

Joint Meeting City Council/School Board

February 15th 2018

Mulligan's Grill

6:00pm

- 1. CALL TO ORDER** Mayor Hilliard called the meeting to order at 6:00pm. The following members were present: Marty Pepin, Denis Messier, Kyla Yoder, Don Austin, Karen Hiller, Marty Dumont, Matt Hanlon, Dave Witham, Ken Vincent, Gerri Cannon, Ed Levasseur, Maggie Larson, Tom McCallion and Mark Richardson. Also present: Scott Smith, Bob Belmore, Katie Krauss, Lori Lane and Mayor Dana Hilliard.
- 2. 18-19 Budget Discussion:** Hilliard stated that tonight's meeting was to be very informal and an opportunity for discussion. He stated that the School Board was already progressing forward with their budget. He stated that shortly after the elections he and Don Austin had met and talked about how over the past five years they have been able to build a team of the City Council and School Board and make that combination tighter. He stated that we want to strengthen this relationship and build a better team. He stated this is why they started having the Finance Committees meet together and the School Board and City Council Commission that has been in existence for two years. He stated that we will continue to do joint meetings as we are this evening. He stated that as we look at the work that we have done the foundation is to function as a model community by doing things that other government levels can't. He stated that there is a breakdown, especially in Washington where two sides of the aisle are not able to talk to each other and that leads to stagnation. He stated that in Somersworth, members of the School Board are neighbors to members of the City Council. He stated that we have 10 square miles that we live in and can actually function together and talk things through. He stated that it used to be that the School Board would create the budget and would go through the scenarios of hearings then pass it on to the City Council and they would wade through the process of what we were going to give the School Board. He stated that we would have to try to catch up on what the impact of these decisions were after we already received the budget. He stated that we can now communicate leading up to all of that. He stated that we all in the midst of different deadlines and the City Manager and City Council are also in the process of crafting a City budget. He stated that the goal tonight is for the School Administration and School Board to present what they are already looking at with their budget. He stated that the Councilors attending this evening should know that this is not committing you to anything but is to give you a sense of direction. He stated that he empowers the Councilors to look at the low end dollar figure you would be thinking about as far as an appropriation and on a high end what you would be thinking about. He stated that this will give them a low and high end and can sort through what the City Council might appropriate. He stated that then, as you see the list of cuts that you are about to see, you can figure what will be added back in and allow them some sense of direction so that they can make the decisions that they need to. He stated that we can continue to communicate and build the processes that not only benefits both elective bodies but strengthens the ties and benefits our community. Austin stated that there was a handout which shows some of the figures we will be talking about. He stated that he wanted to be sure that everyone understands the process. We plan on presenting this budget formally to the community next Monday evening and then the Board should be taking a vote to move it along to the City Manager. He stated that it has been really tight for us to put this together but I think that the Administration has done a really good job of coming up with numbers that meet our responsibility to present a budget to the City Manager that meets the tax cap requirement. This is not something that the School Board can support and we need to work together to mitigate some of this.

2018-2019 Proposed Budget

Budget Summary	
2017-2018 Approved Budget	25,725,172.00
2018-2019 Proposed Budget Version Two	26,912,733.00
Total Proposed Increase	1,187,561.00
Total Estimated Loss of Revenue (Including changing adequacy to 95% of estimate)	(572,916.00)
Total Proposed Net Budget Increase	1,760,477.00
Estimated Tax Cap Increase	574,334.00
Amount over tax cap	1,186,143.00

Somersworth School District 18-19 Proposed Budget Reductions As of February 12, 2018

Staff Reductions including New Staff Requests	Reduction: \$707,266
<ul style="list-style-type: none"> • Elimination of teaching (3) and para-educator positions (5) • New requests include additional supports to help meet the mental health and behavioral needs of our students. • Changes in secretary hours and numbers of contracted work days. 	
Technology Increases	Reduction: \$194,772
<ul style="list-style-type: none"> • Equipment replacement (staff laptops, projectors, student equipment) • Infrastructure upgrades (Wireless Access Point replacement at IH, MW, and SMS) 	
Facilities	Reduction: \$30,000
<ul style="list-style-type: none"> • Maintenance lines for various projects in our schools. 	
Other Maintenance/Custodial/Facilities	
<ul style="list-style-type: none"> • Asphalt Repairs District Wide • Asbestos Removal & Floor Abatement (SHS) • Custodial Supplies • Equipment Repairs – CTC 	Reduction: \$15,000 Reduction: \$55,000 Reduction: \$10,000 Reduction: \$12,000
Educational Program Reductions	Reduction: \$42,048
<ul style="list-style-type: none"> • Removal of additional program to support students. 	
Reductions from 2017-18	Reduction: \$100,057
<ul style="list-style-type: none"> • Building Cuts and Substitutes 	
NWEA Testing	
<ul style="list-style-type: none"> • Removal of the NWEA testing program 	Reduction: \$10,000
Administration Professional Development	Reduction: \$10,000
<ul style="list-style-type: none"> • Reduction in available funding for coursework, etc. 	

TOTAL REDUCTIONS

\$1,186,143

Austin stated that this is a starting point and it is not finalized. He stated that we value the partnership with all of us at the table and we are hoping there is a way to work through this to make it a more palatable number. Witham stated that they had been presented this at the Finance Committee Meeting. He stated that the committee left it at the end of the meeting asking the Board Chair and the Administration to come up with an incremental list of things that they wanted added back in. He stated they were figuring about \$150,000 in increments. He stated that the Council recognizes that the City Council has bottom line authority over the budget. He stated that if we are going to give money back or override the tax cap we need to have an appreciation of what that means. He stated that we have developed enough trust over the past years with the School Board that if we say we are going to give \$150,000 that it is going to go towards the things they say it will go to and I heard that this list was in the beginning stages of development. He stated that something else that was discussed was with reference with Capital Improvement Items. He stated that there are a number of items on the CIP list such as the asbestos abatement, bathrooms at the middle school, redesigning the entrance at Maple Wood, HVAC units. He stated that his thought is, given the budget restrictions that the budget process places on the school department that perhaps these would be able to be included in a bond. He stated that perhaps we could lump all these things in to a bond and get them completed. He stated that he has asked the Finance Committee to look at what that might look like. Austin stated that as it stands now they are only asking for \$1,400.00 over last year. Vincent asked if that puts the budget close to the tax cap. Austin stated that it meets the tax cap requirements. Witham asked with the tax cap met with the School and City what would the tax increase be. Scott Smith stated that the overall increase for the tax cap is \$953,000.00. He stated that if you spend up to that total, the impact would be an increase of \$1.12 in taxes. Messier stated that the problem was revenue. Austin stated if we did not have to make up for the revenue loss we would be all set. Messier stated that his number would be to build both budgets to the tax cap. He stated that he needs to see the City budget before he can come forward with a number for the school budget. Hilliard stated that the whole purpose was direction for this meeting tonight. Messier stated that he needs more information as to the CIP. Witham stated that the Finance Committee had also wondered what it would look like if they tried to nibble away at the \$1,186,143.00. He stated that one way would be a tax cap override or use some excess fund revenues. He stated that the City Council maintains a fund balance policy and right now we are at the bottom so this is not a likely option. He stated that this brings us back to a tax cap override and we are already at \$1.12 so any override will bring us above that. He stated that we did look at what that impact would be if we did override to the full amount and it would be \$2.54 tax increase. Vincent asked if it had been the practice of the School Board to not have funding for the Capital Improvements. Austin stated that we always try to put some of them into the budget but it is difficult and they are the first things to come out. Richardson stated that when he left the board in 2009 the Maple Wood entrance was on the CIP, the asbestos at the High School was on the CIP, the bathrooms at the front entrance were on the CIP, window replacement was on the CIP and the HVAC. He stated that he referred to the CIP as the "don't do projects". Messier stated that he feels that building the budget on the 95% Adequacy Aid was the right thing. He stated that he would like a plan that if revenues increase how you will adjust equitable disbursements. He stated that when we have to make that final decision I hope the School Board will let the City Council know before they have to make a final decision. Austin stated that if the projections change before passage of the budget we certainly will pass along that information. He stated that after the budget passes and if revenues come in higher than projected, they go back to the City. He stated it would then be up to the Council to do a Supplemental Appropriation. Pepin asked what the most important item was on the list of reductions that you would like to keep. He stated what is really

important to you and really needs to be funded. McCallion stated that now that he is a part of the Building, Grounds and Transportation Committee one of the biggest things that we need to think about is the \$16,000 given to us to upgrade security. He stated that security is the biggest issue that I look at right now. He stated that the budget is great but that can all go away quickly if we look like the bad guys who do not upgrade security. He stated that the asbestos in the high school has to be removed because if we don't take care of it now it will only get costlier. Pepin stated that he was asking in reference to the list. He stated will it be teacher replacement, technology. He stated that if he has to go to the people that he represents he needs to be able to tell them that their taxes are higher because this is what was really needed to keep our students educated. He stated what is the priority of the school department educationally wise. Hiller stated that what she felt was really important was the behavioral health and mental health needs. She stated that at the elementary schools they have had a lot of problems this year. She stated that technology is also a priority as we have to keep things up and running. She stated that the asbestos removal is also a priority as the floor is getting mushy. Vincent asked for someone to expand on the mental health needs. Hiller stated that the Administrators at Maple Wood and Idlehurst were asked what their needs were for next year and they both asked for a behavioral staff person for support. She stated that there is a lot of student misbehavior. Larson stated that what they are seeing in young children from pre-K up is toxic stress due to home conditions. Hanlon stated that historically he would choose to put back people and positions but now, looking at the list, I think the security concerns especially at Maple Wood are a priority. He stated that he is not sure of the cost for that but understand there will be a reimbursement. He stated that technology needs to be a priority. He stated that the Behavioral Specialist is a priority. Lane stated that this list represents a compilation of a number of things. She stated that it is spread across a number of different areas for a reason. She stated that she cannot tell you that there is one area she would favor over another. She stated that within each of these areas there are things that she would add back in first. She stated that when she looks at teaching positions there is one position that she would definitely add back in. She stated that there are pieces of the technology cuts that she would prioritize. She stated that in the next phase of this process she would be looking within these areas. She stated that Mental Health support is clearly a need. She stated that there will be a trade off in the next phase of creating the final list. She stated that we have received funding from the state to fund a new camera system at the Middle School. She stated that we have been asked to put in a request for a \$900,00.00 amount for renovations of the entrance way at Maple Wood. She stated that this grant process is an opportunity with a short window. She stated that there are items on the list that she would not prioritize in the first round. Witham stated that as City Councilors we do not know what is more important on the school side. He stated that the City has allocated monies for road resurfacing and the more hotted we buy the unit price gets better. He stated that several years ago the City paved Memorial Drive and had additional hotted so we could do the school parking lot. He stated that if we know what the targeted repairs for the school are perhaps we can weave them into the total that the City is requesting. He stated that if he was going to approve a tax cap override the number that he could argue for is the loss in revenue. He stated that even at that, it will push our tax increase to \$1.80. He stated that although he can justify that, he cannot justify the \$1.80. Pepin stated what if we took all of these items and put them into a pool to cover in a bond. Austin stated that some of the repairs and maintenance would not qualify. He stated that items that would qualify for a bond issue are unsure at the moment. Smith stated that the School District has a bond that is expiring in the 18-19 budget. He stated that there was a 1.3 million bond issue that was used to buy the land for Idlehurst. He stated that you could pass a bond in the 1-million-dollar range and could time it so that you would begin paying on it after this one expires. He stated that it would have minimal to no effect on the budget. Dumont stated that it was nice to have this information. He stated that he is inclining to support some sort of bonding action to help alleviate the Capital Improvements that qualify. He stated that someone asked recently where we would be if we did not have the tax cap. He stated that we need to be creative and pull together some dollars here and there. He

stated that he would like to see the school progress rather than digress. Richardson stated that when the kindergarten program came in we were hoping to get the entrance way at Maple Wood done. Messier stated that he would like to know the timeline for the budget and when the City Council members would get to see the budget that the school submits. Austin stated that the School Board will be having the final School Board Meeting after the Budget Presentation and Public Hearing on Monday evening. He stated that this will be when the Board will vote to move the budget forward to the City Manager. He stated that what you see here is what we recommend. Hilliard stated that the School Budget is due to the City Manager by March 1st and he then is required to get a copy to the Council members by March 15th. He stated that from that point on it is up to the Council how they want to react to the presented budget. He stated that in the past the Council has been very sensitive to the school portion of the budget. Austin stated that we would like to have something in place in early to mid-April because of teacher contracts. Witham stated that if the council fails to adopt a budget by June 30th the City Managers proposed budget becomes law. Austin stated that he had drafted a letter to the Governor and House Finance Committee in reference to SB193. He stated that he hopes that Councilors will be part of this letter and agree that this bill will not move the city in a positive direction. Hilliard stated that Monday is a holiday for government businesses but the school system is open so if any Councilors would like to take a tour of the schools this would be a good time to do this.

3. ADJOURNMENT: The workshop was closed at 7:05pm

Melinda Sullivan
Board Secretary

Pending Board Approval