

SOMERSWORTH SCHOOL BOARD

October 10th 2017

City Hall Chambers

7:00pm

1. **CALL TO ORDER - ROLL CALL - PLEDGE OF ALLEGIANCE:** Austin called the meeting to order at 7:00pm upon call of the roll the following members were present: Rivers, Smith, Austin, Hanlon, Hiller, Joanne Pepin and Bolduc. Absent: Yoder (Excused) and Brennan
2. **Comments by Visitors:** Real Roseberry stated that he is here tonight to read a letter and show pictures of his grandson because he is so proud of him. He stated that Casey Alan Real Pridham, a 2017 graduate of Somersworth High School, where he played ice hockey, baseball and football, graduated from the United States Air Force Academy on September 22nd 2017. Casey received top honors for scoring the highest on his physical training test out of 713 other airmen. He ran the mile and a half in 8.31 minutes; he did 93 pushups in 1 minute, 70 sit-ups in 1 minute and 20 pull-ups in 1 minute. The Air Force graduates over 40 thousand Airmen each year and only 52 top PT awards are given in that year. Casey was honored by having only his name posted at the Welcoming Center. He lead the Airmen's run and carried the American Flag in celebration the day before graduation with all parents in attendance. His was the only airman announced at this celebration. He was also presented his award by the Base Training Commander and was coined by the Commander as well. Casey is going on to Tech school at Lackland Air Force Base Texas where he will be trained as a contractor. Casey hopes to then be stationed overseas.
3. **CONSENT CALENDAR:**
 - 3.1 **Removal of items from the consent calendar:** None
 - 3.2 **Approval of Consent Calendar:** A motion made by Hanlon seconded by Joanne Pepin to approve the consent calendar as presented. VOTE: motion passed, unanimously. Approved were:
 - September 26th 2017- Minutes from the Somersworth School Board Meeting
 - Enrollment-October
4. **ANNOUNCEMENTS:**
5. **Discussion Items**
 - 5.1 **Building, Grounds & Transportation:** Rivers stated that they met last Friday and had an aggressive agenda. He stated that the first item that they would like approval on is the HVAC bid proposal results. He stated that this relates to the \$45,000 that we approved out of operational funds in the summer. He stated that we have three HVAC units in the high school near the guidance office and they are three of the simplest and lowest cost units but with the cold weather coming we need to get them replaced. He stated that the RFP went out and the bids came back and they had a meeting at city hall to open the bids. He stated that Andy and John Waitt did tough vetting of the bids and it is the consensus of the committee to go with AAA Energy Services and award the bid to them. He stated that all the units are York HVAC. He stated that they would like to go forward with this the sooner the better so they can shoot for a December 1st date and there shouldn't be any disruption of school. Austin stated that we will add item 6.3 under action items to vote. Rivers stated that the second item that they talked about was regarding building use. He stated that four weeks ago, Jason Cleary came and had some concerns about using the black box theatre. He stated that the form is typically used in accordance with policy KF. He stated that the policy was reviewed but the form still had Hilltop on it. He stated that Katelyn went through the things that need to be changed. He stated that if you want to use the black box theatre it gets technical so Katelyn put together modifications to that form. He stated that they would like the policy committee to take a look at it and also address the fees on who should be paying fees. Austin stated that he will assign the policy committee to review it. Rivers stated that the CIP plan will be going to the planning board on November 15th and representatives from the board will be there to present our case. He stated that there was \$5.7 million in 2014 going forward and based on what has been done with the

council funds and the CTC renovations the money is down to \$3.2 million so we are down by \$2.5 million this those three years. He stated that Andy found more cracks in fan cooling blades and he asked the company to come and check them out and they will take care of the problem without any financial responsibility from us.

Curriculum and Activities: Hanlon stated that we met before this meeting and elected me as chair. He stated that Vic gave a presentation on the status of NEASC accreditation. He stated that we are fully accredited and we have seven years before we are back up for accreditation. He stated that Vic is constantly doing progress reports and little things to make sure that we are ready when the seven years comes up. He stated that they also met with the high school athletic director and he gave a full review of participation and funding and they had a brief discussion on the reason for declines. He stated that he is working on the recent question regarding field hockey. He stated that Lori Lane also reviewed professional days and activities and gave a report on curriculum alignment district wide not just grade to grade but building to building.

Policy Committee: None

Joint Commission of City Council and School Board: Austin stated that they will be meeting tomorrow night at 5:30.

5.4 Student Representative Report-Rachel Wattimena: Wattimena stated that the high school is having their annual fall spirit week and penny drive competition that will benefit hurricane victims. She stated that Friday at 1:00 will be their spirit rally and Saturday they will have their first homecoming dance which is a glow in the dark dance hosted by Youth to Youth. She stated that NHS is having their Krispy Kreme donut fundraiser and will be having their induction on October 17th. She stated that the class of 2019 will be doing a tumblers catalog fundraiser from October 18th through November 17th. She stated that pumpkin fest is this weekend and all classes will be there along with clubs. She stated that PSAT's is tomorrow.

6. ACTION ITEM

6.1 Primex Property & Liability Program Agreement: A motion made by Hiller seconded by Hanlon to accept the agreement as presented. Bolduc asked if we can buy this type of insurance directly from insurance company. D'Agostino stated that Primex is a pool made up of its members and everyone that participates shares the risk among the pool. She stated that the pool is made up of governmental entities and we get a lower rate in the premium based on being in the pool. Bolduc asked if they took the place of LGC. D'Agostino stated that they were competitors of LGC and when LGC was no longer in existence we had to go out to bid and the only other pool is Primex. Bolduc stated that we don't have the opportunity to go to major insurance companies and ask if they are interested. D'Agostino stated that we did do that when PLT was no longer in existence. She stated that the advantage of being in the pool is that it is geared toward governmental entities and we get other training that other companies don't offer as well as networking between members. Hiller asked if Primex was approved by the state. D'Agostino stated that they have regulators and the members are the owners. VOTE: motion passed, unanimously.

6.2 Primex Workers Compensation Program Agreement: A motion made by Hiller seconded by Hanlon to accept the agreement as presented. VOTE: motion passed, unanimously.

6.3 HVAC Bid Approval: A motion made by hiller seconded by Bolduc to accept the bid proposal from AAA Energy Services for the HVAC units as proposed not to exceed \$27,272. Bolduc stated that he thinks the amount is the \$29,000 figure and not the \$27,000. Austin stated that the recommendation was for the \$27,272 for the units only. Rivers stated that he thinks that is correct. Andy Lucier stated that the bid price was \$29,666 but after talking with the committee he spoke with John Waitt and where we are in a time crunch part of the proposal was to replace from the unit to the main trunk line which meant shutting the whole building down and we have no time where we can shut the gas off to the whole building. He stated that John Waitt recommended taking out the gas line

replacement, which brought it down to the \$27,272 so that is their bid price. He stated that there is an expense of \$600 for the control board but the bottom line for AAA is \$27,272. Austin asked if the \$600 would be district money. Lucier stated yes. VOTE: motion passed, unanimously.

7. OLD BUSINESS

7.1 Vision 20/20 Committee: None

7.2 Budget: Dr. Brown stated that in the packet is the budget update and she has a memo to go over the particulars. She stated that at this time there is an anticipated shortfall of approximately \$637,060 for FY 17/18. There are three primary drivers of the shortfall: Adequacy Education Grant (\$104,607), Catastrophic Aid (\$184,121), and Building Aid (\$172, 835) totaling \$461,563. The remainder, (\$175,497) come from an anticipated revenue shortfall in Medicaid of \$140,000 and several tuition accounts. She stated that the reasons for the decreases are as follows: Adequacy Grant: In November 2016 the Somersworth School District was provided with an estimated FY 2018 adequacy grant of \$7,533,806, the number used to build the 2017-18 budget. The adequacy grant is comprised of the following components: ADM (Average Daily Membership), Basic Adequacy Aid, Free and Reduced Student Counts, Special education ADM, ELL (English Language Learners) ADM, Special Education Differentiated Aid, ELL Differentiated Aid and stabilization grant. September 30th the district received its revised 2018 Municipal Summary of Adequacy Aid. In each of the aforementioned categories, there as a slight drop: Membership ADM dropped by 10 students, Basic Adequacy dropped by \$35,561, Free and reduced dropped by 29, SPED ADM by 5, Special Education Differentiated Aid by \$9,840, ELL Differentiated Aid by \$12,215. The free and reduced amount dropped by \$52,486. Collectively, the total was \$104,607. Catastrophic Aid is pursuant to Title XV, Education, Chapter 186-C, Special Education, the school district shall be liable for 3 ½ times the estimated state average expenditure per pupil for the school year preceding the year of distribution, plus 20 percent of the additional cost up to ten times the estimated state average expenditure per pupil for the school year preceding the year of distribution. For example, during the 15-16 school year the district submitted that 5 students were eligible for catastrophic aid for a total of \$886,150. Superintendents verify catastrophic aid in July of each year. Not all students in out of district placements are eligible for catastrophic aid and during the last three years, the state of NH has decreased its percentage payment for catastrophic aid from 75.22% to its current level of 69.3525%. She stated that during budget preparations for the 17/18 the school district used a five-year historical trend for catastrophic aid. For example in 16/17 the district received \$408, 548, 15/16 \$425,815, 14/15 \$435,260, 13/14 \$277,301 and for 12/13 \$500,960. Anticipating a drop in the number of eligible students and a corresponding amount of catastrophic aid, the district used a conservative budget number of \$340,000. In July, I verified that 8 students were eligible for catastrophic aid for a total of \$676,963 or a reduction of \$209,187 in catastrophic aid reimbursement over the prior year. That reduction in student cost eligible for catastrophic aid reduced the districts allocation by \$184,121. Building Aid: In September of 2016, the district was notified by the NH Department of Education Division of Program Support that it would receive for the FY 17 Building Aid Payments of \$109,085 for the Somersworth high school renovations and \$737,992 for the new elementary school (Idlehurst) for a total of \$737,992. The school district receives building aid for principal payments and land but not for interest. September 29th 2017 the school district received from the NH DOE division of program support the amount for school building aid. During the preparations for the 17/18, school budget the debt payment for the HS renovation was reduced. The amount of building aid was reduced by \$172,835. Federal Medicaid Reimbursement: the final significant category of revenue to the school district is Federal Medicaid Reimbursement. As in prior years, the school district compares five years of reimbursements to determine what number to budget for 17/18. Federal Medicaid reimbursement has been as follows: 2017 \$408.548, 2016 \$425,815, 2015 \$435,260, 2014 \$277,302 and 2013 \$493,973. The district also looks carefully at the complement of special education students

who may be Medicaid eligible. The amount budgeted for FY 18 is \$320,000 and at this very early date, projections indicate that amount may decrease to \$180,000 or a reduction of \$140,000. She stated that in closing she is reasonably confident that the district needs to make up at least \$461,563 possibly more, in lost revenue either through other revenue sources, or through budget reductions. I met with City Manager Belmore to explore possible solutions to the revenue deficit, had a productive conversation with administrators and met with leadership of the teachers union to begin examining possibilities of closing the gap. Wednesday, the joint commission of city council and school board will continue the discussion. Hanlon stated that building aid bothers me, that is what happens when you pay off a bond so how did we not anticipate that and what are we doing to rectify that in the future. He stated that cat aid is a large chunk that we have never seen anything swing that badly. He stated that kids age out and we should be able to foresee that so we need to look at the process. He stated that we need to identify things we can foresee and what we are doing to limit the risk moving forward. Hiller asked if the formula from the state changed. Dr. Brown stated that the formula percentage for cat aid has gone down. She stated that she and Marie looked at the adequacy spreadsheet today and there is a sea of red so there are a lot of districts who are losing money. Rochester lost close to \$300,000 so a lot of districts are grappling with the loss. Hiller asked if we will get money for full day kindergarten. Dr. Brown stated that kicks in July of 2018 so you won't see that this year. Bolduc stated that this all came about because the state gave us revised numbers. Dr. Brown stated yes, we received information on September 29th. Bolduc stated that did the state change the rules during the ball game, our budget was made up by the numbers the state gave us and now they just revise the numbers, is that generally what happens. Dr. Brown stated that at the end of the year we submit reports and the state revised the numbers based on October 1st counts. She stated that our counts in adequacy dropped so the state didn't owe us as much money. Bolduc stated that when they put the numbers out first it should have been correct. Joanne Pepin asked if they changed the percentage for cat aid all at once. Dr. Brown stated that they decreased it a little each year. Joanne Pepin asked when the budget was submitted 18 months before the students came did we use the 69%. Dr. Brown stated that she doesn't know what you used. Rivers asked if Medicaid is anywhere related to political. Dr. Brown stated that it is based on students who are eligible for Medicaid and making sure that we bill for all services. Austin stated that ADM dropping by 10 students, how can you get hit in total and then in each of these subtotals as well. Isn't that already accounted for in total ADM. D'Agostino stated that for the estimate they provide in November they take the two previous years of ADM and forecast what it will be and when we get the revised numbers it is based on actual data from June 30th so that is the fluctuation. She stated that sometimes the difference is minor but this year was the biggest hit. Austin stated that the special education students are included in the overall ADM so we are losing twice for those students. D'Agostino stated that each of those components have a figure attached to it. She stated that it could go the other way as well but this year all of them went down. Hiller stated that ADM is the number who attended. D'Agostino stated that ADA is based on days in school and ADM is different but she will have to look it up. Joanne Pepin asked what the stabilization grant is. D'Agostino stated that it is another component of the formula. Hanlon stated that asked if they could get a breakdown of the number of students and what their costs are and what the affect was for the reduction and why it is not counted any longer. Austin stated that the changes in Cat Aid and Medicaid he is having a hard time reconciling with sped students only down 5 students, he is having a hard time relating the two. Joanne Pepin asked if Medicaid is only the federal aid that we receive. Dr. Brown stated that we also get Title grants and IDEA. D'Agostino stated that the budget worksheet that is handed out is the general fund, the federal grants are in separate funds, and we can't spend more than we allocate. She stated that we have to keep the funds separate. Bolduc asked if that grant money could affect any of these numbers and asked if that is part of our shortfall. Dr. Brown stated no. Hiller stated that this year we are short \$600,000 and we have to make that up

some how. Dr. Brown stated that it will be anywhere from \$470,000-\$637,000 due to the Medicaid swing. Austin stated that this will be the subject of our budget workshop next meeting.

8. New Business

9. FUTURE MEETING DATES/SUGGESTED AGENDA ITEMS:

- **October 10 2017- Somersworth School Board Meeting**
- **October 19 2017- School Board/City Council Joint Workshop**
- **October 24 2017- Somersworth School Board Meeting**

10. CLOSING COMMENTS

10.1 Visitors: Gerri Cannon thanked the board for their efforts and helping the students grow. I am here tonight as a candidate at large for this board and I am a concerned citizen and wants to give the students every opportunity to learn skills and grow in our ever-changing world and community. I have lived in NH for 39 years, my kids grew up in Amherst, and I worked with the school community there. My kids graduated and went to college here and I went to college here. I didn't go to college right out of high school and I had the opportunity to go to a tech school and work in the computer industry. Education is ongoing and I would like to see our kids here have that opportunity. Times were not always good for me, I became a master carpenter, drove tractor-trailers, and learned a lot of skills that people can learn and we can work with students to learn skills that they are able to use for the rest of their lives. If we invest in the students, they are a community resource to help the community grow. I am concerned with the residents as well and how we move forward especially with budgets. I appreciate the conversation tonight and there are tough things you have to do but it has to be done.

10.2 Board Members: Hanlon stated that he would like to thank the candidates who showed up tonight. Thank you to everyone who came to the curriculum and activities meeting tonight and he hopes to have regularly scheduled meetings. He thanked Mr. Roseberry for bringing the information on his grandson; it is great to see their accomplishments after they leave Somersworth. Congratulations to your grandson for his efforts. Joanne Pepin stated that she would like to congratulate Casey as well; I didn't know him when I worked there but he shows what Somersworth schools can offer to students who have family support and community support and you have made the community proud. She gave kudos to Mr. Sokul she is impressed on how he does long range planning. Thank you to Dr. Brown for the memo, it was very detailed and thought out and great beginning for discussion. She stated that she would like to commend Marie because she doesn't think that she gets the commendations that she should, she takes the brunt of everything that is done financially, she is a class act, and I am glad to have her in the community. Smith stated that he agrees with Joanne, I don't know how you do this job and he appreciates it very much. Rivers thanked Dr. Brown, Marie, Andy and Katelyn for coming to the building grounds and transportation meeting and he was very impressed that we got through it all. Hiller thanked Mr. Roseberry for coming and sharing about his grandson. She stated that Somersworth not only gives people testing skills but also athletic skills. She stated that it was nice to see candidates here and she is glad that a lot of new people are running, it is good people are getting out to make changes happen. Marie I give you an A+ and thank you to Dr. Brown for the memo. Austin stated that we will come back to the budget discussion. He stated that I don't want to sugar coat it because it is not an easy issue to resolve. He stated that it will take a lot of cooperation with council, and members of the community to figure out how to resolve this, if not it will go right back on the tax payer and we want to avoid that if possible. He stated that it is not going to be easy but it is all public knowledge and we can have a public discussion.

12. NON-PUBLIC: A motion made by Hanlon seconded by Rivers to exit into nonpublic session in accordance with chapter 91-A: 3 II (b) Personnel. VOTE: motion passed, unanimously. Entered into nonpublic session at 8:26pm. A motion made by Bolduc seconded by Joanne Pepin to exit out of nonpublic session. VOTE: motion passed, unanimously. Exited out of nonpublic session at 8:25.

A motion made by Joanne Pepin seconded by Hanlon to accept with deep regret the retirement of Joel Eastman. VOTE: motion passed, unanimously.

13. ADJOURNMENT: A motion made by Bolduc seconded by Hiller to adjourn. VOTE: motion passed, unanimously. The meeting adjourned at 8:27pm.

Katie Krauss
Board Secretary

Pending Board Approval