

**Town of Rye**

**Budget Committee- School Budget Session**

**December 13, 2017**

Present (Budget Committee Members) Chair Jaci Grote, Ralph Hickson, Clerk Peter Crawford, Vice Chair Margaret Balboni, Kevin Brandon, Phil Winslow, Randy Crapo, and Alternate Shawn Crapo for the Rye Beach Village District. Present from the SAU 50 office: Amy Ransom, Sal Petralia. Present from the Rye School District: Principals Marie Soucy (RJH) and Suzanne Lull (RES).

Chair Grote called the meeting to order at 6:36 pm and led the Pledge of Allegiance.

Chair Grote has a few issues before we start. Tomorrow's meeting that was supposed to be 12/14 to go over issues from the town budget was postponed until next week. It looks like we will have the meeting either Wednesday or Thursday. Peter, we are going to try to have it on Thursday. If you can call in that would be great. It looks like the 28<sup>th</sup> will not be a good day for everyone that I have spoken to here. We have a school board meeting on December 20<sup>th</sup>. So it looks like we will have a meeting on 12/21 at the town hall.

Peter will pass out a short handout and we will discuss it after the meeting.

Peter Crawford: This is what I put together on the overall tax rate so people can understand what happened. The bottom line is down from \$10.68 to \$10.11 but the taxes raised are up from around \$18 million to 19.4 million or a 7.6 percent increase. The assessments went up and that made up for the reduction in the tax rate. The average increase is about 7% in their tax bills. I think that we should be cognizant of this.

I would like to move that I be allowed to participate by phone at the future meeting if I am out of town. This would be the case from the 20<sup>th</sup> to the 27<sup>th</sup> of December.

Chair Grote: I believe that you can participate by phone.

Response: Technology permitting. Is there a speaker phone in that room?

Chair Grote: You could call my cellphone and I could put you on speaker.

Peter Crawford: Yes it needs to be on speaker phone. So everyone is agreed that this is okay?

Response: Yes that is okay.

Amy Ransom: I just have a few housekeeping issues. Unfortunately, the connection is not working for the PowerPoint. We will not be able to stream it live for the people on the TV. The streaming of the meeting is working but not the PowerPoint. I have passed out copies of the presentation I am going to go

over. I also handed out the Rye School District finance report as of the 13<sup>th</sup>. I did not get a chance to review it. I did see on the agenda that you were requesting it so I quickly ran a copy. I looked at Mr. Crawford's email and I looked at some of his questions but I did not get to look at all of his questions. I looked in the question about NH retirement and I thank him for that as he was correct that it was incorrect. I had transposed the numbers when I was making some changes so the form that looks like this with the revenues is incorrect.

Chair Grote: Excuse me. Did you send that email to others in the committee?

Peter Crawford: No I did not.

Chair Grote: Okay so in the future, if someone from the budget committee sends an email with questions about their budget, you need to copy everyone so we know what's going on okay?

Peter Crawford: We need to be cognizant that we can't all respond.

Response: It's not a discussion. We are just all informed.

Shawn Crapo: It is not necessarily our job to give homework to these people that are working for separate entities. That is why we have the meeting. Not to have fact finding and waste their time in between.

Peter Crawford: In this case we had a really positive result.

Amy Ransom: I just wanted you to be aware that I made that correction. I updated the revenue page.

So if you want to go to your power point presentation and follow along.

This is the presentation to the Rye Budget Committee.

The items that I will be reviewing this evening are the review

Fy19 operating budget main page

This page explains what the budget vs. the actual expenditures were for 2016/17 and the proposed budget for 2018/2019. There is also a column for the budget that we're operating under right now. This is structured to tie into the state budget numbers. Salary vs. Non salary items. Requests are items that the administration has asked for. Increases, etc. This adds to the salary and non-salary plus requests included in the proposed budget. There are a number of contracts that have been entered into.

Question: Did we pay off the school loan? Debt Services is where this is located.

Review status of trust funds

Review of estimated tax impact

### **Review of fy19 proposed budget**

Proposed budget: \$14,023,994

Decrease of \$63,956 – (.45%)

Default Budget: \$13,893,451

Decrease of \$(194,499) – (1.38) %

Difference: \$130,543 between proposed and default budgets - .93%

Amy Ransom: I don't normally read the slides but I am so that the townspeople can know what I am talking about.

Question: Can we put the slides on a link for the town?

Chair Grote: I can ask the administrator to do that for us

**Proposed Operating budget**

\$14,023,994 – decrease of (0.45) % over current year  
\$130,543 more than default budget  
Does not include any additional staff requests  
Includes 2.75% raise for non-union staff  
Includes 3% raise for principals  
Increase to Professional Development  
Increase to Technology Contracted Services

**Review of FY19 default budget**

\$13,893,451, which is  
\$130,543 less than Proposed Budget  
Maintains all current services  
Includes all obligations required by law.

**Important Facts**

598 Students enrolled in Grades K-12  
Rye Elementary School  
K 52, GR 1 -44, GR 2 – 47, GR 3 -47, GR 4 -39, GR 5 -46 = Total 275

**Rye Junior High**

GR 6 – 43, GR 7 – 46, GR 8 – 43 = total 132  
Portsmouth High School - 191 students

106 students with IEP's 17% of the Total Student Population

**Tuition Expendable Trust Fund**

Used to pay for tuition to Portsmouth High School  
Estimated cost of FY 18-19 tuition - \$17,350 per student  
190 students currently enrolled at PHS  
Current balance - \$1,160.60

**Special Education Expendable Trust Fund**

Used to pay for unanticipated special education costs  
Current Balance - \$121,863.51

**School Property Maintenance Trust Fund**

Used to pay for building maintenance at Rye Elementary and Rye Junior High  
Current balance - \$63,324.95  
Deposit of \$75,000 to be made in December 2017  
Question: Are these applicable for doors and windows? I think this is unanticipated repairs?  
Amy: I will look into this and get clarification.

Mr. Petralia: I looked at the last year's budget. Warrant article two was for the Buildings and Grounds. He gives clarification for the \$75,000 which is for anticipated and unanticipated repairs.

Amy Ransom: We should see a decrease in funding. We are losing RIFA rural funding. It is also a reduction in appropriation as well.

**Wedgewood Farms Exp. Trust Fund**

Used to pay for maintaining the Wedgewood Farm Property Adjacent to Rye Junior High  
Current balance \$31,535.95

Kevin Brandon: This is all private funds that were raised.

**Estimated Revenue Page 2018/2019**

Budget \$14,087,950 for 2017/2018	2018/19 \$14,023,994	
Variance of (63,956)		
Warrants \$75,000 2017/18	2018/19 \$75,000	no variance
Estimated Revenue 2017/18 \$854,116	2018/19 \$639,676	Variance of (214,440)
Adequacy Grant	none for this fiscal year or next	
Local Tax Impact 2017/18 \$13,308,834	2018/19 \$13,459,318	variance \$150,484

The \$75,000 warrant has not been voted on yet.

**Tax Rate Impact – Budget Estimated**

Default Budget \$(.026) Proposed .035

This is if nothing changes and it stays the same as today.

**Estimated Tax Rate Impact Proposed Budget**

Proposed budget \$0.035 = \$14.00 more total impact Average home value of \$400,000

**Estimated Tax Rate Impact Default Budget**

Default budget \$(0.026) = \$(10.40) total impact

Thank you.

Questions and Answers of the Budget Review:

Amy Ransom: The cover sheet gives you a summary and has notes on the explanation of numbers.

Question: If you have a person sharing at different schools will they be split out?

Amy Ransom: Yes if it is a contractual agreement it will be.

Phil: Teachers salary increases 3.5 percent but you based it on 2.75.

Amy Ransom: If a teacher gets steps the raise is much higher than the normal schedule. Not all are a straight increase. Some have much higher increases based on the way it is built.

Explanation of the Step program for the Budget committee.

Question: Broad staffing. Looks like the staffing stayed flat? Is that correct.

Amy: Yes, it is flat. No major changes.

Peggy: Does that include special education? As I read this, there is no differentiation between the costs of the two schools. Amy: Yes

This format is based as it is reported to the state.

Peggy: I can't see the differentiation between the Elementary School and the Junior High.

Amy: You can't see it on that page, but the data are there.

Kevin Brandon: Rolling up the costs by school would be helpful as we want to understand what is going on at each school.

Amy: I can add the line items related to the individual schools together and bring it back to the committee.

Agreed that this would be helpful.

Peter: Could we have it for the public hearing?

Peggy: We have the public hearing on 1/10.

Amy: I will do the best I can.

Peter: When I look at the budget it looks like we have an increase of staff from 23 to 24? Is that correct?

Mr. Petralia: Yes, we have had an influx of non-English speaking children and required a person to assist with that. This was an unexpected expense.

Peter: On the fold out page, I see two fourth grade teachers and three teachers for every other grade at the Elementary School. Yet, I note that the current enrollment in third grade is 48 students. Most of those students will be moving to fourth grade. The current fourth grade, which is small now, will be moving to fifth grade. It would seem logical to move a fifth grade teacher to fourth grade. Mr. Petralia: That would be an administration decision

Peter: So are you saying that this is the number of teachers that you need, and that if you decide to move a teacher it will be within this budget?

Mr. Petralia: Correct.

Question about Language teachers. Expected to be the same next year?

Amy: Yes

Mr. Crapo: On the science equipment replacement, did you replace all items that you needed to replace?

Marie Soucy: We are using new standards and we had to purchase new equipment. This should be all set for this year.

Peggy: Special education contractual needs? Is this being outsourced?

Amy: Yes, based on the student's needs.

Chair Grote: what is OOD?

Amy: Out of district

Chair Grote: This is where the \$20,000 in technology increase is?

Amy Ransom: I adjusted this to add to the Middle School \$10,000. The people they have now are working on IT integration. We need an IT fixer. The principals are doing this now so we need someone else to assist with this.

Chair Grote: How much are you adding for this?

Amy Ransom: Yes, I am adding to the budget.

Randy Crapo: Why have the school board salaries not gone up?

Response: Never really been a deciding factor in the board's work.

Peter: Fuel Oil: what price and how many gallons did you assume?

Amy: That was Mr. Katkin's part of the budget. Let me look in my notes. I do not have any notes on that. Let's put a place holder for this and go back to this.

Peter: My concern is that it is a little high.

Amy: Mr. Katkin's number for the Middle School is based on a three year average of 22,948 gallons.

Jaci Grote: I calculate \$2.64 per gallon

Amy: 18,054 gallons for the Elementary School.

Peter: I am OK with the budget. The current price is about \$2.30. I get the same \$2.64 for both schools. The gallons are in line with the prior gallons.

Kevin Brandon: We can't get a contract until we have the funds. Then we can lock in.

Peter: A comment was made at the School Board's all-day budget meeting that a lot of the buses are arriving with not many children on them.

Kevin: I recall the discussion. Bus transportation must be provided up to the age of 14, and there are runs that go all of the way to North Hampton.

How do you do route rationalization and service the students who are entitled to transportation up to the age of 14?

Peter: I talked to a former bus driver today and some routes could be served with smaller buses.

Amy: Whether or not they are all utilizing the buses, we need to have a bus available for those children.

Chair Grote: I noticed that there was \$126,000 reduction in transportation.

Amy: Yes it's all transportation

Peter: Retirement is flat

Amy: That's the increase for the administrative staff

Chair Grote: Now we get to the last page.

Peter: POS for food service. Is this going to be implemented?

Amy: It's being talked about but we don't know if it's going to be implemented.

It's not to reduce staff.

Peter: What percentage of the kids use the food program?

Kevin Brandon: 1/3 of the kids bring their lunches.

There is fee associated with use of the POS and credit cards for food service.

Randy Crapo: I would like to make a motion that the Budget Committee recommend \$14,023,994.10 (sic)

Ralph Hickson: I second it.

Peter: The number that Mr. Katkin had given us for the reduction in taxes this year was \$60,000 higher than it ended up being.

Amy: I don't know where he got that number from. It might have come from the corrected MS25 he had to do.

Chair Grote: We don't know what that came from?

Peter: I noted that the New Castle students are up from 1 last year to 3 this year. That is a little more revenue.

Amy: We are having discussions but we don't know which students will be attending.

Peter: Portsmouth High School, it looks like you've assumed that every single student in eighth grade is going to continue on to Portsmouth High, while historically it has been 70-80 percent.

Amy: There was a discussion at the Board and we decided to use that number. I have recommended that the current number of students be used.

Peter: There are 43 students in 8<sup>th</sup> grade, 42 from Rye and one from New Castle. If we use a 90 percent continuation rate, which is what Mr. Katkin assumed last year, that would be a reduction of four students, or \$68,000.

There was further discussion, about number of students and amount of tuition.

Motion to move the question and a second

Peter: I had a question about Lister Academy. Why are we spending \$76,000 a year on this. We sent one student briefly last year and nobody could recall any other students in recent years

Mr. Petralia: Amy could you fill in the budget committee? It is associated with the AREA Agreement with Portsmouth, however the calculation is based on the percentage of students that attend Portsmouth High School.

Amy: Lister is part of the Portsmouth School District. It is alternative education. They take in students from other districts like Epping and Raymond and receive tuition for that. They calculate the cost of the program, deduct any tuition they receive from students not in SAU50 or SAU52. They divide that net amount by the number of students from both SAU50 and SAU52. The pro-rated SAU portion is billed to the SAU office. Mr. Katkin has historically pro-rated that amount among the districts. This is being reviewed.

Peter: Do we have any information yet on how many students have gone there the last five or ten years?

Amy: They are putting together a committee together to review the Lister Agreement and the Portsmouth agreement. I'm not sure how many students have gone.

Kevin: Not many students have gone to Lister. This is a seemingly perpetual place holder for capacity that we really haven't used. I don't know whether it is a less than optimal use of our resources or is it an accounting convention coming back from Portsmouth that we're going to see anyway.

Peggy: This is a school board issue. They, together with the SAU, would need to go back to Portsmouth and renegotiate or get clarification.

Peter: I suggest that the matter be tabled. Otherwise, I will vote no tonight.

Chair Grote: I want to thank you, Amy, for all the work you did and presenting this and answering all the questions and answering all our needs.

Amy: Thank you I appreciate it.

Motion to approve by Randy and Ralph seconded it. All in Favor, opposed by Peter. Vote 7-1.

Jaci: Our next meeting on the School budget is at the public hearing. Any other communications, you can distribute to us at the town meeting.

Motion to Adjourn the meeting. All in favor. Meeting is Adjourned at 8:48 p.m.