

**TOWN OF NEWMARKET, NEW HAMPSHIRE
MUNICIPAL BUDGET COMMITTEE MEETING**

DECEMBER 7, 2020 7:00 PM

REMOTE MEETING

Approved January 4, 2021

MEMBERS PRESENT VIA ZOOM: Chairman Daniel V. Smith, Vice Chairman Jeff Raab, Roger Cady, Joe Lamattina, Michael LaBranche, Eric Wigode, Town Council Rep Zachary Dumont, Robert Ortins, Matt Evangelista, John Halsey, School Board Rep Michael Kenison

GUESTS VIA ZOOM: School Superintendent Dr. Susan Givens, School Business Administrator Janna Mellon

ADMINISTRATIVE TEAM: Assistant Superintendent Deborah Black, NES Assistant Principal for Student Services Kristina Cochran, Director of Information Technology Jason Carey; Jr-Sr HS Assistant Principal for Academic Services Jennifer DeStefano; Director of Student Services Erica MacNeil; NES Principal Sean Pine; NES Assistant Principal for Academic Services Deborah Roffo; Jr-Sr HS Assistant Principal for Student Service Sheana Thorell; Jr-Sr HS Principal David Dalton

AGENDA

Chairman Dan Smith welcomed everyone to the December 7, 2020 Newmarket Municipal Budget Committee Remote Meeting and called the meeting to order at 7:00 pm, followed by the Pledge of Allegiance.

Roll Call Attendance: Dan Smith-present/alone, Jeff Raab-present/alone, Robert Ortins-present/alone, Joe Lamattina present/alone, Eric Wigode-present/alone, Michael LaBranche-present/alone, Michael Kenison-present/alone, John Halsey-present/alone, Zachary Dumont-present/alone, Matt Evangelista-present/alone; Roger Cady-present/alone

Notice for Remote Meetings: *As Chairman of the Municipal Budget Committee, due to the Covid-19 coronavirus crisis, and in accordance with Governor Sununu's Emergency Order #12 pursuant to executive order 2020-04, this Board is authorized to meet electronically.*

Please Note that there is no physical location to observe and listen contemporaneously through the meeting which was authorized pursuant to the Governor's Emergency Order. However, in accordance with the Emergency Order, this is to confirm that we are:

(A) Providing access to the meeting by telephone with additional access possibilities by video or other electronic means. We are utilizing the Zoom platform for this electronic meeting and all members of the Board have the ability to communicate contemporaneously during this meeting through Zoom

platform, and the public has access to contemporaneously listen and if necessary, participate in this meeting through dialing area code 312-626-6799 and meeting ID 92637129750;

(B) Providing public notice of the necessary information for accessing the meeting via Zoom, instructions provided on the Town of Newmarket Website at: www.newmarketnh.gov.

(C) There are provisions made to alert the public body during the meeting if there are problems with access: please call 602-292-1221.

(D) We will adjourn the meeting if the public is unable to access the meeting. In the event this happens, the meeting will be rescheduled. Please note that all votes taken during this meeting shall be done by Roll Call vote.

OLD BUSINESS

Approval of the Minutes of the Municipal Budget Committee Meeting of November 30, 2020

Mr. Lamattina made a motion to approve the Minutes of the Municipal Budget Committee Meeting of November 30, 2020 as presented which was seconded by Councilor Dumont.

Roll-Call Vote: Robert Ortins-aye, Joe Lamattina-aye, Eric Wigode-aye, Michael LaBranche-aye, Michael Kenison-aye, Roger Cady-aye, John Halsey-aye, Zachary Dumont-aye, Matt Evangelista-aye, Dan Smith-aye, Jeff Raab-aye

Motion approved as by a vote of 10-0 (Jeff Raab not connected)

NEW BUSINESS

Working Session – FY2021/2022 School District Budget

Presentation by Superintendent Susan Givens

Superintendent of Schools Dr. Susan Givens started with introductions of her Administrative Team: Deb Black, Assistant Superintendent of Schools, started with the District on August 10th; Janna Mellon, School Business Administrator, started July 1st; David Dalton, Jr-Sr High School Principal, started July 1st; Sheana Thorell, Jr-Sr High School Assistant Principal Student Services, 25-year Elementary School teacher; Sean Pine, Elementary School Principal, 7th year in District; Debbie Roffo, Assistant Principal for Academic Services at Elementary School; Kristina Cochran, Assistant Principal for Student Services at Elementary School; Jason Carey, Director of Information Technology for School District.

Vice-Chair Jeff Raab rejoined the meeting and Chairman Smith asked if he had any changes to the November 30, 2020 minutes. Vice-Chair Raab made a change in the third paragraph under Steve's Working Session to correct "\$1,000" to \$1.00.

Mr. Kenison made a motion to approve the Budget Committee Minutes of November 30, 2020 as amended which was seconded by Councilor Dumont.

Roll-Call Re-Vote: Robert Ortins-aye, Joe Lamattina-aye, Eric Wigode-aye, Michael LaBranche-aye, Michael Kenison-aye, John Halsey-aye, Zachary Dumont-aye, Matt Evangelista-aye, Jeff Raab-aye, Roger Cady-aye, Dan Smith-aye

Motion approved as amended by a vote of 11-0

Budget Presentation

Superintendent Givens said this year, in the middle of a pandemic, they focused on developing the Budget attending only to essentials that if not addressed would have a detrimental effect on student growth and development. She said they approached the Budget on the assumption school would be opening normally next year with on-campus learning and a full complement of programs. The proposal includes some instructional improvements: lower class size at Elementary School adding 1.0 FTE; add 0.5 Art Teacher at Jr-Sr High School and 0.5 ELO Coordinator; add Educational Technology Integrator; add instructional resources and plan for some recovery from "COVID slide" in student learning; realigned teachers at the High School with 4 teachers in every core subject area; ELO (Extended Learning Opportunity) Coordinator will be introduced back into programming next year; shifting a Case Manager or Counselor to balance case load; adding software for traditional model of instruction.

Superintendent Givens said under Operational Improvements they plan to upgrade Wi-Fi at the Elementary School and replace carpeting in 6 Elementary classrooms; add presentation system at both schools; replace administrative handsets; money in Budget to keep current technology infrastructure integrated (Wi-Fi upgrades). She said total staffing to support education programming is 219.99 or 220 FTE, 89% are building level staff; increases of 1.4% over FY2021 for new staff with a total cost impact from Salaries/Benefits of \$279,459. She said the FY2022 Education Plan Funding proposal is \$24,421,660 (at Town Meeting) with an increase of \$1,182,462 (5.24%): \$333,573 (28%) for improvements, \$848,888 (72%) for level service Budget.

Superintendent Givens said Appropriations (authorization to spend) are \$24,421,660; estimated Tax Rate (appropriations less revenue offsets) is \$19.11 with estimated Tax Impact of \$0.57. She said the tax rate will not be set until next year and revenues will differ from what we have here. She reviewed cost shifts with impact on financials: Athletic Director was moved from PE to Athletics; Maintenance & Repair was split with Professional Services. Erica MacNeil, Director of Student Services, logged into the Zoom meeting and introduced herself.

Superintendent Givens went over questions asked by Budget Committee members and said she would break the questions into areas with various members of the Team responding. Mr. Cady asked if tuition was charged for Pre-School: Director of Student Services Erica MacNeil said they do charge tuition as they are mandated by law to provide services starting at age 3 through 21. She said 3 and 4-year-old students are taught using an early childhood model with 50% students with disabilities and 50% typically developing (and paying tuition). Mr. Lamattina asked how many FTEs are in SAU Psychological for a Budget of \$223,000: Ms. MacNeil said there are 2 fulltime School Psychologists at SAU level; the \$223,000 covers salaries, benefits, and expenses for testing materials and protocols.

Superintendent Givens said Mr. Lamattina also asked for a better understanding of \$102,000 for OT Salaries. Ms. MacNeil said the OT line is Occupational Therapy with 1.6 FTE; item detail split between Elementary, Middle School, and High School and hours shift as needs shift. Superintendent Givens said they hired a high-quality Speech Therapist as well. Chairman Smith asked how they were able to get such high-quality candidates and Superintendent Givens said they got out in front of the hiring process cycle when the quality of applicants is higher. Mr. Wigode asked about funding for COVID-19, and Superintendent Givens said this budget proposal does not include a COVID environment.

Superintendent Givens said Mr. Cady asked about unusual expenses for retirement and asked what NHRS is. School Business Administrator Mellon said NHRS is New Hampshire Retirement Services, the State

pension for teachers and certified employees. Rates are set by legislature and we contribute a portion of the individual salaries to NHRS monthly (employee also contributes); unusual expenses for retirement were voted on in the CBA contract as well as terms for severance. She said the amount in this Budget covers retirement costs for 5 individuals in the District. Mr. Cady asked why the retirement system does not have enough money accrued to cover the benefits; School Business Administrator Mellon said pension is different from severance: pension is paid from NHRS and severance is negotiated by Newmarket Teachers' Association.

School Business Administrator Mellon explained that every year biennially NHRS sets rates good for 2 years. FY2021-2022 is the beginning of one cycle with a significant jump this year in employer contribution percentages required with a 3.22% total increase on teacher total salary and up almost 3% for other employees. Mr. Wigode asked what the proposed salary increases are for SAU and School Administration and their support staff. Superintendent Givens said they have two unions, one for teachers and one for paraprofessionals and set aside money for other employees. School Business Administrator Mellon said for other non-union employees they aggregated SAU, School Administration and their support staff together. She said the total aggregate amount for those individuals is \$84,731 but actual individual salary increases are not yet determined and will be awarded in the spring, with an average increase of 3.38%.

Mr. Cady had asked for an explanation of Professional Services and why they require special facilities. School Business Administrator Mellon said that is based on an accounting shift breaking Facilities/Repairs & Maintenance into three categories: (1) Repair & Maintenance, (2) Professional Services, which are services to operate buildings safely, and (3) Facilities-related software. They are also looking to implement a digital Safety Data Sheet and use Professional Services to describe Transportation, Special Education services, and general education services and anyone who provides a service to the School.

Mr. Wigode had asked why they were adding a Tech Intervention Specialist instead of extensive training for teachers. Assistant Superintendent Deb Black said the Technology Integration Specialist will assist teachers with rapidly changing technology; different teachers have different comfort levels learning new platforms and need someone to help them integrate it into their practice. She said technology is constantly changing and evolving and the key is keeping us in the forefront and helping us make decisions.

Mr. Wigode also asked about the progress for rationale goals for re-instating the Assistant Superintendent position stated in the FY2021 Budget Proposal. Superintendent Givens said the primary focus area for the Assistant Superintendent is on teaching and learning as well as hiring, recruitment, and induction. She said it takes a concerted effort to support teachers coming into the field to help them transition into a teaching role successfully and feel supported. She said job one is hiring well, and a good School District invests in the staff they have, with curriculum, assessment, and instruction a huge part of that.

Assistant Superintendent Deb Black said she first undertook the mentoring and induction program and developed a comprehensive program for new teachers for their next 5 years with our District; they now have 29 teachers in that category, 11 in their first year. A 2-day Induction Program was held this year which they hope to extend to 4 days next year; a handbook was developed which articulates everything we do in the first 5 years; monthly focus sessions are held, and new teachers work with mentors. She said she has also taken over Grant writing and has 3 years-worth of grants running for Title 1, 2, and 4 as well as CARES Act Grants. She also worked to revise the teacher evaluation plan; a lot of work around teacher certification, renewal, and professional development as teachers were hired outside of areas of certification; looking at course curriculums in both schools and looking at a 4 to 6-year plan for curriculum learning.

Superintendent Givens said Mr. Cady asked about the estimate of a 10% increase in Transportation. She said usually contracts for Transportation are 5 years with a huge upfront investment in fixed assets and 5 years to amortize those fixed costs over the term of the contract. She said salaries in this area drive costs and there is a high demand for bus drivers. Mr. Cady also asked about costs for flooring and Wi-Fi upgrades at the Elementary School. Director of Information Technology Jason Carey said they will be flooring a total of 6 classrooms at \$6,000/each for a total of \$36,000 and said the expense is from the Elementary School Repair line. For Wireless they are replacing about 55 access points for approximately \$15,000 from the Elementary School Equipment line.

Chairman Smith asked how many devices each of those 55 access points was carrying. Mr. Carey said they are for every classroom and office and are smaller access points for better signals and are more about wireless density than number of devices. He said the School also participates in a Federal Reimbursement Program called E-Rate and out of the \$15,000 they will see about half of that back the following year. Superintendent Givens said they need to keep a certain amount of money in the Budget to ensure they are able to maintain a system, and they need Wi-Fi tools to be accessible and working at a very high level.

Chairman Smith asked if the age of the bus is specified in the Transportation Contract, and Superintendent Givens said absolutely. Mr. Ortins asked if there was any benefit to signing a contract for a longer commitment with a company. Business Administrator Mellon said there is no restriction per se except they would need to include a non-appropriation clause in any multi-year contract and said there is no flexibility on price with the same vendor (First Student, Inc.). An alternative could be to extend a contract for 1 year longer with similar terms, which they are currently doing.

Superintendent Givens said Mr. Cady asked about Tech Administration, another area where we shifted reporting personnel; it appears as an additional cost in this Budget but is actually a realignment. Mr. Carey said the Tech Administration position is an existing position (his salary) which was moved from Non-Instructional IT Staff to the Tech Administration line. He said the other line does not drop by that \$90,000 due to the addition of the Tech Integrator position. He said they do use consultants and do some outsourcing for Tech Department work.

Superintendent Givens said the next questions concern the Elementary School with Mr. Cady asking how lasting they feel the negative effects of COVID-19 will be on children's education. Elementary School Principal Sean Pine said it definitely had an impact on educational growth of our students, and fortunately we are back in the building with most of our kids, with dedicated teachers for families still doing remote learning. He said students did the State Assessment in fall and they have data points there; after the holiday break in January they will be administering the Northwest Educational Association (NWEA) Assessment test which will give a better baseline on student progress and grade level areas as well. He said they are emphasizing the basics (math, reading, writing) and integrating science and social studies the best they can, and felt the impact would be a couple of years.

Superintendent Givens said Mr. Cady asked the reason for the jump at the High School HS for increases in supplies (\$16,000). Junior-Senior Highschool Principal Dave Dalton said contributing factors were money supporting our elective programming and expanding/changing programming at the High School. Factors include 0.5 FTE Art Teacher with a half-time Art Program with a \$6,000 increase in art supplies, and a change in Math & Business Department moving a Computer Essentials class to a Computer Programming class with a \$5,000 startup cost for that program.

Superintendent Givens said Mr. Wigode asked if the Assistant Superintendent attends the Board Meetings and replied that she attends when there is a related topic. In answer to other questions she said the total breakdown for Salary & Benefits is presented in the body of the document, and the projection for revenues is given on page 6, though there is new information they did not have. With the most current information we have, the impact on the Tax Rate will be \$0.57 based on the Budget; would be looking at \$24 Mil less all the revenues; looking at District Assessment of \$18,468,203. Mr. LaBranche said his last tax bill showed \$16.50 for the School which would now be \$19.11.

Business Administrator Mellon said in 2020 the tax rate breakdown is \$25.46, just calculated by the Department of Revenue (DOR). The School portion is the \$16.50 plus State Educational Tax of \$2.04 = \$18.54 as the current tax rate. She said they will not get the 2021/2022 tax rate until November of next year, and the tax is estimated at \$0.57 since the Budget prepared got new numbers from the State on Adequacy Aid for the State Education Tax. She said on the Budget form there are 2 sections, appropriation and revenues, and it will be their best guess estimate for revenues at the time of the Budget submission for voting. At the close of FY2020/2021 they take all the pieces composing unrestricted fund balance and a more accurate estimate of revenues for the FY2020/2021 School year plus any unanticipated revenues; the tax rate will not get set until end-of-year figures are submitted.

Chairman Smith explained to everyone on the Budget Committee that what they vote on and what voters ultimately vote on in March is the Budget; not the appropriations and not the tax rate. He said they put a pro forma tax rate in the Warrant for context but that is not what we are voting on; we are voting on the \$24,421,660. Mr. LaBranche said asked the equivalent for the local tax effort, and Business Administrator Mellon said the local tax effort estimate she used in the calculation to come up with \$0.57 increase is \$18,758,215 = gross appropriation, or amount shown in the Budget of \$24,421,660 less assumption of estimated revenues. Mr. LaBranche said the current School Tax Rate is \$16.50 and Business Administrator Mellon said it is \$18.54 with the State added in.

Chairman Smith said for the Budget they were planning for a normal School year without COVID but did not feel Revenues aligned, especially Food Service sales. He also said looking at State Education Tax contribution to revenues he sees a more semi-linear increase year to year; but from FY2020/2021 to FY2021/2022 it flatlines. Business Administrator Mellon said the page being reference was put together before the State issued our Adequacy Aid number in mid-November, so those numbers did change and have been calculated into the tax rate. She said the Committee will be getting a revised version of these revenues. Chairman Smith asked what the \$18,468,203 District Assessment is for the updated document, and Business Administrator Mellon said \$18,758,215.

Superintendent Givens said it is primarily based on State Aid being significantly less than what is in the proposed Budget, though the Food Service number is doubled. She said Adequacy Aid looks to be down about \$300,000 and State Education Tax is down roughly \$40,000. She said they will present this with the Warrant Articles that go before the Board for their approval on December 17, 2020. Business Administrator Mellon said a lot of their State Aid is based on parents not filling out the free factor number on free and reduced applications which has dropped for almost every district across the State and may also impact our Federal Grants announced in the spring.

Mr. Lamattina asked about the FY2020 Fund Balance and where the money goes. Business Administrator Mellon said it is part of our calculus to get the tax rate and is used as an offset in setting future tax rates. She said the numbers on page 6 have already calculated in that amount. She said the tax rate listed on last year's Warrant was estimated to go up to \$19.16 but actually went up to \$18.54 for the School portion.

Superintendent Givens said Mr. Lamattina asked for a review of COVID-related expenses and estimated offsets as reported in the document of November 9, 2020. She said it would be the financial report sent a few weeks ago before we had all the known expenses. At that time they estimated the COVID impact on additional expenditures would be \$1.2 Mil, but the number has grown and may grow again.

Superintendent Givens said they found out at the last minute that the Federal Government was reneging on its promise to provide Schools access to FEMA money. She said they turned to the Town and were able to access \$65,275 in GOFERR funds, and in addition \$108,728 from the CARES Act, and those monies will offset expenditures. The Governor also recently released money they had to allow all Schools supplemental money to offset COVID expenses with \$210,400 for Newmarket, and additional money may be available for any School District who has expended all their resources which is not reflected here.

Superintendent Givens said on the expenditure side they looked at salary accounts and staffing plans and were not able to move forward with all of them and believe they will not need about \$640,000 of the money in their salary line which will offset some salaries and benefits that were added. For Professional Development they will be unable to do site visits, hold workshop conferences, or invite speakers and believe they will have approximately \$100,000 leftover there; approximately \$60,000 will not be spent under Furniture; for Transportation they will save about \$20,000 by the end of the year. She said they will probably underspend the Budget by \$820,000 in those specific areas creating enough offsets to cover the deficit created by COVID. Business Administrator Mellon said the School has a Fund Balance of \$404,000, a 2.5% retained Fund Balance as an emergency contingency fund that taxpayers approved.

Mr. Lamattina asked for a review of the Default Budget and said he had a hard time referencing or relating the figures for FY2021 with the information on page 6, specifically that revenue grants are \$500,000 under FY2021 but \$660,000 in the Default. Business Administrator Mellon said when you look at the Default Budget the figures relate to the way they have to report the information to the State and said the Default Budget only shows appropriations. The offset comes when you sign the Proposed Budget because that form has both appropriations and revenues which are not attached to the Default. She said the \$660,000 is an early estimate from last year, and you can see in that column and also in the revenue a net effect of zero.

OTHER BUSINESS

Superintendent Givens said they are contemplating to bring forward the same Warrant Article for the Playground from last year to this year with zero tax impact. Chairman Smith said the Committee has a reserve date for January 14th (2 days after the deadline for Petition Warrant Articles); if there is no tax impact and the School Board votes on the Playground Warrant it can be covered directly at the Public Hearing. January 19th is the deadline for all Public Hearings on Warrants and the 25th is the last day to post the Warrant.

NEXT MEETING: December 14, 2020

ADJOURNMENT

Mr. Cady made a motion to adjourn the meeting which was seconded by Mr. Wigode.

Budget Committee Remote Meeting
December 7, 2020

Roll Call Vote: Joe Lamattina-aye, Jeff Raab-aye, Roger Cady-aye, Michael Kenison-aye, Michael LaBranche-aye, Robert Ortins-aye, John Halsey-aye, Eric Wigode-aye, Matt Evangelista-aye, Dan Smith-aye

The motion was approved by a vote of 10-0 (*Zachary Dumont left early*) and Chairman Smith adjourned the meeting at 10:00 pm.

Respectfully submitted,

Patricia Denmark, Recording Secretary