

Minutes to the October 19, 2022, Finance Subcommittee Meeting

Attending: R Edelman, M. Bashaw, J. Fitzpatrick, M, Angel, T. Ambrose

Trust Fund Investments and discussions with the Trustees

Fitzpatrick read the notes from the meeting between M. Angell, himself, Brad Maxwell (chair) and Claudine Dias from the Trustees of the Trust funds.

Sense of the Finance Committee was agreed by the Sub- Committee:

(after approx. ½ hour discussion amongst the board and the Administration)

Preserve Principle (so would prefer not investing in stocks)

Keep as much funds as possible in liquid state to allow access if needed due to a very tight budget in these inflationary times so would prefer to not have investments that exceed June 30th, 2023, on bond type investments

Board would like to revisit this in 2023, prior to the end of the fiscal school year (June 30, 2023)

Minutes of Sept 7, 2022, reviewed. R. Edelman Motioned to approve. M. Bashaw second. Minutes unanimously approved

M. Angell Reviewed his Business Administrators comments:

Propane

New Propane vendor selected and started 10/7, paying 20 cents less per gallon and locked in for 2 years.

Electrical rates

2 lowest rates received were 12 cents (new vendor) and 13 cents (existing vendor) vs the current 7.1 cents that we are paying through November 2022.

Inflation Rates

NH currently at 7.2% per state issued economic data

M. Angell asked Subcommittee their thoughts on budgeting based on historic or current. M. Angell is thinking more in terms of historical (2+%).

R. Edelman noted that using historical was like rolling dice, which M. Angell agreed.

Fitzpatrick noted contracts make up 75-80%. These are locked into these rates. Then you have ~ \$7.4M subject to additional inflations. \$2M of this is the bond schedule, leaving \$5.4M subject to inflation. This \$5.4M should be looked at online by line basis to apply correct inflation % (e.g. energy).

This would be the best means of transparency for district and community.

Discussion of health care increase follows. M. Angell expecting these rates to go up. Last year 7.8% higher. Fitzpatrick noted that historically this has been 10% increase for budget, which provided overages for line item transfer to other line items as needed.

M. Bashaw noted that she is seeing higher inflation than the 7.2% cited by State of NH. She thinks we should not just use historical but apply best % rate we can assess to the remaining line items just

discussed. She would be using higher number than the 7.2%. She is seeing as high as 40% increases in her experience. She is Ok with the 7.2% to be applied to the \$5.4M.

Fitzpatrick noted the following on the money from last year's \$36M budget.

\$1.2M back to taxpayers

\$0.5M withheld as contingency

\$0.25 auditorium

\$0.125 Track

\$0.1 for office

Plus other one time spending

We also rolled \$1.1M in encumbrances (some is duplicate count) so assume ½ is available means \$0.5M

So, in addition to the \$1.7M (returned to taxpayers or withheld). there is an additional nonrepeating \$400K+ and benefit of the encumbrances so we have something like \$2.2 – \$2.7M from a \$36M budget that should be available so we should not be as tight as may otherwise be thought.

Mr. Ambrose stressed that this budget is very very challenging, so he is concerned about funding needed. Some of that money was associated with unfilled positions. Mr. Ambrose stated that they are shooting for \$1.1 – \$1.2M unexpended funds by the end of the budgeted fiscal year.

Three existing contracts ~ \$700K additional costs

Special Ed - \$300-400K additional

Transportation and Oil costs are increasing

He also noted he needs 3 additional teachers in regular education in Bakie.

Fitzpatrick noted that in June the assessment was 1 teacher – this would be approximately 40 additional kids to drive an additional 2 new teachers

Mr. Ambrose noted that yes, things have changed in this area since June.

Requests that have come in from Departments is greater than a 7% increase. Fitzpatrick noted that he did not see how that could be based on the above. Ultimately the line by line review will provide the insight and transparency needed. We would need 2021 actual to 2022 actuals for review and corresponding past, current and proposed budgets compared to have full transparency. Mr Ambrose and all were in agreement on providing full transparency. He noted Mr. Edelman's comment that we have cut the fat and are now looking at that meat.

Fitzpatrick noted the increased taxes coming from what people voted on in December.

On a \$300K house

Newton 792

Kingston 675

On a \$400K House

Newton \$1,055

Kingston \$900

Not just these tax increases are coming but we are also entering a recession and we all agreed we will need to be as transparent as possible on the development of the budget.

R. Edelman noted that the town of Kingston is looking at a real increase of 17% in spending in the coming budget, and to think that this school budget is not going to go up is insane. Fitzpatrick noted that he agreed but also thought it insane that it would go up 7%. T. Ambrose clarified he was not saying it would go up 7%, they are working hard to prevent that but that this was starting point from the submissions from the departments, so he is concerned.

T. Ambrose noted that he currently does not plan to spend the authorized money from the trust funds, but we need to keep that possibility available.

Custodial Contract

M. Angell reviewed the need to bring in contracted custodial services. We have 4 positions unfilled, and we need to do this now. Presently using one company to fill the need. In 90 days will have 3 bids to review for balance of the year. Then at year end we will evaluate the service and the cost and make a recommendation for a longer-term plan in this area.

R. Edelman asked about the \$310K for 3 custodians, listed as savings.

That is over \$100K / year.

Fitzpatrick noted that this would be salary of \$60-65K as benefits are ~ 52% adder.

M. Bashaw had noted this % in comments in last meeting as to the amount of benefits being 52%.

T. Ambrose asked that this be broken down into salary and benefits to calculate these savings

T. Ambrose noted that the intervention teachers have had to go to teaching due to staffing issues, this has been needed to keep the schools open. That we all need to be Transparent as to the real costs.

M. Bashaw wants to be able to see the assessment of the costs vs benefits of making a contractor move on custodians. R. Edelman stressed the need of a cost benefit analysis. A general discussion of some of the costs and benefits ensued.

Not able to address

- 1) Q&A's on Manifest
- 2) Trust Fund \$ balances
- 3) Spending and revenue accounts

All we be addressed in next meeting on November 2, 2022 at 3:00 PM in Room 142 at the High School