE IN EDUCATIONAL FUNDING 6:00 PM

A copy of the slide presentation can be found with these minutes.

I. CALL TO ORDER-Matthew Ballou

Chairman Ballou called the meeting to order at 6:02pm.

II. PRESENTATION FOR CHANGE IN EDUCATION FUNDING

Chairman Ballou presented the PowerPoint.

We are here to discuss the Warrant article put forward by the School Board to request that the citizens of the School District approve an additional \$184,811 for operational expenses of the district. The state legislature approved additional funding for adequacy and special education. (\$102,260 for Special Education and \$184,811) To be transparent, the intent of this additional funding for adequacy was for tax relief. The School Board will be holding a future public hearing to determine whether or not to accept the unanticipated revenue for special education in the amount of \$102,260 in the near future. If the voters approve this warrant article, tax payers in Lyndeborough will not receive an estimate decrease in their property taxes of \$82.16, in Wilton citizens will not be receiving an estimated tax decrease of \$76.17. In both towns, this would be less than \$7.00 per month. In the last 24 hours, additional information has come to the SAU and the Board in regard to the way in which the \$102,260 for additional revenue for special education would be accessed. If the School Board votes to access these funds, the negative fund balance would become a positive one by \$48,231, this is less than 1% of the budget. Before making a decision on moving forward with this warrant article, the Board would like to have direct input from all of you. The School

Board knows that a fund balance of less than 1% creates financial ramifications particularly if there are unanticipated expenses that might occur. The Business Administrator has informed the Board of the concerns that may arise. The Board is looking for input from you in determining the way in which they vote to proceed. The reason we are proposing this warrant article is due to a series of financial events that occurred in the district over the last 12 months. In the last school year there were \$269,795 of unanticipated expenses in Special Education (SPED). The School Board approved the release of \$174,587 which still did not cover the entire need. The District also realized unanticipated costs for long term substitutes. Last year, there were 7 staff people who retired creating an unbudgeted expense that was virtually covered by the difference in finding new staff. These funds needed to be taken from this school year due to the expense the District needed to cover last year. In the current year, it was identified that the district was going to incur expenses in salaries and benefits that would create a deficit of \$305,663 due to 3 specific reasons. During the budget process, the District did not budget for new teacher orientation, summer custodial work and kindergarten screening. These were known expenses that should have been in the budget. This accounted for 6% of the deficit. About 46 % of the expenses were in the area of Special Education. These included hiring new positions as well as making adjustments in personnel costs. There was one area of the budget, the extended school year (ESY) program that was under budgeted by about \$21,000. The remaining 42% of the deficit comes from changes in medical plans from staff as well as increases in federal and state fees that go along with increased or unbudgeted salaries. District administration tasked the Principals and department heads to look at the budget and determine what was required either through contract, educational need or student safety what needed to be funded. The intent is to minimize any direct effect to students. The Principal's and department heads were able to identify \$257,394 of costs that could be deferred leaving a negative fund balance of \$44,974. With the addition of SPED funds, the fund balance would become \$48,231.40.

Superintendent voiced the public may ask why there is a difference of \$102,000 (from the \$287,000); a new MS24 will be created which talks about revenue and expenses. The adjustment is directly from the DRA. They adjusted what we could claim for CAT aid now called SPED aid and that account is the difference of \$102,206 vs. \$93,206. This is from information recently received. The District will still need to keep a close watch on all expenditures for the rest of the year no matter what is decided. If the District reduced spending by the amount identified by the Principals and department heads, this is a list of things that would not be affected. The first five items are required by federal law or by collective bargaining agreements.

- Repairs and maintenance for any safety issue
- Data bases and software for student use
- 504 programs
- Special Education programs
- Student clubs and organizations
- Middle school science camp trip
- Co-curricular athletics
- Graduation ceremonies
- Field trip transportation
- Professional development opportunities for teaching, counseling and nursing staff
- Tuition reimbursement
- Purchasing of books and educational materials to support the curriculum

Superintendent noted to clarify the things that are required by CBA and federal are 504 programs, SPED programs, PD for teachers, counselors and nursing staff as well as OSAHA for repairs and maintenance for safety.

Chairman Ballou continued with the presentation. The Budget Committee and School Board requested a list of things that will be affected even if the warrant does pass. Supply requests would be monitored in all buildings in an effort to conserve funds but will be purchased as needed. Administrative staff have determined the following. From WLC: There would be no new equipment purchased for some of the new science curriculum, replacement of furniture, limited replacement of library materials and professional development for administration. From LCS and FRES: The cost for the "Artist in Residence" has been absorbed by the PTO, replacement of furniture for teachers and students, lesson planning services from outside the district. From the SAU: Professional development would be limited. From the Technology Department: New equipment would not be purchased, the replacement cycle would be interrupted, not adding new security cameras, office staff will not have new enhanced access to financial software, and putting research software "Turn-It-In" will be put into next year's budget. From Facilities: Not purchasing new

storage containers, postponing additional sprinklers for athletic fields and monitoring all projects closely. We tried to anticipate some questions that the public may have.

Why is the School District asking for funds at the same time the anticipated revenue is coming to our towns? The timing is coincidental; the financial situation would need to have been addressed even without additional funding.

Why isn't the School District asking for the less than the full amount of additional adequacy revenue?

The prediction of the deficit of \$44,974 is based on what the administration conservatively believes the district needs to meet all required obligations that we are aware of right now. Unanticipated expenditures may affect the student experience. There are still more than 100 days of the school year remaining. By asking for the full amount, the District will have funds to satisfy unanticipated expenses such as:

- FMLA leaves, long term substitutes
- Special needs students who may have costs associated with their IEP's
- Harsh weather
- Physical plant failures.

Funds not used will be returned to the tax payer to reduce tax rates.

Could the School District have asked for more funds than the additional adequacy funds?

Yes, but we would have needed to wait to request the funds. If additional funds were approved, the full burden of that would come due in the June tax bills not allowing the additional adequacy funds to offset the tax increase.

What would have happened if the district did nothing or the warrant article fails? Taxes would be reduced in both towns but the administration will need to make decisions on what part of the student experience would be affected. The Capital Reserve funds could be used but this would put the district in a poor position financially long term.

A request was made from Ms. Lisa Post and Mr. Adam Lavallee to clarify slide 15 (which is slide 17 now). Referring to the same slide, Mr. Dennis Golding asked if you are 100% sure that the following will not be affected; there is a question mark at the end of the sentence. Superintendent clarified it should be a period. He added he went through the YTD expenditure report and budget (documents are a matter of public record). The Principals and department heads reviewed their budgets. He went through which areas not affected vs. budgeted and the balances in accounts. He read the list of items not affected again and noted that PD and tuition reimbursement fall under the CBA. Superintendent also noted that the other issue is the closer our fund balance gets to zero and spending all the funds would be like last year and would have a 1% margin which is a difficult thing to manage and creates risk for your business and does the same for us.

Chairman Ballou continued. The School Board voted to create a specific revenue line in the budget to ensure that funds would only be expended with a vote from the board, why? The School Board wanted to create a way for the public to see what was happening. The funds would not be expended without a vote of the Board.

If the Board created this warrant article to put funds in the SPED Capital reserve fund, that would have limited the purpose for the funds and would not allow unused funds to go back to tax payers for property tax relief. Superintendent expressed going back to the prior slide, at the last School Board meeting we agreed to create a revenue line and on a monthly basis they will see it all and the full amount of \$184,811, if passed, can't be expended unless the School Board gives specific permission to draw from that line. A member of the public (previously) had said this would be distributed all over the budget. This was an opportunity for the School Board to create a level of transparency if the funds are spent and for what.

Chairman Ballou continued. What are we doing to work with the towns about tax revenue?

The Superintendent responded to this. He reported this will delay the DRA assigning the tax rate and could cause cash flow issues. Scheduling wise, the DRA, Division of Revenue Administration, if we get all the forms together and on November 9 we are ready to go to the DRA on Tuesday Nov. 12 as Monday, Nov. 11 is a holiday; as we do that, Ms. Dow from the DRA said it will be a quick turnaround. There is no commitment to a time frame but since most of the rest of the tax rates have been set and not much left to deal with, this could be the case. He reports Mr. Russ Boland (Lyndeborough Town Administrator) thought it could be set by Nov. 18 and tax bills going out; this would delay collecting by about 3 weeks. Mr. Boland, last night put forward a plan to ask for a delay for the

December payment to the School District. We don't just get the full budget in one "shot" from the towns they pay us on a monthly basis. Wilton pays over \$600,000 and Lyndeborough \$300,000. The School Board has copies of the memo from him this morning. Normally we get payment on the 10th or 15th of the month and we would get it 5 days later and the Business Administrator thinks its appropriate. The Superintendent was invited the Wilton Selectman's meeting on Nov. 3 at 6:00pm. He expresses, the key is we are willing to work with the towns in any manner or fashion and hope for the delay to be minimal. We realize it creates a problem. We have had a tight schedule and this is due to statutes of the law.

Chairman Ballou continued. At the meeting on November 9, what choices does the public have?

- The public can vote to approve the warrant article and the funds requested will become part of the operating budget.
- The public can vote not to approve the warrant article.
- The public can vote to accept a lower dollar figure but cannot increase the amount over what is on the original warrant.

What step are being taken to see that this issue doesn't happen again?

- The School Board and Budget Committee will be provided with monthly expenditure reports for every account.
- For the remainder of this school year and 2020-21, there will be no budget transfers.
- The School Board will be provided hiring information on all positions, not just those that are certified by the Department of Education by adjusting the HR process for hiring, communication and control of new hires.
- Until the Special Education Capital Reserve Fund is restored to \$300,000, the proposed budgets will include contingencies for out of district placements and additional staffing that would be required by law to meet student needs.
- Propose that the district adopt RSA 198:46, allowing the district to retain 2.5% of the current year's budget not assigned for emergency expenditures.
- All staffing information in the upcoming budget will be reviewed by the School Board.
- Unbudgeted positions and any other salary expenditures, stipends, will be communicated to the School Board prior to the expense.

Ms. Cloutier-Cabral spoke informing the public that our BA sent the Board an email to advise them of the need for the special meeting. She notes, it's to Ms. Baker's credit that this Board has this information. She has given her permission to share this with you. See attached email from Ms. Baker which was read aloud by Ms. Cloutier-Cabral. Ms. Cloutier-Cabral expressed appreciation for all the work.

Chairman Ballou commented that the School Board will be looking into all matters of this and any personnel matters will be discussed under the RSA (for non-public). At this time, we will focus on your questions at hand. Please limit your comments to 5 minutes or less. We will now open the floor to public comments and questions. Once all citizens have had a chance to speak, if you have additional questions you may have another chance to speak. If the conversation becomes repetitive I will ask if there are any new questions to be raised. In the interest of preserving individual privacy and due rights, the Board requests that comments including complaints regarding individual employees be directed to the Superintendent in accord with the processes set forth in School Board policies KE and KEB.

III. PUBLIC COMMENTS

Ms. Deb Mortvedt, Wilton, commented that we have our elected Budget Committee and School Board members and knows they have spent a lot of time and emails and "all that". She voiced appreciation for this. She adds she will not say she is glad it is not just a financial problem, she is not glad we have a problem; but it could be worse. She spoke regarding a double payment from Wilton that the School District received and that no one from the School Board or Superintendent came. She notes the (selectman) meeting was live streamed. "It was from Paul Branscombe, Town Administrator and we made it, they must need it and we won't pay another till June". She adds, I understand the school runs on a different cash flow thing. I have as part of that meeting in August, there was a cash flow problem discussed, did we really not know about it. This has just been talked about at the last 2 school board meetings, why was it not discussed earlier and why when the state was giving us additional money. "Oh, we found this money?"

Where is the trail on this and this audit that was talked about it?" There is a need for a forensic audit and I don't think that can come too soon. Did it start before July 15 when the next day the town wrote a double check or when did you first start seeing it. Superintendent responded that it was first identified in middle of June, our prior BA left us in late March. We had an interim BA focusing on HR and making sure insurance policies were coming forward; information was limited. In June it was determined that was a cash flow issue for the bond payment for the FRES and WLC bond due July 15. The money was budgeted; it was a cash flow issue. We don't get payments up front. We came through with a fund balance with approximately \$6,000, that cash wasn't there. He went to Paul Branscombe, Wilton Town Administrator, the School Board was not in session in July. He kept them informed through emails. Paul and the Select Board graciously helped us out and we understand as a cash flow issue, these are 2 separate issues. As Ms. Baker came on board, she worked on the budget and identified sometime in mid-July as we got more involved in August and had a clearer picture. The School Board was informed through the process. That is where this process started. It's 2 separate issues. One of the reasons to have this warrant article is to ensure we have a fund balance as another bond payment is due in July, \$325,000. The town check comes sometime around the 10th, will we be able to pay it. The other payment was over \$700,000 by not having funds it creates a cash flow issue.

Mr. Mark Chamberlain, Chairman of Lyndeborough Select Board spoke regarding that the Lyndeborough Town Administrator had prepared a memo. He adds, we attended the October meeting and understood there would be a problem with the towns cash flow because of a delay getting information to the DRA. He came with a memo adding up our obligations up to the end of the year, coming to under \$1,200,000 looked at revenue expected to get which was \$180,000; had \$654,931 at the time (October 10) leaving a deficit of \$354,469. He gave two options, one- take a Tax Anticipated Note (TAN) for the difference and pay the associated fees and interest of obtaining the loan or option 2- delay funding of several of the stated obligations. One of them made more sense, which was to delay warrant articles. The other one we decided we could delay \$263,000 for the school bill; we decided that would be the best way to do it and when we had cash could pass that on to the school. If its December 10 that's great, and if its Dec. 20 that is what will happen. He reports being on the Board 3 years and the town struggled to maintain the tax rate; we have delayed a number of projects. The town needs to hold the tax rate steady. Unfortunately, we are covering for the school a lot. We were in a similar situation 2 years ago, we had overrun on a project, ran into unexpected ledge; surprise, surprise, ran over budget, we did a budget freeze and payroll and everything was paid like fuel and anything else went through the town administrator and he had to approve it. I understand Mr. Lane is doing the same now. We didn't ask the tax payers for money. We didn't do a few things we planned on doing and made it through successfully. He would like to see "you guys" do the same thing. He adds, I hear about the student experience. I am interested also in the tax payer experience. We have a lot of people on a fixed income and its not fair as most of them don't have anyone in these schools. How do you explain to them its fair to increase their taxes when there is no skin in the game? He comments you need to look at next year's budget really, really close. We need to get "stuff" down in town and keep taxes as flat as possible. Superintendent questioned if there was a specific question he wanted answered. He responded no.

Ms. Lisa Post noted she was speaking as a citizen. She commented we have seen this budget go up and up and enrollment decline and decline. They are coming up compared to 10 years ago due to kindergarten being full day. The Budget Committee worked hard last year as we know the community is having trouble paying taxes. We found out in August that "oh my gosh" we don't have any money, we spent it all. Not only did we spend it but paid for retirements out of next year's budget which we don't even have. We need to be more responsible as a Board, as a school, as a Budget Committee to start bringing down these expenses. Does this mean we won't have as many positions, whether it be staff, student positions that we hired over the last few years that brought these costs up. I think the curriculum coordinator did a lot to bring the school in a good direction. I don't believe the position should be full time, and never ending I think it could be better serving our community as contractual and once up and running, should have gone forward on its own. The RTI (Response to Instruction), I have heard nothing on what that person does, never seen them at a meeting to hear what they do. She was disappointed to hear we made the psychologist a full time position rather than contractual. With that it becomes part of the budget every year unless we fire someone. A lot of the ones who work here are our friends, neighbors, making decisions is hard but also not making those decisions is hard for those who have to choose between pills, eating and paying their taxes. This Board, this school needs to get their numbers under control. We are looking at a million dollars next year and there is no relief. There is talk about being relief because of the bond payment and everything was already earmarked. We need to change our thinking. There are 2 towns, a lot of kids who need to be educated in the proper fashion. We need to tighten our belt and give the best we can afford, not the one we can't afford for our towns, our trucks, our roads. There was discussion if there was not enough sand or salt that the school would be cancelled, it's things like that. We need to take care of this for our kids, for your schools.

Mr. Charlie Post, Lyndeborough. He spoke of being concerned; through this process and last school board meetings he attended, there has not been an apology or thought of regret. He notes we have not heard from the Board as part of an apology or expression of regret, you are the ones that put us in this position. You said this started 12 months ago and if that's the case, you had an opportunity in the spring when you started hiring; you could cut costs. Instead you borrowed money from Wilton and are not clear as to why; because you couldn't pay the bond payment. You couldn't pay your obligations. The town gave you the budget and you are in a position of overspending. This is not fiscal management. There was an implication taxes would go down, there will be tax implications of the MS 24 as has been in many years due to low enrollment. The Budget Committee and several citizens asked for a forensic accountant and the Board refused as of 11:20pm Tuesday night. Why don't you want to have this transparency; you have the opportunity to vote for that now? Why don't you want anyone to look at that?

Chairman Ballou responded that we will have an audit, it will be on the agenda and the Board will decide how to proceed but not tonight, not prior to the vote. Mr. Post commented, so you are not going to take any action; it's not a good look. Ms. Cloutier-Cabral added it is our understanding the payments made were contractually obligated. Superintendent asked her to clarify specifically what payments she was referring to. She responded the retirements were part of the CBA so they needed to be paid. Superintendent confirms, yes, they were not part of the budget; they were not budgeted but are contractually obligated. Mr. Post commented, so they have never been in the budget. So you have been here now, 3 years and were they paid in the year obligated. Superintendent confirms the obligation according to the CBA is they need to be paid by July of the following school year, prior they were paid with the fund balance at the end of the school year. Mr. Post questioned if he wanted to change his comment. Ms. Cloutier-Cabral added our vote was based on the information we had; they were contractually obligated and paid. Mr. Post commented no, the Board did not vote on it. Ms. Cloutier-Cabral added the decision about the payments made; we were under the understanding we were contractually obligated to pay these payments.

Ms. Brianne Lavalley, spoke agreeing with Ms. Post that we need to look at spending and how we do the budget; it's upsetting. She speaks in favor of accepting this money and has lived here her whole life and paid taxes. She understands people don't have children in the school but she doesn't have social security but she still pays her social security. We take care of all our adults. She hears of class sizes being smaller; they are not. Her daughter is in a class size of 27. The whole time she has never seen a class size this big and the teacher in there doesn't have an assistant. She doesn't have a paraprofessional. We don't have the funds. She is hearing it won't affect our students. On the list of things cut out; there are multiple new teachers in their 20's and things like lesson planning will be cut. One year is a huge thing. She is interested to know things that will be saved because 504's and IEP's are mandatory we pay them, we will provide those and cut from other areas. That \$7 a month will make a life time of difference for students and teachers teaching. If they don't have the funds to pay for what they need, they pay for it themselves because they don't want the student to go without. She adds I want to see the community take care of our students as much as we do.

Ms. Jane Farrell spoke asking for clarification on the forensic audit. She voiced your posted agenda says you will meet after this meeting; why can't you discuss it then she asks since it has been addressed by others. She speaks about looking back since 2011 and 2018, the tax rate has gone up \$3 per household; we can see that. This hits will be hard even with this money coming; from the cost on how we run everything, all these things come into play and closer scrutiny comes into play and should have come a lot sooner. It is reprehensible that it was not.

Mr. Vanderhoof commented that we could talk about this tonight but we don't have financials on the cost. We don't have funds for that. Putting it on a future agenda is probably the smartest idea at this point. He adds if you don't see it on there we should be called out.

Mr. Mathew Smart, Lyndeborough, questioned how much is the shortfall, what is the percentage, how much of that is out of the entire budget. Superintendent responds, maybe 2% or 2.5%. Mr. Smart continues, you mentioned if you were a company and running on a certain amount, and I was a stock holder and you are missing 2% of your budget that is insane. You screwed up, where did it go. He adds, he doesn't want to say you are corrupt, "I don't know and you don't know". He expresses, you want to have us be able to trust you, yeah, have a forensic audit. You say it's a bump in the road, I live in Lyndeborough, there are lots of bumps. We have a financial board (referring to Budget Committee), do they know, do they have anything they looked for to say we are watching you, you don't have that ability, do you (referring to the Budget Committee). He questions, how is it possible you would run this and say its ok, we will take care of it.

Mr. Harry Dailey, Wilton spoke first to say thank you to all of the members who have a thankless job. He adds, I can tell you from personal experience, I don't envy the position you are in. He has a concern about communication. When are the bond payments due on the MS and FRES, what months he asks. Superintendent responds, July 15 and January. Mr. Dailey believes why we are in the position we are in now is there needs to be an MOU between the School District and both towns on how finances go. He faults this Board for not coming to the towns when they knew this was happening and hiring after the budget was passed and knowing there was a shortfall. Someone should have let the towns know, now there is a cascading effect and they can't collect tax revenues fast enough and now it may cost more money to get a Tax Anticipation Note to pay their bills. He strongly recommends communication with both Board and the towns to understand the situation we are in.

Mr. Mike Ruthier, Wilton questioned what are the real effects on the other students that are not in SPED. He knows legally you have to do it. Superintendent responds the children throughout the district with teaching staff with exception of the 5th grade have class sizes with the policy. If the funds do not move forward it will be up to the School Board and administration to look closer. There is not one purchase that happens without me seeing it. I need to know about all purchase orders, what for, who for etc. if something is needed for students, if a teacher needs a battery for a computer, I will purchase the battery. He spoke about having to deny the Artist in Residence because it was not essential to the curriculum and that PTO thankfully picked it up. If by chance something happens that we didn't expect we may have to make greater adjustments to encumbrances and would have to make harder decisions regarding programs, not to do field trips or certain programs. Those are the last things and he adds we will do this to the best of our ability.

Mr. Adam Lavallee, Lyndeborough, spoke as a citizen although is a member of the Budget Committee. He expressed, throughout these meetings it has been stated the reason for the shortfall is because numbers were provided that were not correct due to the anomaly with the contracts. To him that says there has not been an accurate budget within the Superintendent's tenure. The CFO would not be allowed to... He was directed to refrain from this line of speaking. Mr. Lavallee questioned what the Board is going to do to hold the people responsible, accountable as people want to know that there is just more than oversight. Chairman Ballou responded the Board would look into this and discussions regarding personnel will be held in non-public. Mr. Lavallee commented that he wants to know when we ask for more funding; I want to know that there is a plan for more accountability for this.

Mr. Todd Grainger, Wilton, spoke of having the benefit of having children in Weare as well as here and sees how things work up there as well. He says we will get things sent home asking for sanitizer and wipes. He questions if we have asked to put more burden on families to ask for supplies to help out at school. He noticed we do field trips and asked if we do fund raising like candy bar sales. He questioned about the \$8,900 for new teacher orientation and why that is so high. He questioned if we got a quote for a forensic audit. Superintendent responded that in regard to supplies, parents do contribute but not sure it is anything formalized. Transportation is paid for field trips and ranges between \$300-\$700. There is one in elementary and the MS; the HS has a lot of college fairs, the 6th grade goes to Ferry Beach Science camp in Maine for overnights. As far as the new teacher orientation, we had 15 new teachers who are paid \$245 a day for 2 days. Chairman Ballou added as far as a forensic audit that will be discussed as Mr. Vanderhoof said.

Ms. JoAnne Dufour, President of WLCTA, spoke regarding contractual obligations. She explained teachers are in the 3rd year of the contract and it is clear what the obligations are. The retirements are required to be known by November 1 and done in advances so they would know and you do not have that extra burden. She doesn't want it to be misconstrued that teachers who gave to this community for many years get the blame and the burden for that. She notes there was talk about lesson planning and supplies being frozen. She has many emails from teachers who are concerned about science curriculum and they are spending money out of their pockets and continue to do that. She is speaking on their behalf, and voices you understand they are working for your children in very difficult times and feeling the stress of that as well.

Mr. Shilo David Hillman spoke noting he has 5 children. He hates the situation we are in; its confusing. This is such a small town and he is used to it with much larger districts and things go missing. He spoke of trying to explain this to his kids; it is like running a house. He keeps hearing its coming out of fund money. If its not budgeted, this year and not next year how do we catch it. Apparently we knew about it but didn't do anything until we were in the negative. Mr. Vanderhoof explained if a person retired and asked to keep it anonymous he believes there was confusion along the lines of retirements. It's being blamed, it's an easy piece, we knew they were coming, there was

not a line saying retirement, it became an issue because there was no fund balance at the end of the year. The savings from the new people hired was enough to cover it, the problem was the other stuff such as we pulled money out for SPED but still some of the SPED expenses we had to pay for using the fund balance. The retirement piece was cash flow; he feels it was disingenuous to say it was the issue as we knew about it. Mr. Hillman responded that he took it that we knew someone was retiring and we didn't count on someone replacing them. He questioned if we have a goal to fix where we are at. Superintendent tried to clarify by saying a document that was distributed to the School Board and Budget Committee, appears that all cost of retirements would be covered for by hiring new teachers. He will be clarifying that document with an accurate number and it will come to the next Board meeting. If a teacher goes on leave and has sick days, they still get paid and we have to hire someone to take their place. The substitute account line has \$80,000 in it and if every teacher took 10 days off and they won't do that but it decreases the number. Last year we had 7 of those happen. The expenses went over the budgeted amount. This year we have 3 FMLA's at this point and the leave is covered under this account. He can't predict if anything else will happen but its pretty tight. We are increasing the account by about \$45,000. He lets Mr. Hillman know he is happy to communicate with him and answer questions. Mr. Hillman acknowledges that money is tight and thanks them.

Ms. Lisa Post, Lyndeborough, member of the Budget Committee but not speaking for the committee. She commented the Budget Committee worked off of the numbers that were given and not put in the budget and there is something wrong with that. How can we predict anything if it's not in the budget? She suggests rather than presentations that the actual line items are gone through, it can be a condensed version to be sure we have everyone looking at these. She commented we got a lot of that last time, it's not in there, I don't know why. She thinks the public deserves to see the numbers on that kind of level. In regard to the forensic accountant, the Budget Committee, 2 meetings ago had a vote to request the Board hire a forensic accountant. It has been several weeks to find out how much it will cost. The recommendation from the Budget Committee to the Board was dismissed. She regrets she didn't push further in the meetings and thinks it needs to be done prior to the next meeting with public; its shameful. She states someone looked at it, new to our district who knows nothing about what's going on with the budget and is making her recommendations on this without any clear information. Last year we didn't have a line by line budget. She believes what might have happened is the existing budget as set forth by the School Board and Superintendent for the initial amount of money got left in the system and people were purchasing off that number. She questions how it could be that far off. This is why she really wants to know and why she wants a forensic accountant to look at it who has no attachment to the district. She thinks it's the best way to go about it. She questions if the Board voted on having the Superintendent go to the Town of Wilton and ask for advance payments. Superintendent responds no. Ms. Post asks why was that. Superintendent responds the issue came up in late June; it was identified. He communicated with Mr. Branscombe, wrote a letter and the School Board was not in session. He communicated via email and they were aware of it. Ms. Post comments the School Board didn't see fit to have a discussion or a meeting or appear to the town to support this decision. She thinks the Board needs a greater role for the reason of doing some of these things so it is not all put on the Superintendent because that's what the Board is there to do. Considering what happened 2 years ago from presenting that there was not a tax increase and Lyndeborough had an increase gives her little confidence in what we are seeing here tonight and that's why she wants the number at the next meeting. If this vote of no confidence... we didn't have any numbers here, things that wouldn't be covered, no cost was shown; we need to see the cost. How much do these things cost; she thinks that fair to show the people.

Mr. Ray Humphries, Lyndeborough, spoke that he was "caught behind the 8 ball". He appreciates what "you folks" do. In an effort of transparency, everyone refers to other expense. He questioned what those other expenses were that caused this. He just found out about this. He questioned when the Board knew this was a problem and when was the town told. He questioned if the towns were given proper time to try and prepare for this. The Superintendent responded that what caused the overrun is in salary and benefits. He referred to the slide presentation showing 3 categories that were unbudgeted expenditures, new teacher orientation which was budgeted and we thought could be covered in a grant but cost \$3,000 more than the grant as we had more teachers than originally thought. Summer custodial was not in the budget, it is done every year and that is a mistake. Kindergarten screening was new to the district and cost us \$2,000. He notes he will take full responsibility for kindergarten not being in the budget. He explains since he has been here we have had a RISE program which deals with autistic students. Regarding hiring an RBT, out of district placements would cost about \$80,000 and about 5 years ago there were 4-6 students in the program when it started. Over the past 3-4 years that number increased to 13. In order to have this program we need an ABA therapist or someone with more advanced training; RBT. Salaries range from \$20-\$26.52 an hour and they work 7.5 hours, some work summers or school year as required by the students IEP. Because we had kids move in after the budget, we had to service the students. With benefits the cost is somewhere around \$40,000-\$45,000. We had to hire an LPN as required by an IEP at \$31,000 who is paid hourly. We needed another para required by a

student's IEP. Looking at the student population at that time, ESY it was budgeted for \$12,000 that was underestimated; \$21,000. He can't ask how the SPED director came up with the number as she is not here. He is still looking to get a full accounting with new staff we hired. If someone is single and gets married, that is an obligation to the district (insurance plan change) and it goes up to \$17,000. Those are things we can't fix or predict. We had a \$60,000 increase and people can choose to be on our dental or not. If they were age 26 last year and now can't be on their parent's plan, we are obligated. Some fall under a CBA or WLCSSA or the SAU (non-affiliated) Handbook. Mr. Humphries asked if the School Board can look at less plans. Superintendent explained 2 years ago we decreased cost by changing health plans going to a deductible plan and saved over \$100,000. All staff now are required to have that plan and he briefly explained the plans. In the first years the contract (WLCTA) cost about \$35,000 because of the health care reduction. It doesn't show every year but there is an annual savings. He noted there is a cost from NHRS that goes along with some staff positions and 17.8% of salary is contributed for every teacher. Including administrations and the school counselors and certain other administrative positions. The rest has a contribution of 11.1%. Those obligations fluctuate with staff. The School Board and town and Budget Committee want us to hire the best teachers and some have 15 years' experience and some have 1. It varies. He will reconstruct the (retirement) document and have it part of the board packet and the Board does look at that. Right now for our health plan usage, we had 0 increase across the district. Teaching staff here tend to be here and take care of themselves. He doesn't know how many other districts have that. Mr. Humphries asked for a time line and if the Board knows about them early enough so it doesn't happen again. Superintendent responds new teachers are hired in May, June and July. Last time we used salaries at masters, step 15 (\$51,000). The other teachers looking to retire did not choose to make it public and we chose to leave those salaries in. It was known on November 1 to indicated they wanted to qualify for separation pay. Looking at replacement cost, it looked like we would be able to cover the entire salaries with salary savings. The SPED costs came after the fact and were new positions we were required to hire by law. Mr. Humphries questioned how will it be corrected. Superintendent responded under the direction of Ms. Baker, there is a large increase (in next year's budget); we put in 5% for health insurance that may drop and same for dental, we will know rates November 15. There are no teacher raises in the upcoming budget as their salaries will be voted on in a separate warrant article (not in the budget) the voters vote on as negotiations are currently happening. Moving toward the future, we are putting in retirements in case we need them and are putting in out of district placements so if they are needed they are there. If we don't need the money, it goes back to tax payers. Under the direction of the BA (Business Administrator) and this strategy, yes, we think it will be improved. Mr. Humphries likes the line item idea of Lisa's. Superintendent responded, we will give line item to the Board and Budget Committee monthly. They received it at the last meeting. Mr. Humphries asked when did you inform the towns to give enough time to react. Superintendent responded it was identified mid-July and firmly identified late August having the BA looking at every contract and contract obligation, looking at supplemental pays like stipends, coach salaries. It was identified in the 1st Board meeting in September. We continued to work through it, it was made public, he wrote a letter to Mr. Branscombe and Mr. Boland and visited, personally handing them letters and discussed this the beginning of October. Mr. Humphries questioned, so you knew maybe in June and investigated more. Why not tell them in June and perhaps they could curtail some payments and don't have to increase. Superintendent responded once I knew it was a firm issue, I notified them. Mr. Humphries thinks more of an advanced notice would have been nice.

Ms. Lisa Post questioned Mr. Clark noting he was at the Select Board meeting (Lyndeborough) and was going to get an answer relating to a discussion about cash flow for the town being a problem and one of the Selectman stated in the past there was a warrant article done when there was a similar problem to collect tax in advance and she questions if he got the answer. She added, Mr. Boland was going to get back to you, you asked if there was anything you could do, if they can start to collect taxes early to help with the cash flow. Mr. Clark clarified the discussion he had with Mr. Boland was can the School Board make public for the residents of Lyndeborough a request to get their tax bill early or is that something we cannot. That is under investigation. Ms. Post comments, I recommend you get that answer before the next meeting. Mr. Vanderhoof commented that he was also at the Select Board meeting and there are a lot of tax bills paid through escrow. Ms. Post responded so that may truly mean there is a cash flow problem and they may need to look to get funds.

Ms. Lisa Post questioned that in the slide presentation there was an indication that there would be no budget transfers till 2020-21 and in a meeting she asked for 5 years no transfers but in this meeting it's only through 2020-21, why. Superintendent responded that he didn't put this on the presentation for any longer and that is how he developed the process. If the Board wants to vote on that it is the Board's prerogative. Ms. Leslie Browne (Chair Budget Co.) commented that the 5 years was a suggestion to not move items from line to line, not transfers. Ms. Post replied, she thinks it was both. Chair Browne disagrees. Ms. Post commented, that was what she was asking for and that the

Budget Committee does a 5 year look back and she requests the Board vote on that before the next meeting to show the public things will be put in place to make this budget believable.

Mr. Matt Smart spoke, to Ms. Post's point, you have a line item budget, correct? Superintendent agreed correct. Mr. Smart commented the Budget Committee advised him they don't have a line item. He questioned who has control on how that is spent and who has the discretion to move it where you need it within current policy. Superintendent clarified, any budget transfer needs approval from him if over \$1,000, the Business Administrator if under \$1,000 and the School Board if over \$5,000. Mr. Smart spoke that even though you have a budget that you "kind of put some numbers on" and can move where you personally feel the need without any oversight, that is what the Budget Committee is for. You made comments retirements were known and you know the amount you said was short, you knew about it and didn't do anything about it and now we are in the situation when you need to ask for more money but you put it off and it looks bad, so no, it's wrong.

Ms. Lisa Post, speaking as a resident tonight, wants to say her opinion is that she would vote it down because if we tighten our belts and get community support, for example adopt a classroom and help with those expenses, she knows people are very generous here and that is something we can do to support and help. She would look to the budget to cut certain positions or someone going half time, there are ways since we will have a \$48,000 surplus there is a way to boost surplus without going to tax payers and if you go that route, she will be happy to spear head a fund raiser or anything like that for that purpose. She thinks it's important we don't continue to raise this budget every year and going up a million dollars. It will go so high no one wants to buy a home, the taxes are so unreasonable. The towns need the funds to fix roads and buy equipment. She got a call from someone today to tell her they had worked on the CIP and had to post pone. She thinks the Board needs to consider not going through with the next meeting.

Chairman Ballou closed the public comment portion of the meeting.

Ms. Lemire spoke wanting to respond to Ms. Post's first comment regarding enrollment, that it is fairly stagnant and may have dipped a little, the shift is in in special needs. It is less expensive to have services in district vs. out of district. The RISE program has doubled since she has been here (2 years). The driver for increases in staff growth is SPED. We have removed 3 teachers, added RTI, a full time kindergarten teacher and curriculum coordinator. All positions we are reviewing; whether they add value to our district and students. In addition to what happens if this doesn't pass, we have a slim margin of error, what we can cut, we have already cut and we are at bare bones. We are committed not just obligated to pay teachers and staff. The line item of \$184,811 ensures if it is needed for snow plowing it goes for that. It is our supply lines, are we going to ask staff to pay for things? It's unfortunate and no one is not regretful for the situation we are in, mistakes are made. She thanked everyone for coming and asking questions and requests if they were not answered that they be sent to them so they can put them out there and they know what is being asked and what they can do to help in the process.

Chairman Ballou recessed the meeting at 8:05pm.

Chairman Ballou opened the meeting back up at 8:13pm.

*A MOTION was made by Ms. Lemire and SECONDED by Mr. Clark for the School Board to accept Warrant Article #1 and move forward with the special school district meeting. **

Mr. Vanderhoof spoke that the purpose to be here is to hear the public. He spoke of the need to not delay the tax rate and that we would still be in the same position and with the new information we got yesterday, could have an overage of \$48,000. He believes we are not prevented from coming back to the towns in a special meeting in the spring if we need to ask for more funds at that time and would have a clearer picture. He thinks we have gotten ourselves into a situation and it has been explained to us over the last couple of weeks, we are passing all of our issues onto the towns to deal with.

*A MOTION was made by Mr. Vanderhoof to not continue with the special meeting and do what we need to do to spend within the \$12,739,674 that was voted on to give to us for this year's budget.
(There was no second to this motion.)*

Mr. Vanderhoof asked to hear from other members.

Chairman Ballou spoke that he truly appreciates the comments and people of the towns however he believes we have the opportunity to address the problem now and not wait to ask for money in April. He believes this would be a worse situation in his opinion not only for the towns but for students and staff and operations will be left to nothing. He believes we should give the voters the opportunity to make the decision.

Ms. Cloutier-Cabral appreciates everyone coming and hearing what they have to say, personally she is here as an advocate for the school district. She would like to give the public an opportunity to vote on how they feel we should proceed and if you vote not approve the article she respects that and if it is approved she respects that too. This is a District situation and believes everyone should have a chance to personally vote on that.

Ms. LeBlanc voiced appreciation for the people coming and feels the input was needed. She spoke of the suggestion for the forensic audit and notes just because they didn't pursue it doesn't mean they won't pursue it. They have a timeline and the way it is approach with this warrant article; it would seem to her it will be more painful for the communities if it doesn't pass but it's still at the discretion of both towns. If we can assure both towns we are intended to move forward with a forensic audit it may give people more confidence that we are taking more responsibility and finding out the deep cause of this. We need to know. It needs to be given to the towns people to make the decision.

Mr. Legere spoke of hearing people on both sides of the issue in public, here, and in the school board meetings and not to give the folks the chance to vote on it themselves he believes would be a disservice. He accepts the outcome either way.

Mr. Clark spoke that he came to this meeting wanting to hear things that he doesn't know. One of the big "takeaways" for him is communication between the towns and district and the fact that we work together and it comes down to cash flow. If tax money is not spent it goes back to the tax payers. He feels the most the Board can do is to allow people to vote and not just 50 people having input but everyone to be able to say how they want this money to be used and even if it means the tax bills will be delayed. He feels both towns should be able to voice their opinions.

Voting: six ayes; one nay from Mr. Vanderhoof, motion carried.

VI. ADJOURNMENT

*A MOTION was made by Ms. Lemire and SECONDED by Mr. Clark to adjourn the Public Hearing/Board meeting at 8:33pm.**

Ms. Lisa Post, citizen and Budget Committee member, voiced that she understands why the Board voted the way they did but wants them to know by doing that they just cost the towns money. She notes you are not elected to take care of the school, you are elected to be a representative of the people and it is their vote. She understands the reasoning and the vote but hopes that some of things talked about will be instituted to bring forward to make this a better budget season. She wants to make sure we have eyes on these numbers going in there so we don't go back next year in the same situation.

Mr. Ray Humphries voiced that a lot of people talked about showing some apology and remorse and being told the money will only be spent on that line and the reigns will be tightened why wouldn't the Board consider some sort of admittance they did something wrong and say we will take this money and have both towns approve the expenditures out of there or the Budget Committee. Superintendent responds, it is not in the authority for the Budget Committee to do that. He had asked the attorney if it was appropriate for the Budget Committee to come into nonpublic session and the answer was no, it was not within the municipal budget law. On the flip side, the Board has obligated itself to be sure every expenditure is known to the Budget Committee and towns as well. He welcomed anyone to come to his office and talk about it with him. Mr. Humphries questioned why can't you become creative and come up with a plan, you seem to unwilling to make any concessions; you will get a no vote. Mr. Clark voiced when we created a line item, those funds in that line item will only be drawn from by a vote of the School Board in a public meeting. The public would see the request and see how the School Board voted. This is as transparent as we can be and if it is not spent it will go back to the towns. If we put it into a capital reserve, it would stay locked in the capital reserve. Mr. Humphries commented, it's tough with your track record.

673 Ms. Jane Farrell, Wilton voiced it is not just should it get approved; it's the overall budgeting. It's the track record;
674 we are talking what has happened and apparently your own Budget Committee needs it; how about the public. She
675 notes it has put a "huge cripple" on projects and voices we need to look at why has the cost gone up so much; there
676 has been a \$3 tax increase and that is huge and projected to keep going.

677
678 Mr. Vanderhoof expressed to the Board you are still hearing it now and as we continue with this, when it gets voted
679 down and we did all this to the town and in the spring we will ask for more money or not it will be that much worse.
680 As a member of the public, this meeting was held for the Board to listen to the public and gage what they thought.
681 He thinks the Board misread them and he thinks it will cost the Board even more good will if there is any left. He
682 thinks the Board made a mistake.

683
684 Mr. Humphries commented, he thinks you should do your best and asked for the money in the spring and voices
685 "John hit it on the money".

686
687 **Voting: all aye; motion carried unanimously.*

688
689 *Respectfully submitted,*
690 *Kristina Fowler*
691