

Oyster River Cooperative School District School Board Finance Committee

**June 10, 2020
6:00 PM**

AGENDA

- I. Call to Order
- II. Requested information from previous meeting
 - CIP Project Update
 - 5-year Summary of Expenditure Balances
 - Scenarios on Revenues
 - Retirement Incentive List
- III. Review Board Questions
- IV. Facilities
 - End of Year Funding Considerations
- V. Prioritize Actions Based Upon Board Questions and Committee Discussion
- VI. Determine Agenda for Next Meeting
- VII. Other

If you experience technology problems on the broadcast end, please notify us using orscd-video@orscd.org or via telephone # 603-280-4202.

Please note that we cannot assist you if the technology problem is on your end.

Virtual Location:

<https://www.orscd.org/stream>

Microsoft Teams Audio

Conference: [tel:+1 603-766-5646](tel:+16037665646)

Conf ID: code: 461362#

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Members of the public who join the meeting remotely, either by telephone or computer, will be able to offer public comment prior the meeting by submitting their question/comment by 2:00 PM on Tuesday before the regularly scheduled Board meeting via U.S. mail or email to wdifruscio@orscd.org. Any submissions will be included as part of the meeting minutes. Please note that each submission needs to be 400 words or less.

OYSTER RIVER COOPERATIVE SCHOOL DISTRICT

FACILITIES SERVICES DEPARTMENT

33 Coe Drive

Durham, New Hampshire 03824

Telephone: 603-868-5100

Email: jrozycki@orcscd.org

To: Dr. Jim Morse and Susan Caswell
From: Jim Rozycki, Facilities Director
Date: May 29, 2020
RE: Facilities Capital Account status update for FY20/21

Below is the current state of the School Board approved and budgeted Capital Improvement Projects. Given this season of remote learning, the empty buildings have provided a unique opportunity to get a head start. All contractors have accepted to defer payments till after July 1st. As you will notice, I anticipate we will be under the total CIP budget accounts by roughly **\$104,867** if all goes to plan. This savings is due to aggressive contractor bidding and us allowing work to start before the summer rush.

ORHS Parking lot / Tennis court project – The school board approved this bid on April 15th where we quickly issued a PO to the contractor to lock in the project and allow them time to coordinate materials and summer work schedules. The planned start timeframe is the week of June 15th.

Budgeted amount: \$290,000 Final Bid: \$285,352 (\$10,000 of additional money will be needed for Civil engineering construction oversight on this project)

MOH Roof Renovation – The school board approved this bid on March 20th where we issued a PO to the contractor to lock in the project and allow them time to coordinate materials and summer work schedules. The planned start date is the June 5th.

Budgeted amount: \$230,000 Final Bid: \$168,620.

Server room A/C's – We awarded the High School AC project to the lowest quoted contractor. They just completed the work today – 5/29/20. The MOH AC has failed and we are currently running a portable. The MW unit is on its last legs. Both Elementary unit replacement is scheduled to be started on 6/29.

Budgeted amount: \$100,000 Final total: \$64,399

ORHS Junior core walls – Bauen Construction plans to start this renovation project the week of 6/22.

Budgeted amount: \$75,000 Estimated project cost: \$69,900

ORHS Cracked flooring and junior core flooring – The tile is already delivered. The contractor planned to begin installation after the wall project was completed. The anticipated install start date would be 7/27.

Budgeted amount: \$27,000 Estimated cost: \$27,000

Mast Way flooring – This project is almost fully wrapped up. Final baseboard installation done by 6/2.

Budgeted amount: \$35,000 Final cost: \$26,862

Thank you,

Jim Rozycki

Expense Balance Trends												
			2015-16	2016-17	2017-18	2018-19	2019-20 5/21/2020					
Salaries			\$338,858	\$49,145	\$640,488	\$594,801	\$376,299					
Benefits			\$161,960	-\$104,751	\$135,794	\$37,126	\$238,926					
Operations			\$962,302	\$499,417	-\$65,471	-\$61,477	\$389,430					
	Schools	\$88,857	\$204,365	\$49,750	\$139,730	\$398,504						
	District	\$417,456	\$131,910	\$4,054	\$7,242	\$14,188						
	Transportation	\$74,118	\$74,691	-\$429	-\$85,711	\$57,473						
	Technology	-\$2,849	\$74,679	-\$57,551	\$36,870	\$12,215						
	Facilities	\$70,102	-\$3,590	-\$263,062	-\$115,733	\$122,950						
	Sped	\$314,617	\$17,362	\$201,767	-\$43,875	-\$215,900						
Balances before Fund Transfers			\$1,463,120	\$443,811	\$710,811	\$570,450	\$1,004,655					

Proposed FY22 Budget and Tax Impact									
		Budget Comparisons		2021-Voted	2022-Proposed	%			
		General Fund	Fund 10	\$ 46,073,817	\$ 47,326,181	2.72%	\$ 1,252,364		
If Increased Adequacy Goes Away		Food Service	Fund 21	\$ 824,050	\$ 824,050	0.00%	\$ -		
		Grants	Fund 22/23	\$ 641,000	\$ 641,000	0.00%	\$ -		
			Warrant # 3	\$ 625,000	\$ 750,000				
			Warrant # 4	\$ 627,364	\$ 771,534		\$ 144,170		
			Warrant # 5				\$ -		
			Warrant # 6				\$ -		
			Total	\$ 48,791,231	\$ 50,312,765	3.12%	\$ 1,521,534		
		Revenue and Credits		\$ 5,822,292	\$ 5,972,292	2.58%	\$ 150,000		
		Amount to be Apportioned to Towns		\$ 42,968,939	\$ 44,340,473	3.19% *	\$ 1,371,534		
	Present Budget Year	Proposed Budget		\$ 43,233,939					
Apportionment	FY2021/Tax rate 2020	FY2022/Tax rate 2021	State Grant Change					*Towns pick up revenue reduction, primarily Fund Balance	
Durham	53.0797%	53.0797%							
apportioned	\$ 22,948,445	\$ 23,535,790							
less state grant	\$ 1,473,255	\$ 1,473,255	\$ -						
less state tax	\$ 2,320,697	\$ 2,320,697							
less kindergarten aid									
less impact aid									
net to apportion	\$ 19,154,493	\$ 19,741,838							
Lee	31.1375%	31.1375%							
apportioned	\$ 13,461,968	\$ 13,806,515							
less state grant	\$ 3,012,969	\$ 2,591,692	\$ (421,277)						
less state tax	\$ 1,078,250	\$ 1,078,250							
less kindergarten aid									
net to apportion	\$ 9,370,749	\$ 10,136,573							
Madbury	15.7829%	15.7829%							
apportioned	\$ 6,823,569	\$ 6,998,213							
less state grant	\$ 1,396,649	\$ 1,159,238	\$ (237,411)						
less state tax	\$ 498,081	\$ 498,081							
less kindergarten aid									
net to apportion	\$ 4,928,839	\$ 5,340,894							
Tax Rate Impact:	Current Budget	Proposed Budget							
Durham									
net assessed value	\$ 1,196,283,337	\$ 1,196,283,337	Impact Revised						
LOCAL property tax rate	\$ 15.32	\$ 16.50	\$ 1.18	6.83%					
STATE school rate	\$ 2.01	\$ 2.01							
Lee									
net assessed value	\$ 458,402,871	\$ 458,402,871							
LOCAL property tax rate	\$ 20.44	\$ 22.11	\$ 1.67	7.32%					
STATE school rate	\$ 2.39	\$ 2.39							
Madbury									
net assessed value	\$ 244,765,402	\$ 244,765,402							
LOCAL property tax rate	\$ 20.14	\$ 21.82	\$ 1.68	7.55%					
STATE school rate	\$ 2.17	\$ 2.17							

Revenue Breakdown:			
	MS24	FY22 Projected	
Fund Balance	400,000	400,000	-
Tuition	3,050,000	3,200,000	150,000
Transportation Fees			-
Interest	25,000	25,000	-
Food Service	824,050	824,050	-
Other	30,000	30,000	-
Building Aid	523,742	523,742	-
Catastrophic Aid	125,000	125,000	-
Vocational Aid	3,500	3,500	-
Grants	641,000	641,000	-
Medicaid	200,000	200,000	-
Bond Sale/Interest			-
Expend Trust/Retent Fund			-
	5,822,292	5,972,292	150,000

House Valued at					Tax Impact				
	2018-Current	FY2019-Proposed			Proposed				
Durham									
\$200,000	\$3,466	\$3,702			\$237				
\$400,000	\$6,931	\$7,404			\$473				
Lee									
\$200,000	\$4,566	\$4,901			\$334				
\$400,000	\$9,133	\$9,801			\$668				
Madbury									
\$200,000	\$4,462	\$4,799			\$337				
\$400,000	\$8,924	\$9,597			\$673				

*Age as of June 30, 2020

Retirement Worksheet
Updated June 5, 2020

Not Age Eligible

DOB	Step 19/20		Hire Date	School 1	Position 1	fte 1	Salary 1	*Age	Years/Serv	Total
1/16/1950	BA+30/Step 15		8/30/1990	ORMS	Technology Education	1.00	\$78,012	70	27.15	97.15
6/17/1954	BA+30/Step 14		8/29/1988	MOH	Kindergarten	1.00	\$78,012	66	29	95
10/9/61	BA+30/Step 14		8/29/1987	ORMS	P.E. Teacher	1.00	\$78,012	58	28.7	89.7
11/2/1957	MA+30/Step 15		8/30/1994	ORMS	Social Studies	1.00	\$87,015	62	26	88
7/17/1958	2MAST/Step 15		8/30/1994	ORMS	Technology Education	1.00	\$88,531	61	26	87
3/8/1954	Doct/Step 15		8/29/2000	MW	Reading Specialist	1.00	\$88,531	66	20	86
1/15/1961	MA+30/Step 15		8/28/1993	MOH	Grade 2 Teacher	1.00	\$87,015	59	27	86
8/17/1959	MA+30/Step 15		9/1/1990	ORMS	School Counselor	1.00	\$87,015	60	25.7	85.7
3/23/1955	MA/Step 14	Retired	8/31/2000	MOH	Grade 4	1.00	\$80,188	65	20	85
2/5/1957	MA+30/Step 15		9/1/1996	ORHS	Art Education	1.00	\$87,015	63	21.15	84.15
5/31/1955	MA+30/Step 15		8/29/2003	ORMS	Special Education	1.00	\$87,015	65	17	82
3/1/1958	MA+30/Step 15		8/25/2001	MOH	Grade 3/4	1.00	\$87,015	62	19	81
3/13/1964	MA+30/Step 15		8/29/1996	ORHS	Art Teacher	1.00	\$87,015	56	24	80
9/22/1956	MA+30/Step 15		8/28/2004	MW	Kindergarten	1.00	\$87,015	63	16	79
7/17/1962	MA+30/Step 15	Retired	9/1/1994	MW	Grade 4 Teacher	1.00	\$87,015	57	21.67	78.67
4/17/1967	MA+30/Step 15		8/29/2009	ORHS	Media Specialist	1.00	\$87,015	53	11	64

In accordance with Guild VI.H 2 - Benefits

Finance Committee Remote Meeting Minutes

Wednesday, May 27, 2020 @ 6:00 PM

Attendees: Al Howland, Brian Cisneros, James Morse, Michael Williams, Sue Caswell

Visitors: 0

Al Howland asked the committee if they minded that they adjust the agenda to put item #III – Review of Board Questions after item # IV. Facilities – end of year funding considerations. All agreed.

Al stated that he would like to begin using the requested information from Sue. Regarding the trust and emergency fund balances, specifically the special education fund first by asking how this fund works and what is it used for.

Sue explained that the special education fund is there for special education costs that happen if we get an unexpected out of district placement, we will use this fund at the Board discretion.

Al asked about the remaining funds if the Board had the authority to spend these.

Sue stated yes except for a small capital reserve fund.

Michael clarified the balance of about 1 million without the special education and facility development fund.

Michael asked about the history of the facility development and replacement fund. He thought this was part of a warrant article a couple of years ago.

Sue explained that this one was missed when they merged the remaining accounts.

Questions asked if this was the \$20,000 fund. Sue would need to go back and verify this, but also noted that you cannot merge an expendable fund with a trust fund.

Michael clarified that to use this fund you would need a specific purpose and warrant article to use.

Sue stated that is correct.

Al asked if there were additional questions regarding trust funds. Hearing none he moved to the Updated Fund Balance.

Sue stated that she ran a report as of May 21st and expects that between now and the end of the year we will need about \$250K to finish out and that this was a conservative amount.

Al asked about the tax impact to the towns and if the district would be returning 450K. Sue explained that we used the figure of \$400K. Al stated that in theory that leaves an unexpended fund balance off about \$750K with about \$350K to work with. Sue said that is correct.

Brian asked if this included savings for fuel and subs. Sue stated for the most part but we don't encumber fuel and that we have unencumbered most of the salaries, but bus drivers are the wild card and we might have more there.

Brian also let the committee know that the word out there is that we are saving millions due to COVID-19 and that we need to make them aware that this is not the case.

Jim stated that when we get to the 5-year history we will note that the balances are consistent.

Al asked about the sub line and thought that there would be a savings there.

Sue explained that if we finished the year, this line would have been in the red as the subs have been historically high this year. We have had a large number of long term subs this year. Additionally, we can get a clearer picture of the savings toward the end with possible savings in athletics and travel. Jim stated that these accounts are not large so the savings would be minimal.

Brian asked why the Worker Compensation line was only half spent. Did we have a claim fall off?

Sue stated that workers compensation did well last year, and we were given a credit that we applied to this year's premium.

Al moved onto the five years of revenues. He asked Sue when you look at the local tax appropriation for Durham in 18/19 it was \$17,751,938 and in 19/20 it is \$14,778,923. Why is it a short fall. Sue explained that we have not collected the final payment. We collect monthly and work with the towns. We have a schedule and Tim is in constant contact with them.

Brian stated that is why Durham, Lee and Madbury are lower right now. Michael stated that the total revenue right now is 30M for the year so far and will be about 45M by the end of the year.

Sue explained that this is just the general fund revenue and does not include food service and federal fund revenues.

Al clarified that the Barrington tuition revenue was at \$280K for FY22.

Sue explained that it is based on the current budget with a 3.9% increase. She confirmed with the high school that there are 49 incoming freshman which is 9 more than she budgeted for about \$160K.

Jim stopped the meeting at 6:11 due to technical difficulties the volume is not coming through the streaming. The meeting resumed at 6:12.

There was additional discussion surrounding the tuition revenue, high school rebounding from Dover high school opening and a small number of kids returning from private schools. Questions asked about the use of the \$160K in FY22 in an emergency fund? The need for a warrant article to authorize spending. Where we are in comparison to what was budgeted.

Michael clarified that the Medicaid revenue is down and is now at \$114K and asked if it will continue at that level or go up to the 200K. Jim stated that in speaking with Catherine he believes that it will be about \$200K and that we will know more at the end of the year.

Al moved onto the Facility End of Year consideration list. Sue stated that she has this discussion with Jim Rozycki every year and we list what we want by priority. There are things that come up that are not on the list, small things, but we are not considering doing any of these.

Jim stated that he is hearing from both Jim R and Suzanne that the high school chairs are desperately needing replacement, and this would be the only thing on the list that he would consider bring forward.

Questions asked about items marked safety and security if this was life safety or building safety. Why fire alarms are prioritized as the last item on the list. Are chairs really a priority and would we use them.

Sue explained that regarding the chairs, they could be used for social distancing.

Al suggested that this list go on the next Board agenda and that both Suzanne and Jim Rozycki be present to explain why there is such a need for new chairs. Brian also stated that by sharing this list with the full Board, will show what we are leaving on the table and what is coming down the pike so that it is not a surprise.

Jim asked Michael in his capacity of vice-chair if he wanted this included in the Board packet for June 3rd. Michael stated that it should be included in the June 3rd packet as informational and that we would not act on it until we had a better idea of the fund balance. Michael asked both Al and Brian if they had anything to add and if they agreed with this. Both were in agreement. Al will give an update on this under the Finance Committee section of the agenda.

Al asked if there were any additional questions from Board members. Receiving none he moved the meeting forward to discuss the questions that have already been submitted by Tom and Michael. He knows that he is jumping forward when he feels that the question that sticks out is, "What is the budget goal?" What is an appropriate budget goals in this current climate? In the past it has been 3 or 3.5 %. What is a viable budge goal?

Jim stated that it is a premature questions as the work of the finance committee moves forward, we will have a better idea of revenues and expenditures. Think that the percentage will be lower and through the work of this committee we will be able to come up with a reasonable number. We also need to be working as a team with the towns of Durham, Lee and Madbury to answer their questions, but to have them also answer ours and exchange information.

Jim asked Al for clarification as chair of the finance committee if he want Sue and him to write this letter to the towns or did Al want to write the letter.

Al explained that after thinking more about this, he felt that this was not the way to proceed and that the finance committee members along with Jim and Sue set up meetings with the individual town administrators. This would be like what Jim does when he meets with the individual towns to update them on the opening of school and then again with budget updates. This meeting could form a good work group for each town and would allow the administrator to go back and report to their boards what questions or information was shared at the meeting. Al stated that he will report out to the full Board at the next meeting for their approval to have a school district tri-town meeting structure that the finance committee would like to use moving forward.

Al asked under Other if there were any additional questions on the Budget.

Michael stated that he agrees that it is too early to figure out what the goal for FY22 should be, but the way we structured that goal was different this year as we looked at apportionment amounts and also that this affects each ton differently. He questioned how do we even structure that goal. Additionally, in terms of the FY21 CIP this discussion needs to happen soon.

Jim stated that is true and that we have started the two classrooms at the high school. We will have Jim Rozycki give an update on the current CIP for the meeting on June 17th.

Al asked if there was any money in the 2020/21 budget that we do not need to spend. Brian noted that his company stated that there would be no large group meetings for at least a year and questioned the possibility of online professional development that could save the district money.

Jim explained that he does not see large group gatherings either and that we have done a lot of online PD this winter and spring.

The meeting was interrupted at 6:46 for one minute for technical difficulties for the phone connection.

Al additionally asked if we could look at areas in the July 1st budget that we may not expend and roll that into the fund balance. He also asked Jim for an overview of the accounts for the past 5 years to start. Hopefully, this will provide an easier review of possible areas of the budget instead of a line by line review. He also asked when the department heads sit down and prepare their budgets.

Jim explained that all 4 principals run conservative budgets and that they are already in that mode. He went on to explain that Suzanne also needs teacher input for her budget preparation.

Al explained the process that the Durham Town Council used and asked Jim if the district could come to the budget meeting with scenarios at each of the school levels of what they can live with and what they cannot live without.

The committee had a lengthy discussion of different scenarios and what ifs for budget planning surrounding retirement incentives, not replacing personnel, thoughts on the upcoming negotiations, structure surrounding budget goal, decrease in enrollment for possible fewer classrooms.

Al asked Jim to comprise a list of who is eligible for retirement and the potential savings, using the location/position/salary/replacement costs.

Al asked if there were any additional questions for Jim or Sue.

Jim reiterated to Al what the items were for the next agenda that the committee would be looking for:

CIP Project Update, 5 Year Summary of Expenditures, Scenarios on Revenue, Retirement Incentive List, Board Report out, Invite town elected official to a Finance Committee meeting,

Brian asked if we needed to approve the minutes.

Jim stated that they do not need that formality but will check if that is accurate.

Al stated that because we are taping and streaming the meetings, he did not feel that approval of the minutes was needed and asked both Michael and Brian if they agreed to this. Both agreed

No additional questions or comments.

Meeting ended at 7:15 PM – Next meeting will be a remote meeting on June 10, 2020

Respectfully submitted,
Wendy L. DiFruscio