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**BUDGET HEARING MINUTES  
JANUARY 16, 2018  
MILFORD HIGH SCHOOL, LECTURE HALL #182**

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**BUDGET HEARING – (Exhibit attached to the January 16, 2018, agenda)**

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**1. Call to Order**

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Board Chair Ron Carvell called the meeting to order in Lecture Hall #182 at the Milford High School at 7:00 p.m. Board members present were Board Vice-Chair Kevin Drew, Mr. Len Mannino, Ms. Jennifer Siegrist and Mr. Bob Willette. Also in attendance were Superintendent Robert Marquis and Ms. Jen Burk, Business Administrator. The recording secretary was Ms. Trish Gedziun.

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Mr. Carvell stated that the purpose of the Budget Hearing was to review the budget, the Warrant Articles and to give an introduction to the public.

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Mr. Carvell said that the operating budget in 2017-2018 was \$40,631,738 and the proposed 2018-2019 budget was \$41,258,902, which was an increase of \$627,164 or a 1.54% increase.

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Mr. Carvell stated that there was increase of \$4,598 in 2017-2018 in the CBA Warrant Articles and in 2018-2019; the proposed was a reduction of (\$21,728) which was a decrease (\$26,326) or a (572%) decrease. He said the Warrant Article contract was the administration contract.

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Mr. Carvell said that the total operating expenses for 2017-2018 was \$40,636,336 and in 2018-2019, it was \$41,237,174, which was an increase of \$600,838 or a 1.48% increase.

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Mr. Carvell commented that other Warrant Articles was \$230,419 in 2017-2018 and \$643,900 in 2018-2019, which was an increase of \$413,481 or a 179% increase.

Mr. Carvell said the total appropriation was \$40,866,755 in 2017-2018 and \$41,881,074 in 2018-2019, which was an increase of \$1,014,319 or a 2.48% increase. He said the revenue from 2017-2018 was \$11,761,754 and the estimates for 2018-2019 were \$11,559,195, which was a decrease of revenue of (\$202,559) or a (1.72%) decrease. He further said that the tax assessment was \$29,105,001 in 2017-2018 and \$30,321,879 in 2018-2019, which was an increase of \$1,216,878 or a 4.18% increase. Mr. Carvell said the 2017-2018 tax rate was \$21.53 and \$22.10 in 2018-2019, which was an increase of \$0.57 per thousand or a 2.65% increase.

Mr. Carvell stated that the enrollment figures for K-12 as of October 1<sup>st</sup> were 2,306 for 2017-2018, and in 2018-2019 it was 2,362, which was an increase of 56 students or a 2.43% increase.

Mr. Carvell said that the 2018-2019 default budget was \$41,431,431 which was a 1.97% increase over the 2017-2018 operating budget which was \$40,631,738. He noted that although the default budget was already set, the Board could adjust it until the week of the Deliberative Session.

47 Mr. Carvell stated that the major changes from the prior year were salaries and benefits. He  
48 said that salaries and benefits made up about 80% of the operating budget, which included the  
49 costs of any new positions as well as the savings from positions that changed within the  
50 district. He said there was an increase of \$360,719.

51 • Non-Affiliated Staff and Other: Increase of \$58,820 - The non-affiliated staff group  
52 is comprised of positions that are not associated with a bargaining unit. These  
53 positions include secretarial staff, SAU support staff, coaches, advisors, crossing  
54 guards, elected officials, training & PD stipends and SAU administrators. This  
55 number includes the cost of wage-driven benefit increases, along with increases  
56 related to health & dental benefits.

57  
58 • Negotiated Agreements: Increase of \$301,899 - The district has four bargaining  
59 units, Administrators (Principals and Directors), Milford Teachers' Association  
60 (MTA), Milford Educational Support Staff Association (MESSA-aides and  
61 associates), and Milford Educational Personnel Association (MEPA-buildings and  
62 grounds personnel). This number includes the cost of health insurance, New  
63 Hampshire Retirement, and other wage-driven benefit increases.

64  
65 Included in the "Negotiated Agreements" above (\$301,899):

66  
67 • New and Expanded Positions: Increase of \$251,292 - New positions include a  
68 Mental Health/School Counselor and a Board Certified Behavior Analyst for the  
69 Special Education program, plus a part-time Secretary for the Athletic Director at  
70 the High School along with a part-time Custodian and a part-time Maintenance/  
71 Grounds staff member. In addition, this includes some new & increased stipends.

72  
73 • Position Reductions: Decrease of (\$200,766) - Due to an anticipated reduction in  
74 enrollment, a 3rd grade teaching position will be eliminated from Heron Pond and  
75 a part-time health teacher position at the high school. The reduction also includes  
76 anticipated attrition savings due to retirements.

77  
78 • Other Salaries & Benefits: Increase of \$251,373 - The Teacher Aides/Associates  
79 and Buildings & Grounds each have a 2% cost of living adjustment by contract.  
80 Administrators and Teachers are in negotiations – no COLAs are included in the  
81 Operating Budget.

82  
83 Mr. Carvell asked if there were any questions or comments.

84  
85 Mr. Paul Dargie, Prospect Street, stated that he felt the enrollment numbers were incorrect. He  
86 said he thought the number should be 2,325 instead of 2,306 and the next number was 2,273,  
87 which was a decrease of 52 or a 2.32% decrease. Mr. Carvell replied that they would check the  
88 numbers.

89  
90 Mr. Carvell reviewed the next section that was other objects of a significant increase or decrease  
91 as summarized below:

92

- 93 • Debt Service – Principal and Interest (new bond) – Increase of \$326,786.
- 94
- 95 • Textbooks, Workbooks, Media, Software (excluding IT) - Increase of \$83,490.
- 96
- 97 • Transportation – Increase of \$52,344.
- 98
- 99 • Repair & Maintenance (excluding IT) – Increase of \$39,975.
- 100
- 101 • Information Technology – Increase of \$33,896.
- 102
- 103 • Testing (NWEA, PSAT & AP) – Increase of \$5,689.
- 104
- 105 • School Board Services (Contracted Services, Negotiations, Audit and other fees)
- 106 - Increase of \$5,150.
- 107
- 108 • Property & Liability and Workers Comp Insurance – Increase of \$5,022.
- 109
- 110 • Electricity, Natural Gas, Oil and Vehicle Fuel – Increase of \$1,804.
- 111
- 112 • VoIP Object – Decrease of (\$13,363)
- 113
- 114 • Tuition Non-Public – Decrease of (\$22,092)
- 115
- 116 • New Equipment & Furniture – Decrease of (\$51,667)
- 117
- 118 • Replacement Equipment (excluding IT) – Decrease of (\$66,740)
- 119
- 120 • Special Revenue & Food Service Funds (offsetting revenue decrease) Decrease
- 121 of (\$180,215)
- 122

123 Mr. Carvell stated that the next section reviewed each of the functions in the budget.

124

125 **Function 1100** - Regular Education Programs - This account contains salaries for all regular

126 classroom teachers and support staff, supplies, textbooks, furniture and equipment used in all

127 of the regular education programs.

128

129 Mr. Carvell said that for function 1100 there was an overall 2017-2018 budget of \$9,830,770 and

130 the proposed for 2018-2019 was \$9,812,013 with an overall reduction of (\$18,757) or a decrease

131 of 0.2%.

- 132
- 133 • 600 Supplies & Materials – Increase of \$79,000 for electronic textbooks and
- 134 science supplies.
- 135
- 136 • 700 Equipment – Decrease of (\$68,761) from the reduction of Chromebooks
- 137 purchases.
- 138

139 **Function 1200** - Special Education Programs - This account contains all costs associated with  
140 special education, including salaries for teachers and support staff, supplies, texts, equipment  
141 and student tuition for out-of-district placements.

- 142 • 100 Salaries – This is a combination of the BCBA position and a 2% COLA for the  
143 MESA group which was a change of \$116,765 from 2017-2018 to 2018-2019 or a  
144 3.1% increase.

145  
146 Mr. Carvell stated that the adopted budget for special education in 2017-2018 was \$4,645,281  
147 and the proposed budget for 2018-2019 was \$4,751,779, which was a total change of \$106,498  
148 or an increase of 2.3%.

149  
150 **Function 1300** - Vocational Education Programs - This account contains costs associated with  
151 the Applied Technology programs at Milford High School, including teacher salaries, supplies,  
152 texts and equipment. These programs are also available to students from area schools on a  
153 tuition basis.

154  
155 Mr. Carvell said that the adopted budget in 2017-2018 was \$852,260 and the proposed budget  
156 for 2018-2019 was \$854,660, which was an increase of \$2,400 or a .3% increase.

157  
158 **Function 1400** - Co-Curricular Activities - This account supports all athletic, co-curricular, and  
159 summer school programs. Included are stipends for coaches and club advisors, officials' pay,  
160 equipment, uniforms, fees and related items.

161  
162 Mr. Carvell said there was not a lot of change to this but there was a \$3,500 increase under  
163 property and although the percentage was 116.7%, it was a small dollar added to equipment  
164 supplies. He said the adopted budget in 2017-2018 was \$358,880 and the proposed 2018-2019  
165 budget was \$385,472, which was an increase of \$26,592 or a 7.4% increase.

166  
167 **Function 2100** – Student Support - This includes the work of guidance counselors, nurses, the  
168 school social worker, psychological services, speech therapy, occupational therapy, physical  
169 therapy, the in-school suspension supervisor and Saturday detention. All salaries for these  
170 positions, as well as associated support staff, are included in these accounts, as are supplies,  
171 printing and testing materials.

172  
173 Mr. Carvell stated that the biggest ticket item in this function was in 100 Salaries. He said there  
174 was a change of \$62,379, which was for the addition of a Mental Health Counselor. He said the  
175 adopted budget in 2017-2018 was \$2,143,834 and the proposed 2018-2019 budget was  
176 \$2,226,243, which was an increase of \$82,409 or a 3.8% increase.

177  
178 **Function 2200** – Instructional Support – This includes items associated with staff training,  
179 including workshops, professional materials, travel expenses and summer curriculum work. This  
180 work supports the changes necessary to align Milford's curriculum, instructional practices and  
181 assessment methods with the state standards and workplace requirements. Function 2200 also  
182 provides for items relating to libraries and audio-visual services, including salaries, supplies,  
183 furniture, equipment, repairs and educational collections.

184

185 Mr. Carvell stated that the big change in this function was in 500 Other Services. He said there  
186 was an increase of \$10,600 or 58.2% and that number represented some of the professional  
187 development monies that were added for training. He further said the adopted budget in 2017-  
188 2018 was \$442,656 and the proposed 2018-2019 budget was \$473,049, which was an increase  
189 of \$30,393 or a 6.9% increase.

190  
191 **Function 2300** - District Administration - The district administration account includes costs  
192 associated with the School Board, the superintendent's office, the curriculum coordinators,  
193 special education administrators and vocational education administrators. In addition to salaries  
194 and other administrative-related items such as equipment and supplies & printing, these  
195 accounts also include all of the district's advertising charges and all legal, audit and negotiation  
196 fees.

197  
198 Mr. Carvell stated that the big item in this function was in 100 Salaries. He said there was a  
199 reduction of \$44,368, which represented staffing changes. He further said the adopted budget  
200 in 2017-2018 was \$1,452,671 and the proposed 2018-2019 budget was \$1,411,166, which was  
201 a reduction of \$41,505 or a 2.9% decrease.

202  
203 **Function 2400** - School Administration Services - This account funds administrative services in  
204 the three school levels. This includes salaries for the principals, assistant principals, secretarial  
205 services, equipment, printing, travel, dues and fees, general supplies, service contracts and  
206 graduation expenses at the high school.

207  
208 Mr. Carvell said that there were no big changes in this area and most of it was in contractual  
209 salaries. He further said the adopted budget in 2017-2018 was \$1,287,933 and the proposed  
210 2018-2019 budget was \$1,306,583, which was an increase of \$18,650 or a 1.4% increase.

211  
212 **Function 2600** - Operations and Maintenance - This account funds the salaries of the Director  
213 of Buildings and Grounds, maintenance/grounds staff and building-based custodians. It also  
214 supports water and sewer usage, disposal services, snow plowing, repair and maintenance  
215 materials, property/liability insurance, supplies, fuel, cell phone, electricity, equipment and  
216 overtime.

217  
218 Mr. Carvell said that there was a \$73,777 increase, which represented a 7.9% increase in the  
219 salary line. He said there were two positions added, a part-time building and grounds position  
220 and a part-time custodial position. He further said that in the 400 line there was a \$41,000  
221 increase that represented an 8.4% increase, which was a three-year average. Mr. Carvell said  
222 the adopted budget in 2017-2018 was \$2,272,736 and the proposed 2018-2019 budget was  
223 \$2,335,838, which was an increase of \$63,102 or a 2.8% increase.

224  
225 **Function 2700** - Pupil Transportation - This account covers costs of transportation of students  
226 to and from school, including special education and vocational education transportation.

227  
228 Mr. Carvell stated that the increase was \$52,344, which was a 4.5% increase.

229

230 **Function 2840** - Technology Services - This account includes the salaries for the Director of  
231 Technology, Database Administrator, Technology Support Coordinator, district-wide technology  
232 support, plus software service, licenses & support, supplies and associated technology.  
233

234 Mr. Carvell stated that some of the big items were in Professional Services where there was an  
235 increase from \$6,000 to \$14,000, which was a change of \$8,000, or a 133.3% increase. He said  
236 that was for the new VeriTime payroll system. He also said there was an increase in Property  
237 Services of \$23,696, or a 20.9% increase, which was for software. He further said the adopted  
238 budget in 2017-2018 was \$486,726 and the proposed 2018-2019 budget was \$515,181, which  
239 was an increase of \$28,455 or a 5.8% increase.  
240

241 **Function 2850** – Early Retirement - Included in this account is salaries for professional and  
242 administrator staff who have been approved for early retirement benefits.  
243

244 Mr. Carvell said the adopted budget in 2017-2018 was \$429,282 and the proposed 2018-2019  
245 budget was \$450,989, which was an increase of \$21,707 or a 5.1% increase. He further said  
246 that they had added one person to the administration group.  
247

248 **Function 2900** - Benefits and Taxes - Included in this account are health, dental, and life/long-  
249 term disability insurance costs, as well as workers compensation, teacher retirement, non-  
250 teacher retirement, unemployment compensation, tuition reimbursement, annuity contributions,  
251 sick leave payback, retirement benefit and FICA/Medicare for all staff members.  
252

253 Mr. Carvell said the adopted budget in 2017-2018 was \$11,975,010 and the proposed 2018-  
254 2019 budget was \$12,083,314, which was an increase of \$108,304 or a .9% increase.  
255

256 **Function 4000** - Facilities and Construction - The appropriation of \$1 in this account gives the  
257 School Board the authority to incur expenses for facility studies/testing or professional  
258 assistance regarding land or buildings.  
259

260 **Function 5100** - Interest and Principal - These accounts cover payments of interest and principal  
261 on the long-term debt.  
262

263 Mr. Carvell said the adopted budget in 2017-2018 was \$1,176,325 and the proposed 2018-2019  
264 budget was \$1,503,111, which was an increase of \$326,786 or a 27.8% increase. He said the  
265 change in the accounts was due to the \$3,000,000 bond and the principal and the interest was  
266 now hitting the budget.  
267

268 Mr. Carvell noted that they were in the fifth year of payments for the purchase of the new tractor  
269 and the last payment was due in July of 2018. Mr. Carvell also noted that the Heron Pond debt,  
270 which had a principal of \$545,000 and \$62,000 in interest, would be retired in January of  
271 2020. He said they were in the third year of the lease purchase of the truck and that would retire  
272 in July of 2020. He further said that the fire system, the roof, the carpet and tiles would retire in  
273 August of 2023 and the middle and high school renovations would retire in August of 2027. Mr.  
274 Carvell stated that the high school track and field renovations would retire in 2028.  
275

276 **Function 5220** – Fund Transfers - These accounts are appropriations of federal and state grants  
277 as well as food service, with offsetting amounts on the revenue side. Mr. Carvell said this was a  
278 wash and there was a change of (\$180,215) or a (8.5%) decrease.  
279

280 Mr. Carvell stated that the overall grand total of the 2017-2018 budget was \$40,631,738 and the  
281 2018-2019 proposed budget was \$41,258,902, which was a difference of \$627,164 or a 1.5%  
282 increase.  
283

284 Mr. Carvell asked if there were any questions or comments. There were none.  
285

286 Mr. Carvell then reviewed the School Warrant Articles.  
287

288 1. To see if the District will vote to raise and appropriate as an Operating Budget, not  
289 including appropriations by special Warrant Articles and other appropriations voted  
290 separately, the amounts set forth on the budget posted with the Warrant or as  
291 amended by vote of the first session, for the purposes set forth there-in, totaling  
292 \$41,258,902. Should this article be defeated, the operating budget shall be  
293 \$41,431,431 which is the same as last year, with certain adjustments required by  
294 previous actions of the Milford School District or by law; or the governing body may  
295 hold one special meeting, in accordance with RSA 40:13, X and XVI, to take up  
296 the issue of a revised operating budget only. School Board: Recommends (Vote  
297 5-0); the Budget Advisory Committee: Not to Recommend (Vote 0-6-1). Estimated  
298 Tax Impact: \$0.19  
299

300 Mr. Carvell asked if there were any questions regarding Article #1. There were none.  
301

302 2. To see if the district will vote to raise and appropriate the sum of \$582,500 (Gross  
303 Budget) which are additional funds necessary to defray the cost of providing a full-day  
304 Kindergarten Program at the Jacques Memorial Elementary School starting in the 2018-  
305 2019 school year. Defeat of this Article will have no impact on continuing the half-day  
306 Kindergarten Program currently in place at the Jacques Memorial Elementary  
307 School. This Warrant Article is a special Article pursuant to RSA 32:3, (VI) (d), and is not  
308 included in the Operating Budget Warrant Article. School Board: Recommends (Vote 3-  
309 2); Budget Advisory Committee: Recommends (Vote 4-2-1). (Majority Vote Required)  
310 Estimated Tax Impact: \$0.42 (\$0.32 with Keno-garten funding at \$1,100/student \* 126  
311 students)  
312

313 Mr. Carvell asked if there were any questions regarding Article #2. There were none.  
314

315 3. To see if the district will vote to approve the cost items included in the Collective  
316 Bargaining Agreement (2018/19 through 2021/22) reached between the Milford School  
317 Board and the Milford Administrative Group, which calls for the following increase in  
318 salaries and benefits at the current staffing levels. The impact in 2018, salary and COLA,  
319 there was an increase of \$15,844. The salary adjustments they had for two staff members  
320 in that group of \$3,479 and the wage driven benefits and salaries were \$5,228. There  
321 was a reduction of \$46,279 for health insurance changes. Overall, there was a reduction

322 of \$21,728 in 2018-2019, in 2019-2020, there was an increase \$31,289, in 2020-2021,  
323 there was an increase of \$31,836 and in 2021-2022, there was an increase of \$37,021.

324  
325 The costs for the years of the agreement beyond the upcoming 2018-2019 fiscal  
326 year will be included in the operating budget proposal each of those years. School  
327 Board: Recommends (Vote 5-0). Budget Advisory Committee: Recommends  
328 (Vote 5-1-1). Estimated Tax Impact: (\$0.02) in year one.

329  
330 Mr. Carvell asked if there were any questions regarding Article #3.

331  
332 Mr. Pete Basiliere, 32 Spaulding Street, addressed the Board and stated that he knew the district  
333 could only vote on the dollar amounts of any contract with the staff. He asked if the Board could  
334 enlighten him regarding any changes to the work rules that also went along with contract. Mr.  
335 Carvell asked what Mr. Basiliere meant by "work rules." Mr. Basiliere replied that there were  
336 conditions of employment and other things that were non-cost items that were in a contract and  
337 he did not know if there were other non-cost items in the contract with the administrative group  
338 that were changed from one contract to the next. Mr. Carvell replied that there were some legal  
339 changes that were done in the administration contract but he believed the changes were  
340 available on the website. Superintendent Marquis replied that there were no substantial  
341 changes.

342  
343 4. To see if the district will vote to establish a contingency fund for the current year  
344 for unanticipated expenses that may arise and further to raise and appropriate \$200,000  
345 to go into the fund. The sum is to come from the June 30, 2018, unassigned fund balance  
346 available for transfer on July 1, 2018, if available, and no amount to be raised from  
347 taxation. Any appropriation left at the end of the year will lapse into the general  
348 fund. School Board: Recommends (Vote 5-0); Budget Advisory Committee:  
349 Recommends (vote 6-0-1). (Majority vote required) Estimated Tax Impact: up to \$0.15

350  
351 Mr. Carvell stated that the \$200,000 was money that was in the fund balance for this year and if  
352 it passed, the Board had the authority to move it into the contingency fund and hold it for one  
353 year. He said the money had already been raised and was part of this years' budget but what  
354 this Article did was give the Board the authority to take the fund balance money and move it into  
355 the contingency fund and hold it for one year for spending on whatever may come up.

356  
357 Mr. Carvell said that because it was revenue that came in then it had to show a tax impact. He  
358 asked Ms. Burk to elaborate. Ms. Burk replied if the Warrant Article did not pass and there was  
359 a fund balance that was left over at the end of the year then it would be used to reduce the taxes.

360  
361 Mr. Carvell asked if there were any questions regarding Article #4.

362  
363 Mr. Dargie asked what happened with last years' money. Mr. Carvell replied it was still in the  
364 bank. Mr. Dargie asked if they had used any of it at all. Mr. Carvell replied they had not. Mr.  
365 Dargie asked if the Board had any discussions about using it. Mr. Carvell replied that there was;  
366 he noted that they were holding it for bond work in case anything came up. He said the Board



367 would make the decision as to whether it was something they would return or spend by the end  
368 of the year.

369  
370 Superintendent Marquis replied that the intent was for him to bring the Board a prioritized list of  
371 items that they would like to use the funds to pay for at one of the March BOE meetings.

372  
373 Mr. Dargie asked if the intent was to spend it. Mr. Carvell replied that was probably the intent  
374 but the Board would have that discussion.

375  
376 Mr. Basiliere stated that on Article #1 the estimated tax impact was \$0.19 cents and asked how  
377 much of an increase that was. Ms. Burk replied it was the \$627,164 in the operating budget and  
378 the loss of taxes. Mr. Basiliere said he was trying to understand why that was \$0.19 and this  
379 was a \$0.15 impact for only \$200,000. Ms. Burk replied that it was reflective of the changes in  
380 the cost and the changes in the revenue.

381  
382 Mr. Basiliere stated that the text in the Article as written, which was what would be on the ballot  
383 and what the voter's would see, said that "no amount will be raised from taxation" and yet in the  
384 same breath it said "there is an estimated tax impact of up to \$0.15 per thousand." Ms. Burk  
385 noted the estimated tax impact did not show on the ballot itself. She said the Board would have  
386 to take specific action to post the submitted tax impact changes on the ballot but it was in the  
387 voter guide. Mr. Basiliere said that at some point he thought the Board needed to think about  
388 proposing that to the voters, including the tax impact on the ballot. He said even if it did not  
389 appear on the ballot, it was a contradictory statement that would probably need to be explained  
390 in more depth.

391  
392 Mr. Steve Story, Reserve Way, addressed the Board and asked if there was going to be a  
393 Warrant Article for the MTA Union contract. Mr. Carvell replied there would not be a Warrant  
394 Article for the MTA Union contract. Mr. Carvell stated that the Milford School Board and the  
395 Milford Teachers Association had not come to an agreement and there would be no changes to  
396 their contract for next year; noting that there would be no COLA and no steps. Mr. Story said  
397 his concern was that there would normally be a Warrant vote on the MTA contract; he asked  
398 how the people would vote on that other than next year. Mr. Carvell replied that they would have  
399 the same opportunity next year and they were hoping since they had missed the timeframe and  
400 were not able to reach an agreement; that next year the process would be started again and  
401 they would work with the Teacher's Association.

402  
403 Mr. Carvell asked if there were any further questions regarding Article #4. There were none.

404  
405 Mr. Carvell pointed out that there was no need for a Bond Hearing as there were no bonds being  
406 proposed.

407  
408 Mr. Carvell closed the Budget Hearing at 7:45 p.m.

409  
410 \_\_\_\_\_  
411 School Board Chair Date of Approval