

Approved by the Board - January 9, 2020

South Hampton School Board - Budget Review Meeting (Monday, December 9, 2019)

Generated by Rebecca Frey on Wednesday, December 11, 2019

Members present

Sharon Gordon, Rebecca Burdick, Jim Kime

Administration Present: Matt Ferreira, Business Administrator; Walter Huston, Principal; Aline Donabedian, Director of Special Services

Absent: Dr. William Lupini, Superintendent; Dave Hobbs, Assistant Superintendent; and Caroline Arakelian, Executive Director of Student Services

1. Call to Order

Procedural: A. Call to Order

Chairman Kime called the meeting to order at 8:08 am

2. 2020-2021 Budget Review

Information: A. 2020-2021 Budget Overview

Mr. Ferreira commented that the budget was a reflection of the community values and school goals. This budget will help them continue the competency education initiative, social and emotional learning efforts, and enhance the world language program.

Research shows that there is more impact with world language if there are more classes per week. This is a tight budget. It is in excess of 8% with the Warrant Articles. There was an increase in enrollment, and they anticipate it to reach 100 students within next three years. The SAU budget included another round of enrollment projections. The proposed operating budget is a 7.9% increase. The default budget is only \$2,400 less than that. Vice Chairman Gordon questioned how the default budget was determined. Mr. Ferreira responded that it was last years budget plus or minus any contractual or state mandated items. Ms. Burdick questioned if they budgeted high school tuition for kids who did not go to either high school, or if it was money that goes back in the budget. Mr. Ferreira responded that it was a savings recognized in the budget.

Mr. Ferreira noted that the biggest drivers of the budget increase this year was special education, high school tuition, and benefits. There is a new Collective Bargaining Agreement for the teachers. There is an embedded 2% cost of living for non-union staff embedded in this budget. SESPA is not included. It is a separate warrant article that was ratified at the December meeting. The \$7,477 increase in the world language budget would move the teacher from a 0.2 to a 0.3 position. It will allow for three courses a week for the middle school. Chairman Kime agreed with the increase. World language was identified as an issue, so they have to make a plan to address it. Principal Huston commented that there will be 3 sessions a week for middle school. They may have to be creative with how to address the younger grades. Mr. Ferreira noted that it will be better programming to start later in grades. It will be good to get Board feedback on structure for next year.

Mr. Ferreira commented that the special education increase was determined based on student IEP plans. The primary increase was due to the speech language pathologist services. They were getting a good deal here, and now it is increasing a little to be more in line with market rate. If there is more need next year, then it would make sense to hire a full time employee instead of contracting out. Vice Chairman Gordon questioned if the special education professional services budget item was on par with other schools. Mr. Ferreira responded that it was hard to compare because each budget is based on individual school's needs. Barnard has more opportunity to do contract positions because there is less need.

Mr. Ferreira reviewed minor increases and savings in budget items. Mr. Ferreira looked at the prior year and 3 year average. If there was an account without a compelling reason to change, then it was reduced to what was actually being spent. There were some savings recognized in shared positions, for example Barnard School shares their technology person with Seabrook. The SAU budget was flat, however, funds are allocated across the district based on enrollment and property valuation. There has been a change in enrollment here, so there was a slight increase for services. Principal Huston questioned how South Hampton kids who went to Winnacunnet were counted. Mr. Ferreira responded that they currently were not counted in calculation because they were not South Hampton students.

Mr. Ferreira commented that the transportation account was increased and part of that was due to the special education increase. Chairman Kime questioned if they would be able to service the child if there was a preschool program at Barnard.

Ms. Donabedian responded that they would still need special services in the general preschool program. Mr. Ferreira noted that this is where an SAU wide preschool program would be beneficial. It would be complicated to put together, but could be worth it.

The high school tuition was reduced by \$15,000 with intent to withdraw from the Tuition Stabilization Trust. Principal Huston noted that last year they budgeted for an unanticipated move in. However, knowing there is more of a chance that some 8th graders are going to private school, so the budget did not include the extra move in. Ms. Burdick questioned what would happen if they did not withdraw from the trust. Mr. Ferreira responded that they would not make the withdrawal until close to the end of next year. The Board should account for more students and take out of trust if necessary or leave it in if they don't need it. They don't want a big differential in the budget between the years. Chairman Kime agreed that the enrollment was projecting to increase over the next few years. There should be a steady increase to the budget over the years. Chairman Kime questioned if they could use that to offset unanticipated move ins within a year. Mr. Ferreira confirmed that they could. Mr. Ferreira questioned if the Board was fine with keeping the \$15,000 reduction and not using it if they did not need to. The Board agreed they were.

Chairman Kime noted that some of the bigger budget reductions were in the library, technology, field trips, supplies and textbooks. Ms. Burdick asked Principal Huston if he felt that they had everything they needed. Principal Huston responded that at this point they did. Chairman Kime commented that they were only \$2,400 over the default budget. Chairman

Kime questioned if they wanted to cut some line items as hard as they had especially if the school is growing. Principal Huston commented that the teachers have submitted what they needed for supplies and books. There is no extra. At this point next year's budget will be tight, so if a request was not submitted ahead of time they will not get it. Chairman Kime noted that there should be some reserve to give teachers flexibility.

Chairman Kime questioned what would happen if they dissolved the Generator Fund. Mr. Ferreira responded that it would go back to the town. Chairman Kime commented that they should add it as a warrant article and put it to the vote.

Chairman Kime confirmed that they should level set the books and supplies with what it was last year to give the teachers some more flexibility. Mr. Ferreira responded that it would bring the budget to an 8.07% increase and be \$4,793.00 over default. Chairman Kime noted that the field trips line item was listed for \$500, which seemed low. Principal Huston responded that in the past it was around \$1,200. This year they asked for parent or the PTA to contribute and that has been working.

Chairman Kime summarized their discussion. The Board was fine with how the high school tuition was set up in the budget. The LED lighting was definitely something they should look at. It cuts down on energy, so it pays back over 2-3 years. Ms. Burdick questioned if they could phase it in. Mr. Ferreira confirmed that they could. Sometimes it is just a matter of replacing the light bulb and sometimes more equipment is required. This could be taken out of the Building Maintenance Expendable Trust. It requires a vote with the town to say they can use it. They can do that at any point. Chairman Kime commented that they could think about dipping into it this year and bumping up the warrant article to \$20,000.

Action, Discussion: B. 2020-2021 Budget Worksheets

Motion to approve the 2020-2021 Operating Budget in the amount of \$2,531,332.

Motion by Jim Kime, second by Sharon Gordon.

Final Resolution: Motion Passed

Yes: Sharon Gordon, Rebecca Burdick, Jim Kime

3. Warrant Articles

Discussion: A. 2020-2021 Warrant Articles Overview

Mr. Ferreira reviewed the warrant articles. It is important to see what is a priority. Tuition is a hot topic. The Board may want to increase the Building Maintenance to help replace LED lighting throughout the school. The Board should determine how important the roof is. The Technology Capital Reserve Trust was not included because it was at target. Chairman Kime commented that they should keep the order how it is and bump the Building Maintenance to \$20,000. They should also create a warrant article to release the Generator Fund. Chairman Kime questioned when the gym roof would need to get done. Principal Huston responded as soon as possible. It leaks now on rainy days. Mr. Ferreira added that the leak is not ideal, but they have been dealing with it for the time being. There is some difference of opinion in the community on the urgency. Ms. Burdick questioned if it was causing any other damage. Principal Huston responded that the water is coming in, traveling, and leaking out of the ceiling in another space. It could do more damage because it is traveling.

Discussion: B. Warrant Article - SESPA Negotiations

This was ratified at the December 2, 2019 School Board Meeting.

Action, Discussion: C. Warrant Article - Tuition Stabilization Expendable Trust Fund

Motion to approve a Warrant Article for the Tuition Stabilization Expendable Trust Fund in the amount of \$10,000.00 to be raised and appropriated.

Motion by Jim Kime, second by Sharon Gordon.

Final Resolution: Motion Passed

Yes: Sharon Gordon, Rebecca Burdick, Jim Kime

Action, Discussion: D. Warrant Article - Roof Expendable Trust Fund

Motion to approve a Warrant Article for the Roof Expendable Trust Fund in the amount of \$15,000.00 to be raised and appropriated.

Motion by Jim Kime, second by Sharon Gordon.

Final Resolution: Motion Passed

Yes: Sharon Gordon, Rebecca Burdick, Jim Kime

Action, Discussion: E. Warrant Article - Building Maintenance Expendable Trust Fund

Motion to approve a Warrant Article for the Building Maintenance Expendable Trust Fund in the amount of \$20,000.00 to be funded from the 2019-2020 unreserved fund balance.

Motion by Jim Kime, second by Sharon Gordon.

Final Resolution: Motion Passed

Yes: Sharon Gordon, Rebecca Burdick, Jim Kime

Action, Discussion: F. Warrant Article - Special Education Expendable Trust Fund

Motion to approve a Warrant Article for the Special Education Expendable Trust Fund in the amount of \$15,000.00 to be funded from the 2019-2020 unreserved fund balance.

Motion by Jim Kime, second by Sharon Gordon.

Final Resolution: Motion Passed

Yes: Sharon Gordon, Rebecca Burdick, Jim Kime

Action, Discussion: G. Warrant Article to dissolve the Generator Expendable Trust Fund

Motion to move forward a Warrant Article to dissolve the Generator Expendable Trust Fund.

Motion by Jim Kime, second by Sharon Gordon.

Final Resolution: Motion Passed

Yes: Sharon Gordon, Rebecca Burdick, Jim Kime

4. Non-Public

Action: A. Roll call for Non-Public under RSA 91-A:3 II (a-e), if needed - Nothing at this time.

5. Resume Public

Action: A. Resume the Public Work Session - Nothing at this time.

6. Adjourn

Action: A. Adjourn

Motion to adjourn the public work session 9:54 am.

Motion by Jim Kime, second by Sharon Gordon.

Final Resolution: Motion Passed

Yes: Sharon Gordon, Rebecca Burdick, Jim Kime