

**MINUTES**  
**SOUHEGAN COOPERATIVE SCHOOL BOARD**  
**PUBLIC HEARING**  
**January 15, 2007**  
**Souhegan High School**

Page 866

Chair Steve Coughlan called the Public Hearing to order at 6:07 p.m. **CALL TO ORDER**

Steve Coughlan introduced himself, as the Souhegan Cooperative School Board Chairperson. He introduced members of the School Board, which were present for the Public Hearing. They included: Janet Gaynor, Jeanne Ludt, Dana Redmond, John Rizzi, Phyllis Thomas, and John Walsh. Steve also introduced members of the Administrative team, which included Superintendent Dr. Mary Jennings, and Business Administrator, Elizabeth Shankel, and Minutes Recorder, Lyn Jennings. **PUBLIC HEARING**

Steve Coughlan said other various administrators were in attendance and seated in the audience including the Principal of Souhegan High School, Scott Prescott; Kathy Skoglund, Director of Special Education; and Rene Sparks, Assistant Director of Special Education.

Janet Gaynor began the presentation by highlighting the process of preparing the budget for the Administration and the School Board. Janet said the budget process begins shortly after the start of the school year. In October, the principal receives direction from the school board as to their educational and fiscal priorities for the upcoming year. Janet explained the original budget is developed by Scott Prescott, with input from many sources, and is generally presented to the school board in November. Janet said the process is an ongoing effort of collaboration and open discussion between Scott, Mary, Betty, board members and finance committee members to determine what and where they need to focus their attention and the limited monetary resources available.

Meeting attendees received a handout, which detailed the 2007-2008 Proposed Budget and Warrant Articles.

Janet Gaynor read Article 2: The Budget to meeting attendees as follow:

To see if the school district will raise and appropriate as an operating budget, not including appropriations by special warrant articles and other appropriations voted separately, the amount set forth on the budget posted with the warrant, or as amended by vote of the first session, for the purposes set forth therein, totaling \$17,072,165. (Should this article be defeated, the operating budget shall be \$16,705,070, which is the same as last year, with certain adjustments required by previous action of the Souhegan Cooperative School District or by law; or the governing body may hold one special meeting, in accordance with RSA 40:13, X and XVI, to take up the issue of a revised operating budget only.) The Souhegan Cooperative School Board unanimously recommends the passage of this article. The Souhegan Advisory Finance Committee unanimously recommends the passage of this article. Majority ballot vote required.

Janet said the budget as presented represents a 5.8% increase over last years adopted budget.

Janet explained the increase was largely influenced by the following elements:

- an increase in teacher salaries and benefits coupled with rising health insurance rates
- 17 staff members went from single coverage to family medical coverage this year.

Janet said this year's budget includes the first year of a technology replacement cycle for desktops and laptops per their long-range technology plan.

Janet explained also in the proposed budget was an increase in special education costs due to a large group of special education students entering the 9<sup>th</sup> grade this year.

Janet also said there is a huge increase this year to the state retirement fund, which is a required contribution. Also included is an increase in interscholastic athletics, which includes a phased uniform and equipment

replacement program for our athletic programs.

Janet explained there is one proposal that will not cause any additional costs to the budget and that is a new alternative regular education program, which will reassign one staff member to implement a new program to effectively challenge those students who are at risk of dropping out.

Janet summarized by saying a large part of this budget increase is overwhelmingly due to factors and increases beyond their control.

Steve Coughlan highlighted the Costs by Function for the Proposed FY08 Budget. Steve explained the largest portion of the budget is the Teachers Salaries (Regular Education). Two other major expenses in the budget are Benefits and Special Education.

Steve explained the changes in the budget as presented:

Regular Education:

- Professional and Support Staff raises.
- Technology Refresh

Special Education:

- Professional and Support Staff raises
- Increased student services – Steve said more students are coming to Souhegan from Amherst requiring the district to pick up the cost of their services.

Administration:

- SAU Literacy initiative – Steve explained this is a SAU wide initiative and is supported by all three school boards.
- Accreditation costs down

Employee Benefits:

- Health Insurance – Steve explained quite a few staff members went from single coverage to family coverage.
  - NH State Retirement contribution – Steve

explained the districts required contribution went up significantly.

Steve Coughlan explained the Program Changes from the Current Year:

- Reassigned Staff to support At-Risk Program – Steve explained they increased the staff by two to handle the bubble in student population, which is will be graduating this spring. The administration along with the School Board’s support; has chosen to assign these two staff positions to the At-Risk Program.
- Added budget support for experiential learning – Steve explained this relates to Wintercession, and the budget was increased to partially cover the cost of the teachers cost to travel.
- Added budget support for athletic uniforms replacement cycle.
- Continued technology replacement long-term plan
- Increased Special Education support staff

Steve Coughlan explained the New Professional Staff Agreement is a one-year agreement, which is included in the budget. Steve said the professional staff received an increase of approximately 3.4%. Steve said the PPC was very frugal, but good to the staff, as well as the taxpayers.

Steve also explained the Support Staff Agreement was a one-year agreement, which is also included in the budget. The total support staff increase is approximately 4.3%.

Meeting attendees received a copy of the Revenue Summary for the Souhegan Cooperative School District for FY08.

Jeanne Ludt explained the details of the Revenue Summary and said Souhegan is in the 2<sup>nd</sup> year of Gross Budgeting.

Jeanne explained to meeting attendees, the taxpayers received a significant return this past year, (2006-2007) totaling \$645,713. Jeanne explained for this year (2007-2008) they are expecting an Unreserved Fund Balance

of \$100,000.

Jeanne said under Local Revenue, they are expecting a deficit of \$100,970. Jeanne explained the majority of this deficit is due to the newly instituted SAU wide Wellness Policy. Jeanne said the healthy food is more costly, and sales have decreased.

Jeanne said in 2006-2007 the total School Tax for the Town of Amherst was \$6.02 per \$1,000 and the proposed rate for 2007-2008 is \$6.71 per \$1,000 representing an increase of \$0.69 per \$1,000. Jeanne also said Mont Vernon is expected to receive a substantial increase (\$275,390) in the Adequate Education Grant where Amherst is receiving a significant decrease. (172,277)

Jeanne explained in 2006-2007 the total School Tax for the Town of Mont Vernon was \$6.86 per \$1,000 and the proposed rate for 2007-2008 is \$7.11 per \$1,000 representing a \$0.25 per \$1,000 increase.

Jeanne explained the tax rate is not a firm number, but the best estimate.

Dana Redmond explained if the voters rejected the proposed budget, then the budget would go to the Default Budget.

Dana explained the previous years approved budget would be used, adding back increases such as negotiated contracts, and debt service and deducting one time expenditures.

Dana explained what the major increases and decreases for the Default Budget would include.

Dana explained the problems with a default budget:

- Is what you don't get it's a formula blind to school needs
- Does not advance the school or students education.
- Causes SHS to play catch up with regards to their educational goals.

- By using the default budget it will take years to recover.
- Teachers do not receive cost of living salary increases.
- SHS becomes reactive versus proactive for the first time.

Dana explained the difference in the Proposed Budget versus the Default Budget is \$367,000.

Dana presented the reasons why the voters should support the Proposed Budget over the Default Budget.

- Maintains current operations
  - Student-teacher ratio of 80-1
  - Utilities
  - Textbooks
- Supports increased state assessment for retirement.
- Retains competitive salaries for staff.
- Replaces aging technology.

Once the School Board completed their presentation, the Finance Advisory Committee was asked to comment on the Budget.

Dan Foley, Chair of the Finance Advisory Committee mentioned the names of the Committee Members, which included: May Balsama, Fran Harrow, Christine Morley and Marilyn Peterman.

Dan said the Finance Advisory Committee unanimously supports the Proposed Budget for 2007-2008 of \$17,072,165, which represents an increase of 5.8%.

Dan Foley thanked the SAU39 Administration, the Souhegan School Board and the School Administration for meeting with Finance Advisory Committee members and answering their questions.

John Rizzi presented Article 3 to Meeting Attendees:

To see if the school district will vote to raise and appropriate up to \$40,000 from the year-end undesignated fund balance (surplus) if available on July 1, 2007 to be added to the Expendable Trust Fund

known as the School Maintenance Fund previously established in March, 2005. The Souhegan Cooperative School Board unanimously recommends the passage of this article. The Souhegan Advisory Finance Committee unanimously recommends the passage of this article. Majority ballot vote required.

John Rizzi explained the purpose of Article 3 was to fund the School Maintenance Fund (which has been established, but which has been funded with only \$1.00 to this point) with surplus from the 2006-2007 budget, should a surplus exist at the end of the year.

John explained the maintenance fund was established to put aside monies in anticipation of unscheduled, but certainly not unanticipated repairs and upgrades to our buildings and their systems, and our grounds.

John explained the point of this article was to attempt to "flatten out" expenses that they know will eventually occur, so as to minimize the tax impact in any given year. The choice of \$40,000 was made because it is thought that this is a potentially achievable number, though by no means guaranteed as a result of this year's tight budget, which would give us a cushion for small-to-medium sized emergencies. John said it is their hope that over the course of several years this fund could attain a balance of about \$150,000. John said this fund is similar to one created and funded by the Amherst School Board, which was originally established and funded in the amount of \$71,000 with interest earned from the Amherst Middle School expansion project in 2003. That fund has reportedly grown to a balance of \$260,000.

John Rizzi presented Article 4: Unfunded Liability Fund to meeting attendees:

To see if the school district will vote to create an expendable trust fund under the provisions of RSA 198:20-c, to be known as the fund for unfunded liabilities for retiring employees, for the purpose of payment of retirement benefits currently accruing. Furthermore, to raise and appropriate \$25,000 toward this purpose and to name the school board as agents to expend from this fund. The Souhegan Cooperative

School Board unanimously recommends the passage of this article. The Souhegan Advisory Finance Committee unanimously recommends the passage of this article. Majority ballot vote required.

John Rizzi explained the agreement with the professional staff includes a provision common in teacher contracts. He said staff that achieve long service (15 years or more) accrue additional benefits for their retirement, payable over the last two years of their service.

John explained the benefits are variable, but can range from \$8,500 - \$25,000. John explained because next year is their 15<sup>th</sup> year being fully staffed, (after a year of planning with a small core staff), they anticipate that 20 teachers might choose to retire over the next five years, and then we will see a steady stream of retirements from then on. John explained support staff receive a lesser benefit, but we may also see 15 of them retire in the same period. Under state law, John said we cannot accrue these benefits as they are earned unless we create a fund like this, so right now our budget is vulnerable to swings caused by varying numbers of retirements. John said this fund is being established so that in the future we can allocate and budget retirement costs as they are accrued by staff, and retirements will not cause dramatic impacts in the budget from year to year. The \$25,000 requested represents a compromise between the potential future costs we might be faced with and the reality of this year's already dramatic increase due to unexpected retirement problems at the state level.

Dan Foley told meeting attendees the Souhegan Finance Advisory Committee unanimously supports Warrant Articles 3 and 4 as written.

The Public Hearing was adjourned at 6:47 p.m.

**ADJOURNMENT**