

MINUTES OF THE FINANCE COMMITTEE
CITY COUNCIL CHAMBERS
September 20, 2023 – 5:00 p.m.

Committee Members present: Councilor David A. Witham, Chairman
Councilor Don Austin, Vice-Chairman
Councilor Robert Gibson
Councilor Matt Gerding

Administration/Staff present: City Manager, Bob Belmore
Finance Director, Scott Smith
Director of Public Works & Utilities, Michael Bobinsky
School Superintendent, Lou Goscinski
School Business Administrator, Katie Krauss
City Clerk, Kristen LaPanne

Chairman Witham called the meeting to order at 5:03 p.m.

APPROVE PAST MEETING MINUTES OF AUGUST 30, 2023

Councilor Austin made a motion to approve the minutes of the August 30, 2023 meeting. The motion was seconded by Councilor Gerding and passed 3-0.

Councilor Gibson arrived after the vote to approve the meeting minutes.

SCHOOL BOARD BUDGET REQUEST

Councilor Gerding recused himself from the discussion and vote regarding the School Board budget request.

City Manager Belmore provided a memorandum to the Committee submitted by Katie Krauss which outlines the school's unanticipated revenue and requested supplemental appropriation. Councilor Witham invited Ms. Krauss to present the School Board's budget request to the Committee.

Ms. Krauss reported that in November 2022, the State of New Hampshire provided the school with an anticipated amount that the District would receive in Adequacy Revenue which was used in creating the fiscal year 2024 budget. In September 2023, the District received a final amount pertaining to the State Adequacy funding, she noted that due to changes since the November 2022 estimate, there was an increase in the base aid rate, special education, free and reduced lunches, and English Language Learners which resulted in an increase to the adequacy funding in the amount of \$1,953,394.

Ms. Krauss confirmed that there are two options available to the City when State Adequacy funds are increased after the school budget has been finalized, either use the money to reduce local taxes or a request to the City Council can be made to utilize the funds on projects or other needs. Ms. Krauss reported that the School Board and the School Board Budget and Revenue Committee both agreed to move forward with a request to the City Council for a Supplemental Appropriation in the amount of \$1,953,394.

Ms. Krauss explained that there has been a significant increase in expenses pertaining to the special education and contracted services budgets, she added that the increase was due to a combination of students moving into the District as well as changes in placements that were not known during the budget process. The total amount of increases is \$1,296,943 which essentially covered expenses including tuition, transportation and services that are contracted outside of the District. Councilor Witham asked if the school administrators make every effort to keep services in-house, Ms. Krauss confirmed that they do and also mentioned that contracted services such as speech therapy and OT are services that come into the District to provide services.

Councilor Austin asked what would happen if the school had not received additional adequacy revenue, would the school have to find the money to cover the additional expenditures. Ms. Krauss stated that special education services are required by the State and they would be required to find the money elsewhere.

Ms. Krauss spoke to the School Board's request for additional funding to complete the Middle/High School Roof Project, she noted that there are four sections of the roof that require additional structural upgrades that were not originally anticipated as part of the project's engineering. The additional cost to complete the roof repair totals \$250,000.

Ms. Krauss stated that the School Based Health Clinic Project is being funded through ESSER funds and left a remaining balance of \$77,693 which caused the School Board to make modifications to the design in order to reduce costs. Additionally, the decision was made to remove storefront doors from the project that the School Board would like to add back for security reasons, thus making the request for this project a total of \$130,000. Councilor Witham asked if the School Based Health Clinic is in partnership with Goodwin Community Health and open to students only. Ms. Krauss confirmed the partnership with Goodwin Community Health and noted that the program will only be available to high school students during the pilot portion of the program. Councilor Witham inquired about the fund request by the School Board being for construction costs only. Ms. Krauss stated that the funds would be for construction and that the equipment will be funded through Goodwin Community Health.

Ms. Krauss went through the list of other expenditures that were provided by the Buildings, Grounds and Transportation Committee, Budget and Revenue Committee and building administration which totals \$276,451. Of note, Ms. Krauss and Superintendent Goscinski expressed the importance of reinstating the second high school secretary position that was removed during the initial budget process. Councilor Witham shared his concern that the funding is one-time and to bring back a position that could potentially not be funded in future budgets. Superintendent Goscinski stated that they intend to build the secretary position back into the next budget.

Ms. Krauss mentioned the request to fund the late buses and stated that there has been a number of parents requesting the service as there are many Middle School children that are no longer able to attend extracurricular activities due to the District no longer providing the option of a late bus to transport those children. Superintendent Goscinski is concerned that without the option of a late bus, equity to students is compromised and he values the input given by the parents and school administrators who have their "boots on the ground".

Ms. Krauss mentioned that during the budget process the grounds position was removed and with this request, the School Board identified the need to add funds to cover costs and also discussed the option to purchase a tractor to help with upkeep as well as the purchase of snowblowers. Councilor Gibson questioned the amounts being requested to cover the cost of a tractor and snowblowers. Ms. Krauss clarified that the request for funds regarding the tractor has not been earmarked specifically for a tractor and there will be further discussion that decides whether the School Board will purchase a tractor or use the \$20,000 to help cover ground maintenance needs.

There was a brief discussion regarding the request for additional radios, Councilor Gibson wondered who would get the radios. Ms. Krauss confirmed that the radios would be given to the administrative staff in order to increase necessary communications throughout the schools.

Councilor Austin understands and is in favor of the request to fund Special Education due to the increase in expenditures explained by Ms. Krauss, he does however, have a hard time supporting the list of additional expenditures and wonders how during the engineering phase, the structural needs to the roof were not caught. Councilor Austin stated that he has always been a strong supporter of education and for the first time, finds himself struggling with some of the requests especially knowing that some of the revenue could provide some relief to tax payers. He asked Finance Director Smith for an estimate of how much \$274,451, this amount in additional expenditures being requested, could relieve the tax payers. Director Smith confirmed that the amount would roughly total \$0.24 in the tax rate back to tax payers. Councilor Austin believes that some of the items should have been part of a Capital Improvement Plan (CIP).

Councilor Gibson agreed with Councilor Austins comments. He also feels that items such as the snowblowers and tractor should have been part of the initial budget request or the CIP. Councilor Gibson questions how the structural support of the roof was missed in the four sections mentioned, but did comment that he understands the necessity to fund the increased Special Education needs. He too expressed not favoring the additional expenditures list and believes the high school secretary position should have been considered more before removing from the initial budget.

Superintendent Goscinski commented that the principals were not consulted in the discussion regarding eliminating the secretary position or the late bus, and after speaking with them and receiving their input, he feels that it is important to listen to their needs.

Councilor Witham confirmed that the Committee appears to unanimously agree on the request regarding Special Education funds. He stated that the roof “is what it is”, he agrees that it should have been identified by the engineers before but regardless the cost would be there. Regarding the list of other expenditures, Councilor Witham stated that it is not up to the Committee or the City Council to analyze each line item and that their task is to decide the bottom-line amount. He feels that many of the listed items do not belong within the CIP.

Councilor Austin thanked Councilor Witham for clarifying that the Committee and Council only have the authority to vote on the bottom-line dollar amount and not where the money should be spent. Councilor Austin stated that he was very surprised to hear that the cuts to the budget regarding the high school secretary and late bus, were made in isolation as stated by the Superintendent Goscinski since he recalls being reassured that the Community and school administration were consulted.

Councilor Gibson commented that he is also surprised to learn that the school administrators were not involved in those cuts. He added that he would like to see some of the money go back to the tax payers of the City.

Councilor Austin made a motion to support a Supplemental Appropriation of additional State Adequacy funding for the School Department in the amount of \$1,400,000. The motion was seconded by Councilor Gibson.

Councilor Witham asked if the roof work has already been completed. Ms. Krauss stated that it had not and is unsure if the roof would be completed without the additional funding to address the structural concerns. Councilor Witham asked about the health clinic and what would happen if the decision was not to fund it. Ms. Krauss stated that they would need to pull back on the scope of the project, Superintendent Goscinski added that there would be no funds available within the current budget to fulfill the request to complete the project. Councilor Witham commented that he feels that the roof project and health clinic is a need. Councilor Austin noted that adding the roof project and

the health clinic costs to his motion of \$1,400,00, it would bring the dollar amount almost back to the original request by the School Department.

Councilor Witham stated that he understands the desire to provide relief to the tax payers and feels that it is what the Council did during their budget meeting and feels that they succeeded in doing so at that time. Councilor Austin stated that he understands Councilor Witham's comments and he believes that the health clinic needs to be private as well as the roof project needing to be finished.

Councilor Austin withdrew his motion to support a Supplemental Appropriation of additional State Adequacy funding for the School Department in the amount of \$1,400,000. Councilor Gibson withdrew his second to the motion.

Councilor Austin made a motion to support a Supplemental Appropriation of additional State Adequacy funding for the School Department in the amount of \$1,953,394. The motion was seconded by Councilor Witham.

Councilor Gibson inquired about the waiver from the energy code requirements. Ms. Krauss confirmed that with the waiver being approved, the additional \$250,000 is still required to finish the roof project.

The motion passed 2-1. Councilor Gibson opposed.

The Committee requested that Superintendent Goscinski, Ms. Krauss and the School Board Chair attend the October 23rd City Council meeting in case there are questions from other Council members. Councilor Gerding rejoined the meeting.

CONSTITUTIONAL WAY COMPLETE STREETS FUNDING

Councilor Witham mentioned that the Public Works & Environment Committee met at 3:00 p.m. with Britt Eckstrom of Wright-Pierce Engineering. Ms. Eckstrom provided the Committee with a scope of work which showed this project would share a likeness with the rest of the downtown area including street lights, sidewalks, benches, etc. Councilor Witham stated that the recent project numbers show a total project cost of approximately \$1,700,000 and that the Public Works & Environment Committee is still looking to go out to bid over the winter with a project begin date during the spring of 2024. He added that the project timeline is roughly 7 months with finish work to be completed in the spring of 2025.

City Manager Belmore mentioned that Ms. Eckstrom will be giving a presentation to the full Council at a future meeting and will at that time provide an update on project costs.

Councilor Austin inquired about the Opinion of Probable Construction Cost being at 90% of the design. Manager Belmore and Public Works Director Bobinsky, confirmed that the 10% has to do with the design area's technical specifications and both agree that they wouldn't expect increases, if any, to be too large of a figure.

Councilor Witham added that the Public Works and Environment Committee didn't change anything to the scope of work pertaining to the project, with the exception of discussion around the type of pavement markings used.

Councilor Gerding mentioned that some of the existing trees along Constitutional Way are in a sad looking state and is hopeful those would be replaced. Manager Belmore agreed but needs to verify if the trees are in the City's right of way or privately owned. He confirmed that he is looking into it.

Councilor Austin asked if the funding for the project was coming from both the Enterprise Funds and the General Fund. Finance Director Smith stated that it is about an 80-20 split between the two funds,

with the General Fund being the 80% share. He added estimating the cost assuming a 15-year bond, the effect on the tax rate is approximately \$0.12.

Manager Belmore recommends adding the project to the City Council Meeting Agenda under Other, with the Committee's support, in order to get the request for bids out. The Committee agreed.

MISCELLANEOUS

Finance Director Smith provided the Committee with a reporting summary of the current fiscal year 2024 budget. He stated that the report shows what has been typical of the City's budget and that there is nothing alarming and will continue to monitor and provide updates to the Committee.

City Manager Belmore referenced his City Manager's Report provided for the September 18th City Council Meeting and was looking to validate the support to draw funding from the ARPA Fund for the replacement of the Willand Pond Trail footbridges as well as not needing a Supplemental Appropriation. There was a brief discussion regarding the ability to use ARPA funds for this type of project and Director Smith confirmed that it is within the scope of how the funds can be utilized. Councilor Austin questioned if there is a deadline to spend the ARPA funds down. Director Smith stated that the money must be committed to projects by 2024 and the funds spent by 2026. He noted that there is approximately \$272,000 remaining in ARPA funds. There was no objection by the Committee.

ADJOURNMENT

Councilor Austin made a motion to adjourn. The motion was seconded by Councilor Gibson and passed 4-0. The meeting adjourned at 5:58 p.m.

Respectfully submitted,

Kristen LaPanne, City Clerk