

**FREMONT BUDGET COMMITTEE MEETING**  
**Fremont Town Hall, 295 Main Street, Fremont, NH 03044**  
**December 5, 2018 at 7:00 PM**

**CALL TO ORDER**

Chair Mary Anderson called the December 5, 2018 Budget Committee meeting to order with the Pledge of Allegiance at 7:00 PM at the Fremont Town Hall. Present were: Mary Anderson, Gene Cordes, Mary Jo Holmes, Pat Martel, Joe Miccile, Johnathan Starr, Brittany Thompson, and Josh Yokela. Also present were Allyn Hutton, Susan Penny, Melissa McKeon, Greg Fraize, Angela O'Connell, Gordon Muench, Sara Lundquist, Jane Pellegrini, FCTV technician Alex Coulombe and Susan Perry.

**APPROVAL OF MINUTES**

*Gene Cordes made a motion to table the minutes of November 28, 2018 until next week's meeting. Johnathan Starr seconded the motion. Motion passed 8:0.*

Note: Next week's meeting will include the rest of the Town budgets.

**SCHOOL BUDGET**

Ms. Penny had provided the Committee with the FY20 default budget and FY2019-20 Proposed Revenue sheet. There was concern about the increase of \$1,170,369.36 (13.54%) in the local district assessment from FY19 (\$8,645,885) to FY20 (\$9,816,254.36). This equates to almost \$3.00 on the tax rate.

Ms. Thompson clarified that there are 108 students in the district with IEPs (Individualized Education Program), 73 of which are at Ellis School and 27 of which are at Sanborn Regional High School. Though IEP-driven, Ms. Anderson felt that this was a high number, and she was concerned about the ratio of 1:5.5 (staff to students) in the District. She felt that it was not appropriate to vote in favor of the \$1.1 million school budget increase and she suggested a need to cut personnel/salary. Ms. Martel felt that the District seemed "top heavy" (administration) regarding personnel for a small school. Mr. Yokela said that the Committee needed to decide on what to propose to the School Board as a recommendation; Mr. Cordes agreed that the School District should make appropriate changes.

There was discussion on the discrepancies in total staff data e.g. at the D.O.E, including the difference in the number of staff posted 2 years ago vs. what is in the budget for 2020, and the uncertainty of how the DOE classifies FTEs (e.g. if  $\frac{3}{4}$  position is classified as 1), etc. There was discussion about the P.E./Health/Wellness and Personalized Learning Positions, which were funded within the budget lines for this year and were necessary to replace the scheduling gap left by the unfilled Spanish Position this year. It was noted that the P.E. position is a minimal standard.

It was reported that the teacher contract that was just approved includes an increase in health (there will be more contribution by teachers). There was discussion about salary increases e.g. for the Business Administrator and it was explained that this was done based on work performance and for retention of good staff in the district. It was noted that this has been an important topic for the town side as well.

There was review of out-of-district placements (2 elementary at Ellis and 7 high school or up to age 21 so long as they don't graduate). This is IEP-driven and cannot be changed.

The default budget is about \$410,000 less than the proposed budget which equals a \$700,000 increase or \$2 on the tax rate. It was noted that the Town budget is not yet complete (Warrant Articles, etc.). The feeling is that the Town side will be under a \$200,000 increase). There was discussion about the inflation rate of about 2.5% and that the budget shouldn't go up that much for long. Ms. Anderson realized that the biggest bulk of the increase has been Sanborn tuition and that the District did the right thing by returning money last year when it was not allotted for. It was noted that if a Warrant Article for the roof project failed, no means no and that the work could not be done, so the Board decided to put it in the budget since it was a necessary, safety based project due to increased water damage, mold, etc. to the building.

Ms. Holmes referred to the fund balance sheet for last year and felt that a number of lines had remaining balances (e.g. course reimbursement) that could have been encumbered (to put toward the roof project). Ms. Penny noted that the fiscal year ends on June 30<sup>th</sup>. It was clarified that the District did not know about the roof issues until after there were staff changes and more attention was paid towards facilities and planning. Ms. Holmes suggested that the District either spend money or cut it at the end of the year. Out of the \$110,000 that was in the maintenance trust fund, \$33,000 would be used for the sprinklers, leaving about \$80,000 in the fund. Ms. Holmes said there was a possibility of having a fund balance to fund the roof, but this is unsure now. Ms. Penny noted that about 95% of the fund money was a result of the extra Sanborn money, but now, the District is about \$65,000 in the red. There was talk about using the Tuition Trust Fund. Ms. Anderson suggested asking Department Heads to see where \$100,000 could be saved in the budget to pay for the emergency roof project. Ms. Hutton estimated that about \$400,000 had been initially cut from original budget requests at the beginning of the budget process, so there would have been more of a budget increase. Ms. Anderson said, to be assured of the roof project being done, the District could make cuts now or use the fund balance. She said the taxpayers have supported the town but she was unsure if this will be the case this year as it is difficult for people/families to afford large tax increases. Ms. Holmes noted that it is more difficult for a CBA to pass with a default budget. There might be savings at the end of the year e.g. unused course reimbursement funds, etc. Mr. Cordes felt the Board should look at this again and bring it back next week; he said the reality is that Fremont's tax base cannot support this increase (which is not a new occurrence). With enrollment changes, other districts are looking at options e.g. closing buildings.

The meeting was opened for public input:

1. Angela O'Connell spoke as a taxpayer, parent and School Board member/participant over the past 6 + years. She said that the money that was returned to cause the over \$1.1 million increase was based on the District's commitment to return unspent Sanborn money. The District was negotiating payments with Sanborn due to contract concerns – they came to a Memorandum of Understanding based on Ms. Penny's work to save money (this kind of savings for the District and the want to retain good workers justified the increase in her salary). The Board did not want to spend money on the air handler project last year without a concrete plan for it. She said the District had policies on class size and noted her sixth grade daughter's class has 24 students, which is not a small class size. The District tried to keep students in-house to meet their needs and send them out of district as a last resort. The spending per pupil has decreased over the past few years at Ellis. The Board continues to discuss long term solutions. She noted that the 6:1 ratio of students to staff is the same between Ellis and at Pinkerton when Ms. Anderson was administrator (roughly 3,000 students to 500 staff). There was some discrepancy on this note.
2. Greg Fraize spoke as a parent and School Board member for about 7 years. He said, out of the \$1.1 million increase, the actual increase for Ellis was \$142,000. He noted increases have been in health insurance, retirement, bus contracts, and Sanborn tuition. Funds were reallocated from the existing Spanish position for the P.E./Health teacher and the Personalized Learning Facilitator position was added and came from savings – therefore, the salary bottom line did not increase for these two positions. The District turned money back to the town but there is feeling that it is being punished for it. If there is staff reduction, the District would need to look at classroom size capacity. There are possibilities of sharing supplies etc. with the Town, etc. Ms. Holmes and Mr. Miccile noted that the class size policy is one made by the School Board, not a state policy.
3. Sara Lundquist spoke as a parent and volunteer at Ellis. She suggested, if staff cuts are recommended, that people tour the school to see what is done on a daily basis in the school (e.g. not enough staff members on lunch duty). She suggested that cuts not be made and noted the importance of considering the nature of classroom makeup/sizes.
4. Gordon Muench reported that the District also has future facilities needs. The proposed roof project cost is \$175,000 but he noted that it would cost about \$1.3 million to do the entire roof (the Board did not want to be irresponsible in asking taxpayers for this). He was concerned about incurring costs by taking away from education. The portable units are well beyond their life expectancies. Co-opping with another town could cause Fremont School District's costs to increase because its cost per pupil is the lowest locally. Based on his experience, jobs/work cost markup increases 15-17% yearly. The Budget Committee appreciated the planning being done for maintenance work.

It was noted that only \$200,000 will be asked to add to the Maintenance Trust Fund via Warrant Article if there is a year-end surplus (the other trust funds would not be added to next year).

The Budget Committee considered of various School budget recommendations. The local assessment is based on the general fund (this is the tax rate – how much can be raised in taxes). This is about \$772,269.65 more than the previous year. In 2019-20, this means \$1.93 to be raised by taxes. Ms. Penny noted that the whole town tax rate has remained steady over the years. Ms. Anderson noted that on a \$200,000 house, a tax increase of \$400 would be a hardship for some people.

Josh Yokela made a motion to adjourn. Johnathan Starr seconded the motion. Motion failed: 2 aye (Yokela and Starr): 6 nay.

It was important for the Committee to make a recommendation for the School District budget tonight.

Johnathan Starr made a motion to recommend \$12,830,050.73 for the grand total School District budget (this is the grand total default plus \$100,000 towards the roof project, hoping the District can find the \$75,000 somewhere). Mary Jo Holmes seconded the motion. Motion failed: 1 aye (Starr): 7 nay.

Mary Jo Holmes made a motion to recommend \$12,730,050.73 (the default) for the grand total School District budget (\$2.00 tax increase and \$410,000 less than what was proposed). Pat Martel seconded the motion. Motion passed: 6 aye: 2 nay (Thompson, Cordes).

It was noted that budgets can be reconsidered.

At 8:52 PM, Josh Yokela made a motion to adjourn. Johnathan Starr seconded the motion. Motion passed 8:0.

Respectfully submitted by

Susan Perry, Recording Secretary