

**Timberlane Regional School District  
Public Hearing on Proposed 2019-20 Budget**

**Timberlane Regional Budget Committee  
January 10, 2019  
7:00PM**

**Timberlane Performing Arts Center  
40 Greenough Road  
Plaistow, NH**

**Call to Order**

Chairman Mascola opened the public hearing on the 2019-20 Proposed School District Budget at 7:03pm, followed by the roll call and the Pledge of Allegiance.

**Budget Committee Members Present**

Peter Bealo, Alan David, W. David Gerns, Kathleen Gorman (7:14pm), Julie Hammond, John Hughes, Michael Mascola, Todd McCormick, and Phil Sherwood.

**School Board Members Present**

Brian Boyle, Lee Dubé, Kimberly Farah, Sheila Lowes, Sarah Machemer, Shawn O'Neil, Kristin Savage (7:06pm), Susan Sherman, and Jennifer Silva.

**Also Present**

Dr. Earl Metzler, Superintendent of Schools  
Geoffrey Dowd, CFO/Business Administrator

Chairman Mascola began the presentation with recognition of Committee and Board membership by town, a review of the hearing agenda, purpose of hearing, and ground rules. He then announced he would assign Committee members to read aloud the portions of the presentation relative to the proposed budget, and then would defer assigning School Board members to read aloud and address the remaining warrant items to School Board Chairwoman Sherman.

First and second sessions of the annual meeting were presented by Mr. Gerns which included the announcement of Deliberative Session on February 7, 2019 at 7pm at the Timberlane Regional High School, and voting on March 12, 2019.

**ARTICLE 2 - PROPOSED BUDGET**

Shall the voters of the Timberlane Regional School District raise and appropriate as an operating budget, not including appropriations by special warrant articles and other appropriations voted separately, the amounts set forth on the budget posted with the warrant or as amended by vote of the first session, for the purposes set forth therein, totaling \$71,733,700? Should this article be defeated, the operating budget shall be \$70,930,105 which is the same as last year, with certain adjustments required by previous action of the Timberlane Regional School District or by law; or the governing body may hold one special meeting, in accordance with RSA 40:13, X and XVI, to take up the issue of a revised operating budget only. Note: Warrant Article 2 (the operating budget) does not include appropriations proposed under any other warrant articles. (MAJORITY VOTE REQUIRED)

Mrs. Hammond read Article 2 – Operating Budget reflecting a proposed budget of \$71,733,700 and default budget of \$70,930,105. Mr. Hughes presented an overview of the budget process, and Mr. McCormick presented a budget overview of the net difference between the 2018-19 budget and the proposed 2019-20 budget reflecting a decrease of 0.19% and total of less than \$136,906. He then reviewed the budget drivers reflecting both increases and decreases of amount greater than \$25k. Mr. Sherwood presented the budget by object code noting differences from 2018-19 to the newly proposed.

**PUBLIC COMMENT/DISCUSSION**

Jack Sapia of Atkinson spoke to capital expenses, facility needs, and inquired how the capital budget line was developed. Mr. Gerns explained the Committee did not specify projects for consideration; they only used \$500k as requested in the CIP, then dedicated \$400k to buildings and \$100k to site improvements.

Rob Collins of Danville spoke to the board's recommended capital expense of \$940k and questioned why the School Board liaison on the Budget Committee voted against that number. Mr. Boyle responded he voted the bottom line number only, not individual line items.

#### **DEFAULT BUDGET**

Madam Chair Sherman presented the laws associated with developing the default budget (RSA 40:13, IX (b) and RSA 40:13, IX (c)). Dr. Farah presented line by line the MS-DSB (default budget) reflecting a total budget value of \$70,930,105 and noted the SAU management lines are subject to change upon the SAU Board's public hearing.

#### **PUBLIC COMMENT/DISCUSSION**

Mr. Sapia spoke to his concerns of the process used for determining one-time expenditures on a new default budget when using the current default budget as a basis as well as the School Board's suggestions the Budget Committee stay within 10% of the Board's default budget versus using the data driven numbers they collected during the budget development process. Dr. Farah called for Chairman Mascola to redirect the discussion to the default budget only.

Mr. Collins spoke to the new default law requiring the specifics of line items to be presented to the public. School Board Attorney James O'Shaughnessy opined the board's presentation of the MS-DSB has met the spirit of the law. Mr. Collins then spoke to concerns of the transportation line being underfunded by \$420k noting the district's contractual obligation to transport students. Mrs. Silva explained the Board followed the law as they understood it when developing the transportation line and that it is important the word get out for the voters to support the proposed budget. Discussion ensued on placing future transportation contracts on the ballot and the "no means no" law. Dr. Metzler spoke to legal opinions about including the transportation increases in the default budget and noted the district has a multiyear transportation contract.

Mr. Collins spoke to concerns related to the group insurance budget line and how that number was calculated. Dr. Farah provided the rationale for the decrease noting it was reflective of the reduction of 14 positions. A motion was made and seconded to move onto Article 3 but was not recognized by the Chair based on authorized voting procedures. Discussion on the matter continued with input from Peter Bealo on the figures used to calculate the decrease and on the availability of the Business Administrator's default budget of \$900k higher should members of the public wish to see it, on Mr. Dowd's support of the insurance line figure, and on Mr. Dowd's concern with the transportation line, the capital lines, and the re-allocation of funds from operational to capital as it relates to the Articles of Agreement.

Madam Chair spoke to the public hearing being a forum to discuss and debate the items with hopes both the Budget Committee and School Board would consider the comments from the public as she, too, has concerns about the transportation lines, but believes the Board has followed the law in developing the default budget. Mr. Boyle opined the district operated on \$69million dollars last year, there being plenty of money to run the district, and that people are playing games with this default. Mr. Collins expressed concern with the pressing needs of infrastructure and requested the Board place money in the capital expense lines. Mr. Sapia spoke to repairs and maintenance not being properly addressed, the attitude of Board members towards its citizens, and concerns about student safety. Mr. Sherwood spoke to student safety being important to all as well as the difference between the proposed budget and the default budget in relation to cutting versus slashing the budget. Discussion continued on moving moneys to the 4600 lines, the Board's position they cannot legally do so, of not all projects included in the current \$500k capital budget being one-time

expenditures, and the need to have questions raised answered in order for the Board to reconsider changes to the default budget. Mr. O’Neil spoke to the law requiring voters to ratify contracts for inclusion into the default budget and opined last year’s proposed budget failed due to it being increased on the deliberative session floor. When asked to identify potential consequences of an underfunded default budget, Dr. Metzler responded he was not prepared to speak to specifics: however, the bottom line doesn’t concern him as much as the restrictions to some of the individual lines to which he would need to work out with the School Board.

**REVENUE BUDGET**

Chairman Mascola presented the revenue budget giving special consideration to the total income, district assessment, and total lines.

**PUBLIC COMMENT/DISCUSSION**

None

**ARTICLE 3 – CAPITAL RESERVE FUND**

Shall the voters of the Timberlane Regional School District raise and appropriate up to \$250,000 to be placed in the School Building Construction, Reconstruction, Capital Improvement and Land Purchase Capital Reserve Fund established in 1996, with such amount to be transferred from those funds in the June 30, 2019 unassigned fund balance available for transfer on July 1 of this year which were apportioned as Capital Expenses in 2018-2019 in accordance with Article 6 of the Timberlane Regional School District Articles of Agreement? No amount to be raised by taxation. (MAJORITY VOTE REQUIRED)

Madam Chair Sherman read Article 3 on the Capital Reserve Fund noting this is a standing article.

**PUBLIC COMMENT/DISCUSSION**

None

**ARTICLE 4 – PERFORMING ARTS CENTER OUTER WALL REPLACEMENT**

Shall the voters of the Timberlane Regional School District raise and appropriate the sum of \$500,000 to repair the outside wall of the Timberlane Performing Arts Center and to authorize the District to withdraw the sum of \$500,000 from the existing School Building Construction, Reconstruction, Capital Improvements and Land Purchase Capital Reserve Fund? No amount to be raised by additional taxation. (MAJORITY VOTE REQUIRED)

Mr. Boyle read Article 4 and requested Business Operations Coordinator Tom Geary speak to the specifics of the article. Mr. Geary provided an account of the historical issues with repair of the outer wall of the PAC noting the materials used are no longer sold and no warranty options are available. An engineer is scheduled to present repair options to the School Board at their next meeting to finalize the costs and product used.

**PUBLIC COMMENT/DISCUSSION**

In response to questions from both Budget Committee and School Board members, Mr. Geary spoke to the cement board product currently used on the PAC as well as other district buildings, and on the risk of water or air infiltration into the inner wall or sub structure and potential damage (water/mold). Mrs. Silva spoke to the building’s impressive front view, but noted the condition of the sides and the back of the building was surprising. Mr. Geary indicated he had presented this issue to the School Board at a previous meeting and that the \$500k figure was the limit for options to be considered by the architect.

**ARTICLE 5 – THREE YEAR COLLECTIVE BARGAINING AGREEMENT (TIMBERLANE TEACHERS ASSOCIATION)**

Shall the voters of the Timberlane Regional School District approve the cost items included in the collective bargaining agreement reached between the Timberlane Teachers Association and the Timberlane Regional School Board, which calls for the following increases in salaries and benefits at the current staffing levels over the amount paid in the prior fiscal year:

Fiscal Year	2019-20	2020-21	2021-22	
Estimated Increase	\$866,343	\$851,967	\$901,897	
				3-Year Total \$2,620,207

And further to raise and appropriate the sum of \$866,343 for the 2019-20 fiscal year, such sum representing the additional costs attributable to the increase in salaries and benefits required by the new agreement over those that would be paid at the current staffing levels? (MAJORITY VOTE REQUIRED)

Mrs. Machemer presented Article 5 and reviewed the financials, intent, summary of changes for each of the three years, and language changes to the contract.

**PUBLIC COMMENT/DISCUSSION**

Mr. Bealo inquired when the proposed contracts would be available for review of the language changes, followed by Mr. O’Neil’s note that the Board voted to make this information available. Attorney O’Shaughnessy informed he was currently working with the union’s attorney to make this information available and would have it finalized well before the deliberative session.

Paul Boyd of Danville inquired about the process should the article fail to which Madam Chair Sherman stated the terms of the current contract would stay the same. Mrs. Machemer noted the special article authorizing the Board to continue negotiating in the event the CBA failed was missing from the warrant.

**ARTICLE 6 – CHANGES FOR PROFESSIONAL BANKING OR BROKERAGE ASSISTANCE FOR RESERVED FUNDS AND TRUST FUND (NON-CONTINGENT)**

Shall the voters of the Timberlane Regional School District vote, pursuant to RSA 35:9-a, III (which became effective July 26, 2014), to authorize the Trustees of the Trust Funds, without further action of the school district meeting, to charge any expenses incurred for professional banking or brokerage assistance for trust funds and reserve funds in their custody as authorized in RSA Chapter 35 and RSA 198:20-c, II, against the funds involved, such authority to remain in effect until rescinded by a vote of the school district meeting, which said vote to rescind such authority shall not occur within 5 years of the adoption of this article? (MAJORITY VOTE REQUIRED)

Mr. Dubé read Article 6.

**PUBLIC COMMENT/DISCUSSION**

None

**ARTICLE 7 – CHANGE TRUSTEES OF THE TRUST FUNDS (NON-CONTINGENT)**

Shall the voters of the Timberlane Regional School District vote, pursuant to RSA 198:20-c, II (trust funds) and RSA 35:2 (reserve funds), to elect the trustees of trust funds of the town of Plaistow, NH, to take custody of all school district established trust funds and reserve funds on July 1, 2019, and to administer such funds on behalf of the school district

under the provisions of RSA 31:22? This article is not contingent upon the passage of Article 6 (regarding charges for professional banking and brokerage assistance). (MAJORITY VOTE REQUIRED)

Ms. Lowes read Article 7.

PUBLIC COMMENT/DISCUSSION

None

**ARTICLE 8 – GENERAL ACCEPTANCE OF REPORTS**

Shall the voters of the Timberlane Regional School District accept reports of agents, auditors, and committees as written in the 2018 Annual Report? (MAJORITY VOTE REQUIRED)

Madam Chair Sherman read Article 8 noting it was a general acceptance of reports; no money involved.

PUBLIC COMMENT/DISCUSSION

In response to inquiries, Attorney O’Shaughnessy informed nothing would happen if the article didn’t pass.

**ARTICLE 9 – SAU55 WITHDRAWAL STUDY BY PETITION OF STEFANIE DUBE ET AL**

Shall the Timberlane Regional School District pursuant to RSA 194-C, I, create a Planning Committee to study the advisability of the withdrawal of the Timberlane Regional School District from SAU#55 in accordance with RSA 194-C:2, IV(a), for its organization, operation and control, and the advisability of constructing, maintaining and operating a School Administrative Unit to serve the needs of the Timberlane Regional School District.

Chairman Mascola read Article 9 and then invited lead petitioner Stefanie Dube to speak to the article.

Stefanie Dube of Danville presented six points on the petition: 1) Timberlane does not need Hampstead to oversee any part of Timberlane; 2) Timberlane schools will remain intact; 3) The two school districts use separate vendors and evaluation tools; 4) Hampstead students do not attend Timberlane; 5) The study will determine the cost for a withdrawal; and 6) this is a positive initiative for Timberlane.

PUBLIC COMMENT/DISCUSSION

None

**ARTICLE 10 – TRANSPORTATION COST BY PETITION OF PETER BEALO ET AL**

In the event the TRSD budget fails to pass at 2019 elections, to fully fund the TRSD transportation contracts now in place in 2019-2020 school year by raising and appropriating \$460,303 through taxation.

Chairman Mascola read Article 10 and then invited lead petitioner Peter Bealo to speak to the article.

Mr. Bealo spoke to the intent of the article which was to fund the increase in transportation costs that are omitted from the default budget should the proposed budget fail.

PUBLIC COMMENT/DISCUSSION

Ms. Gorman spoke to her concern of tying the School Board’s hands should be proposed budget and warrant article fail. Leo Grondon of Atkinson inquired about the \$460k amount stating it was \$40k over the actual budgeted amount. Mr. Sapia spoke to the “no means no” statute and a possibility for an exception should the need be deemed a safety matter.

Dr. Farah spoke to her support of the proposed budget and of her concern the lower of the two budgets would pass (default). Mr. Bealo responded the amount in the article is based on more than one transportation contract; it included cost escalations and potential additional special education transportation needs.

Attorney O'Shaughnessy spoke to the legal ramifications of the article not passing and cited RSA 32:10 and RSA 32:11 in that the board cannot reallocate money to the transportation lines should the default budget pass and the district would need to demonstrate an emergency with both DRA and the DOE for an exception. Discussion ensued as to whether the purpose of the article was for transportation as a whole or just the additional money to fund transportation.

Dr. Farah spoke to complying with state mandates about transportation to the extent of re-allocating athletic and student trip transportation moneys to the general transportation lines. Attorney O'Shaughnessy spoke to the Articles of Agreement in that the voters have indicated they will transport students in grades 1-12 even though statute only requires for grades 1-8, thus, the district is legally obligated to transport grades 1-12. He stated there are no prescribed exceptions to this legal obligation and the Board should include these costs in the default budget. Dr. Metzler spoke to another legal opinion he received that evening recommending the Board fully fund transportation in the default budget. Discussion ensued on Board members not seeing the second opinion as referenced and read aloud by Dr. Metzler. Mr. Dubé spoke to developing the default budget as recommended by the NHSBA and his desire to review this new information before taking any additional action; he will vote against the warrant article. Dr. Metzler spoke to concerns he expressed to the Board during the default development process (transportation, special education, food service) and has now provided two legal opinions to the Board for reconsideration. He apologized for the timing of the second opinion having only received it that day and immediately forwarding it to the School Board Chair and Vice Chair.

#### **ARTICLE 11 – HIGH SCHOOL ATHLETIC TRACK BY PETITION OF ROB COLLINS ET AL**

Shall the voters of the Timberlane Regional School District raise and appropriate the sum of \$312,000 for the repair and replacement of the Timberlane Regional High School track, and to authorize the District to withdraw up to the sum of \$312,000 from the existing School Building Construction, Reconstruction, Capital Improvements and Land Purchase Capital Reserve Fund? No amount to be raised by taxation. (MAJORITY VOTE REQUIRED)

Ms. Gorman read Article 11 and Chairman Mascola invited lead petitioner Rob Collins to speak to the article.

Mr. Collins spoke to the students in the track program not being able to have home meets due to the condition of the track which bubbles up after it rains causing uneven and lifting surface issues. He stated the district's insurance company supports the determination made by the athletic department to not hold meets but to use on a case by case basis dependent of the condition of the day.

#### **PUBLIC COMMENT/DISCUSSION**

Mrs. Silva spoke to inspecting the track during the rain and finding no bubbles as described. Dr. Farah spoke against the article citing the newly adopted Strategic Plan will focus on facility needs as well as her concern that using capital reserve funds on this project will tie the Board's hands to withdraw more funds should there be a need. Mr. Sapia spoke to the School Board's irresponsibility for not addressing this need earlier, that bond passage requires a 2/3rds vote, the unfairness to students, and the liabilities that need to be mitigated. Ms. Lowes spoke her asking the facilities manager numerous times to talk to the original installers of the track as she would like a second opinion. Dr. Metzler spoke to the inaccuracies in Ms. Lowes' statement citing the matter had been discussed with the Board, and that the insurance company was contacted regarding concerns about liability. The insurance company provided a written recommendation to replace and develop a plan to close the track when it presents a safety concern. Mr. Dubé spoke to being offended by

the irresponsible comments stating other, more pressing needs must be addressed and the Board has limited funds to work with.

Discussion continued on the need to replace the top surface and only repair the lower foundation of the track, on the Board's commitment to address the PAC, the millions of dollars of improvements needed, the timing of this petition in light of all the other items that need addressing, references to the CIP, the Capital Reserve Fund not being a contingency fund for under-funded budgets, and that the track is being used regularly; thus students are not being deprived of the sport even though they can't hold home meets.

**ARTICLE 12 – AMEND ARTICLES OF AGREEMENT TO WEIGHTED VOTING BY PETITION OF JACK SAPIA ET AL**

Shall the voters of the Timberlane Regional School District change Article 2 of the Articles of Agreement to incorporate weighted full time weighted voting based on percentage of the student enrollment of each town. If Warrant Article 12 passes this Warrant Article is void.

Chairman Mascola read the article and invited lead petitioner Mr. Sapia to speak to the article.

Mr. Sapia spoke to the SAU Board's recent use of weighted voting as the inspiration to this article, on the four diverse towns that make up the school district, upcoming decisions to be made relative to strategic plan initiatives that will affect the impact on property values and students over the next 20-30 years, and representation equitability of the four towns.

**PUBLIC COMMENT/DISCUSSION**

Mr. Boyle spoke to the SAU weighted voting measure as statutorily supported in that all SAU board level votes should be done this way. Dr. Farah spoke to the statute providing a quantifiable way to determine weighted voting by the number of students; whereas the article is too ambiguous to implement. Mr. Bealo spoke to the use of weighted voting at the SAU level as optional only and that the article is not ambiguous as long as someone can calculate percentages based on apportioned votes. Attorney O'Shaughnessy spoke to there being no statutory provisions for cooperative school districts to use weighted voting; however, he would need to research the matter. Dr. Metzler spoke to membership numbers of only six members as referenced in the statute and the SAU Board having 14. Mr. Gerns inquired of the threshold to pass such an article to which Attorney O'Shaughnessy responded 2/3rds if the article is constitutional; he has not yet conducted a legal review of the article.

**ARTICLE 13 - AMEND ARTICLES OF AGREEMENT SPECIFIC TO BOARD MEMBERSHIP BY PETITION OF JACK SAPIA ET AL**

To see if the Timberlane Regional School District shall amend Article 2 form April 30, 1964 agreement to a membership of the Timberlane Regional School Board to be a nine member board comprised of the following: Atkinson – 2 members; Danville – 1 member; Plaistow – 3 members; and Sandown – 3 members.

Chairman Mascola read the article and invited lead petitioner Jack Sapia to speak to the article.

Mr. Sapia spoke to this being another way to address the equity matter relating to town representation on the school board as Plaistow and Sandown have similar number of students enrolled, followed by Atkinson and then Danville.

**PUBLIC COMMENT/DISCUSSION**

Mr. Hughes spoke to the article not addressing changes to enrollment numbers. Attorney O'Shaughnessy spoke to the statute that governs cooperative school districts changes (RSA 195:19-a and RSA 195:22) in that it can only be done by

petition of 10% of qualified voters, thus procedurally, the article is invalid and will not be included on the official warrant.

With the conclusion of the budget and warrant article presentation, Chairman Mascola announced special meetings immediately following the public hearing and closed the public hearing at 10:15pm

Respectfully submitted,

A handwritten signature in black ink that reads "Catherine Belcher". The signature is written in a cursive style with a large, stylized initial 'C'.

Catherine Belcher  
Secretary Pro Tem

This hearing may be watched in its entirety by logging onto: <https://vimeo.com/311301918>