

Nelson asked if everyone had had a chance to look through the budget? She asked Krauss and Gadomski to review it with them. Gadomski stated that this is a draft and is very much a work in progress. He stated there are adjustments that still need to be made. He stated that they would be talking about the health insurance costs that had come in yesterday. He stated that there are special education costs that are being adjusted. He stated that he had met with Mary Nash, Superintendent of MSAD #35 and clarified some of the billing. He stated that he has had a lot of discussions with Hartford about staffing and what we need in the building. He stated that if there is any additional information, either tonight or anywhere along in the process that you feel may be valuable just let us know. Krauss stated that the revenue is a decrease from the current year due to the transfer of the fund balance of \$75,000.00. She stated that we have not received any estimates from the State yet as they are due in around November 15th. She stated that the proposal for this budget at this point is at \$5,724,558.00 which is down by \$139,757.00 from the current year. She stated that this budget excludes any warrant articles they may put in or SAU expenses. She stated that the SAU Board is not meeting until November 19th so these figures were left flat. She stated that they estimated an 8% increase in the medical insurance. She stated that the rates were received last evening and based on the effective rate, it is going down by 9.7%. Nelson stated that instead of an increase of 8% it is going down 9.7%. Krauss stated that SchoolCare had come to the SAU Office today and gone over some trends that they are seeing in insurance. Gadomski stated that they had gone through the figures of people being smart shoppers and looking around for services and utilizing the wellness programs, and the telehealth program and every piece of that is trending in the right direction. Nelson stated this was wonderful news and is a swing of almost 18%. Krauss stated that in the next version of the budget these figures will be adjusted. She stated that the dental insurance is in at a 3% increase. She stated that retirement rates have changed although they are not bad. She stated that the teacher rate went from 17.36% to 17.8% and the employee rate went down from 11.38% to 11.17%. She stated that our Worker's Compensation decreased 3%. Nelson stated that this again is due to claims. Krauss stated that Property-Liability went way down. She stated that they had signed the Guaranteed Maximum Rate Sheets. The Marshwood Tuition rate increased by \$429.78 per student. Nelson asked what percentage jump this was? Gadomski stated he thought it was 4%. Krauss stated that they did a lot of work this year to make sure that the expenditures were put in the proper account codes so you will see throughout the budget new lines that were not budgeted for before and other lines which will decrease because we are putting them all in the proper places. She stated that in the binder were all the function and object codes if the Board wanted to look up what they mean. Leach stated that Krauss had stated that it was approximately 2.44% less than the fiscal year 18-19 approved budget. She asked if that included Warrant Articles from 18-19? Krauss stated that it did. She stated that once they get approved they are added to your budget numbers.

Krauss stated we would now review the budget, line by line. She stated that the first thing was Teacher's Salaries and they are now in negotiations so the only thing that increased was longevity for any eligible teacher. She stated that Hartford had asked to make the Literacy Interventionist, who is currently part time, to full time which is included in this line. She stated that there is also one track change included in this line. She stated that the next line, Tutor and Aides Salary is flat because of negotiations. She stated that the tutor salary looks like there is an increase but there really isn't. She stated that all they did was to reclassify that because right now it is a tutor and it is being classified under a Mainstream Coach. She stated that they took it out of Mainstream Coach and put it where it belonged. She stated that the same thing goes for the substitute salary line. She stated that they reclassified this so that they would be in

the correct function. This would be for regular education substitutes and we also added a line under Special Education and added their substitutes. She stated that before substitutes were all lumped into regular education. She stated that this line looks like it went down but it is allocated to the other funds. Nelson stated that it is much better to have it in the proper place. Krauss stated that she took all of the benefit lines, health, dental, retirement, FICA, LTD and Life and lumped them all together into one benefit line. This figure is for regular education and includes all benefit lines. She stated that this figure was based on an 8% health increase and a 3% dental increase. She stated that retirement and FICA increased because they made the Literacy Interventionist full time, so that now she would be NHRS eligible. She stated that you would see this in every function where she has lumped together the benefits. She stated that Contracted Services for Technology stayed the same. Nelson asked if the Board wanted her to go line by line or only the ones that have changes. Kunz stated only the ones with changes. Krauss stated that the next line is Internet Access and it increased by \$8,800.00. She stated that it is for fiber to run from the railroad to the school to improve reliability and speed. Hartford stated that Tom Lebel had been talking about improving the internet service at the school. He stated that we have many devices being used at the same time and there are times when it is a bit slow. He stated that Lebel had looked into the cost and over the summer he made me aware that he would be putting in a request. He stated that this is a onetime cost to cover the fiber running from the railroad tracks to the school. Cavanaugh stated that it would also cost more per month. Hartford stated this was true because it is a higher speed and the cost goes up. He stated that future costs would be \$6,000.00. Krauss stated that the next line was regular education tuition from Marshwood and it is based on the tuition increase, as explained in the beginning, and I adjusted it to enrollment. She stated that she took the current 6th graders and moved them up to 7th grade. Gadomski stated that the tuition may be up but the number of students is down. Nelson stated that it is not because the number of Rollinsford students are down, but Marshwood has had a big drop. She stated that instead of us being 1 of 100 we are 1 of 90. Krauss stated that General Supplies shows a decrease but there are new lines underneath in which we have broken it out by subject. She stated that under General Supplies, it is broken into General Supplies Math, General Supplies Reading, General Supplies Science. Gadomski stated they wanted to break it out so that over time you would be able to see specifically what is being spent in each department. He stated that this adds a bit more clarity. Leach stated that it looks like the total is a bit higher this year. Hartford stated that if you look at previous years' costs, I tried to keep it under that amount. Nelson stated it is much better accounting to have each department broken out. Krauss stated that you would see the same thing under Subscriptions with a decrease of \$9,400.00. She stated that again this was a catch-all and everything was coming out of this, which use to be called Print/Media. She stated that everything was getting lumped into this so Hartford suggested that we call it Subscriptions. She stated that they broke it out by classroom reference books and classroom workbooks. She stated what they were taking out of print media was subscriptions to software and not physical media print books. She stated that software was a decrease of \$500.00. She stated that Technology New Equipment is a decrease of \$30,700 but you will notice that we have broken it out by Replacement Equipment and New Equipment. She stated that music and physical education has requested some equipment. Gadomski stated that any equipment that is over \$100.00 with more than a 3-year lifespan will fall under equipment. Krauss stated that they took out other equipment as they have allocated it where it belongs. She stated that they had new equipment for math, new equipment for science and new equipment for art and new equipment for Physical Education. She stated that these are all the new lines that they added to break it out. She stated that in Special Education there is no change to salaries because of ongoing negotiations. She stated that the only increase is \$100.00 for longevity. She stated that there is a decrease in Mainstream Coach salaries due to the tutor line being brought back to the right place. She stated that there was \$5,735.00 that was budgeted for the district's portion of the Title One Tutor which

we no longer have. She stated that she decreased that line. She stated that in Special Education Substitutes she increased that line to break it out from Regular Education Substitutes. She stated that right now the total special education benefits are a decrease of \$3,182.00. She stated this is the base tuition of Special Education students to Marshwood as well as the services Gadomski stated that there was confusion as to the billing. He stated that the billing had been for direct services and Marshwood was rounding up per hour for billing purposes. He stated that his first reaction was why are we rounding up. He stated that Mary Nash said they were rounding up for services because consultations, meetings, paperwork and those types of services are not being billed for. He stated that as long as they are not billing for those tasks it makes sense to round up for the direct services. He stated that this is where the billing discrepancy was in the past. He stated that the district was budgeting for not only the direct services, but also the consultations, the meetings and everything else. He stated that as long as we are just being charged for the direct services, then we are O.K. He stated that this is why this number is down. MacDonald stated that every month for the last year and a half she has been going through comparing the bill to what the services are ordered in the IEP. Gadomski stated that as long as the billing is accurate this budgeting should work. Kunz stated that they have been doing this from the start. Krauss stated yes and that is why you have had saving over the years in these lines. Nelson stated that she understands rounding up when you have 50 minutes and you add 10 minutes on. She stated that it seems excessive to add 36 minutes to round up to two hours. Gadomski stated that if they are consistent in doing this it works out to our advantage because of services. He stated that if they were still billing us for the consultations and the meetings and the assessments then you would be absolutely right. Kunz asked if it actually added up with the number of consultations they do? MacDonald stated that each special education student has at least one meeting per year, sometimes more. She stated that it is not a crystal clear way of billing us. Gadomski stated that they have talked about doing a tiered system and putting the services that students need into three or four tiers and cost them out appropriately. He stated that way you are paying for that student in that tier. Nelson stated that she sees it as a step between charging for the minutes and the tiered system. She stated that they are bundling in all the other stuff. Gadomski stated that Mary Nash seemed very willing to continue discussing this so maybe as the year goes on we can sit down and try to do a tier system. He stated that eventually he would like to get to a tier system because every student is different. Kunz stated that we need to know what a specific service will cost. He stated that the Board is accountable to the public. Gadomski stated that as far as budgeting goes it is still a best guess. He stated if you take an IEP meeting, some last 20 minutes, some may last 4 hours. MacDonald stated that when they first started with this they went by Marshwood's ala carte menu. She stated they met with Marshwood's Business Administrator and their Special Education Director and we figured out what we were going to be charged. She stated that at that time they said they were going to charge us for the Principal to attend meetings, the School Psychologists to attend, the Teachers, the Service Personnel. She stated that when a student had all of those people at their meeting we put in that cost because that is what they told us. Krauss stated that now they are not charging us for this. Nelson thanked MacDonald with sticking to this and stated that now with the new Administration we are getting some clarity. Krauss stated that there will be some changes. She stated that MacDonald and herself went through the spreadsheets of the services and as of today there were some changes. Gadomski stated that as they move through this process some of the lines will change as they get them up to date. He stated that at some point they need to discuss if they want to put in a buffer of 2-3 students in the tuition line. Krauss stated that it is now presently at current tuition. She stated that the next section was still Special Education and there was an increase for Middle School and a decrease for High School based on current enrollment. She stated that the overall decrease was \$197,970.00. Leach asked if the one student remaining at Somersworth was included in this and considered out of district. Krauss stated that out of district was

students that were not within our schools. Nelson stated that we did not want to get deep into this discussion as it was Special Education. She stated that it has to do with the fact that Maine ages out at 20 and New Hampshire ages out at 21. Leach stated that she brought it up because Somersworth is not technically our district. Kunz asked if there are tuition agreements with the other out of district placements. Nelson stated they did not. Krauss stated that under Attendance Services it has always remained at \$40.00. She stated that nothing has ever been spent out of it. She stated that they always used the police department to check on a student who did not show up for school. She stated that things have come up in the past where Rollinsford does not know what to do if they have a truancy issue so they added \$500.00 in this line in case we need to pay a stipend to somebody to be a truant officer. Gadmoski stated that they would bill this out hourly if they needed the services. Krauss stated that in Guidance there are no changes other than the benefits and new equipment. She stated the same with the Nurse and the only changes being benefits and \$40.00 for band aides and an increase in the cost for software. She stated Speech was just a change in benefits and supplies went down by \$36.00 but we increased software by \$50.00 for the vouchers for the Ipad. She stated that in PT/OT they decreased \$882.00 but did add a line for supplies. She stated that Testing Services went down based on not using the NEWA testing anymore. Subscriptions and Books went down by \$150.00 as we moved it to the regular education line. She stated that the Librarian is getting a track change and benefit changes. She stated that library supplies went up by \$600.00 and furniture went up by \$1,000.00 for stools and bookshelves and an increase of \$1,500.00 for software. She stated that she increased School Board Advertising by \$2,000.00 which is for SchoolSpring. She stated that the retirement rate for the secretary went down based on the new rates. She stated that she increased the Audit based on what we have been spending. She stated that she left Legal Services flat as well as the SAU. She stated that the SAU line will change. She stated that under School Administration Hartford asked to increase the Head Teacher Stipend by \$250.00. She stated that right now it is at \$1,000.00 so we increased it to \$1,250.00. She stated that there is a 2% salary increase for the non-union staff which changed since the first time you looked at the budget. Nelson stated that they try to stick with what the Town is doing. Krauss stated that Postage had been increased by \$200.00 based on usage. She stated that Printing went down by \$275.00 which has been moved to regular education. Hartford stated that they had not spent it so they got rid of it. Krauss stated that Property and Liability went down by \$1,855.00. She stated that under Custodial there is a big decrease in salaries due to the fact that Hartford suggested that the Facilities Director be broken out. She stated that previously the Facilities Director had been included in Custodial Salaries. She stated that most Administration is broken out into its own line so this makes sense. Nelson stated that he is a full time custodian as well as being the Facilities Director. Hartford stated that it adds a bit more clarity to break it out. Krauss stated that a line was added for Custodial Professional Development as they do go to some professional development opportunities. She stated that they did the same for Travel. She stated that the Custodial Equipment line went down by \$1,000.00 based on need. She stated that the Custodial Equipment Replacement line is a new line in the amount of \$4,400.00 and is going to be used to purchase hot water heaters for the kitchen, a sump pump and a burnisher. She stated that she increased the Telephone based on past usage. She stated that they had been budgeting \$3,000.00 but they have been spending about \$3,600.00 so it was increased to \$4,000.00. She stated she also increased Oil as the past several years it has been over \$20,000.00 so it has been increased to \$25,000.00. She stated that Trash Removal has been increased by \$400.00 based on the actuals. She stated that Ground Maintenance is at \$18,000.00. Hartford stated that they have made some break out lines here. He stated that Repairs have been broken out of this line. They split it into Grounds Maintenance and Building Maintenance and the Repair line. Krauss stated under Grounds Maintenance there are funds for additional parking on the north side of the building, wood fibers for the playground, replacement of the Big Foot slide, landscaping soil, machine work and seed, and sand for the playground. She stated under the Maintenance Repairs the \$93,000.00 came off the top for the roof

of the warrant article that passed last year. She stated that the other items included are a study of the ventilation plans, painting the gym, painting the upper hall of the main building, ceramic tiles for the main hall and kitchen, paint and repair the cupola, insulate pipes in the annex, insulate windows and cubbies. She stated that she also has in her notes to replace the door hardware and security cameras. Gadomski asked if the costs for each of these could be added in the budget. She stated that the next section is Equipment and Maintenance Agreements which are annual maintenance things that we do. She stated they are now doing a quarterly drinking water test, and indoor air quality test, fire extinguisher and maintenance on them, the fire alarm and the fire suppression system is checked and the permits for the lifts. Nelson stated that it increased quite a bit. Hartford stated that this was all in another line before. Krauss stated that there is a decrease of \$2,200.00 in the Upkeep of Machinery which is just a reallocation. She stated that Transportation is based on the First Student Contract and it is broken out by Elementary, Middle and High Schools. She stated that Special Education Transportation decreased for the elementary school and a decrease at the high school. Nelson stated that we have no special education transportation this year at the elementary school. Krauss stated that she kept the After School Program flat as she figures they will charge the same. She stated that the Transportation for Field Trips was increased by \$200.00 for each of the 9 classrooms. She stated the next section was Retirement Buy-Backs that were based on the approved retirements. She stated that the Tuition Workshop Reimbursement line was decreased by \$24,000.00 but if you look, we added a new line called Professional Development. She stated that Worker's Compensation went down by \$321.00. She stated that there is the decrease of \$75,001.00 for the warrant articles from last year. She stated that as of now there is a total decrease of \$139,757.00. Nelson stated that most likely there will be changes due to increases in SAU costs and decreases in health costs. Nelson stated that she thinks they will need another budget meeting to finalize it and it will need to be done before our next School Board Meeting. She stated that this budget would be presented to the budget committee the day before our December School Board Meeting. She stated that it will need to be finalized no later than December 7th. She stated that Gadomski, Krauss and MacDonald had been working very hard to get this budget where it is. She stated that Gadomski is very use to presenting and he is very familiar with SB2 budgets and he has offered to present it. Gadomski stated that in the past what he has done is that he asks the staff to attend as well, and that way, if there is a question relating to a specific line, they can speak to it. Anderson stated that she is sure that the Budget Committee will appreciate this. Leach stated that the Budget Committee had a meeting on December 5th. She suggested Tuesday, November 27th at 5:30. Due to a conflict in the gym, it will be held in the Library.

Melinda Sullivan
Board Secretary

Pending Board Approval