

GOFFSTOWN SCHOOL DISTRICT
GOFFSTOWN SCHOOL BOARD MEETING
Goffstown High School – Library - 27 Wallace Road, Goffstown, NH 03045
Monday, October 30, 2017

School Board Members: Dian McCarthy, Steven Dutton, Reta Chaffee, Ginny McKinnon, Heather Trzepacz, Dan Cloutier, Lorry Cloutier, (excused absence Jenelle O'Brien, Kristie Curtis)

Administration: Brian Balke, Superintendent, Ray Labore, Business Administrator

Dian McCarthy called the meeting to order at 7:00pm.

Public Comment: None

Dian thanked the Boards members for coming to this special meeting. Dian stated that since their last school board meeting, the DRA set the tax rate and the school portion came in at \$1.47. This is noteworthy as throughout the budget discussion and the February 4, 2017 Deliberative Session, we were of the understanding that the tax rate was at \$0.64 which is a difference of over \$0.80. We are here tonight to find out what happened.

Brian Balke explained that two variables are looked at when working the tax rate projections. We look at what was underspent on the operating budget and the over collection of revenue and these two variables are what we use to calculate what will be returned to the town for tax relief. An error was made last year and we had a \$1.5m under projection on our expenditures. Our operating budget includes food service federal and grant revenues. Brian apologized to the Board for the error and stated that had the mistake come to light sooner, we would have had the ability to make budget changes. The task before us now is to keep this from happening again. There are multiple iterations of the tax rate and in hindsight it would have been wise to request Derek Horne, Dan Cloutier and Matt Angell's review. This will be done in the future. There are a lot of moving parts and we do the best we can to insure accuracy. We will double check our math from this point forward. We have the most cost effective district in the state and we continue to run a school district that has a very low per pupil cost.

Dian McCarthy stated that it is important to note that when we do our work, we make the decision with the information that is given to us and we need to have reasonable expectations that the information is accurate. It is very important that this never happens again. The Board makes decisions on what projections are given. We need checks and balances of the unreserved fund balance when reviewing. We went to the budget committee and projected a tax rate in early February. We need to assure the public and the budget committee that this will not happen again.

Ginny McKinnon questioned if the business office needed additional staffing and if we were expecting too much from the staff. Ray Labore added that this was an error in calculation and is not due to additional staffing needs. Ray added that he is comfortable with the number of current staff in the business office.

Dan Cloutier explained that income is three tiered, federal, grants and food service. When reviewing expenditures, very rarely do we see Federal and grant expenditures because they are not sitting in the information we are looking at when looking at the budget - they are a completely different set of paperwork. Dan suggested that whenever we look at revenues from those funds, we look at expenses as well and compare the two. If we see federal revenue we should see expenses - the fact that if we don't spend it we don't see it. Ray agrees with Dan's suggestion. Dian McCarthy stated that it is important to note that this is the first time that this has occurred when calculating the tax rate.

Brian commented that we could use 2.5% contingency fund to return for tax relief. Dan RSA21-J:35 controls that process. Tax bills are going out in a day or two and are being printed. Once the tax rate is set it goes to school and the village district first, is presented and moves very quickly. The school was done on Thursday and on Monday the town looked at what they had on gave their approval and the DRA approval came in last Thursday. If an error is noticed, the reference to follow is RSA21-J:35 which states the need to petition the commissioner and request an oral hearing before the commissioner of revenue administration. If the Board chooses to, we could use the 2.5% Contingency Fund for tax relief but if we can't do that we can return it next year. Dian stated that we as a board have always been mindful for our children and the expenses incurred.

Heather Trzepacz voiced concern that the Board was not forewarned of the town's press release regarding the tax rate even though it was on Facebook. Ginny McKinnon commented that it was embarrassing for people to come up to us and discuss something that we knew nothing about. Heather stated that it is important to let people know what happened and what we are doing about it. She suggested Administration send out a press release and inform our residents as to what happened and how we are working to correct it. Brian stated that he will send out a press release tomorrow.

The school district budget is due to the Budget Committee next week and the Board will need to review, and determine a course of action before finalizing it on November 6th. Dian stated that the Board has done great work in past years and as much as this is unacceptable and extraordinarily disappointing, we need to move forward.

Brian stated that the town has more tools to control their tax rate. They also have an unreserved fund balance just south of \$7 million which is allowed by law. This is not the case with the school district. Brian commented that you do not run a school district with high achievement and low pupil cost without doing something right. The budget is \$150K± above default budget and if the Board would like to meet default we can eliminate the following: (CIP Item) MVMS wall partitions - \$70K, the summer reading for high school - \$12.5K, AP testing - \$33.5K, 2 adjustments made by the Board at the last meeting included \$15K for coaching and co-curricular stipends as well as field repairs, \$33K in MVMS library computers, \$10.8K for MVMS lock replacement, \$21.5K in furniture and \$7K doors Maple this is \$154.8K and that leaves \$30K for stipends and fields and this gets you to default. Brian requested the Board's direction if they would like to come under default. Administration will review the budget and bring back recommendations to achieve that number. The default budget is 2.2% greater than the current year which translates to approximately \$900K higher which accounts for contractual costs. Ray will update the default budget and will e-mail to all board members tomorrow.

Reta Chaffee shared that she would need additional information before considering cuts to the budget and questioned what the goal was and what we are trying to achieve at this time. Brian stated that if we had anticipated that the tax rate would have come in at \$15 for local school we would have made budget changes but we didn't because we were working on the assumption that it was less. Brian's thought is to come in under default this year as you can control future increases and to return money for tax relief for next year.

Dan commented that the 2.5% money would give us \$0.41 to the default budget. As it currently exists it is \$0.47. This is a \$0.06 delta. Traditionally we have done an estimated revenue based on a very conservative numbers from New Boston and we have been bringing in \$200K of additional income due to New Boston's growth. Those two combined wipes out the delta between the current and expected budget for the change in default and it would be a zero tax rate adjustment a year from now based on just returning that money in reserve, in the 2.5% and the additional revenue that could be expended right now. We could lower the tax rate next year. Our task and balance is to make sure we not underfund the children. Brian

stated that if we have to delay things it will be facilities before text books and teaching initiatives. Dan Cloutier reminded the Board that the schools are dry because the rain is not coming in through the doors or walls and this results in a reduction in the insurance premium. Brian stated that we sat with the budget and went through the principals' recommendations. If we delay projects it will not impact teaching and learning. Dian shared we need to be thoughtful and mindful in momentum and wants to continue doing great work and strike a balance. Dan commented that we have a lot of projects in motion and have encumbered funds. Brian stated that if those funds are not expended this would go back for tax relief. We will have funds at that point for tax relief which will make a difference in next year's taxes.

Brian stated that we are trying to be as frugal as we can but that doesn't take away from the mathematical error that was made. We are dedicated to this community. Goffstown is one of the top 10 zip codes and we believe it is because of the school district.

OTHER BUSINESS THAT MAY LEGALLY COME BEFORE THE MEETING: *None*

NON-PUBLIC SESSION RSA 91-A:3II(a) – *The dismissal, promotion, or compensation of any public employee or the disciplining of such employee, or the investigation of any charges against him or her, unless the employee affected (1) has a right to a meeting and (2) request that the meeting be open, in which case the request shall be granted.*

Heather Trzepacz motioned to enter non-public session at 7:50pm seconded by Dan Cloutier. The Chair took an individual voice poll. Vote: 7-0-0 – All in Favor – Motion Passed.

Reta Chaffee motioned to leave non-public session at 9:20pm, seconded by Lorry Cloutier. The Chair took an individual voice poll. Vote: 7-0-0 – All in Favor – Motion Passed.

Heather Trzepacz motioned to seal the non-public minutes pursuant the state's personnel laws, seconded by Ginny McKinnon. Vote: 7-0-0 - All in Favor – Motion Passed.

Lorry Cloutier motioned to adjourn the meeting at 9:22pm, seconded by Ginny McKinnon. Vote: 7-0-0 – All in Favor – Motion Passed.

Respectfully submitted by,

Denise F. Morin
Recording Secretary