

Notice: These minutes are in D R A F T format, and shall remain as such as the legal record in compliance with RSA 91:A in their written archival form. They are likely to contain errors and may be in need of correction which can only be done in public in a properly-posted, subsequent meeting of the School Board. Accordingly, you are referred to the minutes of a subsequent (i.e. future -- but not necessarily the next sequential) meeting of the Board to identify what may have been changed as an approved and properly modified record in compliance with law.

NEWFOUND AREA SCHOOL DISTRICT

**School Board Minutes**

Monday, September 24, 2018

Public Session: 6:30 p.m.

Location: LMC- Newfound Regional High School

I. Call to Order by Jeff Levesque at 6:30 p.m.

II. Pledge of Allegiance

III. Record Roll:

Sue Cheney, Alexandria	present
Vincent Paul Migliore, Bridgewater	present
Heidi Milbrand, Bristol	present
Jeff Levesque, Groton	present
Jason Robert, Hebron	present
Christine Davol, New Hampton	present
Sharon Klapyk, Danbury	present

IV. Approval or Modification of Agenda

Vincent Migliore requested to be able to present a proposed policy change. Jeff Levesque requested that it be deferred until the October 9 meeting.

V. Approval of Minutes

a. September 10, 2018

Christine Davol requested that on page 5, X. b. New Business should include more detail surrounding the budget discussion concerning the retained fund balance.

The following discussion took place September 10, 2018 page 5, X. b. Approval to transfer up to two and one half percent into the retained fund balance

Mike Limanni gave an introduction to the handout 2017-2018 Year End Close –

Estimated and Unaudited. He said tonight to focus attention on General Funds because this is where to look at unassigned fund balance and we request a vote on

what to retain going into next year and what to return and reduce taxes. The unassigned fund balance that the board voted to retain last year is \$275,000.

Next, the total amount expended in fiscal year 2018 is \$21,165,000. The amount we received in revenue is \$21,964,000. Mike Limanni explained the difference between

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the two numbers was because we can receive significant amounts of revenue over what we budgeted to receive in revenue. Fiscal conservatism along with the tax cap resulted in an \$800,000 savings. The difference between what we spent and what we received in revenue that is added to that fund balance. The handout is giving the board how we built our ending unassigned fund balance which is what will be our final number.

Due to contracts, purchase orders and payments, still not paid in the fiscal year some funds are encumbered. Last year we encumbered \$868,000. We only spent of that \$772,000. Even though the business office spends three weeks going over purchase orders to reevaluate those invoices sometimes there are situations where vendors don't receive a payment or come in under the estimate for example.

Mike Limanni continued to explain the figures on the handout. Last year the board voted to retain \$337,646 to reduce taxes. The unassigned fund balance is \$1,508,149. That's the figure we're working with today. The warrant article from what you can vote from surplus for the maintenance trust fund is marked with a zero even though it is one dollar. The zero is to see the math but the figure is still to be determined.

What you will be voting on tonight is what you can retain but only by two and a half percent of the net assessment, which is the combined local and state taxes. Two and a half percent equals \$438,593. Mr. Limanni explained that if the board were to vote to retain the maximum you can that would leave the board with a return to taxpayers of \$1,069,556. The use of the retained fund is for emergencies.

Vincent Migliore asked for clarification. The retained fund balance that the board keeps if any is for emergencies essentially that has to be approved by the Budget Committee and the Department of Education.

Mike Limanni said yes but an emergency like replacing a boiler would come under the maintenance trust fund. A better example of what comes under the retained fund would be if a student were to require services that cost \$100,000 under special circumstances.

Mike Limanni said the biggest savings in the 1.5 million was in health insurance, teacher and support staff contracts and the roof, which cost \$619,000 and was budgeted for \$800,000.

Jeff Levesque stated his opinion that the board should give back at least \$200,000 because we didn't spend that on the roof and we all said that anything we didn't spend on the roof would go back. He was inclined to give back more and only keep \$275,000 however so the public would see the board in a different light.

Vincent Migliore pointed out that to give back even more or the most, which was 1.5 million, and then there is a kind of bounce in the tax rate subsequently. He thinks the board may pay a penalty for what happened at the last deliberative session and he is inclined to give back a significant number. He reminds the board that the reason in part that the \$438,593 is so high is because we were able to get the \$800,000 in the budget last year. So with \$330,000 in reserve already he does not think we need anywhere near what we retained last year that was \$275,000. On the other hand the

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emergency fund may be needed in the future. He believes enrollment figures are trending down and will be presented to us in February. He is concerned that if all the money is returned then the tax rate will fluctuate. He asked if the Budget Committee had met.

Stacy Buckley said it was difficult to find a mutually acceptable time for members to meet but it would be September 25. Stacy Buckley agreed enrollment figures fluctuate and despite the multi bedroom apartments newly developed in Bristol we have not seen anybody from those apartments.

Jeff Levesque said, "I don't think we need to give back the full amount nor do we need to retain the full amount \$438,593. I'm comfortable with retaining \$275,000." Stacy Buckley thinks \$250,000 or \$275,000 would be a reasonable amount to retain from an administrator's perspective because it gives a little safety net and the budget is tight this year.

Mike Limanni said again that giving back for example 1.2 or 1.3 million dollars to the taxpayers looks like a windfall that creates an emotional roller coaster. One suggestion is that in a year when the board has a large unassigned balance the board might want to retain more and then in the corresponding year if you have a lesser unassigned fund balance, because the revenue targets didn't go the same way you wanted, or so on, then the board can cut it down to \$200,000 to make that tax swing less. Some towns carry a much larger fund balance so that they can try to keep the taxes the same every year.

Vincent Migliore asked what the board would do concerning the item of putting a dollar or any amount into the expendable trust fund. Mike Limanni suggests zero because it would be less paperwork. Vincent Migliore pointed out the historical trend and said we've never had to use either the expendable trust fund or the retained fund balance. The oil tank replacement was planned for. So, this year in particular Vincent Migliore is more inclined to go down to \$200,000 on the retained fund balance.

Sue Cheney said she would rather keep the retained amount the same because by lowering the taxes to such a degree, if there is less to give back next year there's a jump in taxes.

Mike Limanni agreed that it makes it feel like a million dollar swing.

Vincent Migliore was concerned that the December taxes would be higher this year because the question of the \$800,000 in the default budget is going to be taxed to the taxpayers.

Michael Limanni and Stacy Buckley corrected this. They said the \$800,000 has already been taxed and reminded the board that taxpayers noticed the increase last year and brought it to the board's attention. The tax rate this December may actually decrease.

Jeff Levesque said there is going to be a whiplash effect no matter whether we retain \$250,000, \$275,000 or \$438,593, which is the maximum. Our first obligation is to the students so giving 1.5 million back is irresponsible and we need to retain something.

Vincent Migliore said it's a retained fund balance that's completely at the discretion

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of the school board to retain or not to retain is an option but from a budgetary standpoint it would be foolhardy not to retain.

Sue Cheney said it's like insurance that you pay on your house every year and every year it goes up a little. You pay every year but you hope you never have to use it but if you do need to use it, the insurance really helps.

Vincent Migliore just thinks this is an exceptional year.

Sue Cheney thinks even retaining \$275,000 gives a lot back to the taxpayer.

Vincent Migliore wanted to address the remaining and open questions of the \$800,000 capital improvement in the default budget.

Stacy Buckley said it was approved with legal guidance and the board has to stand by the fact that the board was correct with the decision to put the money in there and there were plenty of opportunities to cut it.

Jeff Levesque said the discussion was going well but he reminded the board that at the next meeting September 24 the topic on the agenda is the Capital Improvement Plan and whether we're going to spend that money or won't do it. Let's have that conversation then to make a decision on either we're going forward with the CIP, revising it or not. Next meeting is an opportunity to discuss everything with respect to that issue.

Vincent Migliore wondered if the next meeting could also include the potential reconsideration of the motion he had put forward last June that wasn't seconded but that board members wanted to think about.

Jeff Levesque said let the board decide whether to have that discussion.

Vincent Migliore wanted to put the item on the agenda for the next meeting.

Jeff Levesque said we're not modifying that agenda because it is cast in stone and posted but he agreed there is an option to modify it at the next meeting.

Mike Limanni continued to explain that the purpose of the unassigned fund balance is not just to be an emergency fund or a strategy to help our rates and borrowing but also to try to stabilize the tax rate, which is why we came up with the CIP so we don't have to do things last minute. So using the fund balance as a strategy to when you have a good year retain it more. When you have, a bad year retain less so that you try to bridge the gap in a tax situation. Use the fund to reduce taxes and stabilize the effect of the fluctuation.

Jeff Levesque asked the board if everybody has an idea about the number on the retained fund balance.

Sue Cheney would consider the taxpayer's feelings this year and next year and she thinks the smart thing to do for the taxpayer is to retain \$438,593.

Sharon Klapyk says the board's first concern is to see that the students are taken care of.

Christine Davol likes the idea of trying to stabilize the tax rate. She tries to budget her taxes in anticipation of those kinds of fluctuations.

Vincent Migliore thinks it would be insane to keep \$438,593 additional money this year in a retained fund balance while it is an option for the board to consider and we do not have to do that. Capital funds have already increased and the \$438,593 will

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make that number higher so every year we have the opportunity to retain more, and that is insane in his opinion.

Mike Limanni said the CIP was to help stabilize the improvements so we don't have to rely on someone at a deliberative session raising your taxes by a million dollars in one shot to make an improvement happen.

Christine Davol asked how that is a million.

Mike Limanni corrected himself that it was \$800,000 but that it was \$800,000 and the budget went up by \$200,000 so the total tax increase was almost a million. He would like to stabilize the tax rate.

NOTE: End of discussion from September 10, 2018 page 5 X. New Business b. Approval to transfer "up to two and a half percent" into the retained fund balance

VI. Public Comment at the September 24, 2018 meeting

Paul Simard, Bristol asked the board for a synopsis of the timeline of how the Capital Improvement Plan was developed.

Stacy Buckley said that three years ago the facilities committee brought forth a plan to look at capital projects. The board approved the plan in June 2017 and now we are looking at it.

Sharon Klapyk was on the facilities committee. When the committee met five years ago the criteria for adding an item to the CIP list was student achievement, safety and how it affected the community.

Don Franklin was also on the committee. "We whittled and prioritized items and publicized when meetings were held. Quality of buildings affects the pride of kids and student performance. We tried to fix buildings instead of building new ones."

Another member of the committee, Ann Holloran said the group put a timeline on the process.

Steve Favorite, Bristol, said it took ten years to develop a CIP for the Town of Bristol and emphasized the importance of having one. He suggested focusing on real basic needs and agreed that BES is an outdated building.

Jeff Levesque said items listed and cycled on the CIP are large items traditionally financed under a long term funding plan.

Archie Auger, Bristol stated the CIP was approved by the board in June 2017 and the roof was approved in March 2017 before this was adopted in June 2017. He has no concerns with the leftover funds of \$200,000 that were not needed for the roof. At the previous meeting Mr. Auger spoke about changing the public's perception of the board. Why not give yourselves a pat on the back for a successful roof project.

Don Franklin said the CIP was not approved yet so the roof was not included in the CIP.

Paul Simard repeated that he would like an explanation of how the CIP was implemented through the budget process.

Jeff Levesque said the CIP was approved in June 2017.

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Paul Simard asked how can a CIP be implemented into the default budget without legislative approval.

Jeff Levesque said the vote was to raise the budget by \$800,000 and not to fund the roof with \$800,000.

Vincent Migliore said the funds were encumbered prior to the summer. The salient point is that while the board approved the CIP on June 12, 2017, the CIP was put in a presentation prior to this.

The reminder is that the CIP was approved by the board and included in the default budget and the operating budget did not pass.

John Sellars, Bristol said the problem is the \$800,000 was used and kept in the budget. Voters will come to the deliberative session and the older voters will not be able to afford the budget.

Jeff Levesque asked John Sellars what items on the CIP he did not agree with.

John Sellars replied, "Too many schools, too many staff, too much overhead, not that we don't need a new BES. Out of the seven towns, Bristol pays one third.

Earl Mills, Alexandria thanked Sue Cheney for representing Alexandria. He gave positive recognition to students. He gave a brief history of the high school track that was built in 1990 and was a great selling point for Newfound. He believes the track maintenance is a priority for the kids.

Erik Hanser, Bristol spoke on the current condition of the baseball field that is dug up, has grass and weeds and needs upkeep. The field reflects on the team and school and asks for increased maintenance for the baseball field and softball field as well.

Michael LaPlume, Bristol, track team coach, 1991 graduate, high school paraeducator, agrees with Don Franklin that the quality of buildings gives pride to students and he agrees with Earl Mills that the track is a priority. NMMS uses the track as well as the TTCC youth programs and the track gives a lot of opportunity to students from other schools. The poor condition of the track has prevented revenue-drawing events from being held in recent years.

Tom Keegan, Bristol was on the committee that built the high school and he supports redoing the track and baseball field and bringing them up to specification.

Peter Patten, Newfound graduate and coach, said there has been an increase in track and field participation.

Dana Torsey said no one is saying the track and field don't need to be fixed but the question is how to pay for it. The board gave us no option last spring. Voters need to vote.

Barbara Greenwood, Bristol said even one school building can give people pride. Traditionally people supported the schools and we loved the teachers. In 1951 after 25 years, we built the Bristol High School (now middle school). Buildings are important but so are teachers and students. We have to find a way to afford it.

Vincent Migliore shares the concern that Dana Torsey referred to. He has a proposal to allow voters to decide what they can afford, and to make a top priority the track,

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for example. The point is to allow the voters to decide if the operating budget will pass or if the default budget is better. He will present his proposal October 9.

Steve Spafford, Groton said bus safety is questionable since the district does not require seat belts on busses nor do some of the busses have four wheel drive needed for winter. Some busses are empty and should be filled.

Dana Torsey inquired if special education students need their own busses and Anne Holton said yes.

Christine Davol asked if the \$800,000 put us over the tax cap and did that make our taxes higher.

Michael Limanni replied that other factors put taxes higher like giving back money the year before that lowered taxes that year and then spiked the next year. Also state adequacy aid was decreased.

Sharon Nelson, Groton thought the main topic tonight was going to be how much money goes back to taxpayers. (money was already voted on)

Archie Auger said RSA 27A will allow voters to make decisions about capital issues. The CIP has only been approved by the board, not the taxpayers. The \$800,000 roof was a one-time expenditure. The issue is the taxpayers did not get to vote on what went into the default budget.

## VII. Old Business

### a. Discussion of Capital Improvement Plan projects and determination of spending for 2018-2019 school year

Jeff Levesque said we have to decide on what to do this year. Do we do the projects? Do we write warrant articles for next year?

Sue Cheney said we can't go over the tax cap.

Jason Robert said then warrant articles have to come from the citizens?

Sue Cheney said Archie Auger did that and was successful.

Christine Davol would like to stabilize the taxes.

Heidi Milbrand articulated three options: don't spend the money; have a plan to follow through with the projects; ask are these projects essential (she thinks they are).

Dana Torsey asked where does it stop since the voters never voted.

Sue Cheney reminded the audience that at the last deliberative session four amendments from the floor to lower the budget were voted down by the taxpayers. People should have addressed it then.

Jeff Levesque called for a ten minute break at 8:02 p.m. and reconvened at 8:15 p.m. Sue Cheney said yes the budget was voted down but no one has complained to her and she feels strongly that we need to follow through with the plan.

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Christine Davol asked Paul Hoiriis, high school principal, if the NEASC committee has mentioned the CIP. Paul Hoiriis said yes they did ask about it. Jeff Levesque asked how to creatively fund the CIP or even how to change its name. Archie Auger asked for clarification. Jeff Levesque explained there are no objections to doing the improvements but how to pay for them is the problem.

Steve Favorite said to educate the public with photographs in order to show needs. Get the students to perform community service like raking leaves to make them visible.

Heather Gosson said the public busted butt to get the electric scoreboard and thinks the board is fiscally responsible.

Melissa from Danbury said there is not enough recreational equipment at Danbury and the parking lot at DES is very unsafe.

Steve Spafford said a newspaper recently reported that Maine and New Hampshire are the two oldest states with an aging population of sixty-five and older that is growing exponentially.

Tom Keegan replied that he will keep on paying and many older people want to pay.

Sharon Klapyk said New Hampton got a donated playground and Danbury has a playground that needs a lot of help. We are a cooperative district but she feels that DES and NHCS get lost. The CIP was passed using criteria of safety, student achievement and community impact. Sharon Klapyk feels communication could improve, however, the plan is needed for safety.

Jason Robert said improvements need to fit within the tax cap.

John Sellars said kids and safety are important but this year's deliberative session will be different. We would like the vote but be able to spread the taxes over a period of years. Mr. Sellars suggested closing buildings as a possible solution.

Jeff Levesque spoke against the idea of closing buildings even if it could be shown to be financially desirable.

Tom Donahue, Bristol said the middle school is doing well with improvements but he is glad the CIP sets up projects incrementally because this way the windows at the middle school will get done.

Harold Reilly, Alexandria is on the budget committee. Referring to the proposed 23 million dollar budget Mr. Reilly thinks the SAU and Board of Education should make sure these projects get done. The voters need to vote.

Sue Cheney said a few years ago there was a warrant article for replacing windows and it was voted down.

Christine Davol said it was the same with the HVAC.

Paul Simard said the problem should have been addressed but the way it was implemented was not right. Lets spread out the projects.

Jeff Levesque said the CIP is to spread things out and now is the beginning. Looking at the list of capital improvements the Honeywell contract needs to be paid. We

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should decide tonight are we going to spend the money in the budget or put it aside and not spend it.

Vincent Migliore asked what our options at the deliberative session are. We need to be sensitive to what the voters are thinking. The hard choice is what we can afford for the items listed. We need to consider financing options instead of putting the operating budget at risk.

Sharon Klapyk asked Vincent Migliore what he crossed out on his CIP list.

Vincent Migliore replied that his gut reaction was to cross off Danbury Elementary School parking lot and playground, high school night lobby and New Hampton Community School parking lot.

Sharon Klapyk said this proved her point that Danbury and New Hampton are on the low side as usual.

Don Milbrand suggested funding projects by saving up ahead of time or writing grants.

Jeff Levesque said the middle school parking lot improvement was accomplished with a grant.

Michael Limanni would like to stabilize the budget, not bond.

Christine Davol has confidence people will support us in this effort. She supports the CIP.

Don Franklin believes we need more education of what and why the money is used. It worked for the roof after we learned of the need.

Bob Brooks Hebron asked if these projects were spread over time.

Jeff Levesque said yes, the projects are intended to be there for years to come.

VIII. Public Comment (on agenda items only per policy BDDH, 5 minute limit)

See dialogue above

IX. Motion on Individual Agenda Items

Jeff Levesque made a motion to approve the minutes as amended of September 10, 2018. After board discussion, the minutes were placed under review until the next meeting.

Sue Cheney moved to go forward with the CIP. Sharon Klapyk seconded.

Discussion: Vincent Migliore asked what is the motion for a dollar amount.

Sue Cheney moved to approve spending \$712,300 to do what is listed on the CIP in fiscal year 2019. Sharon Klapyk seconded. Vote 6-1-0-0 (Bridgewater voted no)

***Motion Passed***

X. Adjournment

Sharon Klapyk made a motion to adjourn at 9:30 p.m. Jason Robert seconded. Vote 7-0-0-0 ***Motion Passed***

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Archie Auger called out for a point of order that the public was not able to comment on the individual agenda items.

Jeff Levesque explained that the format was a dialogue with the public and that there was ample time for public comment.

Respectfully submitted by Ruth Whittier, School Board Clerk

District staff present: Stacy Buckley, Superintendent; Michael Limanni, Business Administrator; Anne Holton, Student Services; Paul Ciotti, Tech Director

Public present: Debra and Peter Patten, Bristol; Mike LaPlume, Bristol; Earl Mills, Alexandria; Mary Scott, Bristol; Mal Scott, Bristol; Harold Reilly, Alexandria; Paul Simard, Bristol; Michael Macklin, Bristol; Erik Hanser, Bristol; Michael J. Macklin, Bristol; Alison Roberts, non-resident; Melissa Suckling, Danbury; Annmarie Holloran, Alexandria; Dana Andrews, Bridgewater-Hebron Village School; Jay Lewis, NMMS; Don Franklin, Hebron; Archie Auger, Bristol; Steve Favorite, Bristol; Barbara Greenwood, Bristol; Sharon Nelson, Groton; Bob Brooks, Hebron; Stephen Spafford, Groton; Heather Gosson, Bristol; Thomas H. Donahue, Bristol; Donald Milbrand, Bristol; Megan Magrath, New Hampton; Walker Magrath, New Hampton

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**Newfound Area School District  
10 Year CIP Project List  
School Board Approved 6/12/2017**

Project Description	Funding Source	Fiscal Year										TOTAL	
		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027		
Honeywell Contract	General Fund (Supplemented by Federal Interest Subsidy & Building Aid)	\$263,006	\$253,193	\$243,379	\$233,566	\$223,753	\$213,939	\$204,126	\$194,312	\$184,499			\$2,013,773
NRHS Roof Repair - Full Removal and Install	General Fund	\$800,000											\$800,000
NHCS Windows Replacement	General Fund		\$32,300										\$32,300
NRHS Day & Night Lobby Refurbish	General Fund		\$80,000										\$80,000
Newfound Road Reconstruction	General Fund			\$249,906									\$249,906
NRHS Parking Lot, Service Road, Maintenances Shed Driveway Reconstruction	General Fund			\$213,353									\$213,353
NRHS Track Reconstruction			\$300,000										\$300,000
NHCS Parking Lot & Safe Entrance Reconstruction (EST)	General Fund		\$125,000										\$125,000
DES Parking Lot & Safe Entrance Reconstruction (EST)	General Fund		\$115,000										\$115,000
NMIMS Windows Replacement	General Fund (Bank Financing)			\$230,000	\$230,000	\$230,000	\$230,000	\$230,000	\$230,000	\$230,000			\$1,150,000
NMIMS HVAC Improvements	General Fund (Bank Financing)				\$360,000	\$360,000	\$360,000	\$360,000	\$360,000	\$360,000			\$1,800,000
DES Playground Replacement & Grounds Improvements	General Fund		\$60,000										\$60,000
<b>Total:</b>		\$1,063,006	\$965,493	\$936,638	\$823,566	\$813,753	\$803,939	\$794,126	\$554,312	\$184,499	\$0		\$6,939,332