

1. **Call to Order-Roll Call- Pledge of Allegiance:** The meeting was called to order at 6:00pm. The following members were present: Ken Bolduc, Don Austin, Dana Rivers, Karen Hiller, Joanne Pepin, Bob Gibson, Matt Hanlon, and Sean Collins. Absent: Kelly Brennan
2. **Budget Discussion:** Supt. Mosca stated that she wants to start by saying that we are just starting the budget process and these discussions are not always the most popular or our most favorite topic but we are in a more positive situation this year that we had been in last year.

Current FY 15/16 Budget: \$26,102,271
Proposed FY 16/17 Budget: \$26,771,399
Proposed Increase: \$669,128
Loss of Revenue: \$398,451
Total Budget Increase: \$1,067,579
Projected Tax Cap Increase: \$254,000
Budget Savings: \$423,000
Budget Shortfall: \$390,579

She stated that if we did not have a loss of revenue we would have \$8,000 to the good and we would have covered our increases. We can't control the loss of revenue. She stated that the savings came from SAU savings of \$88,000 due to eliminating staff and we also took a different health plan and used the fund balance. She stated that we also had some special education savings. She stated that she wants to remind the board that the increases are only \$669,000 so the shortfall is due to the loss of revenue. She stated that the increases are comprised of:

Adequate Education Grant (Revenue Loss)	\$ 247,648
Rollinsford Tuition (Revenue Loss)	\$ 150,803
SAE (Negotiations)	\$ 150,000
SACA (Negotiations)	\$ 50,000
Health Insurance	\$ 271,000
Salaries, FICA, Retirement & Related Benefits	\$ 128,128
HS Asbestos Removal & Floor Replacement	\$ 55,000
Transportation	\$ 15,000

She stated that with no loss of revenue we could have covered the increases with the savings. She stated that the next step is looking at places to make cuts. She stated that this is your first glance at the budget and you are still digesting the numbers but she hopes that she has stressed the point that the increases would have been covered without the revenue shortfall. Bolduc asked for an explanation on the loss of adequacy money. Supt. Mosca stated that it is due to the Rollinsford students leaving and going to Marshwood as well as we started the year with 30-35 less students and for each student we get adequacy money. Rivers asked if they had addressed the NEASC report because they are saying spend more money on certain things. He stated that they are expecting a report in the fall and asked if they feel comfortable on where we are. Supt. Mosca stated that we have started to address the areas that were mentioned and Sharon has moved around some line items around. She stated that there are seven standards

and six of the standards we passed with flying colors, the seventh standard is for resources and that is money and we have been in conversations and made some adjustments. Hiller stated but we did get accredited. Supt. Mosca stated yes we are an accredited high school and we have never lost our accreditation. We do have a warning for resources. Hiller asked if the CTC renovation will address the technology. Supt. Mosca stated yes and we have addressed bandwidth. Hiller stated that the JBC should read this report. Supt. Mosca stated that we can't do anything with the state money we have to use it for very specific things. We addressed all the equipment needs with the CTC. Austin asked how comfortable are you that you will be able to find the \$390,000 within your operating budget without asking for additional funds. Supt. Mosca stated that we will have to make some cuts and we will take a look at some items and will bring them to you. She stated that at the end of the day we have to submit a budget under the tax cap and then it goes into the hands of the council so we will get to the \$390,000. Hiller stated that she would prefer if we didn't have to ask for an override. She stated that she was grateful for what they council did for us last year. She stated that since the school bus contract went up we could cut a bus and asked if that would lower the amount. Supt. Mosca stated that each bus costs about \$65,000 but we couldn't possibly cut a bus we are already strapped with three kids to a seat. She stated that she would ask that you give us time to find the money to cut. Hiller stated that with the gas prices going down you would think that it would have gone down. Supt. Mosca stated that \$15,000 is not a big increase. Gibson stated that we are at a preliminary stage on what we plan to do to get where we need to be. He stated that we have to submit a budget that meets the tax cap but he doesn't know where we are going to find the cuts because every year there are cuts and he doesn't know of a year where we had a budget that exceeded the proposed budget. He stated that he understands the financial burden on the community but realistically he doesn't have a problem going to the council for an override. He stated that he knows that it puts them in a tough place but at a certain point enough is enough. He stated that the school budget looks like a three month hunger strike and he knows that you will do your best but any cuts at this point will be a loss of personnel. He stated that he knows that supplies, and athletics have been slashed and we are up around 35 less staff than when I started. He stated that the people we have here working for us do a wonderful job with the resources they have available but it is starting to add up to consistently deal in this type of environment is asking a lot. He stated that when the budget is submitted he has no problem going to council and asking for an override. He stated that hopefully the council will understand the position we are in and help us out. Supt. Mosca stated that she can't stress enough that the savings and what the increases were would have been \$10,000 to the good it is the revenue that we have no control over. Bolduc stated that the council did a good job for us last year and he felt bad about the things that they had to swap around and he can't thank them enough. He stated that we need to keep the schools moving forward and if we don't have the money to do the jobs right the schools will move backwards. He stated that it is unfortunate that we have to submit a budget according to the law, he doesn't like that and if you put a paper in front of me to repeal the tax cap he would sign that. He stated that the building, grounds and transportation committee can look at the issues. Austin stated that it is important for the people listening to understand that in any operation it takes money to make it happen and it takes money to operate schools and there is an amount of money that is required to meet all obligations. He stated that with the resources we have, we have enough to provide services without the loss of revenue. We are at that point of critical mass level and anything we are reducing now are services we can't provide anymore. He stated that we have lost a lot of positions but we have been lucky with some of them by just not filling positions versus releasing people but we are getting to the point that is not going to happen anymore and he finds that to

be unacceptable. Hiller stated that she would like to reiterate that the last we want to do is get rid of personnel and that is still our position. Gibson stated that for the public one thing we realized last year when we lost Rollinsford students it doesn't mean that we can reduce staffing because we are talking one or two students per class so we can't just suddenly get rid of a teacher because they are spread out in such a way that we can't cut back staffing. He stated that staff is the most important resource we have. Supt. Mosca stated that we started the year down our own Somersworth kids by 35 and since the start of school we have gained 20 kids but 15 kids K-12 has no bearing. She stated that adequacy was timing of things. Joanne Pepin stated that the asbestos has been going on for years and asked how much is left. Supt. Mosca stated a lot because we are doing one class at a time. And to be honest it may not be staying in there but we wanted to show that we are trying to go forward with that and it would have made it without the revenue shortfall. Bolduc stated that every year things get worse and worse and he would propose setting up a fund with council on a fund for CIP for the schools and have the money approved by the council for expenditures. He stated that the fact that there is no money set aside for that things get worse and little projects that we can pick away at become big then we have to borrow money to do it and the interest on borrowed money doesn't buy you anything. Supt. Mosca stated that they will be back next week with potential cuts.

3. **Adjournment:** Austin closed the workshop at 6:32pm.

Katie Krauss

Pending Board Approval

Board Secretary