

1. **Call to Order-Roll Call- Pledge of Allegiance:** Kunz called the meeting to order at 6:30pm and upon call of the roll the following board members were present: Austin, Brennan, Kunz, Philpott, Nelson, Woolley, Gibson and Rivers.
2. **Budget Discussion:** Kunz stated that Marie will go through version two of the budget highlights. If people have any questions please hold them until the end. D'Agostino stated that the only change from version one to version two is that we received the new health insurance rates which were significantly higher than the prior year, the increase is 18%. She stated that the revenues decreased by \$85,571 due to the board using \$91,000 of the fund balance to fund this year's budget. She stated that we are very conservative with the indirect cost estimate as we don't know what grants we are going to get but she did adjust it based on the last few years. She stated that the expenditures are proposed at 1,228,508 which is a .71% decrease from last year. She stated that the net budget is an increase of 6.98% due to the use of the unreserved fund balance in Fiscal year 2015.

**General Expenditure Items**

- Salary Increase 3%
- Retirement rate increased for teachers from 14.16% to 15.67% and employees from 10.77% to 11.17%.
- Medical Insurance Rates were adjusted to actual premiums 18% over 2014-2015 actual rates due to the April 7 2014 additional premium holiday. She stated that the 3 year premium average is 4.15% and a 5 year average of 4.33%.
- Dental Insurance did not increase
- Workers Compensation did not increase
- Unemployment Insurance did not increase.

**Salaries and Benefits**

- Salaries, FICA, Disability, Life, and Retirement increases and decreases primarily to salary and health benefit changes.

**Staff Support Services**

- Staff Support Course Reimbursement decreased by \$3,920 based on actual expenditures over three years
- Staff Support Staff Development decreased by \$1,000 based on actual expenditures over three years
- Staff Support Conference Expenses decreased by \$400 based on actual expenditures over three years
- Staff Support Books/Subscriptions increased by \$560 due to actual expenditures over three years
- Staff Support Dues increased by \$156 based on increase in association dues

**Other Support Services**

- Services Audit increased by \$500 based on having a single audit for the IDEA grant.

- Services Software Support decreased by \$1,000 based on actual expenditures over three years
- Services Advertisements decreased by \$800 based on actual expenditures over three years

#### **Equipment Maintenance**

- Operations-Equipment Maintenance increased by \$230 based on actual expenditures over three years
- Operations-Postage increased by \$300 based on actual expenditures over three years

#### **Other Insurances**

- Other Insurances –Errors and Omissions decreased by \$115 due to actual expenditures over three years

#### **Utilities**

- Utilities-Telephone decreased by \$500 based on actual expenditures
- Utilities-Propane Gas increased by \$1500 based on actual expenditures
- Utilities-Electricity decreased by \$1000 based on actual expenditures

#### **Maintenance-Plant Services**

- Maintenance-Plant Services decreased by \$23,381 due to the FY15 floor replacement project.

#### **Other Contingency**

- Other Contingency decreased by \$2,000 based on actual expenditures

3. **Questions:** Woolley stated that on the changes on benefits is the same that they can only change if there is a qualifying event. D’Agostino stated yes during open enrollment. Austin stated that on page two it shows the retirement rates it should say actual rates not increased by. He stated that he is not surprised by the health insurance rates, but this is only going to build back up the reserve to where it was at, even if you were to assume 11% that is an enormous increase in one year and that is doing nothing but building back up their reserve. D’Agostino stated that they can’t build it back up. She stated that we had a billing rate and based on the premium holiday we got a 9% increase and then we got a second premium holiday which reduced it to a -7%. Austin stated that even if we didn’t get the holiday the rates would have been higher than the 4% average. D’Agostino stated that the entire district was high. Gibson asked if they send a letter explaining how they came up with that rate. D’Agostino stated that they give a billing rate based on experience and then they give amounts with the premium holiday the effective rates. Austin stated that in effect they put us back to where we were and if that caused a reserve before why wouldn’t it happen again. D’Agostino stated that they hope it is just to cover the claims. Gibson stated that even if you factor in the holidays from two years ago it is a 20% increase which is an average increase of 10% a year. Nelson stated that the premium holiday should have nothing to do with the rates; the rates should be based on experience, claims and insurance costs. Austin stated that it would be interesting to see other areas. D’Agostino stated that we are one of the highest due to claim experience. Kunz stated that the increase based on our experience can’t be right if it is based on the pool. D’Agostino stated that if we weren’t part of the pool it would have been much higher than the

18%; the situation in district caused the premiums to go up. She stated that the pools don't look at one individual they look at it as a whole and rate you as well as look at the pool. Kunz stated that the whole concept of a pool is to absorb it and it makes it so you have a more affordable rate. Philpott stated that they had the same thing at her work, ours went up and others didn't. Nelson stated that in regards to the 3% salary increase, Rollinsford set the tone with the town and it is important to keep things down and they proposed a 2% across the board so she would propose that we drop it to 2%. Supt. Mosca stated that she would recommend that if we are going to talk salaries that we do it in nonpublic. Nelson asked if this was a pool of money that is going to be distributed. Supt. Mosca stated no this is three percent across the board. She stated that the first year she was here there was a set amount and she distributed it. Nelson asked for a breakdown of equipment maintenance. D'Agostino stated that copier maintenance is \$8,700, Back Bay Networks services is \$40,800, Website support is \$1200 and postage machine is \$800. Gibson asked why Back Bay is considered equipment maintenance. D'Agostino stated that the SAU budget doesn't have the same account numbers as the district budgets. She stated that she can pull it out but then there will be no history. She can change the name of that line. Gibson stated that in 2012-2013 the school board secretary line only had 225. D'Agostino stated that it used to be under meeting expenses and we broke it out starting in that year. D'Agostino stated that she would also like to bring to the board's attention that the audited fund balance is \$356,410.59. She stated that the board approved to use \$91,000 for the current year and we will use less due to the savings in health. She stated that we are still looking at a \$300,000 fund balance for the following year. Gibson stated that given the SAU budget is a total of 1.3 million the fund balance is 40% of that and at the city they recommend a 9-18% fund balance and he wonders if there is a threshold. D'Agostino stated that it is up to the board on how much they want to have in reserve. She stated that it is increasing due to savings but there could be years where we could have a decrease. She stated that if we have someone retire and we have to pay a buyout we don't budget for that so that would come from the fund balance. Gibson stated that if I was a taxpayer I would wonder why we were sitting on so much money. He asked if we were looking at any major projects at the SAU level. D'Agostino stated that she doesn't see any but on a 1 million dollar budget it could make a difference if we had an event. Nelson stated that we hashed this out last year and we felt comfortable using \$91,000 so it is up to us whatever we feel comfortable with. Supt. Mosca stated that you may want to use it to offset the increase. D'Agostino stated that on the assessment on page 8 it is a total change of \$77,000 but based on the apportionment one district may still pay some so you may have to make it higher for both districts to have a zero impact. Gibson stated that unless we see some major project we ought to look into dropping that down. D'Agostino stated that if the board wants to move forward with that don't say an amount she will calculate what will be zero based for both districts.

4. **Adjournment:** The workshop closed at 7:20pm.

Katie Krauss  
Board Secretary

Pending Board Approval