

1. **Call to Order-Roll Call- Pledge of Allegiance:** Austin called the meeting to order at 7:00pm.
2. **Budget Discussion:** Supt. Mosca stated that in front of you is the presentation on the Somersworth School District budget and before we go through this she wants to preface it with this is the bad and the ugly and the ugliest. She stated that you will see some information on Rollinsford as of July 1st 2015 it will be the first time Rollinsford will be moving onto Marshwood and some will still be here in Somersworth. She stated that the City Manager has until the end of the month to provide us with the exact CPI increase but we have used an estimate of 1.5% which is around \$300,000 increase. She stated that they will show the current budget and the increases to various lines and the only lines they will show are the ones that are moving everything else is flat. (See Attached Presentation). She stated that she asked the union if they can do some insurance shopping and they agreed so Marie has gathered some information and we are waiting to hear back. She stated that we are looking at all places and our most important thing we have is our teachers and we will cut everything else before staff but we don't have enough to equate to \$1.8 million so we are looking at everything. She stated that she has to present a budget under the tax cap and when she said the ugly and the ugliest she wasn't kidding. She stated that we took two big hits in the same year; we knew we had Rollinsford decrease coming but we also had an increase in health insurance of \$600,000 which was astronomical. She stated that those two things are 1.4 million of a 1.9 million dollar increase.
3. **Board Comments:** Hiller asked if they have shopped other districts to come to Somersworth to replace what we lost with Rollinsford. Supt. Mosca stated that we went to Milton and did a presentation and we have an MOU with Barrington so we are constantly shopping around. She stated that the problem is that the revenue doesn't stay with us it goes directly back to the general fund but we have done our due diligence. Bolduc stated that the insurance grows every year and we have zero control, there is nothing we can do but we have to start offering it in a different manner. He stated that it is the same with NH Retirement they say we have to pay it and it is a lousy system and we need to find another to go into. He stated that the state invited us to be in it and they can't keep up with it. He stated that the system has to change in Concord. He stated that he has a problem with the PT and OT; he doesn't know what it has to do with education. He stated that people tell us we have to do things with no money. He stated that the revenue doesn't offset our budget but they do affect the tax rate for the city and if we don't bring in the \$800,000 we have to raise taxes. He stated that if this stands the way it is he doesn't know how you're going to do it, we can't offer a budget with a \$300,000 increase to be good for our students. Supt. Mosca stated that PT and OT are part of the students IEP for special education students. She stated that we are trying to reflect appropriate budgeting. Bolduc stated that we are told we have to do this but nobody is paying for it. Paradis stated that PT and OT and out of district tuition is rather fluid so it could move up or down. Supt. Mosca stated that is very accurate. She stated that she is not sure what we are going to do it is very unfortunate but the taxpayers and students are going to end up paying for more and it will have a direct impact on families. Austin stated that there is a loss of 39 students at the middle school

and asked if there is any opportunity there to eliminate staff. Supt. Mosca stated that the current fifth grade is 137 students but we are going to be looking closely at those numbers. She stated that our class sizes are high and it is not what she would consider the best possible education for kids. She stated that everything is on the table. Austin stated that we are going through a reaccreditation process and asked if they will be looking at projected budgets. Supt. Mosca stated that they will focus on what exists now but they will give us growth areas to work on. She stated that we offer a 26 credit diploma and the state is 20. She stated that we are doing really neat wonderful things for the kids and are affording them a real opportunity to find success and grown and find a college or career path and she doesn't know what this will do to that. Hiller asked if they have considered cutting the health benefits. Supt. Mosca stated that health is a negotiated item and as we go out to shop for a better situation the unions still have to take that back to their membership as well. Gibson asked if any other players have entered the market for municipalities. Supt. Mosca stated that we have a group looking at it for us. Pepin asked how many credits do we have to provide to be accredited. Supt. Mosca stated that the state is 20 she is not sure but she will find out. Gibson stated that if you reduce the number of credits can you cut back on personnel. Supt. Mosca stated that she doesn't know but we are looking at everything. She stated that our most important piece is our people and she will do whatever it takes to keep people. She stated that in order to do what is best for kids we need our people but everything is on the table. Austin stated that we have a CTC renovation project and asked if there is anything in here related to that. Supt. Mosca stated not at this point. Austin asked if we are approaching a point where we have to decide we won't renovate. Supt. Mosca stated that she is not sure that we can fully say we want to give up on that idea but my hands may become tied. She stated that everything is on the table. Hiller stated that we have people retiring has there been discussion on not replacing them. Supt. Mosca stated that all possibilities are on the table. She stated that some ideas we are thinking about is cutting the substitute line in half and not having subs. She stated that it is not the best educationally but it will save money. She stated that we are meeting with the bus company next week to look at cutting the budget in half and charging parents to ride the bus. She stated that there is \$82,000 in CIP and she will take that and we won't do any. She stated that she is meeting with folks to talk about a variety of things. She stated that she doesn't like to ask parents for supplies but we will be asking. She stated that next week she will come with potential cuts but it won't be a completed list. She stated that a lot of what we have is tied up in negotiated items and we have to get people to buy in. She stated that she wants to reiterate that Rollinsford and the health really tipped it. Pepin asked if we cut subs how would that affect accreditation. Supt. Mosca stated that there would be no affect. Bolduc stated that when you talk about cuts we shouldn't be talking about \$1.9 million because we can't control the loss of revenue. Austin stated that the difference is the tax cap calculation considers revenue so we have to consider the loss in revenue. Hiller asked if you could use volunteers as subs in the elementary schools. Supt. Mosca stated that things need to be done to control and monitor that. Gibson asked if retired certified teachers if they are willing to volunteer if that would help. Supt. Mosca stated sure. Austin stated that there are no easy answers here and health insurance is a big nut and on the next agenda we have a rep from the insurance company coming to talk to us. He stated that he

is glad to hear that we are moving forward on looking at that and the unions have to understand that they have to be open to a different way to provide health because we can't afford a \$600,000 increase every year. He stated that we are not the only district facing a big increase. He stated that is an unattainable number and we can't live in that world. He stated that he is having a hard time with that big number. Bolduc stated that the only way for that to be taken care of is to wake up the legislature in concord. He stated that we only have two insurance companies we can deal with and something has to be changed so we have other companies to compete with. He stated that we need to talk to the legislators and tell them we want other insurance companies to drive prices down for us. Gibson stated that based on the ACA organizations with 100 employees are required to provide insurance. Supt. Mosca stated that is correct. Gibson stated that he is not saying that this is something that he wants to do but worst case scenario look into shutting down the CTC. Supt. Mosca stated that all possibilities are on the table. She stated that the number one goal is our people and whatever we can do to hold on to as many as we can. She stated that administration and I will be as creative as possible, we are meeting next week and I have tasked them with thinking outside the box. Gibson stated that he has always been an advocate for the CTC but it is unfortunate we are looking at it. He stated that we are required to supply high school but the CTC is not part of a high school education. Supt. Mosca stated that with the competencies some are considered part of the high school. Austin stated carry that forward why do we need a high school we could be one of those communities that tuition out. He stated that the loss in Rollinsford isn't over yet over future years we will continue to lose. He stated that nobody wants to go to those routes but where do we get 1.9 million from, he doesn't know the answer. Pepin asked what the SAU 56 assessment is. Supt. Mosca stated that is the payment to the SAU for the budget. Hiller asked what is the debt service and why is it so high. D'Agostino stated that is the principal and interest on the bonds. She stated that the high school renovation bond is up in 2016 and we have the idlehurst bond and last year we go three new bonds for the HVAC systems. Bolduc asked what the affect will be for the CTC bond. Supt. Mosca stated that it has no affect right now but as we move forward we will be responsible for 25% so the debt service would go up. D'Agostino stated that we will have a bond retiring at the same time. Gibson stated that with the elementary school bond we paid the full amount of the bond and then we got reimbursed from the state, will that be the same for the CTC. Supt. Mosca stated that we will look into that. Hiller asked if part time people get benefits. Supt. Mosca stated if they work 20 hours or more they are entitled to them prorated at 50%. Gibson stated that they appreciate all the hard work you put in even if we ask a lot of questions it is not to aggravate you. Pepin stated that in her opinion it is important to maintain people as much as we can and only eliminate on a last resort. Austin stated that when you look at the expenses a big percentage is salaries and benefits and the other things don't get you to these kinds of numbers. Pepin stated that we don't want to have to ask parents for supplies but people out there need to know that teachers have been doing that for a long time. Supt. Mosca stated that she is sorry to be the bearer of such lousy news but if we all work together hopefully we can come up with a viable solution. Austin stated that it is really important to do a public education campaign as we go through this process. He stated that people need to know what is going to happen. He stated that it is time to put up or

shut up, this is what you wanted and it's here and this is the consequence. He stated that the tax cap doesn't make sense for this community. This is a significant consequence and we don't want to jeopardize the quality of education for our students. Gibson stated that we should show during presentation what our budget would be versus what we are submitting. He stated that this is a sad situation to be in. Hiller stated that there may be other things to look at cutting that didn't increase. Supt. Mosca stated that there will be lots of them. Rivers stated that when you start talking pencils and paper it is really ugly, but taxes are high and some people are trying to stay under five figures. Supt. Mosca stated that we truly understand that and the last few years we haven't given the administration any extra it has been flat. She stated that we try to provide the best possible education but we are very aware of the cost and we have done a balancing act but this scale is pretty tilted.

4. **Adjournment:** Austin closed the workshop at 7:43.

Katie Krauss

Pending Board Approval

Board Secretary