WARRANT ARTICLE #1

Pelham School District

Operating Budget

Budget Development Process

Budget Guidelines

- Communicate guidelines to Administrative Team (ex. Inflation rates, % increase/decrease)

Administrator Budget Development

- Building Principals and Directors develop budgets with the exception of salaries and benefits and present to the Superintendent for feedback
- The Business Administrator and Human Resource Director develop the salaries and benefits

School Board Presentations

- Each building and department presents the individual budget to the School Board
- The School Board listens and asks questions and asks for more information if needed

Budget Development Process

Superintendent Budget

- Superintendent reviews all budgets and make 2nd level cuts and/or additions
- Superintendent presents revised budget to the Board

School Board Budget

- School Board makes reductions and/or additions to the Superintendent's budget
- School Board approves a recommended budget

Budget Committee Budget

- Business Administrator and Superintendent present the School Board's budget to the Budget Committee
- Budget Committee makes reductions and/or additions
- Budget Committee approves a budget to be placed on the warrant article for consideration at this Deliberative Session

Warrant Article #1

Shall the Pelham School District vote to 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 the vote at the first session of the annual school district meeting, for the purposes set forth herein, totaling Thirty-Two Million, Seventy-Seven Thousand, Forty-Four Sixty-Four dollars ($32,077,464)? Should the article be defeated, the default budget shall be Thirty-One Million, Four Hundred Forty-Six Thousand, Three Hundred Eighty-Three dollars ($31,446,383), which is the same as last year, with certain adjustments required by previous action of the Pelham School District or by law; or the School Board 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. *(Majority vote required).*

Recommended by the School Board

Recommended by the Budget Committee

The Operating Budget by Fund

	15-16 Actual	16-17 Adopted	17-18 Recommended	Change	% Change
General Fund	27,582,018	29,311,171	30,221,588	910,417	3.11%
Food Service Fund	854,186	1,090,935	1,125,876	34,941	3.20%
Grants Fund	625,677	731,385	730,000	(1,385)	-0.19%
Total Operating Budget	**$29,061,881**	**$31,133,491**	**$32,077,464**	**$943,973**	**3.03%**

The Food Service Fund is a self-funded program that is offset by revenues with no impact to the tax rate.

MAJOR FACTORS IMPACTING THE RECOMMENDED 2017-2018 GENERAL FUND OPERATING BUDGET

- New Roof at Pelham Elementary School
  - The total cost estimate of the roof = **$350,000 (approximately 1.12% of total budget % increase)**
  - The current roof is 15 years old and is showing signs of deterioration, specifically on the back side of the building, and is nearing the end of its useful life.
  - The new roof is part of the Town's Capital Improvement Plan (CIP) and was approved by the CIP Committee.

- Special Education Costs
  - The total increase in the Special Education budget = **$365,475 (approximately 1.17% of total budget % increase)**
  - The current school board has made it policy to manage the Special Education portion of our budget as its own budget. These services are costly but are required by law therefore a shortfall in the budget would be funded from the general budget.
  - If the total Special Education costs are less than the budget then the school board has committed to returning that shortfall to the taxpayers and not transfer it to general education budget unless discussed and approved at a public meeting.

- Remaining Budget **(approximately .74% of total budget % increase)**
  - There were other areas of the budget that also increased such as transportation, benefits, contractual obligations, and energy costs.
  - Discretionary spending remained virtually unchanged, reflecting the Districts efforts to manage costs in areas such as school supplies and technology while still supporting our school district goals.

Questions

WARRANT ARTICLE #2

Collective Bargaining Agreement with the
Pelham Educational Support Personnel Association
(Ratified)

Warrant Article #2

Shall the Pelham School District vote to approve the cost items included in the collective bargaining agreement reached between the Pelham School District and the Pelham Educational Support Personnel Association (PESPA) which calls for the following increases in salaries and benefits over the amount paid in the prior fiscal year at current staffing levels:

Year	Estimated Increase
2017-2018	$ 71,971
2018-2019	$ 81,511
2019-2020	$ 78,551

and further to raise and appropriate the sum of Seventy-One Thousand, Nine Hundred and Seventy-one ($ 71,971) for the 2017-2018 fiscal year, such sum representing the additional costs attributable to the increase in salaries and benefits required by the new agreement that would be paid at current staffing levels? *(Majority vote required).*

Recommended by the School Board

Recommended by the Budget Committee

Key Fiscal Issues

- Recognize burden to Pelham's taxpayers
- Recognize support personnel contributions and expectations
- Anticipate potential liabilities due to implementation of the "Cadillac Tax" component of the Affordable Care Act (Obamacare)

Note: The CBA negotiations were completed before Election Day and based on existing law currently in effect.

Significant Items Negotiated

- Three-year agreement
  - If this CBA passes, it will renew in alternate years to the PEA (teachers) contract
- Wages
  - Percentage increase plus schedule step (if applicable; steps occur every 3 or 4 years)

    Year 1 – 1.5% increase
    Year 2 – 2.0% increase
    Year 3 – 2.5% increase

  - Instructional Assistants certified as teachers or para-educators to receive an additional $0.40 per hour, up from $0.20, over their regular pay

Significant Items Negotiated (continued)

- Medical Insurance
  - Employer contribution changes from a driver-based plan to the following percentages:
    - High premium plan (Blue Choice POS) – 55%
    - Middle premium plan (AB20 HMO) – 60%
    - High deductible plan (IPDED) – 70%
  - Blue Cross POS plan changes from 3-tier to 2-tier plan
  - The average GMR (Guaranteed Maximum Rate) increase for FY 18 is 9.4% and the projected budget increase is 0.83%. Negotiated insurance changes result in an anticipated cost savings of 8.57%.
  - The Blue Cross POS plan will be dropped if the “Cadillac Tax” takes effect in January 2020 to protect taxpayers from the anticipated 40% tax on premiums above the legal threshold.
- Anniversary Date Adjustment
  - Wage increases to be determined twice a year (Currently increases have to be determined every pay period. This change reduces the administrative burden and potential for error).

Cost Impact to Taxpayer

For 92 positions (91.5 FTE) represented by PESPA in the school district:

- 3.63% increase ($71,971) for fiscal year ending June 2018 (estimated)
- 3.97% increase ($81,511) for fiscal year ending June 2019 (estimated)
- 3.69% increase ($78,551) for fiscal year ending June 2020 (estimated)

Questions

WARRANT ARTICLE #3

Security and Structural Improvements at PES & PMS

Warrant Article #3

Shall the Pelham School District vote to raise and appropriate the sum of Five Hundred, Fifty-Six Thousand, Nine Hundred and Thirty-One ($556,931.00) dollars for the redesign, and construction of security and structural improvements to the entrances of the Pelham Elementary School and the Pelham Memorial School? *(Majority vote required).*

Recommended by the School Board

Recommended by the Budget Committee

Security Upgrades - First Phase

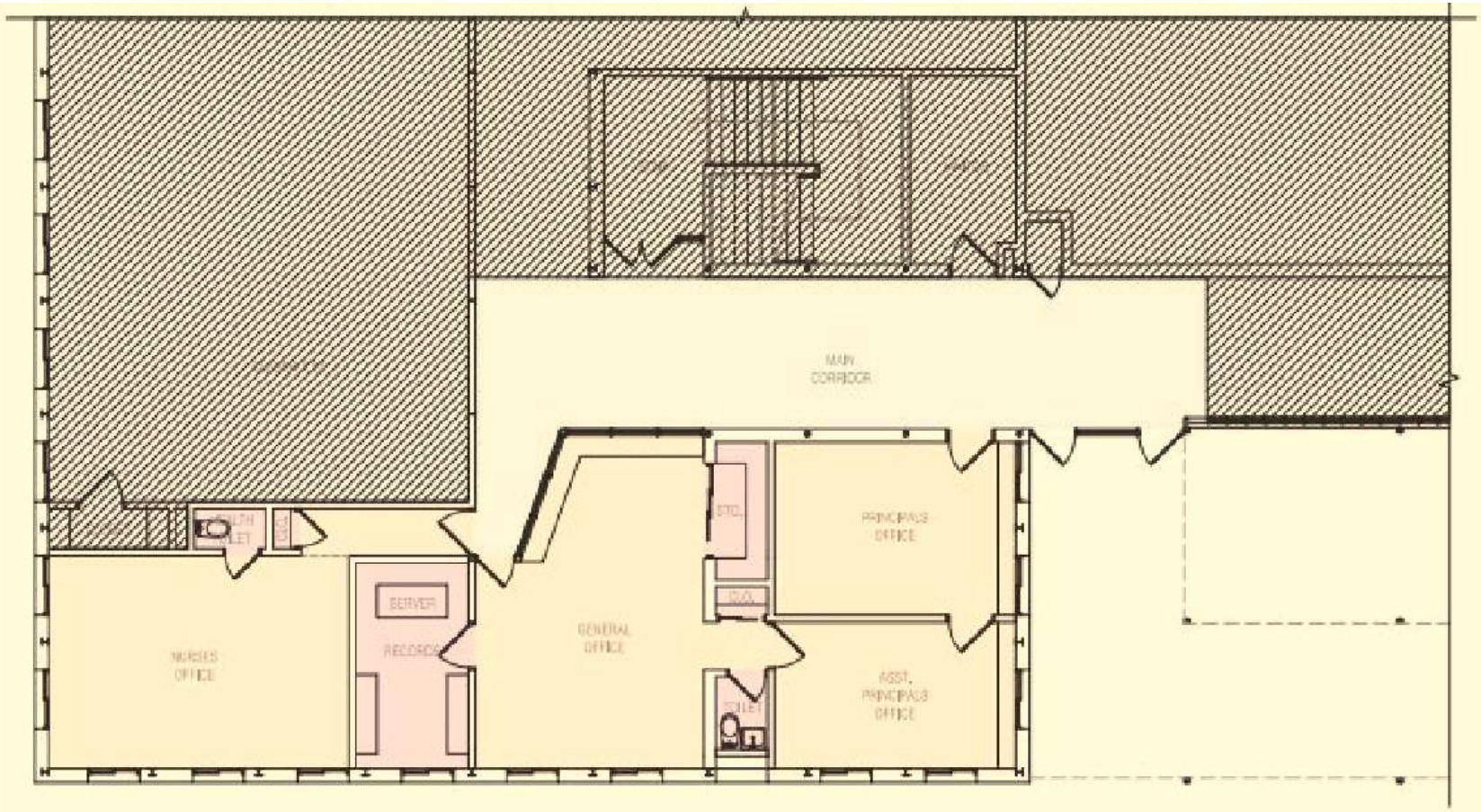
- PES/School District Office/Classroom Portable Space
  - Installed 32 cameras for a total of 33 internal and external cameras
  - Installed electronic monitoring on all exterior doors

- Pelham Memorial School
  - Installed 21 cameras for a total of 24 internal and external cameras
  - Installing electronic monitoring on all exterior doors

- Voters Approved $45K for Architectural and Engineering Fees to redesign front entrances

Security Upgrades - Second Phase

- Upgrade the entrances to PES and PMS.
- Enhances the security at both schools for students and staff
- Completes the major recommendations from NH Office of Homeland Security Audit
- Modification of the entrances facilitates a safer, more controlled access plan
- PES entrance cost: $59,592
- PMS entrance and renovation cost: $497,339
- PMS is an extensive renovation that also address the ADA accessibility deficits in the nurse’s office



Existing First Floor Plan

Scale: 3/16" = 1'

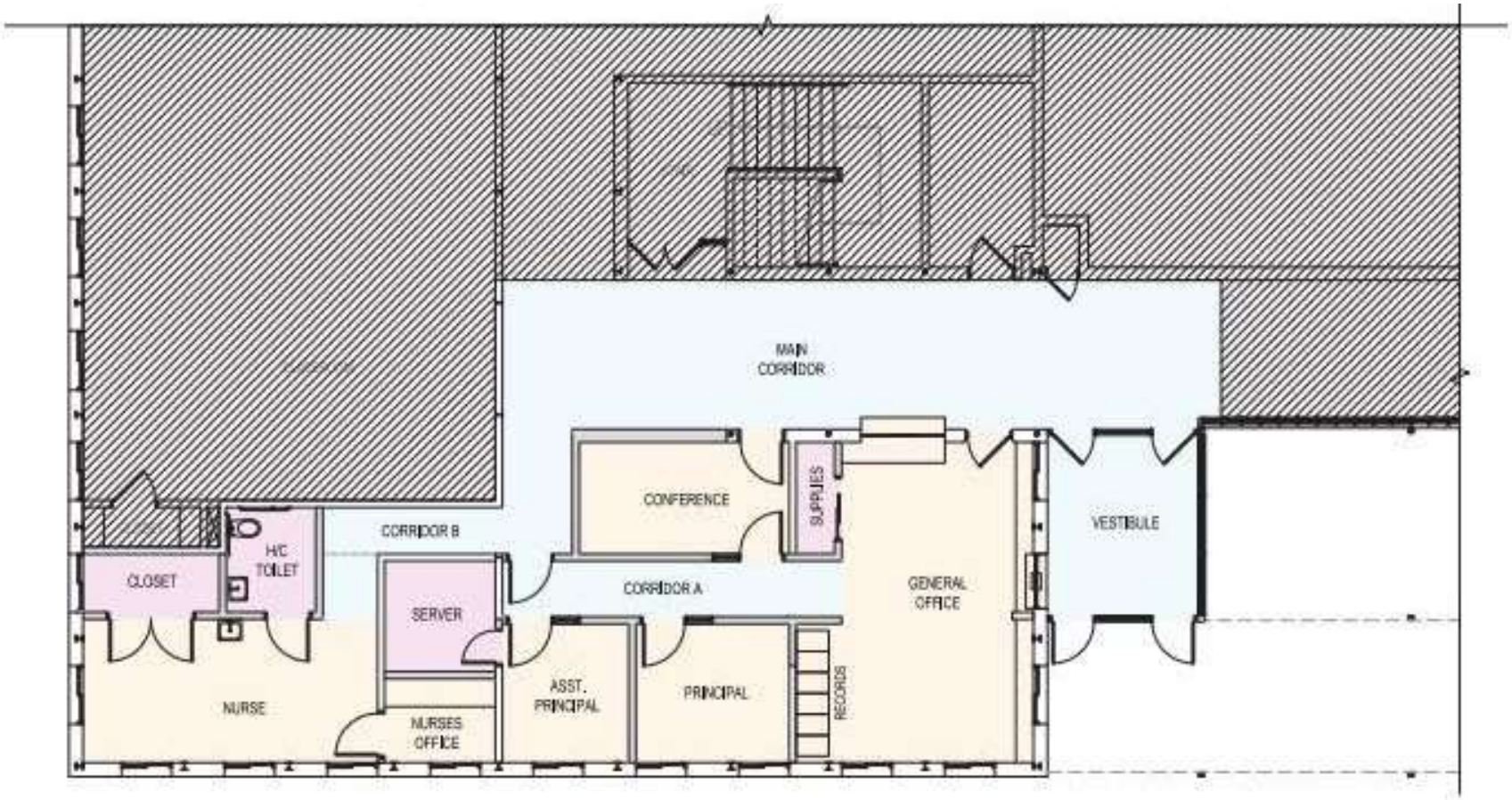
Pelham School District

Pelham Memorial School

Pelham, NH

Administrative & Front Entry Renovation

PORTONE ARCHITECTS



Proposed First Floor Plan

Scale: 3/16" = 1'

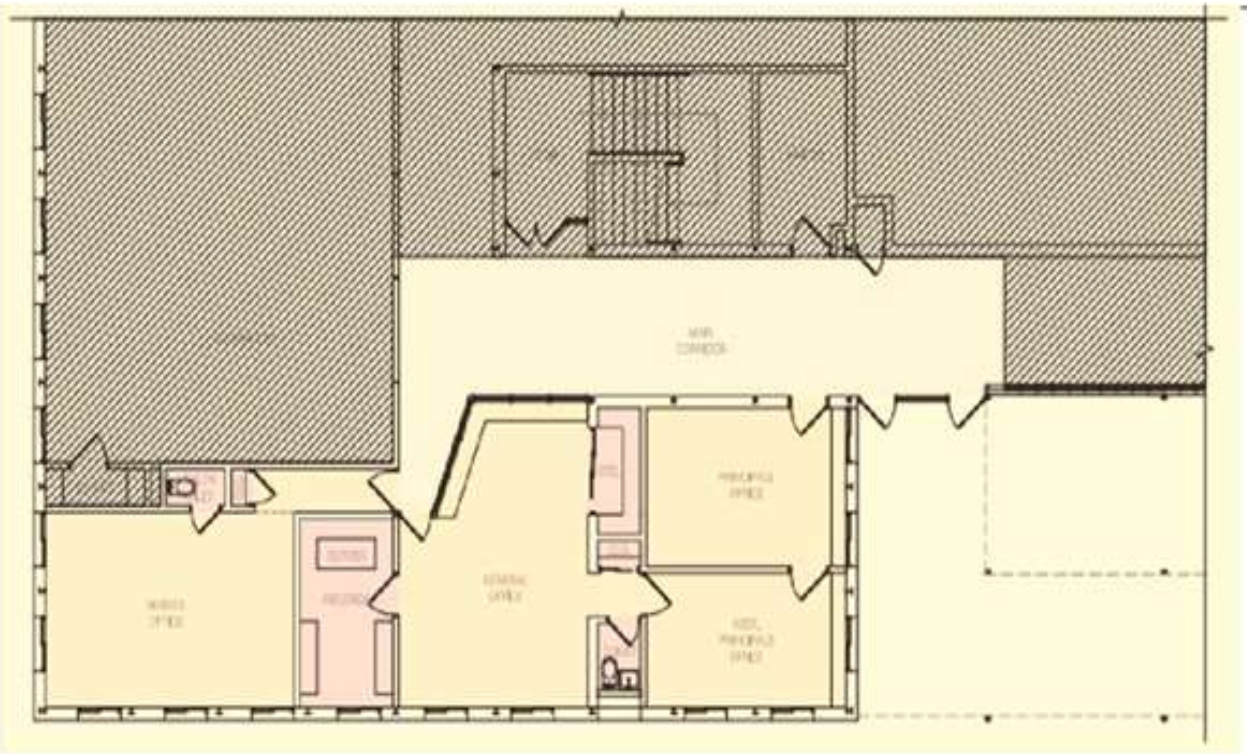
Pelham School District

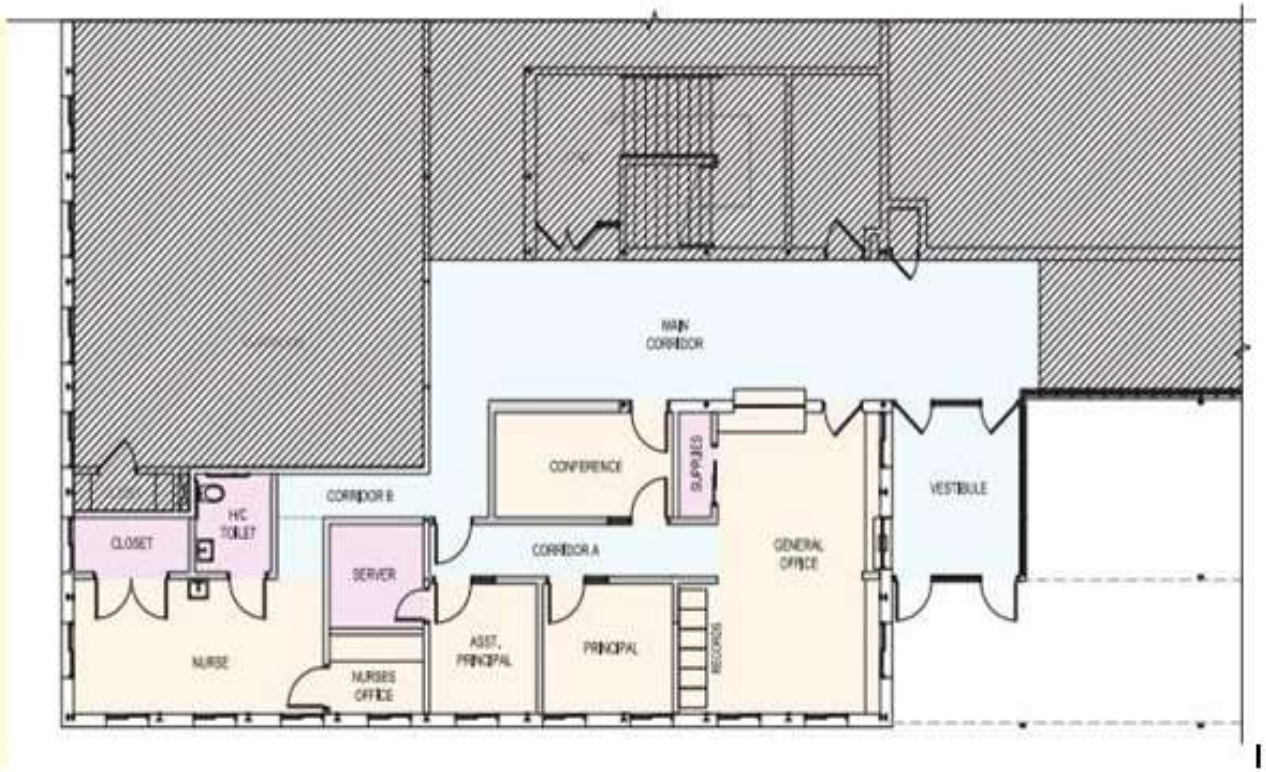
Pelham Memorial School

Pelham, NH

Administrative & Front Entry Renovation

PORT ONE ARCHITECTS




MAIN CORRIDOR
CONFERENCE
SUPPLIES
VESTIBULE
CORRIDOR B
H/C TOILET
CLOSET
SERVER
CORRIDOR A
GENERAL OFFICE
NURSE
NURSES OFFICE
ASST. PRINCIPAL
PRINCIPAL
RECORDS

CLOSET
CLOSET
CONFERENCE
GENERAL OFFICE
MAILBOXES
PRINCIPAL
FIRE ALARM PANEL
CEILING OVERHEAD FIRE DOOR
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VESTIBULE

Questions

WARRANT ARTICLES #4 AND #5

Pelham School District

Capital Reserve Trust Funds

Warrant Article #4

Shall the Pelham School District vote to discontinue the following trust funds? Said funds and accumulated interest to date of withdrawal, are to be transferred to the District's General Fund to be added to the June 30, 2018 unrestricted fund balance. *(Majority vote required).*

HS Building Land Purchase (in the approximate amount of $4,637)	Established 2004
School Facility Land Purchase (in the approximate amount of $10,050)	Established 2005

Recommended by the School Board

Recommended by the Budget Committee

Recommended by Trustees of the Trust Funds

Warrant Article #5

Shall the Pelham School District vote to appoint the Pelham School Board as agents to expend from the Memorial Athletic Field Capital Reserve Fund (in the approximate amount of $36,217), previously established in 1981? (*Majority vote required).*

Recommended by the School Board

Recommended by the Budget Committee

Recommended by Trustees of the Trust Funds

Capital Reserve Trust Funds

- Review of current School District trust funds
- Recommendation by Trustees of the Trust Funds
- With voter approval, our Trust Funds to be managed will include the following and all will reflect the School Board as agents to expend:
  - Special Education CRF, approximate balance $200,155*
  - Memorial Athletic Field, approximate balance $36,217*
  - ADA Modification Fund, approximate balance $25,351*
  - Robinson Tennis Courts, approximate balance $6,573*
  - School Building Maintenance, approximate balance $237,249*

*Ending Balances on 6/30/2016

Questions