

APPROVED

Budget Committee Meeting

January 23, 2018

Members Present: T Smith, M Traister, and R Spaulding. G Rumph unable to attend due to illness. Also present: S Petralia (SAU 50), D Latchaw (Principal MHT), R Lynch (School Board), A Ransom (SAU 50), S Reinhardt (SAU 50).

A quorum of the Budget Committee members being present, the Chairman commenced meeting at 5:05 pm. The quorum was present throughout the meeting.

Minutes of 11-14-17 meeting were approved as amended.

Mr Spaulding described this year's different approach to presenting the school budget from past years. However, prior to presenting FY 2019 budget the more immediate issue of FY 2018 budget shortfall was presented. There will be a net shortfall of \$74K +/- the primary reason being an unexpected rise in the number of tuition students to middle school and other issues. (Attachment 1 from SAU 50 attached). Hence, a Public Hearing and a Meeting must be held to address this shortfall. Public Hearing will be held Feb 6, immediately prior to the scheduled budget committee meeting. Meeting date will be determined.

Regarding FY 2019 Budget A Ransom distributed a form to address Mr Rumph's request for additional detail. Ms Ransom distributed the overview of the FY 2019 Budget \$2,212,221. (Warrant Article 1) Largest increases are for tuitions to middle school, a teacher retirement, increased contracted services. Major decreases include tuition to high school, classroom teacher's salaries and reduced health insurance cost. Net increase of \$178,831 or 8.79% -increase on Tax Rate estimated @\$0.40

Mr Petralia presented documents on sick leave and salaries that indicate recent bargaining agreements slightly reduce some benefits for new hires.

In addition, Warrant Article 2 was presented. \$34,700 to be placed in the School Tuition Trust Fund. The cost of WA 2 is not included in the above tax rate increase

R Lynch discussed the school portion of the library appropriation, currently \$5,000. The Library Trustees (LT) submitted a request to increase the amount by \$2,000 with the School Committee (SC) agreement to a \$750 increase to the Library apportion request. Mr Smith presented a recap of events during the last budget session where the LT request to the Select Board (SB) to increase the FY 2018 appropriation was denied by the SB and not submitted to the BC. Mr Smith will inform the SB of this issue so they may take it into consideration when preparing the town budget for submission to the BC.

It was agreed that any question the BC has regarding the school budget will be directed to Mr Spaulding who will then provide answers.

Meeting adjourned at 6:36 pm.

Respectfully submitted

Tom F Smith, Chairman

Attachment 1 from SAU 50 2018-10-23 meeting minutes

On January 23rd the New Castle School Board presented its proposal for the FY18-19 operating budget to the New Castle Budget Committee. At that same meeting, the FY18 financial statement dated December 31, 2017 was distributed to the committee in order to show the current financial situation of the school district.

When you look at the financial statement, you see the budget for tuition middle school as \$158,400. The estimated encumbrance shows as \$259,367.17. This is a short fall of \$100,967.17

When you look at the financial statement, you see the budget for tuition high school as \$461,160. The estimated encumbrance shows as \$472,329.18. This is a short fall of \$11,169.18. The total shortfall in tuition is \$112,136.35

When the budget was created in October of 2016, it was estimated that there would be 27 students in high school and 9 students in middle school. This year's enrollment turned out to be 29 students in high school and 15 students in middle school.

The board has taken steps to reduce spending in the current fiscal year to help offset the short fall but the district needs to access the money in the tuition trust fund and the funds held in retainage to close the gap.

The assistant business administrator contacted Ron Leclerc at the NH Department of Education to find out what steps needed to be taken in order to access the retainage funds.

Part of the process was to have the New Castle School Board hold a public meeting and request that the Superintendent process the application to the Commissioner of Education. The school board held that meeting on January 22nd.

The second part of the process is holding a public hearing with the New Castle Budget Committee to request its approval of the application. During that hearing, the School Board needs to explain to the Budget Committee and the public the reason for request to use the retainage funds.

The application packet consists of the minutes from these two meetings and a letter signed by the Chair of the School Board and the Budget Committee along with a letter from Superintendent of Schools.

The Commissioner of Education will review the application packet and he will make the final decision on the request.