

1 MILFORD SCHOOL BOARD
2 MINUTES OF THE BUDGET HEARING - JANUARY 17, 2017
3 MILFORD HIGH SCHOOL, LECTURE HALL #182
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6 1. Call to Order
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8 Chairman Paul Dargie called the meeting to order at 7:00 PM in Lecture Hall #182 at
9 Milford High School. Board members present were Mr. Ron Carvell, Mr. Len Mannino,
10 Mr. Bob Willette and Board Vice-Chair Mr. Kevin Drew. Also in attendance were
11 Superintendent Robert Marquis and Business Administrator Jennifer Burk. The recording
12 secretary was Ms. Dana Laviano.
13

14 Mr. Dargie directed all present to the yellow budget packet (SEE EXHIBIT). The purpose
15 of the budget hearing is to review the proposed budget and warrant articles to give the
16 public an introduction to what will be included in them, prior to the deliberative session.
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18 Mr. Dargie went over the Total Spending plan overview (page 1 – SEE EXHIBIT),
19 highlighting the total operating expenses, the non-collective bargaining agreement
20 warrant articles, and the decrease in projected enrollment. He explained that the default
21 budget is subject to change up until the time the ballots are printed.
22

23 Mr. Dargie reviewed the major changes from the prior year (also page 1 – SEE
24 EXHIBIT) which primarily include cost increases in the salary and benefits line items.
25 On page 2 (SEE EXHIBIT) he reviewed the changes in positions, and other items
26 contributing to a significant increase or decrease in the budget, including increased costs
27 associated with more out-of-district student placements for special needs students and
28 savings associated with renegotiated gas contracts and other energy use.
29

30 Mr. Dargie then reviewed a separate handout outlining the major changes of the
31 2017/2018 budget (SEE EXHIBIT). This explains in greater detail the new expenses
32 (such as increases in health insurance and retirement benefits, out-of-district
33 placements, and contracted wage obligations. It also outlines the new revenue sources
34 including tuition from Mason students, Medicaid, and the projected fund balance.
35

36 Next, Mr. Dargie reviewed the pages in the yellow book pertaining to “Functions”,
37 highlighting the big changes found in each category. (SEE EXHIBIT) Under Function
38 1100, the cost increase reflects the purchase of additional Chromebooks. Function 1200
39 shows the addition of a BCBA (Special Education) Teacher. Function 1300 shows an
40 increase in costs associated with teacher salaries and the addition of a new teacher.
41 Under Function 2100, the salary adjustment shows the change of an LPN position to an
42 RN position at Jacques School. The biggest increase listed under Function 2200 was
43 due to a staff position which reached the “top step” in the salary tier. Under Function
44 2300, the change in professional services was for an increase in legal fees and a “heavy
45 year” in the two-year audit cycle. Contractual salary increases are reflected under
46 Function 2400. Increases in property and liability insurance, changes in fuel costs and
47 the purchase of a new lawn mower and replacement of cleaning equipment are all part
48 of the changes listed under Function 2600. Function 2700 contains a change due to bus
49 contracts and savings are listed under Function 2840 due to increased efficiency of
50 technology and movement to a maintenance level of support for some equipment.
51 Function 2850 shows the contractually obligated early retirement option and Function

52 2900 shows the increase in health care costs mentioned earlier as well as increases in
53 the costs associated with the NH retirement system. Function 5100 outlines 5 items that
54 are on the current, long term debt list.
55

56 2. Board Comments:

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58 Mr. Willette pointed out an error in the description of Function 2850, and Mr. Dargie
59 instructed Ms. Burk to amend the language to correct it.
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61 3. Public Comments:

62
63 Mr. George Hoyt asked the Board if the District is legally required to pay the out-of-
64 district tuition for our special needs students. Mr. Dargie said that yes it is a legal
65 requirement. Mr. Hoyt asked if the Board plans on decreasing the default budget so it is
66 lower than the proposed operating budget. Mr. Dargie explained that the default budget
67 is a separate calculation using different methodologies.
68

69 Mr. Gary Daniels addressed the Board and asked if it had voted on the budget being
70 presented tonight. Mr. Dargie said yes, the Board voted 3-1 with Mr. Willette in
71 opposition. Mr. Dargie was not present for that vote but said he would be voting for it
72 when the Board took a second vote later tonight. He also said the Budget Committee
73 had voted 6-3 for it. Mr. Daniels asked how much the Board is paying per gallon for fuel.
74 Ms. Burk explained that we use the same process as is used by the Town of Milford. Mr.
75 Daniels asked if there had been any analysis done of the effectiveness and longevity of
76 Chromebooks vs. traditional textbooks. He commented that the Chromebooks have a lot
77 of added expenses such as upgrades and increasing the internet bandwidth to
78 accommodate them. Mr. Dargie said that the average expectancy for textbooks was 8
79 years but it varies by subject. He said that Chromebooks offer more than a textbook
80 does; that they provide a whole environment which cannot be reduced to the bottom line.
81 He said that the expectation is the Chromebooks will last 5 years. Mr. Daniels asked why
82 the Board is changing the LPN position at Jacques to an RN position. Mr. Dargie
83 explained that due to a change in the RSA's last year, we were legally obligated to have
84 an RN at the school. Mr. Daniels then asked why the budget is increasing each year if
85 enrollment is going down. Mr. Dargie said that health insurance costs and increases in
86 NH retirement costs are the main drivers of the budget increases this year, in addition to
87 the roughly \$300K increase in out-of-district placements. Mr. Daniels asked why some of
88 these students could not be accommodated in district. Mr. Dargie said that some of them
89 have needs which can only be met by particular programs or facilities, and we must send
90 them where they will get the care and education they require.

91 Mr. Dargie then moved on to the next part of the yellow booklet, the proposed School
92 Warrant. (SEE EXHIBIT) There are six warrant articles. And Mr. Dargie reviewed each
93 item briefly. The first item will be discussed during the Bond Hearing immediately
94 following this budget hearing. Item 2 contains language dictated by an RSA with only the
95 dollar amounts able to be changed. Item 3 deals with the pilot program for Full Day
96 Kindergarten which is not included in the operating budget as it will be self-funded.
97

98 Mr. Hoyt stated that if parents want to send their kids to a full day kindergarten they can
99 choose a private school. He said that eventually this proposed program will end up
100 costing the taxpayers money. Mr. Dargie reminded him that it is only a pilot program for
101 one year and that it may not even take off.
102

103 Mr. Daniels addressed the Board and asked for an explanation on the proposed tuition
104 for the program and the number of students expected. Mr. Dargie clarified that there are
105 up to 80 slots that are available for full-day Kindergarten and that we were estimating
106 that 20 students would qualify for a tuition waiver since they would be eligible for free or
107 reduced price lunch. This would leave 60 students that would pay tuition that would fully
108 amortize the cost of the program. It is estimated that the tuition would be \$510 per
109 month for 10 months.

111 Mr. Peter Basiliere stated that the families of the 60 students would be, in effect,
112 subsidizing the 20 students receiving waivers. Mr. Dargie explained that we had had
113 discussions on the format of this program for months. He explained how the Board had
114 arrived at the final plan being proposed. Mr. Basiliere asked about the increased staff
115 expected, the student/teacher ratio, why the tuition is monthly instead of being based on
116 180 days and how the proposed tuition compares to other private full day kindergartens
117 in the area. Mr. Dargie reiterated that these discussions had already taken place at
118 previous meetings and that the cost breakdown for the program is available online. Mr.
119 Basilier admitted he had not reviewed the numbers but felt that they “seemed high.” Mr.
120 Dargie said that our program includes NH certified teachers and that other programs in
121 the area often do not offer this.

123 Mr. Hoyt addressed the Board again to say that the private market already offers a full
124 day kindergarten experience so why is the District planning one? Mr. Dargie replied that
125 there is a demand for it and it is a good service.

127 Mr. Bob Thompson made the following points to the Board and the members of the
128 public present. He reminded everyone that the program is a pilot program and in a year
129 we will have data to help us evaluate the program’s success or lack of success. He said
130 that other school districts have found their all-day kindergartens to be revenue
131 generators. He said that as a parent, his preference is to pay tuition for a NH certified
132 teacher. He explained the value of the child being in one place all day and not having to
133 be bussed somewhere else for child care. He also said that data shows full day
134 kindergarten provides many benefits, especially to minority or disadvantaged students.
135 Lastly he reminded everyone to look at the 0% tax impact.

137 Mr. Basiliere stated again that the paying families will have an “undue burden” placed
138 upon them.

140 Ms. Jennifer Siegrist addressed the Board to say that families know the costs in advance
141 and they do not have to choose to sign up. If there is no interest, the program will not go
142 forward. She said there is a big difference between child care and a kindergarten taught
143 by a certified teacher.

145 Mr. Daniels asked why, if there is no tax impact, it is even being placed on the warrant?
146 Mr. Dargie explained that the Board is legally required to state the intention to start the
147 program and its cost structure in order to have the program. The phrase “raise and
148 appropriate” needs to be in the warrant article to allow the district to raise money by
149 charging tuition, and to then expend the money on running the program. He said that
150 Attorney Bill Drescher and the DRA have both reviewed the warrant article language.

152 Mr. Dargie went on to review items 4, 5, and 6 in the draft warrant article. (SEE
153 EXHIBIT). Regarding item 6, the contingency fund, Mr. Dargie explained that this allows

154 the Board to take the fund balance (up to \$200k) and set it aside for an additional 12
155 months to be used for whatever the Board sees fit. Whatever amount is not used after
156 that additional 12 months is then returned to the taxpayers by being added to the fund
157 balance and then used to reduce taxes that year.

158
159 Mr. Basiliere stated that the way the item is worded, it looks like it does have a tax
160 impact despite it saying “no amount to be raised by taxes.” Mr. Dargie agreed that it
161 could seem confusing due to that phrase being in the body of the text, but that it really
162 does have a tax impact. The phrasing is correct in that the money available for the
163 contingency fund is not made available by raising taxes; it is made available by using the
164 money that is in fund balance at the end of the year. The “up to \$0.15” increase in the
165 tax rate that is listed in the warrant is the effect on the tax rate that would occur if the full
166 \$200,00 was put into the contingency fund. This is treated as a decrease in revenue
167 when the tax rate is calculated. The wording of the warrant article is the language that is
168 recommended by the DRA.

169
170 Mr. Dargie reviewed the last two pages of the yellow booklet which contains the tax
171 impact analysis for both the proposed and default budget. (SEE EXHIBIT)

172
173 Mr. Daniels asked why the default budget has things in it that aren’t in the proposed
174 budget. Mr. Dargie explained the total \$1.06 tax impact for the default budget calculation
175 consists of \$0.17 for the warrant articles and \$0.89 for the default budget itself.

176
177 Ms. Siegrist asked if the default budget is accepted, would the Board reinstate the 6th
178 grade teachers who are being cut. Mr. Dargie said that is not likely and that he thinks
179 that the proposed operating budget will pass. If the higher default budget is the one that
180 is chosen by the voters, then the board would have to decide where the extra money
181 would be added to the budget. Mr. Dargie stated that if might just be added to a benefits
182 line.

183
184 Mr. Dargie reviewed the last page of the booklet pertaining to revenue estimates. (SEE
185 EXHIBIT)

186
187 Mr. Basiliere asked for clarification on how the fund balance is factored in.

188
189 Mr. Daniels asked if the \$200k fund balance is the same as the \$200k for the
190 contingency warrant article. Mr. Dargie said that no, it is just a coincidence that the two
191 things are the same dollar amount.

192
193 There were no further comments or questions.

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195 Mr. Dargie closed the Budget hearing at 8:52 PM.

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200 School Board Chair

Date of Approval

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