

**SCHOOL ADMINISTRATIVE UNIT NO. 12**  
**Office of the Superintendent of Schools**  
**Londonderry, New Hampshire 03053**

5 A concurrent meeting of the School Administrative Unit No. 12 School Board and the Londonderry  
School District School Board was held on **Thursday, December 15, 2016** at 7:00PM at the  
Londonderry Town Office, Moose Hill Conference Room, 268B Mammoth Road, Londonderry, NH. In  
attendance were School Board members: Ms. Ganem, Mr. Lekas, Mrs. Reilly and Mr. Young. Also in  
attendance were Superintendent, Mr. Greenberg, Business Administrator, Mr. Curro and School Board  
10 Secretary, Lisa Muse.

Budget Committee in attendance: None

1. **Call To Order:** The meeting was called to order at 7:00PM by Mrs. Reilly.

2. **Pledge of Allegiance:** The Pledge of Allegiance was led by Mr. Curro.

3. **Questions, Announcements and Presentations**

3.1 **FY16 Audit Report Presentation – Peter Curro:** Mr. Vachon and Ms. Webb from  
20 Vachon Clukay & Company presented a PowerPoint presentation. This audit is for the year that ended  
June 30, 2016. The district received an Unmodified Opinion which is the highest opinion. They  
continue to audit the District’s financial statements using the risk based audit approach which  
emphasizes the evaluation of both audit risk and fraud risk. They focus on areas deemed to be of high  
risk for misstatement and fraud. Total revenues and other financing sources exceeded budgeted  
25 estimates by \$92,000. The actual revenues were close to the estimated amounts, but the District  
managed to minimize the tax rate while still exceeding the estimated amount. Total expenditures and  
other financing uses were \$212,000 less than the appropriated amount. Page vii of the MD&A provide  
details regarding the budgetary variances. There was an unusual high number of employees that retired  
in FY16. Special education costs are increasing. She went over the Budgetary Fund Balance and the Net  
30 Pension Liability. Although the High School withdrew from the national school lunch program, the  
following are some of the favorable results for the Food Service Fund: The number paid and reduced  
lunches served at the high school increased almost 10% from approximately 73,000 to 80,000. The  
overall recognized revenue increased from \$1.37 million in FY15 to \$1.47 million in FY16. There was  
an increase in fund balance of \$37,500 in FY16 compared to \$5,400 in FY15. Ms. Webb discussed the  
35 Federal Compliance Audit. They conducted our audit in accordance with generally accepted auditing  
standards. She thanked the management team and the finance office for their assistance during the audit.  
Mrs. Reilly thanked all involved that helped get the information together for the Audit team. **Mr. Young**  
**made a motion to accept the FY16 audit report presented by Vachon Clukay and Company. Ms.**  
**Ganem seconded the motion. The motion passed 4-0-0.**

4. **Consent Agenda:** *Mr. Lekas made a motion to accept the Consent Agenda. Ms. Ganem seconded the motion. Motion passed 4-0-0.*

4.1 **Resignation(s)**

Mary Lebreque

Teacher

Middle School

4.2 **Meetings**

January 3, 2017

Regular Meeting

7:00PM

Town Offices

*\*(cancelled this meeting)*

January 5, 2017

Budget Workshop

7:00PM

Town Offices

January 10, 2017

Deadline for cost items for all CBA’s

		<b>Deadline for citizens' petition articles submission</b>		
	<b>January 12, 2017</b>	<b>Budget Public Hearing</b>	<b>7:00PM</b>	<b>Town Offices</b>
	<b>January 17, 2017</b>	<b>Regular Meeting</b>	<b>7:00PM</b>	<b>Town Offices</b>
	<b>January 25, 2017</b>	<b>1<sup>st</sup> Day of Filing Period for Candidates</b>		
5	<b>February 3, 2017</b>	<b>Last Day of Filing Period for Candidates</b>		

5. **Deliberations**

10 5.1 **To see what action(s) the Board will take regarding the proposed contract with the AFSCME Council 93, Local 1801, Londonderry Support Staff:** This item was pushed to our next meeting so that all Board members can vote on January 5<sup>th</sup>, 2017.

6. **Budget Workshop**

15 6.1 **Dining Services. Amanda Venezia:** There was a PowerPoint presentation. Food Services was recognized by a national food service magazine. Mrs. Venezia went over the district wide sales with numbers last year verses this year. There was a drop from last year to this year and they are assessing that information. District wide free and reduced percentage is currently 11.66% which is up .79% from last year. Improvements this year were as follows: Middle School: Stovetop, North School and Matthew Thornton: New ovens and Software Update to Meals Plus. Nutritional data will be available on Meals Plus. Salad Bar is up 100% from last year. November 2016 Income State  
20 Conclusions are as follows: Projected Revenue: \$1,350,000, Projected Expenses: \$1,375,000 and Profit/Loss – It will be close. Page 465 has the FY 18 budget. Budget Highlights: Revenue increases represent a required price increase for FY18 which will be discussed in the next couple of months. Capital Improvements are: Van, Change in elementary service lines and refrigeration at the Middle  
25 School. They are looking at the following item going forward: Child nutrition reauthorization, credit card processing, mobile app for parents with lunch menu, adult premium salad meals and auxiliary point of services. Proud moments for Dining Services included: being on Cook's corner on Channel 9, Twitter and Instagram and there was a Union Leader Article. More proud moments included School Nutrition Industry Conference, Veterans Day Breakfast, Thanksgiving and Christmas Baskets, Hall of Fame Dinner and the Middle School Wellness Culinary Demo. Mr. Young discussed the Healthy Hungry  
30 program and Mrs. Venezia gave some additional details. They discussed the importance of the students getting enough to eat. They also discussed that free and reduced meals increased from 73,000 to 80,000 between the 2015 /2016 years. Mrs. Reilly discussed the new oven purchases. She asked, what is Dining Services biggest expense? Mr. Curro said it's the new van lease. They are going to look at the line cycle because she felt parents are giving more bagged lunches due to the time constraint the kids  
35 have of getting their meals and eating. It is asked if we are losing money or making money. Mr. Curro said it will be close. Is the move off of the program a success? Mrs. Reilly felt it is because the kids are eating. Mr. Curro said it's not only a financial decision, but the students are eating. He would like to give the High School two more years to look at before thinking of leaving the program at the Middle school.

40 6.2 **IT: Brenda Colameta, Brandon Weinert:** There is a PowerPoint presentation. Mr. Curro discussed the IT department staff that takes care of planning, implementation and communication. He went over the objectives which are to create an infrastructure that supports the curriculum and administrative objectives of the District, to aid all students and staff in research, communication and learning and maintain a network of updated, modern computer hardware running some of the latest  
45 software on the market. They discussed the hardware installed equipment in the District: 18 servers, 996 tablets, 1375 laptops and 1298 desktops. The laptops have over taken the desktops because the wireless program was a success and the teachers/students like the mobile devices. These have a 5-7-year life and the District needs to spend the money to keep updated. Mrs. Colameta described the Supported Applications: Aspen Student Information System, Munis, School Messenger, Destiny, Meals Plus, Info

Site, Google Apps and Several Classroom Specific Applications. The goal is to provide technology that directly connects to student learning. They discussed the Requested Hardware Devices which shows we are moving towards the mobile learning environment. In order to improve our infrastructure, we need to upgrade the cabling from Cat5 to Cat6 to the 8<sup>th</sup> grade middle school wing only. Mr. Curro discussed the Server Replacement Schedule. Most of North and South have Cat6. Middle School is where most of the complaints come from so they are focusing there. Just the 8<sup>th</sup> grade wing will cost \$65,000. Another piece of improvement is a new firewall. This is for three years. This keeps students and staff safe online. The price is \$70,000 which is a one-time cost with support services and will last us three years. The firewall also monitors and controls incoming and outgoing network traffic. Mr. Curro felt that this is a critical piece to purchase. Mr. Young asked about the Cat 5/Cat6, but it baffles him because of the growth in portables. He could see if it was because of connecting servers, but the workstations are decreasing and he felt it seems odd to update. Mr. Curro said because of the streaming video and the video needs that are increasing proportionally that are the driving force of the Cat 6. It provides speed and reliability. Mr. Curro said that if we push this back, we push back all the years. Mrs. Colameta thanked the special warrant article that was passed which let us improve the Wi-Fi issues and the project has done what it was intended to. This has helped improve the BYOD program (bring your own device). Mrs. Reilly asked, what is the BYOD of choice? Mrs. Colameta said it varies depending on the student/school. It seems that more students seem to be bringing in their tablets.

Mr. Curro went over the proposed operating budget FY2018 which is \$762,650 with an increase of \$52,327. They continue with a preview of where IT Is going. They are working on a digital learning plan by providing hardware and software that directly connects to the enhancement of student learning. The digital leaning plan will utilize technology to increase the efficient operation of the District. They hope by the end of the year to have a published plan. Mr. Lekas asked if the kids are all bringing their own devices, why do we need to replace so many computers. Mr. Curro said most are for labs. When you bring your own device you are logged into the guest network. Mr. Lekas confirmed that we are not looking to provide every student with a device that they bring home and take care of and Mr. Curro said no.

**6.3 Buildings and Grounds: Chuck Zappala:** There is a PowerPoint presentation. The FY18 budget request is \$2,069.860. This is an increase of about \$57,000 (2.8%) from the current year. Mr. Zappala mentioned that the majority of the increase is the equipment in the building and grounds budget. Over the past few years, they have done \$750,000 in security upgrades. Electricity and natural gas is the highest utility cost. Water has gone up 14% over the past three years. LED lighting has been completed and has made a huge difference. The first electric bill of December will reflect the new lighting and he is anticipating a \$1,200-\$1,300 month savings. He then goes over the supply accounts such as fertilizer, cleaning products, field paint, trash bags, ice melt, hand towels/toilet paper and hand soap/sanitizer. He discussed the repair accounts and mentioned there are codes we have to maintain and items need to get inspected and certified. These reports need to be reported locally and at the State level. District wide construction is detailed on page 401-403. The special planned projects are usually completed in the summer. The plan may change if priorities change during the year.

The maintenance trust fund is through a separate warrant article used for large, one time projects that are too expensive for the district wide construction account. Specific information can be found on page 404-407. One of the projects, is field lighting on the soccer/lacrosse game fields at the high school. There is a chance the field lights are going to be coming from the RIO Olympics because they leased them and now they are being disassembled with a big discount with the same warranty. Mr. Curro discussed the formula change that he would like to propose this year. He would look at a six-year window and what are those projects. Cost them out as best they can and the amount of the request would be an average of the six-year cost. The idea is to minimize the chance of needing a bond article

for renovations. For example, if we needed a new \$600,000 roof in year five, we would put in \$100,000 year one, then \$200,000 year two, then \$300,000 year three and then when the time came we would have the money and other monies to do other planned projects. Capital Improvement Plan runs through 2023 and includes millions of dollars of identified needs located on page 405 and 407. In March of 2014, a \$4 million maintenance bond was approved by the voters and work on these projects is nearly completed. He discussed the 2014 maintenance bond. Everything has been completed except for the High School roof replacement, which should be completed in Summer 2017.

Mr. Zappala discussed the asbestos in the High School, North School and Matthew Thornton. There is no immediate health or safety concerns. State and Federal regulations for monitoring, training, record keeping and abatement have increased. Costs for abatement will only increase and regulations will impact repair work and/or renovations. He felt we need to look at a more cost effective plan to the budget and plan for abatements on our terms and schedules before there is an emergency.

Mr. Young asked about new equipment and Mr. Zappala described the list for custodians and grounds crew. Mr. Young asked if our trucks have a lot of mileage. Mr. Zappala said they don't have a lot of miles, but a lot of hours. The trucks and the vans will have 50,000-60,000 miles but probably never leave Londonderry and then suddenly you are looking at \$6,000-\$7,000 in repairs. We try to turn around the vehicles around 10-11 years. Mr. Curro said we are one of the few districts that do our own snow removal.

**6.4 Equipment Trust:** Mr. Curro explained that the equipment trust is an accumulation of each of the buildings and its equipment identified through the budget process. We have capital reserve for the equipment. It's a separate article that the voters would vote on. If the article is not supported, then none of the equipment can be purchased. Type of equipment is on page 478. Lisa McKenney went through the whole list for a total of \$115,344. Mrs. Reilly asked if we use multiple vendors and Mr. Curro said yes.

**6.5 District Office:** Mr. Curro mentioned that the detailed budget is found on page 281. Most of the expenses are contractual. We will be talking about School Board services, audit and legal, SAU, transportation, Food Service, employee benefits and debt schedule. We are talking about an overall budget of \$24,823,255 verses current budget of \$24,306,158. The big areas that get you to the variance of \$517,000 is health insurance, transportation, retirement, workers comp, principal debt is down, capital leases are down and interest debt is down. Mr. Curro went over the numbers of each account that makes up the district office budget. In regard to regular transportation, we are requesting an additional bus which is \$50,352 and we also have the midday runs for the kindergarten and summer school runs, MST and Alvirne. You will see the line for \$50,500 – that is the bus Mrs. Carpinone referred too earlier. Mr. Curro pays for the bus and Mrs. Carpinone/Pupil Services pays for the monitor. This bus will do whatever we need it to do. It's a small bus from Provider that helps get a student we can't reach with a regular bus. We have a couple elementary kids that are closer to Manchester than Londonderry so this bus would go take care of them for what we call special runs and that is funded at \$50,000 and used for regular ed and special education. So there is one additional bus being asked for and this is for the northeast quadrant and the kindergarten run up there is too long. In regard to health insurance, the School Care rate came in at 4%, GMR at 10% and School Care will provide a surplus of \$295,684. This offsets the employee health care and not revenue. Mr. Greenberg asked, if this number represents the number that comes back or the whole number? Mr. Curro said that is the districts share of the money coming back. The employees will also get a piece back through their premiums. Dental insurance will have a rate of zero increase and the increase you see is the proposed new staff and during the years there are plan changes. Life insurance and disability we decreased a small amount. Mr. Curro discussed NH retirement and mentioned there are two plans: one for employees and one for teachers. The rate for teachers went up 10% and rate for employees went up very little. This is a two-year rate.

December 15, 2016

5 He discussed workers comp and additional health benefits for food service and debt service and the details of our lease. The debt for FY23 pays off the final debt for the High School, FY25 pays off renovation debt, FY26 pays off North School debt, FY29 pays off South School debt. Inside of 10 years the debt will be paid off, which is astonishing for a \$70 million operation. With the debt paid off, space concerns will be a little easier to address if an extra elementary school will be needed. Mrs. McKenney went over the revenue history sheet from FY12-16. She went over our revenue history and mentioned it comes from four sources: state revenue, local revenue, fund balance and balance come from taxation. Mr. Greenberg mentioned that the adequacy is calculated for next year for \$18 million. The State only pays around \$11 million and come up with a state property tax rate of six which is in essence a local property tax to offset the states obligation to pay adequacy. \$7 million will be generated locally. No impact fees for next year. It is mentioned that the tax base has gone up from last year.

15 Mr. Young asked about the tax base. Mr. Curro said the tax base is the assessors estimate of new development. So all these new houses as of April, 2017 and any business gets applied to this chart. Mr. Curro said we use the same number as the Town. These numbers are calculated from the assessor's office and was given to us and that number will be used, but usually it will be higher.

20 Mr. Greenberg said going forward the next budget workshop is questions, get direction from the Board and then at the budget hearing try and put a bow on it and at that point we will then move forward and the Board votes on a budget and warrant articles to be forwarded to Deliberative Session.

Mr. Young felt that we should be moving towards default. Mrs. Reilly felt none of us want to be above default. Mr. Greenberg said we will develop a list to facilitate discussion on January 5th.

25 Mr. Curro said if the Board has any questions, please call the district office so that there is time to research and get information back to them on January 5<sup>th</sup> because from the 5<sup>th</sup> to the public hearing is not much time.

30 Mr. Greenberg said hopefully by January 5<sup>th</sup> we will have reached all conclusions on all the bargaining units and thinks that will help facilitate discussions.

Mrs. Reilly mentioned that if the Budget Committee has any questions please contact the District Office.

35 ***Mr. Lekas made a motion to adjourn the meeting. Ms. Ganem seconded the motion. Motion passed 4-0-0.***

Mrs. Reilly mentioned there is two-hour delay in the District due to the weather tomorrow.

## 7. Adjournment

40 The meeting was adjourned at 9:16PM.

Respectfully submitted,

45 Lisa Muse  
School Board Secretary