

**SANBORN REGIONAL BUDGET COMMITTEE PUBLIC HEARING
APPROVED - MINUTES
THURSDAY, JANUARY 14, 2016**

The Sanborn Regional Budget Committee held a Public Hearing on Thursday, January 14, 2016. The meeting was called to order at 7:08 pm. The following were recorded as present:

BUDGET COMMITTEE

Cheryl Gannon, Chairperson	Patricia Stephan, Vice Chair
Barry Gluck	Ami Faria
Beth Scanlon	Annie Collyer
James Doggett	Nancy Ross, School Committee Representative

ADMINISTRATORS

Dr. Brian Blake, Superintendent
Carol Coppola, Business Manager

The Public Hearing began with a salute to the flag. The Budget Committee prepared a slide presentation and provided it as a handout for the public as Ms. Gannon highlighted the information.

The Budget Committee members were introduced. Ms. Gannon informed the public of a Communication Preferences survey that is available on the District home page and reviewed the results to date and encouraged the public to participate in the survey.

Ms. Gannon described the FY 2016-17 Budget Process Timeline. She reviewed the District accomplishment highlights. Local Statistics regarding population, median family income and household income and unemployment rate for Kingston, Newton and Rockingham County was provided.

Ms. Gannon indicated the FY 2016-17 Budget Committee recommendation is \$35,057,950. It is \$350,000 less than the Superintendent's proposed budget. Significant line items from the proposed Superintendent's proposed budget are the Capital Improvement Plan, health insurance, new budget requests, transportation, utilities, special education tuition and vocational tuition (SST).

Ms. Gannon presented the Superintendent's proposed District –Wide Capital Plan. She reviewed the Superintendent's proposed new budget requests which include a 5th grade teacher at Bakie School, athletics at the middle school, a Student Assistance Counselor and Athletics at the high school.

Ms. Gannon reviewed the Superintendent's Proposed Budget Capital Improvement Plan which includes security cameras, temperature control, new truck and various other things. She explained where district funds originate and a pie chart was provided indicating 71% of district revenue sources come from local funds.

Negative and positive impacts to the District Revenue were explained. Historical State funding of the District Retirement System Costs was presented showing a comparison of FY 2009-10 to FY 2016-17. The Superintendent's Budget Components were provided. A pie chart was presented for District Budget Components indicating 72% of the budget come from salaries and benefits with only 1% as new budget requests.

Ms. Gannon explained to the public that after three weeks of deliberations, the Budget Committee voted to reduce the proposed budget by \$350,000. Most of this reduction comes from capital projects, with a small amount from technology and administrative salaries.

An estimated tax impact was presented. It shows an estimated FY16-17 tax rate per \$1000 on a \$250,000 for Kingston as \$21.09 and Newton \$22.36. This equates to an increase of \$185.15 for Kingston and \$215.74 increase for Newton.

Ms. Gannon explained the default budget. FY2016-17 default budget is \$34,415,230 which is a difference of 1.86% between the proposed budget and default budget.

The history of approved budgets was reviewed. The unreserved fund balance was explained by Ms. Gannon. She stated this budget is a fluid process and best guess, with the money left over at the end of the fiscal year which is returned to offset taxes.

A graph was shown depicting the District Actual & Projected enrollment and the 2014-15 Comparative Per-Pupil Costs table showing districts with comparable populations and neighboring school districts. Ms. Gannon explained the budget change for FY2016-17 is \$809,983 which equates to a 2.45% increase over last year. The estimated tax rate for Kingston for the school is \$21.09 and for Newton is \$22.36.

Ms. Jan Bennett of the Sanborn School District presented the Professional Staff Agreement. This proposed professional staff contract is a two-year contract. She reviewed the continued progress of the district. The negotiating teams consisted of professional staff, two members of the School Board and advisors.

Ms. Bennett described the negotiation process. She explained the salary and compensation changes and the health insurance. Employees will choose between three high-deductible health insurance plans. Professional staff contract increases went down because many have reached the top step.

Ms. Bennett provided the estimated cost per thousand to taxpayers for 2016-17 and 2017-2018. The estimated tax impact for the first year of the teacher contract would be \$60 for Kingston and \$66 for Newton on a home assessed at \$200,000. A comparison of teacher contracts for FY2014-15 was provided.

Ms. Bennett explained the benefits of this contract to the District and Professional Staffs.

Ms. Bennett read a warrant article being presented by the School Board asking the voters to discontinue the Facilities Maintenance Expendable Trust Fund and to establish a new Capital Reserve Fund to be known as the Capital Improvement and Maintenance Capital Reserve Fund.

The Public Hearing was recessed at 7:50 pm and reconvened at 8:00 pm.

Ms. Gannon opened the Public Hearing to the public for questions and comments.

Peter Broderick of Kingston questioned where the Committee starts building the budget from. He asked if the Budget Committee took the \$735,000 out of the budget and started working from there because if they didn't spend it they didn't need it.

Ms. Coppola explained how the budget is prepared. They take the actual information they have, consider what their needs are, and build the budget. Regarding special education, which is a large area

and accounts for the \$735,000, the savings aren't anticipated. But they must look at the needs with the actual information they have at the time the budget is created.

Mr. Broderick referred to page 12 and stated the tax rate is questionable.

Ms. Coppola explained the school portion of the tax rate, the local and the state tax. He asked how much will the local tax increase for Kingston. Ms. Coppola stated they don't know what the State will do and any increases reflected would be local.

Ms. Gannon commented they will make changes to the information regarding the tax rate to avoid confusion at the Deliberative Session.

Jerry Petralli of Newton asked what percentage of health insurance does the District pay. He questioned the \$79,000 salary for the proposed 5th grade teacher when the average salary is \$50,000. He asked if there is a line item for professional development for staff.

Ms. Coppola explained that the District pays 90% of health insurance. There is a professional development line in the budget that has been negotiated in the union contract. The \$79,000 proposed salary includes salary and benefits.

Jim Baker of Newton commented he takes issue with some of the school districts that were chosen for the chart that was presented comparing Sanborn with other local districts. He said Sanborn's cps (cost per student) is \$928 higher than Timberlane and \$1,355 higher than Exeter. He does not believe the majority of the Committee is thinking long term. He stated the increases we've had the past several years are not sustainable and believes the school administration needs to find ways to lower the costs. He stated the proposed budget after savings is \$35,057,950 which doesn't include the teacher's contract which is another \$404,686. The resulting increase is \$3,200,000 which is a 9.9% increase in 2 years. He said he talks to people every week about the property tax problem and most tell him they think the taxes are out of control and know the schools are the biggest percentage of this. He is concerned if they keep approving tax increases like these, in a few years very few will be able to retire in Newton or Kingston.

Sarah Hunt of Kingston referred to the tax impact to Kingston and Newton. She believes the schools are great and worries about the impact on the schools if money is cut from the budget.

Heather Ingham, who is a clinical social worker, spoke highly of the schools and commented on the good work they do.

Roger Clark of Kingston supports the comments made by Jim Baker. He referred to the FY 2014-15 actual budget of \$35,407,950 which shows an increase of 10% over the next two years. He won't be able to afford the taxes. It is hard for him to understand the increase when the enrollments are declining. He also questioned the hiring of an additional teacher for \$79,000 and the Student Assistance Counselor for \$71,000. It appears to him there should be the ability to move teachers into those positions without having to add more. He asked who determines the default budget.

Ms. Gannon explained the default budget is determined by the school board and business administrator who use a required formula issued by the State to determine the amount.

Roger Clark said the Budget Committee should be the governing body determining the default budget not the school board. He asked if the Budget Committee considered the history on page 13 which shows the

voters defeating the proposed budget for the past three years. He believes we should be considering getting our budget to the point of the default budget since it is what people are supporting with their vote. He doesn't have a problem so much with the teacher's raises, but he questions the district paying 90% of the health care.

Rick Edelman of Kingston said he thought there is some room for more cuts to the budget. The taxes will always go up. He believes people will move out of Kingston if the school district is bad.

Ms. Gannon asked the public to try to focus on the budget and not the teacher contract, which will be presented by the School Board later in the evening.

Camden Eunice of Newton said people move to the town for a good school system. The school district has come a long way and spoke in favor of smaller class sizes. She agrees there is a large problem with drug use with the older kids and teachers want them to learn and succeed.

Roclyn Porter of Kingston, NH referred to the Student Assistance Counselor position. She commented this was in response to the concerns of the community.

Dr. Blake explained this position began as a grant funded position. The grant is running out and they want to put the Student Assistance Counselor in the budget to continue to maintain that position. This counselor is doing a tremendous amount of positive work with the students.

Tammy Gluck of Newton referred to some articles she has read written by the Kingston-Newton Taxpayers Association and school board minutes. She referred to a comment made earlier about class sizes. She stated this issue had been debated among the Budget Committee members and about reducing staff. She supports smaller class sizes and referenced articles supporting the importance of it. She worries if they reduce teachers, the class sizes will go up which will be harmful to student learning.

Ms. Gannon stated the Committee members did not want to make reductions that would have a negative impact on the students. They want to balance the needs of the community with the needs of the students. The Budget Committee wants to maintain the quality education we offer.

Pamela Brown Anderson of Newton thanked the Committee for their work. She spoke in favor of the school district. She commented if we do not maintain the education, the kids will suffer. She mentioned there are families who choose to send their students to private schools and believes the additional tax increase from this budget would be an additional burden on those already spending money on education outside of the district.

Annie Collyer of Newton responded to a statement made earlier by Tammy Gluck. She said the article referenced by Ms. Gluck was regarding students in K-3. There has been no study showing any benefit of smaller class sizes at the high school or college level. She also stated the biggest impact is on inner city schools. The study shows the importance of expert teachers and wants to provide our good teachers with as much help as possible to keep them and pay them better than they are now.

Nichol Ash of Kingston spoke in favor of smaller class sizes. She said people will move out of town if the education changes due to the town not passing the budget.

Vanessa Matus of Newton stated she believes adding just one additional student to a class can create an impact.

Jason Faria of Kingston believes everyone on the Committee has done their job and commented that it depends on your perspective in the end. The voters ultimately decide on the budget, not the Budget Committee. He noticed over the past 9 years, the Committee has become increasingly more responsive to the voters and appreciates their work.

Barry Gluck of Newton, NH made a point of clarification regarding the unreserved fund balance. By law, the school district is not allowed to spend one cent more than what is voted in. There is good fiscal responsibility among our administration and they need to make sure there is money left to the end of the FY fiscal year in case an emergency occurs we have the money at the end of the school year. All the money never gets spent and what remains is returned to offset taxes.

Peter Broderick of Kingston asked if the budget committee budget passes, how much of an increase per thousand will there be over last year in Newton and Kingston. Mr. Doggett explained it would be a 74 cent per thousand increase for Kingston and an 86 cent per thousand increase in Newton.

Katie Reslin of Newton spoke in favor of smaller class sizes and commented the schools do an amazing job and she could not be happier. She thanked the School Board and Budget Committee and supports their recommended budget.

Diane Bortone of Kingston said she applauds the school district and has seen a big improvement over the last 10 years. She spoke in favor of the budget and doesn't want to take a step backward.

Rick Edelman of Kingston referenced the amount of money our high school seniors get awarded each year. It was \$5.9 million from colleges and local scholarships.

Pamela Brown of Newton referred to the fact that the State no longer supports ~~ing~~ retirement. She explained a bigger problem she sees is people are living longer and working longer.

There were no further questions or comments from the public on the proposed budget.

Annie Collyer had some questions regarding the teacher's contract. She asked what the average step increase is.

Ms. Bennett explained they are looking at an average of 2.2% step increase.

Ms. Collyer asked for Ms. Bennett to explain the difference between the total savings and the benefits decrease of \$48,723. Ms. Bennett explained the difference comes from the change of health plans. Ms. Coppola stated \$48,723 comes from social security, Medicare, NH retirement and savings in health insurance.

There were no further comments or questions from the public.

Ms. Gannon described the filing period for anyone interested in running for office and announced the open positions that are available. Information was provided to the public on where they can locate additional information.

The Deliberative Session is scheduled for Wednesday, February 3rd and Tuesday, March 8th is voting day. The polls will be open from 8:00 AM through 8:00 PM in the Swasey Gym in Kingston and the Newton Town Hall.

Ms. Gannon closed the public hearing session at 9:03 pm.

The Committee reconvened at 9:15pm.

Ms. Stephan **MOTIONED** to reduce the budget by \$500,000. **Seconded** by Ms. Collyer.

Ms. Stephan believes cutting the budget by \$500,000 sends a good message to the public.

Ms. Faria is not sure increasing the reduction by another \$150,000 will show anything to anyone. We will never make everyone happy and she feels we have already made a compromise. We have already hashed this out. She didn't hear anything tonight that would change her mind.

Mr. Gluck agreed with Ms. Faria. He said the \$500,000 was a number that was previously voted on and was defeated. He heard more people tonight speak in favor of the budget amount than from those who felt it wasn't cut deep enough.

Ms. Collyer didn't think it is a matter of gaining everyone's approval. She believed it makes sense to reduce it by \$500,000.

Ms. Stephan felt they did the process backwards by taking motions for an amount first, then considering areas to cut that equaled \$350,000. They should have first identified areas of reduction that the majority agreed on and that would have brought them to a total. They had identified more than \$350,000 to cut at the last meeting.

Mr. Gluck pointed out that all members did not agree on all the cuts proposed.

Ms. Gannon asked Ms. Coppola to explain the impact of the reductions on Fremont tuition and she indicated that it had to be lowered because the \$350,000 came from the district-wide budget.

Ms. Gannon asked the Budget Committee if they believe another meeting is necessary before the Deliberative Session. She reminded them they also have to vote on the school contract.

Ms. Ross said cutting the budget by an additional \$150,000 won't change anyone's mind.

Mr. Doggett feels the extra \$150,000 cut would help change some minds.

Mr. Gluck doesn't believe it is their job to support an amount they think will pass but they should ~~back~~ support an amount they believe is reasonable.

VOTE: 4-4 **MOTION FAILS** (Yes-Ms. Collyer, Mr. Doggett, Ms. Stephan, Ms. Scanlon) (No-Ms. Ross, Ms. Faria, Mr. Gluck, Ms. Gannon)

There will be a meeting on Thursday, January 21, 2016 to sign the MS-27, to vote on the teachers' contract and vote on warrant articles.

Ms. Collyer **MOTIONED** the vote stands on the \$350,000 and that it not to be reconsidered for a second vote. **Seconded** by Ms. Ross. **VOTE:** 7-0 Unanimous

Ms. Gannon asked to be informed if any member can't be at the January 21st meeting and to send her any comments they have or changes they want to see made to the presentation.

Ms. Coppola requested the committee members come in on the morning of January 22nd to sign the MS27 if they cannot attend the January 21st meeting.

Mr. Doggett **MOTIONED** to adjourn the meeting at 9:35 pm. **Seconded** by Ms. Collyer. **VOTE:** 7-0 Unanimous

The meeting adjourned at 9:35 pm.

Minutes submitted by,
Linda Mahoney
Recording Secretary