

CITY OF BERLIN

New Hampshire

**Minutes of Council School Budget Session of 3/07/2018
Council Conference Room
6:30 pm**

Members:

Mayor Grenier
Councilor Theberge
Councilor Rozek
Councilor Otis
Councilor Morgan-Allain
Councilor Gentili
Councilor Remillard
Councilor Higbee

City Staff:

James Wheeler, City Manager
Patricia Chase, Finance Director

School Board, Administration and Staff:

Superintendent Corinne Cascadden
Administrator Bryan Lamirande
School Board Member Lynn Moore
School Board Member Scott Losier
School Board Member Louise Valliere
Brown School Principal, Amy Huter
Hillside Elementary School Principal, Julie King
Middle School Principal, Tammy Fauteux

Mayor Grenier brought the meeting to order at 6:30 p.m. and invited Superintendent Cascadden and School Administrator Bryan Lamirande to present the FY19 Berlin Public School proposed budget.

Superintendent Cascadden began the presentation with a review of enrollment figures. There has been a steady decline in enrollment since 2001. On October 1, 2017 there was a total enrollment of 1,140 students. Enrollment patterns have been changing with the flowing in and out, throughout the school year, among home schooled students. In the last few weeks the school system has lost fifteen students.

Superintendent Cascadden briefly reviewed the tuition rates which are set by the Department of Education. Tuition rates have steadily increased over the years with the 2018-2019 rates set at:

Elementary \$15,187, Middle/Junior \$15,205 and High School \$16,659.

After reviewing a breakdown of the tax rate history, a review of the school budget history began. The 2017-18 Council appropriation was \$18,114,311. The administrative request for the 2018-19 year is \$19,071,443 with the Board of Education requesting \$18,564,311. The increase requested by the Board of Education is \$450,000 above last year's budget. The requested budget does not include a school bond payment of \$29,035 and capital improvements of \$496,000. Superintendent Cascadden proposed that should there be a school surplus this fiscal year a portion of the surplus be used to pay off the school portion of the bond in an effort to save on future interest payments.

There is an increase in salaries in the amount of \$253,470. Superintendent Cascadden discussed the hiring of an autism specialist which is quite costly and the balance is due to wage advancements.

The increase in computer use and the rise in technology have contributed to an increase of \$35,970 within the software support line item. The service agreement request expense has a \$32,379 decrease due the expiration of lease agreements for printers and copiers.

Superintendent Cascadden moved on to discuss the Capital Improvement requests. She explained that the need for an emergency access road was a high priority and would aid in the event of an emergency. She explained that the school was applying for a grant that has an 80/20 match. In addition to applying for a grant for the road the school is also applying for a grant in the amount of \$99,000 from the state for surveillance equipment. Should the school receive either or both of the grants then a review of the allocations for capital would have to be reviewed so that the School's portion of the matching grant would be funded. There was some discussion around the Berlin Middle School surveillance system.

Superintendent Cascadden went on to discuss the FY19 revenue. There will be additional revenue for full time kindergarten which amounts to an additional \$1,100 per student. The upcoming fiscal year will see a decrease of \$221,256 in State Adequacy Aid. There was discussion around Voucher Bill SB-193 and the potential to lose state funding. This bill would allow parents to move their children into homeschooling or private schools. The FY19 budget also anticipates a reduction of \$118,574 in tuition revenue. There are fewer students enrolling from surrounding communities. Superintendent Cascadden noted that this year there are five Milan students attending the Gorham school system and anticipates that number to rise to eleven in the fall of 2018.

A discussion followed regarding the year end surplus returned to the general fund from the school. Superintendent Cascadden explained that the school budgets what is needed to operate without knowing definitively what might be received in grant revenue. Often this information is not available until the school year has started. In the event that a grant is received, it sometimes offsets expenses incurred within the general fund which contributes to a surplus at year end.

Councilor Remillard asked why the enrollment numbers are dropping. Superintendent Cascadden explained that part of the reason is an increase in home schooling and school withdrawals.

School Administrator Lamirande distributed additional information on electric costs, heating costs, bond costs and the loss of state stabilization revenue. Investments in energy efficiency upgrades to electrical equipment and lighting have consistently lowered electric costs. The School has saved \$156,569 over six years. Improvements made to boilers has lowered oil costs by \$259,327.62 over six years.

Councilor Theberge inquired about additional improvements that might be made. Mr. Lamirande suggested that additional lighting improvements and large motor upgrades are potential areas that will lower energy costs.

School Administrator Lamirande discussed the idea of paying off the school portion of bond debt with surplus at year end. He proposed that \$37,919.79 in interest could be saved over the next seven years.

Discussion resumed around the loss of State Stabilization revenue. The School will continue to lose 4% a year until that revenue source has been exhausted. The Mayor expressed his grave concerns over this loss in revenue and the impact it will have on the future tax rates.

Superintendent Cascadden shared that the results from the MRI study have been received which analyzed dependent and independent school districts. It is a comprehensive report that might lend guidance as the City plans for the future educational needs of the community.

Mayor Grenier explained that the City is dealing with the loss of revenue from State Stabilization and requested that the School come back with a zero increase.

Motion to adjourn by Councilor Higbee and seconded by Councilor Rozek.

Meeting adjourned at 7:45 p.m.

Respectfully Submitted by Patricia A Chase