

**Franklin School Board and Franklin City Council
Joint Finance Committee Meeting Minutes
Professional Development Center – SAU Office
October 18, 2016**

Present: Daniel LeGallo (Superintendent); Amanda Bergquist (Business Administrator); Judie Milner (City Finance Director); Elizabeth Dragon (Franklin City Manager); Tony Guinta (City Councilor); Steve Barton (City Councilor); Bob Desrochers (City Councilor); Timothy Dow (School Board Member); Deborah Brown (School Board Member); Mayor Ken Merrifield

Eight Public Attendees; Cathy Viau (School Board Secretary)

Call to order at 6:06 PM by Chairperson Tony Guinta.

Pledge of Allegiance

1. Adequacy formula calculation discussion – review numbers from school if the FY12 formula change had not been implemented; adequacy formula change from FY17 budget to actual

Amanda Bergquist presented handout #1 (Adequacy calculations from 2008 through current. Amanda Bergquist gave an overview of how adequacy aid is calculated. She also gave an overview of the 2008 SB539, 2011 HB337, and 2016 update of RSA 198:41. In handout #2 (Stabilization Grant vs. Disparity Aid), Mrs. Bergquist gave an overview of the difference in funding would work if calculated from 2010 to 2022. The Stabilization Grant as it stands currently decreases by 4% each year until it is gone. Discussion was held regarding Disparity Aid as well as the Free and Reduced Differentiated Aid. Discussion was held regarding the legal action Dover took and what was meant by their winning their suit. Discussion was held regarding Medicaid reimbursement. Enrollment and the effects of the aging population on the funding of education.

2. FY 2018 starting budget challenges/one time FY2017 revenue

Handouts #3A (from the School-FSD Projected Revenue 2017-18 – \$1,387,850 shortfall) and #3B (from the City – City of Franklin School District FY2018 Starting Revenue Shortfall - \$1,312,958). The lack of support and educational funding from the higher governments, decrease in adequacy aid, increase in retirement cost, and more were discussed. The onetime funds from the city was discussed. The projected shortfall for next year is devastating.

3. Forecast lost Hill revenue over the next three (3) years – tuition and SAU

The reduction in funding from the Hill students is projected to be as follows: next year a reduction of \$103,000, 2nd to the last year of \$100,000 and the last year of \$50,000.

4. Capital Expenditures

Handout #4 – Capital Improvements for the Franklin School District. This listing included the need for a roof replacement on the Middle School (estimate given in 2014); Restroom Partitions for the Paul Smith Elementary School, Middle School and High School; Boiler Room Panel RBC1FF Upgrade – PSS; Guardrail at FHS; Pave Court Yard Area in front of building at FMS; and Rear Door of FHS.

The roof has been leaking for the last three years. To be replaced will be allot more than the 2014 projected amount due to inflation.

The restroom partitions are very old.

The other projected items are considered safety and security issues.

It was stated that there is an issue with the water and/or sewer backing up in the High School. It was requested to have the city use a snake or whatever they'd use to check the piping from the city into the high school to be sure there is not an issue with cracked pipes or rooting.

The FMS hot water boiler broke down and had to be replaced in the amount of \$15,000.

The Superintendent and Board extended an invitation to anyone who would like to come in for a tour to contact the Superintendent to schedule a time to take a tour of the buildings. Some time ago, the entire board and city council took a tour of all of the city and school buildings.

Discussion was held regarding the possibility of doing an energy performance assessment for potential savings in a possible energy savings project for boilers, lighting, etc. The city may also have other ideas for potential bidders for the Middle School roof. The city will do a preliminary check on the sewer pipes leading to the high school. There may be a need to bring in cameras if nothing is found. It is approximately \$1,500 to bring in cameras.

5. *FY16/17 Shortfall due to the recent cut in adequacy funding of \$115,000*

It was mentioned to bring the unexpected shortfall to the city requesting solutions from them. The school budget has been frozen for the time being while the city and school work together to come up with a solution to make up the difference. The mandatory expenses and encumbrances will still go through. Some of the mandatory items have not yet been encumbered. After a review of the budget there is not much room for reductions. Special Education is unpredictable as far as expenses.

Discussion was held regarding Northern Pass and the potential impact this would have on budgets. It was stated that it is important share funding concerns and make aware the issues to Senator Hosmer.

Franklin is taking the lead in trying to collaborate with other area districts to try to come up with a plan to present to the necessary governmental groups regarding the lack of governmental funding.

Marisa Carter and her husband were recognized for their hard work and efforts in working with Sara Stanley and many others to get truck load of supplies to the schools.

Mayor Merrifield and his music group did a music fundraiser for the music program raising over \$900.

Discussion was held regarding Franklin School District/SAU 18 working together with other area school districts to get better buying power and share educational courses and needs.

8. *Audit Update*

It was stated that the auditors are pleased with where we are with all of the audits for all three districts. In December the auditors will present to all districts. The goal is to have all of the districts audits be done by December. There are no fines being issued. Any findings have been or will be corrected. The issues began in 2010 with previous administration not under current administration. The current business administrator and staff have been working very hard to get the audits caught up. The SAU audits are done a little differently as they have go to the DOE (Department of Education) to review the grants portion for compliance review.

Deborah Brown stated that she will not be at the November meetings.

The meetings will be alternated between the city and school. The next meeting will be held at the Franklin City Hall.

A copy of the minutes from the September 20, 2016 Joint Finance Committee Meeting were provided by City Manager Elizabeth Dragon.

Agenda items numbers 6, 7, 9, 10, 11 will be postponed until the next Joint Finance Committee Meeting.

Meeting adjourned at 7:28 pm.