

**TOWN OF GILMANTON
PUBLIC HEARING-SCHOOL
JANUARY 13, 2016**

APPROVED

Members Present: Brian Forst -Chair, Stan Bean- Vice Chair, Mark Sawyer-Member, Anne Kirby-Member, Michael Jean- Selectman’s Rep, Richard Bakos-Sawyer Lake Rep, Robert Carpenter-School Board Rep, &Richard Gelatt-Member

Also Present: Heather Carpenter – Recording Secretary, John Fauci-Superintendent, Carol Locke- Principal, Debra Bergeron-Assistant Principal, Frank Weeks-School Board Member, Adam Mini-School Board Member, Malcolm MacLeod -School Board Member

Public- Lori Sanborn and Donna Forst

Meeting Opened at 7:02 P.M.

Chair of the Budget Committee Brian Forst welcomes everyone and speaks about the ground rules of the meeting, going through the warrant articles and then taking questions.

John Fauci speaks to an amendment made to one of the finance sheets for an 8th grader that came in, there will be a difference of \$18,000.

WARRANT ARTICLES-- Warning the Numbers {all articles written in this document are as read by the Chairman and not to be used as voting material. When voting please have update information on the warrant articles}

#1-Election of Officer (March 8th only)

No monetary value for this article Budget Committee only warns monetary value.

#2-District Officer Salaries

That the salaries of District be set for the coming year as follows:

Moderator	\$ 75.00
District Clerk	\$ 500.00
Chairperson of the School Board	\$ 950.00
School Board Members (4) each	\$ 825.00
District Treasurer	\$ 1200.00

#3-Gilmanton School Leach Field Pump Station Capital Reserve Fund

To see if the District will vote to raise and appropriate the sum of Eleven Thousand Three Hundred Thirty Nine Dollars (\$11,339) to be placed in the Capital Reserve Fund entitled, “Gilmanton School Septic System Repair and Replacement Capital Reserve Fund” as previously established.

#4-Roof Replacement Expendable Trust Fund

To see if the District will vote to raise and appropriate the sum of Twenty-one Thousand Three Hundred Nineteen Dollars (\$21,319) to be placed in the “Roof Replacement Expendable Trust Fund” as previously established.

#5-Water Storage Tanks Capital Reserve

To see if the District will vote to raise and appropriate the sum of Two Thousand Ninety-One Dollars (\$2,091) to be placed in the “Water Storage Tanks Capital Reserve Fund” as previously established.

#6-Paving Capital Reserve

To see if the District will vote to raise and appropriate the sum of Twenty Thousand Dollars (\$20,000) to be placed in the “Paving Capital Reserve Fund” as previously established.

#7-Boiler Replacement Expendable Trust

To see if the District will vote to raise and appropriate the sum of Two Thousand Nine Hundred Eight Dollars (\$2,908) to be placed in the “Boiler Replacement Expendable Trust Fund” as previously established.

#8-Tractor Replacement Expendable Trust

To see if the school district will vote to establish a Tractor Replacement Expendable Trust Fund per RSA 198:20-c, V for Tractor Replacement and to raise and appropriate \$2,300 to be placed in the fund; further to name the school board agents to expend from the fund. (Majority vote required)

Brian Forst-Q: Was there a Tractor Replacement Fund?

John Fauci- A: Yes there was because we bought a new tractor this year it depleted itself.

Brian Forst- Q: So, it was brought to zero so you have to reestablish it.

John Fauci-A: That’s correct.

Brian Forst- Next time leave a dollar in it.

John Fauci- There was some money in there but it didn't meet the minimum.

Steve Bedard-Q: Are all of these simple majority votes?

Brian Forst-A: I believe so.

Steve Bedard-Q: Is there a reason why this one states majority vote required?

Brian Forst-A: Because it is an establishment. You are establishing an expendable trust fund.

Steve Bedard-Q: That's when you define a majority, 2/3rd or 3/5th?

Brian Forst-A: Correct. I think all of these are simple majority anyway. The only time you get into the 3/5ths would be over one hundred thousand dollars which is considered a bond.

Steve Bedard- I was just wondering it was spelled out.

John Fauci- I think that might be an oversight.

Anne Kirby-Q: On this piece that doesn't have a number, near the back of our folder. The Capital Reserve Sheet, it tells you how much is in each on and where the target date is. There is still one there for tractor that says the project year was 2017. Is this a mistake that it's in there? Is that all done?

Adam Mini- A: I believe in the original sheets that we gave you the full amount was there until we realized the accounts had zeroed out.

Anne Kirby-Q: So there is not \$16,000 figured into the budget anywhere?

Adam Mini-A: Correct. The new sheets that had been handed last night is the current balances on those accounts.

Anne Kirby- I didn't see that one, sorry.

#9-Asbestos Tile Replacement Expendable Trust

To see if the District will vote to raise and appropriate the sum of Fifteen Thousand Dollars (\$15,000) to be placed in the "Asbestos Tile Replacement Expendable Trust" as previously established.

#10-School Replacement Fuel Storage Tanks

To see if the District will vote to raise and appropriate the sum of Three Thousand Dollars (\$3,000) to be placed in the "School Replacement Fuel Storage Tanks Expendable Trust" as previously established.

Brian Forst- This is the article on the bulk of the budget.

#11-Operating Budget

To see if the School District will vote to raise and appropriate as an operating budget, not including appropriations by special warrant articles and other appropriation voted separately, the amounts 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 the sum of **Ten Million Five Hundred Eighteen Thousand Four Hundred Twenty-Eight Dollars (\$10,518,428)**? Should this article be defeated, the default budget shall be **Ten Million Four Hundred Twenty-Nine Thousand Six Hundred Fifty-Seven Dollars (\$10,429,657)**, which is the same as last year, with certain adjustments required by previous action of the Gilmanon 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.

Brian Forst- I've done a little break down just so people understand. The proposed budget is \$10,518,428. Last years voted budget was \$10,125,294. This proposed number is an increase of \$399,134, the bulk of that increase is and when I say bulk, I'm trying to pull out the big numbers so you can see the big numbers. Special Education is up approximately \$91,000 and Regular Education is up approximately \$227,000. The reason for the large increase in Regular Ed, is this year there is a 159 student enrolled at Gilford at a cost of approximately \$18,200 per student. Next year it is anticipated the number will be 172 students at approximately \$18,900. So you can see we have a large increase in students at Gilford and a slight increase in the tuition rate. There are other small increase in the budget but I wanted to bring out these two, because they are the biggest piece of that \$399,000 are Regular Ed and special Ed increases. Are there any questions, would be people like me to go line by line?

Lori Sanborn-Q: So the approved budget last year was 10.125, correct?

Brian Forst-A: Correct

Lori Sanborn- But it actually ended up being 10429?

Brian Forst- A: The difference would be that the default budget would be the approved budget of last year plus any special contractual obligations. As you know we voted modular class rooms in the warrant articles. All of that stuff becomes part of the default budget because it's a contractual obligation. That is the verbiage that you get to at the end which the same as last year with certain adjustments required by previous action of the school district or by law. So in other words, if the town enters into a lease agreement, let's say on a piece of equipment, which that

payment on the lease agreement becomes a part of the default budget because you can't default on them. Does that make sense?

Lori Sanborn- Yes it makes sense.(next statement is not audible)

Brian Forst- It is Lori except for if the ten million five eighteen is voted up or whatever the recommendation, if that gets voted up those contractual obligations are in that budget. However, if it gets voted down and you go to a default budget and you went to ten million one twenty-five, two ninety-four which was last year's operating budget that number is minus the warrant articles that had been voted up at school district meeting. If they fell back to that default budget and fell back to that number for default you would still have to meet those obligations, so then you would have to take away something in the budget. If you follow what I'm saying.

Lori Sanborn- Q: Oh, I understand but have we ever done a default budget, when was the last time that happened?

Brian Forst- A: We did it last year for the town.

Lori Sanborn- Q: Was it because our school budget has gone up in the last five years has gone up a million dollars. That's a lot, has our enrollment gone up that much?

Brian Forst- The question is John, by Lori's figures, the budget has gone up over a million dollars, how much has enrollment gone up in the last five years?

John Fauci-A: The elementary is at 404 but it has fluctuated up to 428.

Anne Kirby-Q: How much has tuition gone up in the last five years.

Malcolm McCloud-A: It has increased over the last three years \$1,900 per student at Gilford and we pay a rental rate which is around \$550.

Brian Forst- I'm going to go on memory here to answer Lori's question. I think if you went back five year that number was in the 16,000 area. I don't want to be quoted but I think it was in the 16 area, so if you're looking at five years it's almost a \$3,000 per student increase.

Lori Sanborn- That doesn't equal a million.

Richard Bakos- That's a half a million.

John Fauci- Then you need to take into consideration the amount of students going there.

Brian Forst- It is some of that million but not all of it.

Lori Sanborn- Gilford's budget went down 3% this year.

Brian Forst- When their budget goes down our budget goes up. It's part of that twenty year contract.

Lori Sanborn- Contracts were meant to be broken.

Brian Forst- That's not for my Public Hearing.

Carol Locke- The other piece is Gilford's enrollment is decreasing and ours is increase that will make our tuition to go up even more.

Lori Sanborn- But our enrollment hasn't increased that much though.

Brian Forst- The way I understand the contract is, they take the cost of the education and they divide it depending on the high school numbers. When our enrollment exceeds their enrollment, our portion of paying for it exceeds their portion.

Lori Sanborn-Q: Has our enrollment exceeded their enrollment yet?

Brian Forst-A: The numbers are getting closer as that happens our rental goes up, our cost per student goes up.

Richard Bakos- Just a quick reconciliation from the analysis I did over the last five years, because I basically did the same thing you're talking about. About half a million dollars is the cost of increase in the tuition as we talked about for Gilford. You've got a couple hundred thousand dollars cause of the increase cost of health insurance in the those five years, you added another kindergarten which is about \$100,000 when you add the teacher and so forth, the rest is inflation or raises and so forth. You're in the ball park for five years, its \$200,000 a year based on the numbers that we have been presented for the last six years it's in line.

Steve Bedard-Q: Does that take into consideration the returned money a couple of years ago?

Brian Forst- A: The returned money though is more revolved around Special Education than it is around budget.

Steve Bedard- But she says the budget has gone up a million dollars in five years there is a reason.

Richard Bakos- You are talking apples and oranges. The budget that they turn in is the operating budget. The actual cash and what is returned is a function of Special Education, with children leaving and so forth. She is correct the budget has gone up a million dollars but it's based on the mandated parameters that are in there.

Brian Forst- I guess if you want to talk about the fact that money went back I think John Defined that very well in one of our meetings. He said that was very rare, we won but don't expect to do that all the time.

John Fauci- A lot of our budget is, as you pointed out Brian, is in Gilford tuition roughly a third of it. When we have increase in 8th graders as opposed to seniors going out, our budget is naturally going to spike accordingly and proportionately based on the number of students. When it stays level we can keep our budget somewhat level. If you look at our numbers of our juniors for example and look at our numbers of our seventh graders which is going to affect next year's budget. You'll see that there somewhat stable but a couple of years done the road you're going to see our numbers going in are much greater going in then coming out. Our budget is naturally going to spike those years and that's coming. It really doesn't

have a function of our budget, it really has to do with the numbers going to Gilford, how many are leaving and how many are coming in. It impacts our numbers tremendously.

Carol Locke- Our fourth grade is the largest class right now.

Richard Bakos- 52

Carol Locke- We had five new students come in right after Christmas this year.

Frank Weeks- Between grades three and six you have 193.

Brian Forst- The point that I would also like to bring up is that, as we have gone through all these warrant articles if you were to look, there is a Special Education Expendable Trust Fund. That fund was set up for the possibility that the Gilmanton School District is unexpectedly having to deal with a Special Ed student that comes into district and given that we haven't had that happen we have two hundred thousand dollars sitting in that fund, we are not having to fund that fund now. We have that cushion in place and we're not having to hit that, we aren't having to use that. So there are pluses even though they are hard to find.

Lori Sanborn-Q: So how much is budgeted for Special Education?

Brian Forst-A: Total in the proposed budget is \$780,814. The total for Regular Education is \$5,325,474.

Anne Kirby- Q: Does that include transportation?

John Fauci- A: No, that is separate.

Brian Forst- There are other pieces of the budget that reflect Special Education. The \$200,000 is sitting in an expendable trust.

Lori Sanborn-Q: It's not part of the budget.

Brian Forst-A: Correct. If a student came into district that required \$250,000 per year for their education it's not in this budget to do that. That expendable trust fund is where the School Board would have to go to find that monies to educate that student.

Lori Sanborn-Q: I need real world examples. If they had a student that can't go to the regular high school they go to the Alt school in Laconia. How much is that per student to go there?

Nancy Fournier-A: It's less than Gilford, it's about \$16,000.

Lori Sanborn-Q: The alt School is about \$16,000.

Brian Forst-A: That is a best guess, we don't have exact numbers.

Lori Sanborn-Q: Do we hold spots there that might not necessarily be filled?

Nancy Fournier-A: No that's per student and a student can't get their diploma from there, they would still need to receive that from Gilford or a State diploma.

They can get some instruction through there but if they are going there it would be at that cost vs what we pay Gilford, we save a little bit. We currently have one student there now.

Brian Forst- Q: Are there any more questions on the ten million five hundred and eighteen dollar budget?

Stan Bean- I have one comment that I would like to make Mr. Chairman.

Brian Forst- Yes, Stan.

Stan Bean- I am pleased to see that the School District continues to support the Capital Reserves. I think it has been a blessing several times to us already and keeping spikes in our taxes. I urge you to continue.

Brian Forst- I think what Mr. Bean is referring to is, I think last year you had quite an expensive septic system repair at the school and we had planned and put that money away and were able to do that project without adding \$80 or \$100,000 to the net taxation. I think Stan is saying the Budget Committee is supportive of such.

John Fauci- I would like to highlight a few things. Despite our budget and the perception of it being as high as it is, the state average per student \$14,200. Ours is approximately \$200 less. Our ratio is very similar to what the states is. Our sped population is well below the states, I attribute that to they we are able to deliver services in our school. Teacher salaries are below state average. I just wanted to highlight a few things, which we are trying to speak to what we are trying to do.

Steve Bedard- This is great! To get this a head of time to be able to make comparisons.

Brian Forst- Q: Are there any more questions from the public?

Donna Forst- A & Q: Yes. When is the contract with Gilford?

John Fauci- A: Six years I believe.

Donna Forst- Q: Do we have any plans on what we are going to do after six years?

John Fauci-A: We have talked about it. We have talked about putting together a committee to look at that. In the discussions that I have had with area superintendents, it sounds like a long way off.

Donna Forst: But it's not.

John Fauci- I know but no one is really ready to discuss unless they are in a position like we are, discuss what they are going to be doing six years down the road. For example, if you talked with Prospect Mountain, they don't know what their numbers are going to be, there is no board discussion at that time. So, other than informal discussions, there is nothing formal now. We have talked about it at the Board level. I think we are too small to have a comprehensive high school, that's my personal opinion.

Donna Forst-Q: How about Loudon?

John Fauci- A: That's a possibility.

Donna Forst-Q: Has anyone talked to Loudon?

John Fauci-A: No, not at this point.

Brian Forst- I think this was part of our discussion within space needs.

John Fauci- If I had to pick the biggest challenge facing the Gilmanton School District it's what is going to happen down the road with our high school students. It would certainly have an impact on Gilford if we didn't work with them.

Brian Forst- Certainly, I think that would be somewhat of a bargaining mechanism.

If there are no other questions, I would thank everybody for their input and discussions. Public Hearing is now closed.

Conclusion- Budget Committee will hold a Saturday work session at 8 o'clock, 8:30 we begin business. 8 o'clock if you would like coffee, doughnuts and socialize.

Motion to Adjourn: by Robert Carpenter

Motion seconded: by Michael Jean
Board voted unanimously to adjourn

Adjournment: 7:40 P.M.

Respectfully submitted,

Heather Carpenter