

**TOWN OF NEWMARKET, NEW HAMPSHIRE  
BUDGET COMMITTEE MEETING  
JANUARY 6, 2020 7:00 PM  
TOWN HALL AUDITORIUM**

***Approved as Amended March 30, 2020***

MEMBERS PRESENT: Chairman Michael “Mickey” Burns, Vice Chairman Daniel V. Smith, Jeff Raab, Roger Cady, Gary Swanson, Joe Lamattina, Christian Matthews, Robert Ortins, School Board Rep Elizabeth McKinney, Town Council Rep Zachary Dumont

EXCUSED: Trevor MacDonald

ALSO PRESENT: School Superintendent Dr. Susan Givens, Interim Business Administrator Marie D’Agostino, Student Services Director Erica MacNeil, Assistant HS Principal Jennifer DeStefano, Facilities Director Greg Marles

**AGENDA**

Chairman Mickey Burns welcomed everyone to the January 6, 2020 Budget Committee Meeting and called the meeting to order at 7:00 pm, followed by the Pledge of Allegiance.

**OLD BUSINESS**

**Approval of the Minutes of the Budget Committee Meeting of December 16, 2019**

Mr. Lamattina made a motion to approve the minutes of the Budget Committee Meeting of December 16, 2019 which was seconded by Councilor Dumont.

Changes/Corrections: On line 214 the figure “\$383.167” was corrected to read \$383,167.

Chairman Burns polled the Committee and the minutes of the Budget Committee Meeting of December 16, 2020 were approved, as amended, by a vote of 10-0.

**NEW BUSINESS**

**Second Review of School FY2021 Proposed Budget**

School Superintendent Dr. Susan Givens introduced her staff: Interim Business Administrator Marie D'Agostino, Interim HS Principal Sean Pine, Assistant HS Principal Jennifer DeStefano, Acting Elem Principal Debbie Roffo, Student Services Director Erica MacNeil, Assistant Principal for Student Services Kristina Cochran, IT Director Jason Carey, and Facilities Director Greg Marles, as well as School Board Members and prior School Board Members.

### **Warrant Articles**

Dr. Givens said as far as the Bond Interest, money was borrowed for the School Building Project and the money was invested and accrued interest over the course of the project. She said \$665,000 worth of interest has been accumulated, and a lot of things need to be done which were not included in the original Building Project. She said some of them were alternatives developed by the School Building Committee not included in the project due to lack of funds, some are structural challenges found when the building was opened up, and some are things needed that were not realized at the time,

Dr. Givens said things they need to complete so the building serves its intended purposes total approximately \$415,000. She said they additionally want to use some of that money to replenish the Facilities Trust Fund by \$200,000 before closing the School Project, and the IT Trust Fund by \$50,000. She said in addition they have one CD invested for which they would receive \$74,000 to \$128,000, depending on the maturity, which they can use to lower the tax rate. She said this would be one (1) set of Warrants with three (3) separate parts. She said they also reached a tentative Collective Bargaining Agreement (CBA) for the Paraprofessionals.

Dr. Givens said they are contemplating another Warrant at the Elementary School for replacement of the Playground, as the equipment is 15 years old and does not meet ADA requirements. She explained that the PTA asked if they would sponsor a Warrant Article to be funded in the event of money being leftover at the end of the year which could be moved into a Trust Fund to match their fund-raising efforts.

Vice-Chair Smith asked how the Warrant Article for the Playground will be worded. Dr. Givens said the language was reviewed by their Attorney: "to raise and appropriate from Surplus up to \$50,000 to be placed in this fund from the June 30, 2020 Fund Balance, and to appoint the School Board as agents to expend", and they would likely set up a separate Trust Fund for the Playground. She said they have \$665,000 in accrued interest and would like to use those funds with no impact on the tax rate, and said the \$50,000 would be only be used if there is a Fund Balance.

Mr. Raab asked happens to the interest money if it is not used, and Dr. Givens said it would be restored to taxpayers. Mr. Lamattina asked if the Paraprofessional Contract was reflected in the Budget, and Dr. Givens said it was not and did not take effect until July 1, 2020. Ms. McKinney said the School Board had not yet signed the contract, it would become part of the budget next year if approved. Mr. Ortins said he was confused as the contract would take effect on July 1, 2020, and the Budget is FY2020/2021. Ms. McKinney said the Paraprofessional Contract would be a Warrant Article.

Mr. Swanson asked if the School had any Capital Reserve Funds, and Interim Business Administrator D'Agostino said they have Trust Funds and Capital Reserve Funds. Mr. Matthews asked for clarification on the \$665,000 in accrued interest. Dr. Givens said when the taxpayers approve an amount of money for a project, that gives authority to the "agency" to borrow the money, and money is put in an interest-bearing account because the building project will go over a period of years. She said money accrues in that account

as interest, and cannot be accessed without an appropriation, and they are asking to use that money as a funding source to be transferred from this account to those specific areas.

### **School FY2021 Budget**

Mr. Lamattina said the School is requesting to add 1.75 FTE Custodial part-time for weekend maintenance and security. Dr. Givens said they currently have no staff working on weekends, and people who lease have access through a key system with no School employees present. She said she preferred to have someone there to contact if there are problems, to maintain security, and to do some preventative maintenance. Mr. Raab asked what the cost would be for just for the weekend portion. Dr. Givens said there is a fulltime position to come online in April, but it is only a 2.25 FTE in the current budget. She said the 1.75 FTE is to fully fund the 1.0 FTE position, and the other 1.0 FTE would be half weekend work at the Elementary School and half at the High School.

Mr. Cady asked if the income from renting the facilities shows up in the Budget. Dr. Givens said it shows up as miscellaneous receipts to offset overtime and other expenses, and shows up in the Default Budget under Other Local Revenue. Mr. Cady asked if that offset the costs of the janitorial services. Dr. Givens said for the current year they are anticipating \$56,000 which is level-funded. Vice-Chair Smith asked if the paraprofessionals were currently a bargaining unit or was that something new with this contract. Dr. Givens said this will be their first CBA, so they have been negotiating an entire contract.

Mr. Raab asked about the \$105,300 on page 4 of the original Budget for increases to bring our systems and spaces online from the construction. Dr. Givens said the money represents the increase to custodial staffing as well as approximately \$40,000 for the inspections. Facilities Director Greg Marles they added a whole new Stormwater System when they did the construction as an underground pond system which requires maintenance and inspections. He said they also increased the lawn area significantly which increased fire detection and fire prevention inspections, increased the number of exhaust hoods with fire-suppression systems, and increased the amount of HVAC systems that require inspection and preventative maintenance. He said this \$40,000 encompasses all of that.

Mr. Matthews asked about the duct leakage line item in the Bond Interest Warrant Article. Facilities Director Marles said many of the existing duct-work systems remained at the Elementary School, and when they did the balancing they found a lot of heat loss into the ceilings and needed to reseal those systems. Mr. Cady asked where the funds used to be for the line items in Fiscal Services; \$400,096 that did not exist in the previous year. Dr. Givens said it included the addition of the Assistant Superintendent in the District offices with a salary of \$154,000, and includes \$250,000 for raises for those not part of CBAs.

Dr. Givens said there used to be benefits recorded in Line 2320, but pieces of those benefits are now showing up in Fiscal Services that used to be dispersed. She said there are decreases there of \$40,000 plus \$250,000 for the Assistant Superintendent's Salary, and other pieces from other budgets. Mr. Lamattina said the Assistant Superintendent is a new person, and Dr. Givens said that is in Executive Administrative Services. Mr. Swanson said the multiple benefits that came out of those lines end up masking increases. Dr. Givens said Fiscal Services is a reporting area the State requires information be provided for, and she understood they had not been providing that information to the State.

Mr. Raab said it would be helpful if a cheat sheet of the year before and the year after could be provided as a cross-reference and would benefit the Public Hearing. Mr. Swanson asked about a \$361,000 increase in SAU, and Dr. Givens said some is being housed in the SAU Budget, but once the contract is settled it will

be distributed to those line items. Mr. Swanson asked where raises and salaries showed, and Interim Business Administrator D'Agostino said Line 2320 under Salary Adjusted \$94,702. Dr. Givens said the \$154,000 is for the Assistant Superintendent Salary. Mr. Swanson said the point is that the SAU Budget is going up 16% and said he has done other budgets. Dr. Givens said things are not necessarily reported identically, and this is comparable to the way they are reporting.

Dr. Givens said the only staff member she is requesting an increase for, and is not in the FY2020 Budget, is the Assistant Superintendent. She said as to how it was reported in FY2020, she cannot give the same level of detail. Mr. Swanson asked about Shared Services, and Dr. Givens said the salary for the Facilities Director is in the Town's Budget and the Business Administrator is in the School Budget. Mr. Swanson questioned salaries, and asked about the increase for the Business Administrator. Dr. Givens said that is a new title currently listed as Financial Assistant.

Mr. Matthews asked Dr. Givens if she will have year-to-date expenditures before the Public Hearing. Interim Business Administrator D'Agostino said she is contracted in this position and also works part-time in another job, and they will do their best to get the information. Mr. Cady asked what percent of the student population are Special Education Students. Student Services Director Erica MacNeil said it depends on what each individual student plan calls for. Mr. Cady said Regular Education is \$7.6 Mil for 85% of the population and Special Education is \$4.3 Mil for 15% of the population, and he said he assumes uses some of Regular Education facilities and funds.

Ms. McKinney said for Special Education there is occupational therapy, physical therapy, speech therapy psychology, IEP (Individualized Education Plan), and 504s going into that number, and with the State cutting funding the amount will increase drastically over the next few years. Mr. Cady also mentioned the Special Education Coordinator requested for Summer School. Chairman Burns said his son has an IEP and is starting a 504 plan, and the benefits to his son and his family are overwhelming. He said his son's goal is to be proficient in the classroom to keep pace with his student body, and he could not say enough about what he has personally experienced from the Special Education team here in Newmarket.

Mr. Cady said he was in no way indicating the expense was not valid, he is just trying to understand what is going on and try to make possible adjustments without affecting quality. Interim Business Administrator D'Agostino said this School District works very hard to find different approaches to address needs, and it is hard to say what the average cost is. She said they may have students move in and out with an IEP attached which they are required to comply with, and said the District is trying to mitigate some of the costs associated. Student Services Director MacNeil said Special Education has a few areas where Revenue comes in to offset expenses. She said the calculations for some students run from 3 times to 10 times the cost, and they expend one year and receive funds back the next year. She said Special Education also has a Medicaid Reimbursement, and the State has also made significant changes to that.

Mr. Swanson asked if the rationale for the Assistant Superintendent was the graduation rate. Dr. Givens said they do have curricular deficiencies from Kindergarten through 12<sup>th</sup> Grade and are asking for two (2) additional FTE. She said the high turnover rate in Newmarket makes it very difficult for teachers to become proficient, and the Assistant Superintendent plays a role in supporting them. She said the School curriculum does not have clearly articulated vertical articulation to ensure learning experiences grow upon one another. She said the curriculum has gaps that are not aligning, and the Assistant Superintendent will work with building-level staff to help ensure growth for kids is continuous. She said without the Assistant Superintendent the gap will not be closed.

Mr. Swanson asked about Mentors, and Dr. Givens said Mentors provide new staff with a connection to ask questions to help support them, but is not a mentoring program. She said the Assistant Superintendent provides the programming and the Mentors help implement that. She said if you are going to improve instruction, it is important to have somebody driving professional development opportunities for staff, and there are a lot of coordination of curricular instruction and assessment pieces that are falling to them without an Assistant Superintendent. She said it is a key leadership position in any organization, and 25% of seniors not meeting graduate requirements is a result of accumulation over the years. She said the accreditation of the School is at risk.

Mr. Swanson said nationally the turnover rate is 16% and Newmarket averages around that. Dr. Givens said National Averages are driven by urban centers, and said this 25% turnover rate for this type of community is very high. Ms. McKinney said the School also had a significant number of retirements and 40 people (not all certified) left last year. Dr. Givens said the School District in Newmarket has approximately 200 employees and lost 40 people, and has more turnover than any School District she has been in during her 30 years in Education.

Vice-Chair Smith said the School had an Assistant Superintendent until 2 or 3 years ago, which could be where the slide began, and Dr. Givens agreed. Chairman Burns asked Dr. Givens what would be expected of a School District similar to Newmarket's population. Dr. Givens said in the district she worked in, they had 15 people, including paras and employees. She said the turnover in this School District has been consistent and increasing over the last several years. Mr. Cady said to address the student graduation rate, one of the things they want to do is have Summer School, and he wondered if \$9,000 would be adequate to do the job. Dr. Givens said they believe that for credit recovery it will go a long way toward helping those students.

Assistant HS Principal Jennifer DeStefano said she modeled the Summer School Program on other programs in districts she has previously worked. She said the program would meet 20 hours/week, employing a Math teacher, a Science teacher, a Social Studies teacher, and an English teacher, working approximately 20 hours/week at the hourly CBA rate. She said students can take 2 classes each of 1 ½ hours and recover up to 2 courses. Mr. Cady asked about the class size, and Assistant Principal Stefano said it depends on how many students register for Summer School as it is an option to recover credits so they do not have to repeat the entire class and is not mandatory.

Mr. Raab asked if there were exit interviews or other data for why there would be such an impact from adding an Assistant Superintendent. Dr. Givens said there are challenges at the Junior-Senior High School that have caused people to seek employment elsewhere, and said multiple changes need to occur to address those challenges. She said the collaborative effort by Administrative Staff now is not able to efficiently and effectively respond to the needs of the student population as they do not have proper staffing in place.

Mr. Matthews said they were taking \$665,000 in Bond Interest and using that to pay for things to not increase the district assessment. He said they were also wiping out the Fund Balance of \$538,541. Dr. Givens said the Fund Balance will be used to reduce the district assessment, and they are also using Bond Interest to not raise the Budget. Mr. Matthews said they are basically using \$1 Mil this year to keep the Budget low, and next year there will be no Bond Interest or Fund Balance, and asked why not save some of those funds to offset next year. Dr. Givens said some of the things that need to be done have real implications for the learning environment, and they will then have to raise the money on the taxes.

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Interim Business Administrator D'Agostino said the Fund Balance at the end of the year is as of June 30<sup>th</sup>, and they cannot plug in those numbers until they close the books and have the audit. She said they did not know the Adequacy Aid at this point in time as the State meets in September, so the School got more than anticipated. She said they also have Kindergarten Aid, but this fall it was eliminated and rolled into Adequacy Aid. She said revenues change and that is why they can only estimate.

Vice-Chair Smith asked if the Warrant Article figure will be \$17.3 Mil if nothing changes in the Budget. Interim Business Administrator D'Agostino said the figure for the Warrant Article is the \$22.2 Mil appropriation. Vice-Chair Smith said a lot of people do not want a repeat of the challenging schedule situation of this past fall, and asked if the Assistant Superintendent would provide support there. Dr. Givens said ultimately the Building Principal is responsible for that, but the Assistant Superintendent would provide necessary support. Councilor Dumont asked if the School felt they would be able to find a suitable Assistant Superintendent candidate to address turnover. Dr. Givens said she did not know that they would be able to address the turnover issue entirely for this cycle as the position is not in place.

Chairman Burns asked that the meeting be wrapped up and said a few clarifying questions can be asked at the next meeting for the School Budget Public Hearing on Monday January 13, 2020. Mr. Swanson said there are quite a few errors in the funding numbers and said he would send them the lines.

**OTHER BUSINESS** – None

**NEXT MEETING:** School Public Hearing: January 13, 2020 at 7:00 pm in the Town Hall Auditorium.

**ADJOURNMENT**

Councilor Dumont made a motion to adjourn the meeting which was seconded by Mr. Swanson. Chairman Burns polled the Committee and the motion to adjourn was approved by a vote of 10-0.

Chairman Burns adjourned the meeting at 8:42 pm.

Respectfully submitted,

Patricia Denmark, Recording Secretary