

TOWN OF RYE BUDGET COMMITTEE
2023 BUDGET WORK SESSION
Tuesday, January 3, 2023
6:00 p.m.
Rye Jr. High School Cafeteria

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

Others Present: *S.A.U. 50 Superintendent Steven Zadravec, S.A.U. 50 Business Administrator Susan Penny, and Rye Town Administrator Matt Scruton*

I. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Chair Marion called the meeting to order at 6:03 p.m. and led the Pledge of Allegiance.

II. WORK SESSION

A. Warrant Articles – Town and School

School Warrant Articles:

Article 1: Shall the Rye School District vote to raise and appropriate as an operating budget, not including appropriations by special warrant articles and other appropriations 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 \$16,575,387 (Sixteen Million Five Hundred Seventy-Five Thousand Three Hundred Eighty-Seven Dollars)? Should this article be defeated, the default budget shall be \$16,279,349 (Sixteen Million Two Hundred Seventy-Nine Thousand Three Hundred Forty-Nine Dollars), which is the same as last year, with certain adjustments required by previous action of the Rye 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 the revised operating budget only. (Majority vote required.) (NOTE: This warrant article [operating budget] does not include appropriations in ANY other warrant article.)

Motion by Ralph Hickson to recommend Article 1. Seconded by Jaci Grote. Vote: 8-0

Article 2: Shall the Rye School District vote to approve the modification of the cost items in the collective bargaining agreement reached between the Rye School Board and the Rye Educational Support Personnel Association, which was previously approved by the voters for 2019 to 2024 on the 2019 warrant, which modifications calls for the following increases in salaries and benefits at the current staffing levels over the amount paid in the prior fiscal year in addition to those increases previously approved:

Fiscal Year	Estimated Increase
2023-2024	\$131,408

and to further raise and appropriate \$131,408 (One Hundred Thirty-One Thousand Four Hundred Eight Dollars) for the 2023/2024 fiscal year, said sum representing the additional costs attributable to the increase in salaries and benefits required by the new agreement over those that would be paid at current staffing levels. (Majority vote required.)

Jaci Grote moved Article 2. Seconded by Tom King.

It was noted that this translates to an average of \$3.00 per hour for each person. It was explained by Member Curtin that this is for one year and there will be renegotiations after that time for a new contract. This is being proposed because surrounding districts have a much higher rate. At the beginning of this school year, approximately fourteen people left Rye District and went to neighboring districts because of pay disparities. The disparities were higher than \$3.00 per hour on average. In the process, the District was not able to retain staff and was not able to effectively accrue. Anyone looking for a position could very easily find a like position paying more in another town. For this year, a stipend from grant money was used to retain the staff that the District had, which effectively offered them an increase of \$3.00 per hour. With the stipend, the District was not only able to retain staff, but also do some additional recruiting; however, the District is still not at full staff. The amount in the warrant article will maintain the \$3.00 an hour value into next year, which is the final year of the contract. Otherwise, the salaries would lapse back to the original hourly wage without a funding mechanism, which would thereby put the District at risk for staff leaving for the next school year. The amount in the warrant article assumes full employment with all open positions being filled.

Member Crapo asked if this will become the basis in case a contract negotiation is not successful next year.

Member Curtin confirmed.

There was some discussion about other towns that have increased pay and have taken similar measures as proposed by the Rye School District. It was noted that during the course of negotiations, Rye's starting base was already lower than other towns. This is also being done as part of the market correction. This value does not place Rye at top dollar, the District will just

be more competitive than it was at the start of the process. There are currently eight to ten positions that are open, with five of those positions being special education paraprofessionals. The support staff includes non-teaching positions; such as, paraprofessionals, food service, custodial, clerical, and administrative.

Vote: 8-0 in favor to recommend Article 2.

Article 3: Shall Rye School District, if Warrant Article #2 is defeated, authorize the governing body to call one special meeting, at its option, to address Warrant Article #2 cost items only? (Majority vote required.)

Note: *The Budget Committee does not need to vote on Article 3 as it is not a money article.*

Article 4: Special Education Expendable Trust Fund

Shall the Rye School District raise and appropriate the sum of up to \$75,000 (Seventy-Five Thousand Dollars) to be placed in the Special Education Expendable Trust Fund previous established, with such fund to be funded from the June 30, 2023 unassigned fund balance available for transfer on July 1, 2023 with no amount to be raised by additional taxation. (Majority vote required.)

Jaci Grote moved Article 4. Seconded by Jeffrey Ross.

It was noted that the fund balance is \$127, 481. With the addition of \$75,000, the amount will cover approximately two students.

Member Crapo asked what is anticipated to be available in the unassigned fund balance. He pointed out that Article 5 pulls from the unassigned fund balance also. In the event there is not enough money to cover both articles, which one will be covered?

Susan Penny, SAU 50 Business Administrator, explained that they are funded in the order that's on the ballot. At this time, there is \$709,000 in the retained fund balance, which becomes part of the unassigned fund balanced at the end of the year. The School Board will then decide how much they want to retain. There will be at least \$709,000 in the unassigned fund balance on June 30th.

Member Crapo asked what was not purchased, or not covered, in each given budget to allow for an extra balance.

Member Curtin pointed out that the School Board retained the maximum amount allowed under law last year in anticipation of the roof project.

Ms. Penny commented there was also the Statewide Education Property Tax (SWEPT) of 1.2 million. The retained funds were kept in an effort to stabilize the tax rate to have that money to return in a year where there might have not been that kind of income.

Selectmen's Rep King asked if there is a target for this trust fund.

Ms. Penny replied it would be somewhere in the \$350,000 range, which is the equivalent of one "hefty" unexpected special education cost. Some special education placements can be upwards of \$150,000 per year.

Vote: 8-0 in favor to recommend Article 4.

Article 5: Tuition Expendable Trust Fund

Shall the Rye School District raise and appropriate the sum of up to \$50,000 (Fifty Thousand Dollars) to be placed in the Tuition Expendable Trust Fund previously established, with such fund to be funded from the June 30, 2023 unassigned fund balance available for transfer on July 1, 2023 with no amount to be raised by additional taxation. (Majority vote required.)

Ralph Hickson moved Article 5. Seconded by Jaci Grote.

It was noted that this fund is mostly used to cover unanticipated high school tuition. The high school tuition is approximately \$20,000 per student. Member Curtin pointed out that over the past two years, the budget did not sufficiently cover high school tuition, as there were new students in the District. This has been addressed in the upcoming budget and this fund will be additional backup for any unanticipated tuition.

The fund balance is \$81,000 at this time.

Vote: 8-0 in favor to recommend Article 5.

Article 6: Roof Replacement Project for the Rye Elementary School

Shall the Rye School District vote to raise and appropriate the sum of \$1,000,00 (One Million Dollars) towards the roof replacement project at Rye Elementary School with the \$500,000 (Five Hundred Thousand Dollars) of this amount to be raised by taxation and the balance to come from retained fund balance and/or the School Property Maintenance Expendable Trust Fund. (Majority vote required.)

Jaci Grote moved Article 6. Seconded by Ralph Hickson.

Member Curtin explained that the roof replacement for the elementary school is going to be approximately \$1,000,000. In anticipation, a significant amount of money was retained last year.

The intent is to have a warrant article approved for \$500,000 to cover half the estimated cost with the additional \$500,000 being covered by retained funds. Member Curtin pointed out that the School Board looked at several different scenarios for the roof replacement, such as making it a multi-year project. However, for safety of the students and structural integrity of the building, it made more sense to do the roof replacement all at once. The intent is to do the work over the summer break.

Member Grote asked about the million dollars being returned from the State.

Member Curtin explained the District is receiving 1.2 million dollars in four payments over the course of the year. That is in the budget cycle for this year. This warrant article is being proposed for next year's budget. An amount of \$607,000 of the 1.2 million was retained to be spent towards the roof replacement.

Member Crapo asked if it would make sense to say "up to \$500,000 to be raised by taxation" in case more is able to be pulled out of the unassigned fund balance. This may give folks more optimism that it might not hit the taxes as hard.

Ms. Penny explained that counsel suggested the wording for the article. The funds that are not spent will go back to offset taxes.

Member Curtin spoke about plans for educating the residents with regard to this warrant article.

Vote: 8-0 in favor to recommend Article 6.

Town Warrant Articles:

ARTICLE P. To see if the Town will vote to raise and appropriate the sum of Fifty Thousand Dollars (\$50,000) to be placed in the expendable general trust fund known as the Town Employees' Accumulated Leave Fund, established pursuant to RSA 31:19-a by Article 14 of the 1990 Rye Town Meeting for the purpose of funding Town Employees' accumulated leave accounts. This appropriation is in addition to the operating budget. (Majority vote required.)

This article is recommended by the Selectmen (3-0)

Motion by Matt Curtin to recommend Article P. Seconded by Shawn Crapo.

Selectmen's Rep King noted that the amount in this warrant article should put the Town at the 50% target, which is recommended by the Town's auditors.

Vote: 8-0 in favor to recommend Article P.

B. Unfinished Business

None

III. OTHER BUSINESS

Public Comment:

Steven Borne, 431 Wallis Road, spoke in regards to getting the funds for the roof replacement in time for doing the work over the summer.

- **Next Budget Committee Meetings:**

- Wednesday, January 11th, 6:30 p.m., Public Hearing on School Budget, Rye Junior High
- Thursday, January 12th, 6:30 p.m., Public Hearing on Town Budget, Rye Town Hall
- Tuesday, January 31, 6:30 p.m., Precinct Budgets, Rye Town Hall

ADJOURNMENT

Motion by Tom King to adjourn at 7:03 p.m. Seconded by Jaci Grote. All in favor.

Respectfully Submitted,
Dyana F. Ledger