

Rochester School Board
Finance Committee Minutes
School Department Board Room
March 2, 2017
6:45 PM

DRAFT

Members Present:

Mr. Paul Lynch, Chair
Mr. Matthew Pappas
Ms. Julie Brown
Mr. Thomas J. Jean
Mrs. Audrey Stevens
Mrs. Karen Stokes
Mr. Robert Watson

Members Absent:

Mrs. Jennifer Bryant

Also Present:

Mr. Michael Hopkins
Ms. Linda Casey
Mr. Richard Bickford
Mr. Adam Houghton
Mr. Raymond Turner
Ms. Nichole Guptel
Public

The meeting was called to order at 6:45 pm. with a quorum present.

Ms. Brown moved, second by Mrs. Stevens, to approve minutes of the February 2, 2017 Finance Committee meeting. The motion passed unanimously.

Financial Update

Ms. Casey, Business Administrator indicated that at this time there has not been much change within the budget from last month. At this point, we need to go a couple more months before we can determine whether there will be surplus or not. Ms. Casey is pleased that there will not be a large snow removal bill this year. We are still in a budget freeze status; there have been no unexpected costs related to the Special Education line at this time. There is a decrease in utility costs in comparison with last year; mostly due to the great contracts that were negotiated to lock in lower pricing.

Mr. Lynch request a brief summary or presentation in regards to dollar amounts when the decision is made to freeze the budget; to enable a better understanding.

Primex – Property/Liability and Workers Compensation Contribution Assurance Program (CAP)

Ms. Casey reported that several years ago this program was approved by the Board to enter into a CAP with Primex; the purpose of the CAP is to ensure there is a cap on increased costs; this offer is to guarantee our annual contribution increase will not exceed 10% of the prior year's contribution for Worker's Compensation and 7% for Property and Liability through June 30, 2021. Due to a trend of escalating claims the opportunity to participate with this program was not offered last year; our claims have stabilized or gone down over the past four years which has provided this opportunity.

Mr. Lynch moved, second by Mr. Pappas the Board approve the Resolution to Enter Primex Property/Liability and Workers Compensation Contribution Assurance Program (CAP) as written (Resolutions attached).

Discussion regarding claims stabilizing and the concern of not taking advantage of the CAP; it is possible that premiums could go up 25% as in previous years if the number of claims significantly increase.

The motion on the floor carried unanimously.

Bid – Force Variation Wheel Balancer (Perkins Grant Funded)

Mrs. Stevens moved, second by Mr. Pappas, to recommend the Board accept the bid from Lappens Garage Equipment of Stoughton, MA in the amount of \$15,200 for a force variation wheel balancer; to be purchased with Perkins Grant funds. The motion carried unanimously.

Financial Items from Personnel Committee – No action required.

Financial Items from Building Committee

Mrs. Stevens moved, second by Mr. Jean, to recommend the Board for approve Meridian Construction of Gilford, NH as the Construction Manager for the SHS Sprinkler System and Fire Alarm Upgrades. The motion carried unanimously.

Financial Items from Special Services Committee

Mr. Lynch moved, second by Mr. Pappas, to recommend the Board accept the bid from Side Effects, Inc. for the SHS Gymnasium Scoreboards for zero dollars.

Discussion ensued regarding bid costs being covered by advertising. Mr. Hopkins indicated that a specific timeframe would be outlined in the contract for fund raising; we would ask Side Effects, Inc. to use the company that was the low bidder; and would require a yearly accounting for revenue raised. Language will be reviewed and added to encompass budgetary needs and specifics.

The motion on the floor carried unanimously.

FY 2018 Budget

Mr. Hopkins reviewed adjustments to the FY 2018 Budget related to revenues, expenditures and recommendations (handout attached) as moved forward by recommendation from each Committee.

Mr. Jean moved, second by Mr. Pappas, to recommend to the Board for first reading the FY 2018 Budget Operating Budget in the amount of \$60,840,549.

Mr. Turner inquired about the process if we move forward with a budget \$1.5 million over the tax cap; are there contingencies already identified. Mr. Lynch indicated that over the next two weeks, the budget will be reviewed and areas taken under consideration. The Operating Budget consist of recommendations approved by each Committee as the best option for first reading by the Board.

A roll call vote on the motion was requested, as follows:

Yes: Mr. Watson, Mrs. Stokes, Mrs. Stevens, Mr. Jean, Ms. Brown,
Mr. Pappas, Mr. Lynch

No: None

The motion carries by a vote of 7:0.

Mr. Lynch moved, second by Mrs. Stevens, to recommend to the Board for first reading the following FY 2018 Budgets:

- Bonded CIP Budget in the amount of \$24,774,127
- Food Service Budget in the amount of \$1,800,000
- Grants Budget in the amount of \$3,571,000

The motion carried unanimously.

Public Comment – None

Other –

Mr. Lynch acknowledged and thanked Ms. Casey for the impressive work she had done to negotiate and lock-in great pricing for utility service contracts; her work has allowed for substantial savings.

Adjournment

Mr. Pappas moved, second by Mr. Jean , to adjourn the meeting at 7:02 p.m. The motion carried unanimously.

Respectfully Submitted,

Mr. Paul Lynch, Chair

Property & Liability Program
Contribution Assurance Program (CAP) Agreement
THIS AGREEMENT AMENDS AND EXTENDS YOUR MEMBERSHIP AGREEMENT
PLEASE READ CAREFULLY

Primex³ is offering members in our **Property & Liability Program** an opportunity to stabilize their annual contributions through participation in our Contribution Assurance Program (**CAP**). **CAP** is offered to members who qualify, providing them predictability by limiting the annual contribution increase during a defined period of years (**CAP Period**). By signing this Agreement, you agree to extend your Membership Agreement for **three (3) years** and Primex³ agrees to guarantee that your annual contribution increase will not exceed seven percent (7%) of the prior year's contribution. Because performance matters with Primex³, you may realize an annual increase that is less than the **CAP** through sound risk management and stable underwriting exposures. The annual member contribution will be based upon your exposure base, members' loss experience, and the rates established each year by the Primex³ Board of Trustees.

We are offering this opportunity so that our members can extend their commitment to pooling through the Primex³ programs. Participation in **CAP** for each year of the **CAP Period** is conditioned upon a three-year commitment to participation in the Primex³ Property & Liability Program.

The following **CAP Period** years qualify for the Contribution Assurance Program (**CAP**):

FY 2019 July 1, 2018 through June 30, 2019
(maximum 7% increase over July 1, 2017 through June 30, 2018 contribution)

FY 2020 July 1, 2019 through June 30, 2020
(maximum 7% increase over July 1, 2018 through June 30, 2019 contribution)

FY 2021 July 1, 2020 through June 30, 2021
(maximum 7% increase over July 1, 2019 through June 30, 2020 contribution)

By signing this Agreement, the **Rochester School District** agrees to extend its risk pool membership and participation in the Primex³ **Property & Liability Program** for three coverage period years, through **June 30, 2021**. The **Rochester School District** agrees and understands it remains bound by and subject to the terms and conditions of the Membership Agreement, Public Entity Coverage Documents and Trust Agreement, and all Trust by-laws, policies and procedures.

The **Rochester School District** agrees that the seven percent (7%) maximum increase currently available for this **CAP Period** does not apply to any other year or period of years, and upon expiration of the **CAP Period** in this Agreement, any subsequent participation in a Primex³ **CAP** will be subject to underwriting review, membership criteria, **CAP** criteria, determination of contribution and the maximum increase in place for the subsequent **CAP Period**.

The **Rochester School District** further acknowledges that by extending its Membership Agreement for three (3) coverage period years, the Public Entity Coverage Documents, General Conditions Section (L) ("Terminating Participation in Our Program(s)") is suspended during year one (1) and year two (2) of the three (3) year term, as there is no right to cancel or terminate during year one (1) and year (2) but shall be reinstated for the end of year three (3).

The **Rochester School District** agrees that failure to provide notice in strict accordance with the Public Entity Coverage Documents, General Conditions Section (L) shall result in automatic renewal of risk management pool membership and continuation in the Primex³ Property & Liability Program, but not continuation of **CAP** which must be separately offered and accepted.

Primex³ acknowledges that the **Rochester School District** is a NH public entity which receives budgetary authorization for appropriations from an annual meeting of its legislative body and pertains to a fiscal year which commences on the following January 1 or July 1, of any given year. The **Rochester School District** also acknowledges that it is legally required to carry insurance coverage. As such, if the legislative body, at such annual meeting for any years that are within the anticipated term of the contract, fails to approve such appropriation, and there are no other lawful means of funding the coverage, this contract may be terminated by the **Rochester School District** by notice to Primex³ made within 30 days of the legislative action at which such funding initiative was defeated and such cancellation shall be effective as of the commencement on the following fiscal year or on the anniversary of the policy, whichever first occurs.

The **Rochester School District**, however, agrees that it shall seek the requisite appropriations in good faith and that the availability of lower cost or otherwise preferable coverage alternatives during the term of this Agreement shall not constitute a good faith and permissible basis on which to fail to pursue the appropriations or assert that appropriations are unavailable. In the event of an early termination, the **Rochester School District** agrees to return the difference between the **CAP** increase and the uncapped contribution.

By affixing my signature below, I am attesting, representing and warranting that I am a duly authorized representative of the governing body of the **Rochester School District** with legal authority to contractually bind the **Rochester School District** to the terms of this Agreement, and that I understand the commitment being made to membership in the Primex³ risk management pool and participation in the Property & Liability Program.

Authorized Representative
of the Governing Body

Title

Date

Print Name



**RESOLUTION TO ENTER PRIMEX³
Property & Liability Contribution Assurance Program (CAP)**

RESOLVED: To hereby accept the offer of the New Hampshire Public Risk Management Exchange (Primex³) to enter into its **Property & Liability Contribution Assurance Program (CAP)** as of the date of the adoption of this resolution, and to be contractually bound to all of the terms and conditions of Primex³ risk management pool membership during the term of the **Property & Liability Contribution Assurance Program (CAP)**. The coverage provided by Primex³ in each year of membership shall be as then set forth in the Coverage Documents of Primex³.

I attest that the foregoing is a true copy of the Resolution of the Governing Board of the **Rochester School District** adopted on _____.

Board: _____

Title of Board

Signature: _____

Name: _____

Title: _____ duly authorized

Date: _____

**Workers' Compensation Program
Contribution Assurance Program (CAP) Agreement
THIS AGREEMENT AMENDS AND EXTENDS YOUR MEMBERSHIP AGREEMENT
PLEASE READ CAREFULLY**

Primex³ is offering members in our **Workers' Compensation Program** an opportunity to stabilize their annual contributions through participation in our Contribution Assurance Program (**CAP**). **CAP** is offered to members who qualify, providing them predictability by limiting the annual contribution increase during a defined period of years (**CAP Period**). By signing this Agreement, you agree to extend your Membership Agreement for **three (3) years** and Primex³ agrees to guarantee that your annual contribution increase will not exceed ten percent (10%) of the prior year's contribution. Because performance matters with Primex³, you may realize an annual increase that is less than the **CAP** through sound risk management and stable underwriting exposures. The annual member contribution will be based upon your exposure base, members' loss experience, and the rates established each year by the Primex³ Board of Trustees.

We are offering this opportunity so that our members can extend their commitment to pooling through the Primex³ programs. Participation in **CAP** for each year of the **CAP Period** is conditioned upon a three-year commitment to participation in the Primex³ Workers' Compensation Program.

The following **CAP Period** years qualify for the Contribution Assurance Program (**CAP**):

FY 2019 July 1, 2018 through June 30, 2019
(maximum 10% increase over July 1, 2017 through June 30, 2018 contribution)

FY 2020 July 1, 2019 through June 30, 2020
(maximum 10% increase over July 1, 2018 through June 30, 2019 contribution)

FY 2021 July 1, 2020 through June 30, 2021
(maximum 10% increase over July 1, 2019 through June 30, 2020 contribution)

By signing this Agreement, the **Rochester School District** agrees to extend its risk pool membership and participation in the Primex³ **Workers' Compensation Program** for three coverage period years, through **June 30, 2021**. The **Rochester School District** agrees and understands it remains bound by and subject to the terms and conditions of the Membership Agreement, Public Entity Coverage Documents and Trust Agreement, and all Trust by-laws, policies and procedures.

The **Rochester School District** agrees that the ten percent (10%) maximum increase currently available for this **CAP Period** does not apply to any other year or period of years, and upon expiration of the **CAP Period** in this Agreement, any subsequent participation in a Primex³ **CAP** will be subject to underwriting review, membership criteria, **CAP** criteria, determination of contribution and the maximum increase in place for the subsequent **CAP Period**.

The **Rochester School District** further acknowledges that by extending its Membership Agreement for three (3) coverage period years, the Public Entity Coverage Documents, General Conditions Section (L) ("Terminating Participation in Our Program(s)") is suspended during year one (1) and year two (2) of the three (3) year term, as there is no right to cancel or terminate during year one (1) and year (2) but shall be reinstated for the end of year three (3).

The **Rochester School District** agrees that failure to provide notice in strict accordance with the Public Entity Coverage Documents, General Conditions Section (L) shall result in automatic renewal of risk management pool membership and continuation in the Primex³ Workers' Compensation Program, but not continuation of **CAP** which must be separately offered and accepted.

Primex³ acknowledges that the **Rochester School District** is a NH public entity which receives budgetary authorization for appropriations from an annual meeting of its legislative body and pertains to a fiscal year which commences on the following January 1 or July 1, of any given year. The **Rochester School District** also acknowledges that it is legally required to carry insurance coverage. As such, if the legislative body, at such annual meeting for any years that are within the anticipated term of the contract, fails to approve such appropriation, and there are no other lawful means of funding the coverage, this contract may be terminated by the **Rochester School District** by notice to Primex³ made within 30 days of the legislative action at which such funding initiative was defeated and such cancellation shall be effective as of the commencement on the following fiscal year or on the anniversary of the policy, whichever first occurs.

The **Rochester School District**, however, agrees that it shall seek the requisite appropriations in good faith and that the availability of lower cost or otherwise preferable coverage alternatives during the term of this Agreement shall not constitute a good faith and permissible basis on which to fail to pursue the appropriations or assert that appropriations are unavailable. In the event of an early termination, the **Rochester School District** agrees to return the difference between the **CAP** increase and the uncapped contribution.

By affixing my signature below, I am attesting, representing and warranting that I am a duly authorized representative of the governing body of the **Rochester School District** with legal authority to contractually bind the **Rochester School District** to the terms of this Agreement, and that I understand the commitment being made to membership in the Primex³ risk management pool and participation in the Workers' Compensation Program.

Authorized Representative
of the Governing Body

Title

Date

Print Name

RESOLUTION TO ENTER PRIMEX³
Workers' Compensation Contribution Assurance Program (CAP)

RESOLVED: To hereby accept the offer of the New Hampshire Public Risk Management Exchange (Primex³) to enter into its **Workers' Compensation Contribution Assurance Program (CAP)** as of the date of the adoption of this resolution, and to be contractually bound to all of the terms and conditions of Primex³ risk management pool membership during the term of the **Workers' Compensation Contribution Assurance Program (CAP)**. The coverage provided by Primex³ in each year of membership shall be as then set forth in the Coverage Documents of Primex³.

I attest that the foregoing is a true copy of the Resolution of the Governing Board of the **Rochester School District** adopted on _____.

Board: _____

Title of Board

Signature: _____

Name: _____

Title: _____ duly authorized

Date: _____

Bid Results for: Wheel Balancer, Force Variation

Bid Opening: Tuesday, February 21, 2017

Company	Location	Bid Total	Comments
Lappens Garage Equipment	Stoughton, MA	\$ 15,200.00	Under Review

Bid Results for: Construction Manager - SHS Sprinkler System Fire Alarm Upgrades
Bid Opening: Wednesday, February 15, 2017

Company:	Martini Northern Portsmouth, NH	Meridian Construction Gilford, NH
Pre Construction Fee:	\$4,985.00	\$3,160.00
Construction Management Fee:	3.0% based upon the GMP	8.0% added to the cost of General Conditions
General Conditions:	\$109,390.00	\$92,497.00
Comments:	Under Review	Under Review

Bid Results for: Scoreboards, SHS Gymnasium

Bid Opening: Wednesday, February 8, 2017

Company	Location	Bid Total	Comments
Side Effects, Inc.	Franklin, OH	\$ -	Under Review
A Plus Athletic Products	Rollinsford, NH	\$ 9,000.00	Under Review
Scoreboard Enterprises, Inc.	Mansfield, MA	\$ 11,385.00	Under Review
CB Seating Inc.	Somersworth, NH	\$ 13,400.00	Under Review

**Rochester School Department
FY 2018 Budget**

Revenues	Original Budget	Committee Adjustments	Revised Budget	Comments
Original Budget Presented	\$. 59,340,131			
		<u>\$ 1,500,418</u>		
Revised Revenues		\$ 1,500,418	\$ 60,840,549	
 Expenditures				
Building Committee February 2, 2017 motion	\$ 2,115,569	\$ -	\$ 2,115,569	
Personnel Committee February 15, 2017 motion	\$ 45,792,587	\$ 1,921,418	\$ 47,714,005	Add back all reductions
Finance Committee	\$ 2,741,229		\$ 2,741,229	
Special Services February 16, 2017 motion	\$ 2,506,951	\$ -	\$ 2,506,951	
Instruction Committee February 15, 2017 motion	\$ 6,183,795	\$ (21,000)	\$ 6,162,795	Eliminate Performance Plus cost
<hr/>				
Totals	\$ 59,340,131	\$ 1,900,418	\$ 61,240,549	
 Recommendation				
Reduce Health Insurance		\$ (400,000)		Rates will potentially decrease from 16.2% to 8.5%
<hr/>				
Total	<u>\$ 59,340,131</u>	<u>\$ 1,500,418</u>	<u>\$ 60,840,549</u>	