

Oyster River Cooperative School District

Proposed 2021-22

School District Budget

February 4, 2021

7:00 PM

ORHS

Auditorium/Gymnasium/

Music Room

Warrant Article # 3

ARTICLE #3 Shall the District raise and appropriate as an operating budget, not including appropriations by special warrant article and other appropriations voted separately, the amount set forth on the budget posted with the warrant or as amended by vote of the first session, for the purposes set forth therein, totaling \$50,173,045. Should this article be defeated, the operating budget shall be \$50,080,250 (Default Budget) which is the same as last year with certain adjustments required by previous action of the District or by law; or the District may hold one special meeting in accordance with RSA 40:13, X, and XVI to take up the issue of the revised operating budget only. *The School Board recommends this appropriation. (Majority vote required)*

Note:

Fund 10 = \$48,707,995 (regular operating budget); Fund 21 = \$824,050 (expenditures from food service revenues); Fund 22 = \$600,000 (expenditures from federal/special revenues); Fund 23 = \$41,000 (expenditures from pass through funds).

Challenges for the 2021-22 Budget

- Add the Middle School Bond Payment without Causing a Sudden Tax Impact.
- Develop a Contingency Fund for Opening School in the Fall 2021.

School Board Goal for the 2021-2022 Budget

The 2021-22 Budget goal included three net spending options.

- 2.5% increase {\$1,219,781}
- 3.0% increase {\$1,463,737}
- 3.5% increase {1,707,693}

These are net increases from the approved fiscal 2020-21 budget {\$48,791,231}. The total increases will include fund 10, 21, 21/23 and all warrant articles recommended by the Board. Revenue and reserve accounts can be used to offset expenses.

Fiscal Year 2021-22 Major Expenditure Increases

- Staff Contract Increases: \$-67,109
- 6.5% Increase in Health Care Insurance Costs: \$383,000
- New Hampshire Retirement: \$676,037
- Capital Improvement: \$677,000
- Bus Lease: \$45,196

2021-2022 Facilities Capital Improvement Plan

- Lease and Bond Payments: \$779,096
- Renovation of Moharimet Main Office and Nursing Space: \$225,000
- Security Improvements: \$100,000
- COVID Contingency Fund: \$300,000

Expenditure Reductions and Revenues

- Retirement Incentive – projected \$600,000 reduction in expenses
- Barrington Tuition Agreement – We project a \$150,000 increase for FY2022. The agreement will provide a total of \$3,300,000.
- \$500,000 from emergency accounts will be used to offset tax impact.

Community Apportionment and State Aid

The proposed amount apportioned to the cooperative communities is \$43,867,676. This represents a net 2.39% increase from the 2020-2021 Budget.

Percentage of Total Apportioned Amount

- Durham – 52.74%
- Lee – 31.45%
- Madbury - 15.81%

Loss of State Aid to the Towns

- Durham - \$23,936
- Lee - \$508,767
- Madbury - \$263,652

Estimated Tax Impact for the Fall of 2021

- Durham – \$.34 per \$1,000 1.98% increase
- Lee – \$2.07 per \$1,000 9.35% increase
- Madbury - \$1.47 per \$1,000 8.13% increase

Default Budget

In the event the FY2022 proposed budget fails to be approved by district voters, the default budget automatically becomes the FY2022 budget.

Proposed Budget:	\$50,173,045
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Default Budget:	\$50,080,250
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Default is less than the proposed by \$92,795

Warrant Article # 4

ARTICLE #4 Shall the District vote to approve within the provisions of New Hampshire RSA 273-A:3 the cost items included in the collective bargaining agreement reached between the Oyster River Bus Drivers Association and the Oyster River School Board which calls for the following increases in salaries and benefits at the current staffing levels:

2021 – 2022 \$18,070

and further to raise and appropriate the sum of \$ 18,070 for the 2021-2022 fiscal year, such sum representing the additional costs attributable to the increases in salaries and benefits required by the new agreement over those that would be paid at current staffing levels? The School Board recommends this appropriation. (Majority vote required)

Warrant Article # 5

ARTICLE #5 Shall the District vote to approve within the provisions of New Hampshire RSA 273-A:3 the cost items included in the collective bargaining agreement reached between the Oyster River Para-Educators and Support Staff and the Oyster River School Board which calls for the following increases in salaries and benefits at the current staffing levels:

2021 - 2022 \$ 63,853

and further to raise and appropriate the sum of \$ 63,853 for the 2021-2022 fiscal year, such sum representing the additional costs attributable to the increases in salaries and benefits required by the new agreement over those that would be paid at current staffing levels? The School Board recommends this appropriation. (Majority vote required)

Warrant Article # 6

ARTICLE #6 Shall the District vote in accordance with RSA 198:4-b, II to increase, indefinitely until rescinded, the retention of any unused portion of the year-end unassigned general funds from the preceding fiscal year from the current percentage of 2.5% to 5% of the current fiscal year's net assessment under RSA 198:5 for the purpose of having funds on hand to use in subsequent fiscal years? *The School Board recommends this article. (Majority vote required)*

Warrant Article # 6 cont'd

RSA 198:4-b

II. Notwithstanding any other provision of law, a school district by a vote of the legislative body may authorize, indefinitely until specific rescission, the school district to retain any unused portion of the year-end unassigned general funds, from the preceding fiscal year in subsequent fiscal years, provided that the total amount of year-end unassigned general funds does not exceed, in any fiscal year, 5 percent of the current fiscal year's net assessment under RSA 198:5.

(a) Prior to expending retained general funds, the school board shall hold a prior public hearing on the action to be taken with such funds. Notice of the time, place, and subject of such hearing shall be published in a newspaper of general circulation in the relevant municipality at least 7 days before the meeting is held.

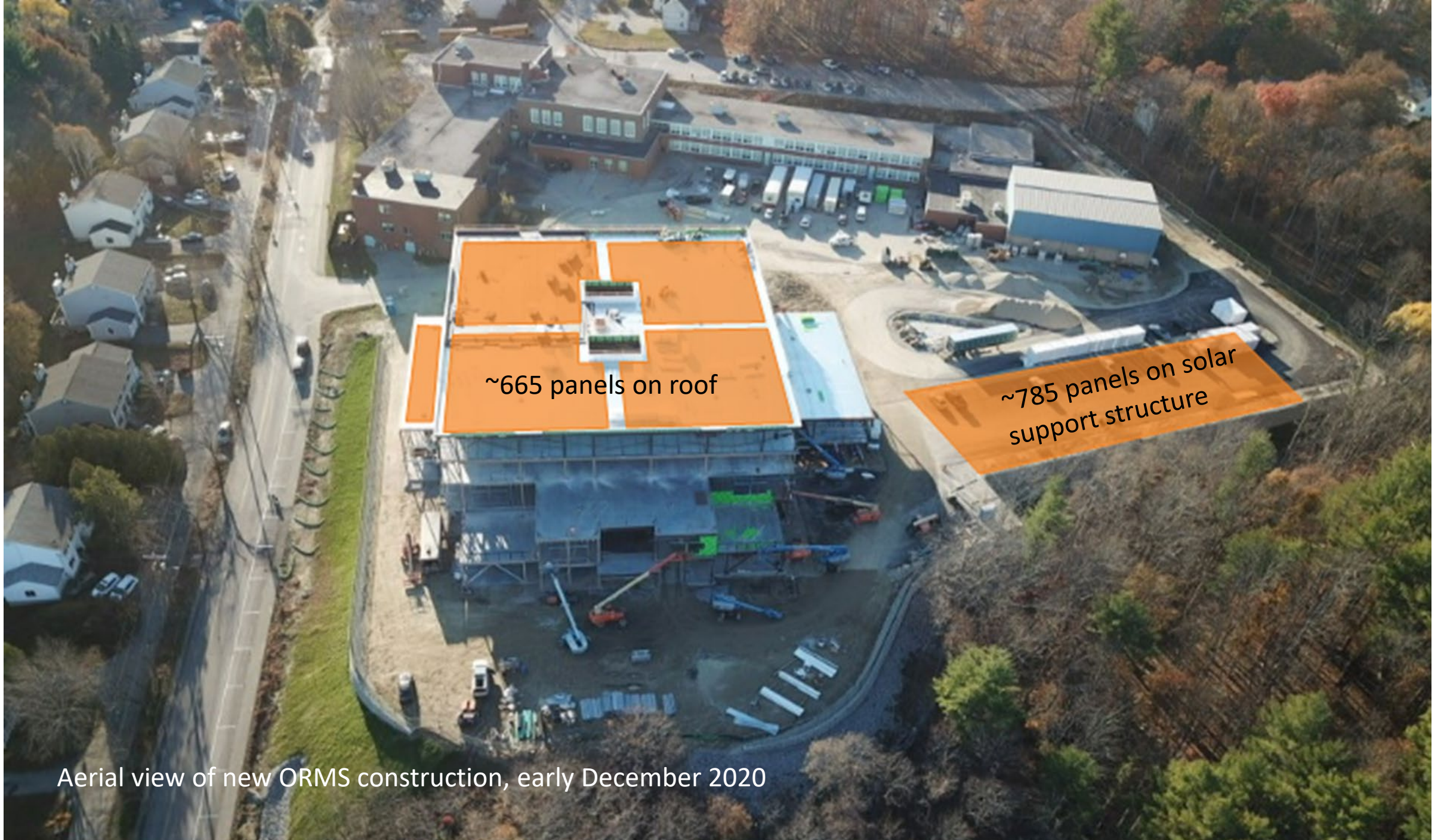
(b) An annual accounting and report of the activities of the retained general funds shall be presented to the school board of the district and published in the annual report.

Warrant Article # 7

ARTICLE #7 Shall the District vote to raise and appropriate the sum of \$125,000 to be added to the Facilities Development, Maintenance, and Replacement Trust which was established in March of 2017. This sum to come from June 30 fund balance available for transfer on July 1. *The School Board recommends this appropriation. (Majority vote required)*
No amounts to be raised from taxation.



Aerial view of new ORMS construction, early December 2020



~665 panels on roof

~785 panels on solar support structure

Aerial view of new ORMS construction, early December 2020

Warrant Article # 7 cont'd

How Does This Work?

1. ReVision Energy designs the array and secures \$1,454,447 in funding from investors who own and run the solar array for at least 5 years and collect federal tax credits.
2. Solar array produces about as much energy as the new middle school uses each year.
3. Oyster River buys electricity from solar array for 5 years instead of getting it from Eversource.
4. Oyster River buys the solar array 5 years after the middle school opens for \$872,668 to maximize our savings.
5. After that, we pay nothing for the energy produced by the solar array. Total savings over 25 years is expected to be \$787,000 (\$2.6 million over 40 years).

Warrant Article # 7 cont'd

What Other Options Do We Have?

- Pay for the array all at once after 5 years – could see a spike in the budget.
- Borrow the \$872,668 in 5 years – we would pay interest, likely at higher rates than today.
- Don't buy the array – keep paying ReVision for the energy and do not realize cost savings.

Best option for Oyster River: Buy the solar array after 5 years of operation (6 years from now).

FY 21 Budget Dates

March 9, 2021

Annual Meeting Voting Day Session II:

- Durham - Oyster River High School 7:00 AM – 7:00 PM
- Lee - Lee Transfer Station {via drive-in only} 7:00 AM – 7:00 PM
- Madbury- Madbury Town Hall 11:00 AM – 7:00 PM

FY 22 Budget

Supporting documents for the FY22 Proposed Budget can be found at:

www.orcsd.org

Thank You.

Questions?