

TOWN OF RYE BUDGET COMMITTEE
2023 BUDGET WORK SESSION
Wednesday, December 7, 2022
6:30 p.m.
Rye Jr. High Cafeteria

Committee Present: *Chair Scott Marion, Vice-Chair Jeffrey Ross, Suzanne Barton, School Board Rep Matt Curtin, Rye Water District Rep Ralph Hickson, and Selectmen's Rep Tom King*

Others Present for the School District: *S.A.U. 50 Superintendent Stephen Zdravec, and S.A.U. 50 Business Manager Susan Penny*

I. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Chair Marion called the meeting to order at 6:33 p.m.

II. WORK SESSION: SCHOOL PROPOSED BUDGET ENDING JUNE 2024

A. Review of the proposed School Budget ending June 2024, including the SAU 50 Budget

Superintendent Stephen Zdravec and **Business Manager Susan Penny** presented the proposed School Budget ending June 2024. The budget represents a 5.64% increase over last year's budget. The retirement contribution rates have decreased, which helped with the budget. The guaranteed maximum health insurance rate increased by only 3.3%, as opposed to 14% for the previous year. The new facilities manager of the S.A.U. has taken a close assessment of the facilities to be as proactive as possible in maintenance needs. There is an increase in the facilities maintenance budget. Some of the major drivers in the budget include the high school tuition and special education requirements, particularly as they pertain to middle school and high school out of district tuition. The facilities budget is up a little over \$200,000. The special education tuition, which the Town is obligated to cover by law, is about \$321,000. The actual students attending Portsmouth High School have been greater than previous estimates and are projected to be greater than this year's budget. There is an increase of about \$421,000 in high school tuition.

There are some offsets and decreases in the budget with the health insurance. Overall, the benefits actually decreased about \$189,000. Preschool expenses have decreased about \$70,000. Part of that, approximately \$25,000., is because the Special Education Director has taken over coordination of the preschool. Previously, both Greenland and Rye contributed \$25,000 for that expense and that is no longer needed in the budget. Also, through enrollment projects an opportunity was found to reduce one teaching position at the elementary level.

Overall, the proposed budget stands at \$16,236,386. Subtracting out the high school tuition and special education tuition would bring it to about an 0.8% increase on the budget.

It was noted by School Board Member Matt Curtin that the School Board spent much of this year moving money from account to account to cover tuition costs that weren't anticipated in past budgets. It's been the same for special education costs. The budget increases are proactive and reflecting the actual conditions, which have been demonstrated over the past few years with the shifting of funds to cover those rising expenses. He pointed out that although there's a reduction in the number of students for the incoming elementary school level, consistent growth is being seen at the middle school and high school levels. That is a dynamic that is driving the budget increase, as well.

School Board Member Katherine Errecart commented that they did an analysis on the enrollment numbers over time. One of the things that was looked at is the change from one year to the next at each grade level. It was found that a lot of students were lost in the transition from fifth grade to sixth grade for several years. When the shift was made to bring the fifth grade to the junior high, the loss of students at that transition age decreased. The Town is no longer losing students during that transition and students are not being lost between fourth and fifth grades.

The Budget Committee reviewed the details of the proposed 2023/2024 Rye School Budget.

- High School Tuition: 2022/2023 – 156 students at \$19,887
2023/2024 – 167 students at \$21,102
- Elementary School: Most grades have two teachers with one grade having three.
- Junior High: All grades have three teachers.
- Special Education: High need of services.
- Facilities: Maintenance expenses budgeted in categories where they actually belong.
 - A Maintenance Expendable Trust Fund has been established for capital maintenance projects. The fund currently has a balance of \$133,000 (after the junior high roof replacement).
 - Facilities Manager will be working on long range planning for each school; inventorying each buildings' assets and listing them on a replacement cycle.
- Current retained fund balance: \$709,401 – State allows 5% of net appropriation.
- Elementary School roof replacement with metal flashing: \$850,000 to \$900,000 range – possible warrant article for the roof; up to \$500,000 with retainage funds for the difference. There was discussion about taking out a bond for the roof, or a portion, to help smooth out the tax rate. Business Manager Susan Penny agreed to do further research on a possible bond for the work.

Warrant Articles being proposed (in addition to the elementary school roof):

- To see if the Rye School District will vote to raise and appropriate \$75,000 to be placed in a Special Education Expendable Trust Fund, previously established, with such sum to be to be funded with the June 30, 2023 unassigned fund balance. (No tax impact)

- To see if the Rye School District will vote to raise and appropriate \$50,000 to place in a Tuition Expendable Trust Fund, previously established, with such sum to be to be funded with the June 30, 2023 unassigned fund balance. (No tax impact)
- It's anticipated that there will be another warrant article to address RESPA with regard to support staff wages. The warrant would establish a one-year adjustment to hourly wages.

Warrant Articles will be reviewed by the Budget Committee at an upcoming meeting.

III. OTHER BUSINESS

None

- **Rye School Budget Public Hearing being held on Tuesday, January 11th**

ADJOURNMENT

Motion by Jeffrey Ross to adjourn at 7:41 p.m. Seconded by Tom King. All in favor.

Respectfully Submitted,
Dyana F. Ledger