

1. **Call to Order-Roll Call- Pledge of Allegiance:** The meeting was called to order at 5:30pm. The following members were present: Ken Bolduc, Jessica Paradis, Marty Pepin, Supt. Mosca, Andy Lucier, Marie D'Agostino, Scott Smith, Jim Cowan, Don Austin, Mayor Matt Spencer, Dana Rivers, Marcel Hebert, Coty Donohue, Matt Hanlon, Robin Jarvis, Jennifer Soldati, Dale Sprague, Stephanie Riotto, Bob Gibson, Dave Witham and Bob Belmore.
2. **Discussion:** Belmore stated that he has heard councilors speak to the CIP portion of the budget and it is not clear on why the school didn't propose more than \$50,000. Supt. Mosca stated that we have been doing the budget since last July and we started down many roads. She stated that we looked at a zero based process and had the administration meetings starting in October and November. Then the vote of the tax cap came and we continued down the road of a minimal increase of \$350,000 and then in December we found out that the tax cap would not be in effect until the following year when we were 80-90% completed the budget. She stated that at one point they had no CIP in the budget because they were concerned about the increase. She stated that they did a lot of shuffling and moving and there was a push to put some money in for CIP projects because we knew we needed to look at CIP. She stated that we spent this year revamping and looking at projects. She stated that they have a copy of what they are planning, she said the board has seen this a number of times in the building and grounds meetings. She stated that they have been very fortunate in three years time to have four HVAC units done and they will be up to almost 15 by the end of the summer. She stated that it is amazing what they have been able to accomplish. She stated that they didn't put much into the budget because they were concerned with the increase. She stated that she handed out a map of the buildings and where the asbestos issues are. She stated that the green areas have none and the red areas have asbestos. She stated that at the middle school there is 12,514 square feet of asbestos which will cost a total of \$125,140 and 32,088 square feet at the high school which will cost a total of \$320,880. She stated that we try to chip away at it each year. She stated that included in the CIP plan is the CTC renovation project of which the state will fund 75% of that and we have to come up with the 25%. She stated that they hope to be able to put away \$375,000 each year for the CTC renovation. She stated that they need to do a conceptual design of what the building will look like which they may have to use the \$50,000 that is budgeted for next year to do that. Rivers stated that we can't proceed without knowing what the curriculum needs are. Supt. Mosca stated that there is a new CTC director coming on board July 1<sup>st</sup> and this is a top priority. She stated that when we started the budget process we had contractual obligations of \$695,000 and the cost to maintain was \$150,000 so with doing nothing else we were up over \$850,000. She stated that they made cuts understanding that the city can't afford that and we tried to be sensitive to that. Soldati asked if the asbestos in these rooms are intact or if they were chipping. Cowan stated that some tiles have lifted. Soldati stated that she is concerned about the health of the students. Lucier stated that the white vct is fine, it's when the floor underneath comes up. He stated that the asbestos is encapsulated. Supt. Mosca stated that this is not a final document, they have been working on it and they are trying to be proactive

instead of reactive. Witham stated that this is a critical year to talk about this. He stated that if we don't start to fund this year the ability to introduce in subsequent years will be a hurdle. He stated that this is the year by which we move forward. He stated that \$50,000 may be way too low. He stated that in the CIP plan \$375,000 to plan for a project would require a special reserve fund. Belmore stated that we could look at when the next school bonds retire and we could dove tail with these projects. Smith stated that the bonds retire in 16/17 and we could float another improvement bond to replace the bond that is retiring. Gibson stated that there is no guarantee under a tax cap that the money would come back to the school district. He stated that we are not sure who will be sitting here. Sprague stated that if we put \$375,000 in this year the group next year could decide not to put it in. Supt. Mosca stated that the board will take a formal vote in August to approve the CIP. She stated that we are trying to move from reactive to proactive and 90% on this list is reactive. Witham stated that a \$5 million dollar bond retires in 2017 so it would be interesting for building and grounds to take a look at it again with that in mind and see what projects could be curtailed until 2017 and see what the years from now to then look like. Sprague stated that when he first saw the budget he was pleased with the \$650,000 increase until he read the \$50,000 for CIP items. He stated that this is a benchmark year and he wanted to stay on track with the CIP. He stated that this is the year to build it in and set a precedent for years to come. He stated that he felt this budget layout was difficult to read and hard to look at. He stated that if it is a need then put it in and then we can take it out. He stated that this is the year of all years. Witham stated that whatever projects fill in between now and 2017 is more than \$50,000. Sprague stated that the problems don't go away, it is not a wish list it is a needs list. Pepin stated that this is the first time he has seen council ask the board to increase their budget. He stated that he is looking for a feeling from the council on how much they are looking to increase the CIP knowing that if we cut the budget they will take it from there. Sprague stated that this is the one and only time you will hear me say that. He stated that he would vote for taking the \$375,000 out of the \$930,000 and put that in. Witham stated that he is comfortable with the budget as proposed and he is generally comfortable with the city managers budget as proposed as well. He stated that it was a \$1.47 on the tax rate. Sprague stated that as much as he approves of putting money into the downtown, strong schools make a city. Supt. Mosca asked if they were asking us to come forward with an amendment. Witham stated increase on the CIP side of the budget with a list of projects. Belmore stated that is it fair to say for the school to look at a scenario of swapping out the bond and looking at the remainder of the list. Sprague stated that they could look at the debt retiring and spread it out. Riotta stated that Dale put a number out there and asked if anyone else feels very different than that so we can put together a plan. Jarvis stated that she is not comfortable. She stated that she is at her limit and she would have to feel very strongly about going much further. She stated that we don't want to lock in future councils. Witham stated that from a CIP perspective we haven't locked them in we have provided a road map on how we arrived at our decisions. Paradis stated that our original increase was \$846,000 and we came down to \$650,000 and asked if they were comfortable with the \$846,000. Jarvis stated that it made her nervous. She stated that if we go much further we have to review the city side and decide where we pull from. She stated that things are coming forward from Hilltop and we have so

many projects going on and she needs a comfort level that we can deal with them hand in hand strategically. Supt. Mosca stated that she feels extremely comfortable, Andy has worked for six months organizing with vendors and come September it will look like a brand new place. Bolduc stated that the \$5 million dollar bond bothers me. He stated that he is a pay as you go person and if we can work the numbers out yearly and pay as we go. Sprague stated that the bond helps out with the tax rate. Hanlon stated that he has been here for six years and this is the first time we have accomplished CIP work and he thanked the councilors for that. Belmore stated that the City CIP is also short funded and we could do a city and school joint bond as there is plenty of city infrastructure that needs work. Sprague stated that just because it's a school bond retiring doesn't mean it has to be just for the school. Austin stated that a new requirement from the state for future funding is to have a replacement program in place to maintain the infrastructure. Sprague stated that he is comfortable where are at with the increases and he would like to see some detail. He stated that it can't be at a \$2.00 increase. Austin stated that it is helpful using \$1.50 as a round number, it gives us a goal. Smith stated that \$600,000 would be an additional .70 cents. Jarvis stated that the city and school have come a long way. She stated that we have never looked at economic growth over the next four or five years. She stated that we need some point of view on where it's bringing the city with some projections and she sees that component missing. She stated that we need to look at that because it seems like we lack at generating revenue in the city. Cowan stated that there hasn't been huge growth, the area is limited. Witham stated that the Rollinsford decision is also a revenue issue. Soldati asked if the Barrington talks will make up for that. Austin stated that it is too early to know how many students. Supt. Mosca stated that the board visited and there is a strong interest and they will continue the conversations. Mayor Spencer stated that we are focusing on Somersworth and not looking at other areas. Sprague stated that we only have so much taxable property in Somersworth. Jarvis stated that businesses provide revenue. Gibson stated that remember when we talk about housing that your average house generates approximately \$5000 in property tax but the average cost per student is \$11,900. He stated that we have to get businesses in here and stay away from housing. Sprague stated that he doesn't agree with that and he doesn't like that thinking. Austin thanked everyone for coming and giving the board direction and they will come back with an amendment.

3. **Adjournment:** Austin closed the joint meeting at 6:30pm.

Katie Krauss

Pending Board Approval

Board Secretary