

Joint Meeting with Candia School Board, SAU and Town of Candia Municipal Budget Committee Approved Meeting Minutes

Meeting Date: December 2, 2021
Location: Henry Moore School Gym
Attendees: Lynn Chivers
Sue Young
Susan Gill
Bob Stout
Todd Keating
Jodi Hedstrom
Katrina Niles
Stephanie Helmig
Kaycee Vitale
Absent (Excused): Dick Snow

Chairman Chivers opened the meeting at 7:00 PM

Pledge of Allegiance

Introductions of the School Board

Approval of the Minutes from November 18, 2021

- Chairman Chivers said she would like page six corrected; the incorrect names are listed under the mosquito warrant article vote for who is in favor and who is against.
- Bob Stout motions to approve minutes as amended
- Katrina Niles seconds the motion
- Dick Snow absent from vote
- Motion passes 8 approve-0 oppose-1 absent

Questions for the School Board 2020-2021 Budget

Chairman Chivers went over the new information that was provided to the committee tonight including the new budget number.

Chairman Chivers read the below questions to the School Board (in italics) and the subsequent answers are written below:

What is the amount of the lump sum that is being paid to the teachers who are retiring?

- \$40,000 This was an increase just for the current contract period and will be reduced to \$25,000 once it expires in 2023.

Is the retirement payout based on the teacher's salary?

- No

What is the basis for amount?

- Age 55, eligible under NH Retirements rules, 15 years of continuous services in the Candia School District

Is this requirement in the 3-year teacher contract or mandated somewhere else?

- Yes. The wording of the retirement incentive is in the collective bargaining agreement. A copy is located behind tab 8 of your books but I have attached a copy of the specific page for your reference.
 - Bob Stout asked if the teacher buy outs were adjustable even though they are a part of the collective bargaining agreement.
 - Amy Ransom answered that it is a part of the collective bargaining process, it is negotiated in and the \$40,000 was just for this period of the contract and at the end

of the contract it will sunset to the previous amount which is \$25,000. That is the agreement between the school board and the teacher's association.

- Bob Stout asked if the \$25,000 going forward is negotiable?
 - Amy Ransom and Superintendent Rearick said yes, it is negotiable when the contract expires.
 - Chairman Chivers said that when you have a new contract could it be eliminated?
 - Superintendent Rearick said yes, it is negotiable.
 - Amy Ransom said it is not mandated by the state. The only thing mandated by the state is participation in New Hampshire Retirement.
 - Todd Keating said that he believes it was explained last year that the cost of the buyout versus the cost of a new teacher, the total cost is balanced out between the incentive to retire and the lower salary of the new teacher. Is that a fair statement?
 - Amy Ransom answered that yes, it is a fair statement but it would take a couple of years to offset, its not all in the year that you hire the younger teacher.

Do teachers contribute to their own retirement when they are paid?

- Yes

What is the percentage amount while they are working?

- All employees that qualify for NH Retirement pay 7% of their pay.
 - Selectman Young asked if the school district paid the rest?
 - Amy Ransom said that we pay 21.02% for teachers and 14.03% for non-teachers. That is set by the New Hampshire Retirement System at a two-year rate. This year the 2022-2023 rate is set. For 2023-2024; police, fire, teachers it will be adjusted again.

Special ed tuition to private schools has gone from an actual of \$202,449 in 20-21 to \$520,051 in 21-22 and a request this year of \$634,262. What is the breakdown? Any options to control?

- The noted tuition amount of \$202,449 in 2020/21 only considers the Private High School Tuition line, but there was an additional \$243,742.22 budgeted on the Private Middle School Tuition line that year. In 2021/22, the Private High School Tuition line increased to \$520,051 due to those middle school students becoming high school students as well as an additional student requiring an out of district placement. The increase for the 2022/23 school year includes a tuition increase due to COVID expenses as well as additional students requiring high school placement.
 - Stephanie Helmig asked how did COVID impact the increase?
 - Amy Ransom answered that different students receive services that they would have normally had at school that we now provide in their home.
 - Stephanie Helmig said that this is 2022-2023.... how do we know there will be COVID expenses?
 - Amy Ransom answered that it is probably for social distancing, services that are being provided in the home rather than at school, and it is based on what we know today not necessarily what might happen next year.
 - Selectman Young asked if a parent chooses to keep their child at home are they not learning remotely?
 - Amy Ransom said that even if they are learning remotely and they require services we still have to provide those services.
 - Selectman Young asked if there was a camera in the classroom that can be utilized with remote learning?
 - Amy Ransom said that this is just for special education.

In the pie chart you supplied us can you add a slice that shows special ed expenses?

- I can create a different chart that breaks out the functions of the budget (Reg Ed, Special Ed, Guidance, Nurse etc.) to show how it relates to the overall budget. I can't add it to the current pie charts.

What is the long-term plan to address the continual problem of rising costs and diminishing school population?

The part of the budget that the Board has little control over is Special Education Special education costs comprise 27% of the proposed 2022-23 budget.

- Special education costs are generated by the number of services which are required by each child's Individual Education Plan (IEP) which identifies the supports which each child requires. Services will vary from child to child
 - Selectman Young asked what is the state average for Special Education?

the federal mandates. We understand the predicament, we need to provide for the kids because it is the law. What are our options to address those areas when it comes to federal funding?

- Matt Woodrow said it is a good point and something we have not considered.
- Matt Woodrow said that we did set up an enrollment committee that started looking at the possibilities of joining, mostly focused at middle school 6-8th grade. Both communities would have to agree on that and it would have to be a warrant article in both communities. One question is there enough space to take on additional students. We know Auburn cannot but Hooksett may have some space at the middle school. We have not done the cost analysis but it may end up being more expensive. We were going to start to breakdown what tuition would look like if we tuitioned our students out to Hooksett.
 - Superintendent Rearick said that one of the challenges is transportation. We are already facing challenges when it comes to transportation as there is a driver shortage. It is not that it cannot be done but it is not always as simple as it seems and in the long run may ending up costing you more money.
 - Selectman Young said when it comes to transportation, if you dropped them at school then they could go to the new school from there.
 - Stephanie Helmig said you will still need to add bus routes for K-5.
 - Mark Chalbeck said to keep in mind what happened with our high school students, tuition jumped 12% in one year and that could happen with middle school too.
 - Amy Ransom said that last year we did reduce a teacher when they retired due to enrollment. Just pointing out that the board does look at reducing staff when the opportunity arises.
 - Bob Stout said we understand our town is in a tough spot but at the end of the day we are the budget committee and we have to look at cost. When I looked at your actuals in 2021 and the proposed operating budget your presented to us, over two years there has been a 13.4% increase. That is pretty unsustainable for a town that is not growing and that is why we are trying to see what we can do together over time to address these issues. Discussion ensued. Refer to audio for details.

Will there be a warrant article for facility repairs and improvements?

- The school board is still in the process of making that decision

If there is a warrant article, will the \$71,000 in building improvements that is in the operating budget be included in the warrant article?

- No. These items are requests that have historically been placed in the operating budget.
 - Stephanie Helmig stated that there is a sheet included in the packet that shows the most important projects and the cost is about \$1.9 million. We decided to not put a warrant article through for those repairs because we felt it was not the right time but you will see a warrant article for \$300,000 to start saving to do the repairs in the future.
 - Matt Woodrow said that it is to replenish the maintenance trust fund.
 - Chairman Chivers asked if we had a maintenance trust fund before? How much have we been putting in it typically?
 - Matt Woodrow said that we had about \$350,000 and we took it out to do the HVAC units in 2020 in the 1920 parts of the building. There is about \$8000 left. Instead of putting a large warrant article we thought we would replenish that trust and alternatively fund the priorities on the list.
 - Selectman Young asked why the board is not using the expendable trusts such as the gym trust?
 - Discussion on the legality of using the trust was discussed. Refer to audio for details.
 - Bob Stout asked if you are thinking of that fund like a capital improvement plan? Will you be doing that every year?
 - Matt Woodrow said yes. We would try to chip away at what we could.
 - Bob Stout said that the proposition we looked at last year was for 2.4 million over 10 years and the tax impact was 200,000 the first year and went down over time. So, doesn't that make more sense than to do the \$300,000 annually at a higher tax impact?

- Matt Woodrow said yes. We agree.
- Stephanie Helmig said that it was her understanding that the Budget Committee was concerned with the school putting through a warrant article for that much money.
 - Matt Woodrow said that our sense was that with the stuff that was happening in town, an additional warrant article with that price tag wouldn't pass.
 - Bob Stout said that he was on the Safety Complex Committee and they were feeling the same way, so they are just going to go small and put a warrant article for just the land. Your warrant article didn't fail by much last year. If you want to give the taxpayers an option, do you want to do a capital improvement plan vs a 10-year lease which is a lot less costly. Discussion ensued, refer to audio for details.
- Todd Keating said that before we decided on a 2-million-dollar warrant article we still have to solve the earlier point of whether we want to keep students in this building. I cannot support the warrant article if we are looking to move kids to other towns.
 - Selectman Young said that they still have to maintain the building in some way. She was not in agreement with the contract from last year because the percentage given to the project manager was quite high. She is in favor of maintain the building.
 - Superintendent Rearick said that if we are going to educate children, we have to have a building that is up to code. We have inadequate air ventilators and HVAC units. We are doing little fix its here and there. We are even still trying to get asbestos out of the building.
 - Matt Woodrow said he is in favor of getting all the work done at once because of the price of building materials is going up. Each year we try to do one or two of these projects the price goes up so it would be better to lock it in now with a contract.
 - Selectman Young asked what is the interest on the bond?
 - Amy Ransom said she does not know but the school was going to enter a lease purchase agreement not a bond because if you do not spend the whole amount of the bond, you lose it. Discussion ensued, refer to audio for details.

Why has the SAU budget increased such a large percentage?

- The increase is based on the change in election of health insurance for the current SAU staff and \$20,000 for wage adjustments

What is the cost per student at Pinkerton?

- We had a \$3.94% increase over the current year's rate. The rate for FY22-23 is \$14,383
 - Selectman Young asked if this was the year that rate could be renegotiated?
 - Matt Woodrow said no, there are two more years but we cannot necessarily renegotiate the tuition cost. We would love to negotiate a cap to which they can increase the tuition.
 - Superintendent Rearick said it is not like collective bargaining where there is give and take. Pinkerton is not obligated to agree to anything. Superintendent Rearick spoke to examples of why the tuition increased and how it is different from public schools. Refer to audio for details.
 - Todd Keating asked if we could get the cost per pupil for the Henry Moore School.
 - Amy Ransom said that last year it was \$18,303 for a student in Candia. Discussion ensued. Refer to audio for details.
 - Stephanie Helmig said (after some discussion) that 2.5 million of the budget is just high school.
 - Amy Ransom said that normally she could have the discussion that 80% of your budget is salaries and benefits, but for Candia, 40% of the budget is just tuition.
 - Jodi Hedstrom said that even if you take out the 2.5 million, the school budget is 3 times that. With 274 kids how long can the town maintain a level of education that the kids deserve and is sustainable? We have to ask some questions on how to keep Candia competitive if we are keeping a school in the town. What we are looking at is a 1.9 million price tag to fix the building and we do not get a new gym, new labs, drama or any of the things that make a modern middle school.

- Superintendent Rearick said that this issue that the board is looking at is even if you take grades 7 and 8 out, you still have students grades K-6. Unless the people in town want to give up the right to educate their children and tuition everyone out, that is the only way that you will not put money into this building over the next few years. The middle school question is just one sliver. The bigger question is does the town of Candia want a say in how we educate our children? If not, we can cost it out and send children out. You will still have tuition costs, transportation costs, and special education costs and we will have zero control over what happens. Discussion ensued, refer to audio for details.

Have there been any discussions with nearby towns to possibly work out any joint projects / classes with our students? Is there any plan to reach out to those schools and determine if they have the space or desire for any of our students?

- The SAU 15 School Board formed a subcommittee prior to the COVID-19 Pandemic to examine ways the three districts could save money through the consolidation of services. Unfortunately, the pandemic placed this initiative on hold. The SAU Board will be discussing this matter at their February meeting.

The Budget Committee vote on recommended budget

- Chairman Chivers addressed the school board and said at the last meeting we recommended a 1% cut in the budget but did not target any specific items. Now we have a new budget that is about \$50,000 less so we will vote on a new recommendation.
 - Amy Ransom asked if it was cut from the bottom-line number or the general fund? If you cut it from the bottom-line number then you reduce federal funding and food service.
 - Chairman Chivers said just cut 1%, but if we are going to cut it, we should go from the \$9,594,000 and add back in the food service etc.
 - Susan Gill said that instead of giving a flat percentage, we should reduce the budget to what we proposed in the last budget meeting. When we cut the budget in the last meeting it brought the number to \$9,556,481
 - Susan Gill made a motion to reduce the Candia School District 2022-2023 fiscal year proposed budget \$38,007 to \$9,556,481.
 - Todd Keating seconds the motion for discussion.
 - 5 in favor (Bob Stout, Chairman Chivers, Stephanie Helmig, Todd Keating, Susan Gill)
 - 3 opposed (Selectman Young, Katrina Niles, Jodi Hedstrom)
 - 1 absent (Dick Snow)
 - Motion Passes 5 in favor-3 oppose-1 absent

The Budget Committee vote on remaining warrant articles

Chairman Chivers asked if it was safe to assume that the board recommends these warrant articles unanimously.

- The board responded yes.

School

Warrant Article #2 – CESPAs Collective Bargaining Agreement

Shall the School District approve the cost items included in the collective bargaining agreement reached between the Candia School District and the Candia Education Support Professionals Association which calls for the following increases in salaries and benefits at the current staffing level over those paid in the prior fiscal year:

Fiscal Year Estimated Increase

2022-2023 \$44,746
 2023-2024 \$27,817
 2024-2025 \$26,333

and further to raise and appropriate \$44,746 for the current fiscal year, such 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?

- 8 in favor (Todd Keating, Selectman Young, Susan Gill, Bob Stout, Chairman Chivers, Katrina Niles, Jodi Hedstrom, Stephanie Helmig)
- 0 opposed
- 1 absent (Dick Snow)
- Recommended by a vote of 8-0

Warrant Article #4 – Add money to Maintenance Trust Fund

To see if the School District will vote to raise and appropriate the sum of \$300,000 to be added to the School Building Maintenance Trust Fund previously established.

- 5 in favor (Susan Gill, Stephanie Helmig, Jodi Hedstrom, Katrina Niles, Chairman Chivers)
- 3 opposed (Bob Stout, Todd Keating, Selectman Young)
- 1 absent (Dick Snow)
- Recommended by a vote of 5-3

Additional Business

- Next week we have two public hearings. Wednesday 12/08 is with the Town and Thursday 12/09 is with the school both held in the town office at 7 p.m.

There being no further business, Katina Niles made a motion to adjourn, was seconded by Susan Gill and the motion carried.

Meeting was adjourned at 8:26 pm

Submitted by: Kaycee Vitale, Administrative Assistant