

There are seven Warrant Articles being proposed to the voters of Pittsfield in addition to the voting for elected positions. Warrant Article 1 is the election of two School Board members with three year terms, one school Board Member for a one-year term and the School District clerk for a three-year term.

Warrant Article 2- Operating Budget

The Pittsfield School Board put forward a budget of \$10,165,083, a reduction of \$247,981 over the current budget. The Budget Committee has voted to recommend the budget by a vote of 8 to 1. The Default Budget of \$10,246,981 is greater than the proposed budget.

3 major reasons for the decrease:

- The District replaced more than 20 positions at a lower cost than budgeted
- Reduction in health/dental insurance rates
- Removing one-time expenditures approved by the voters

The budget adds:

- Replacement program for technology/furniture
- Family and Consumer Science teacher to meet State standards
- Installing floor tile at PES
- Repairs at both PES and PMHS
- 3% anticipated increase in utilities

What happens if the Warrant article passes? The School District would work within the approved budget and the taxpayers of Pittsfield would see a tax decrease of about 71 cents per thousand dollars of valuation of each property. For a property valued at \$200,000 that would be estimated at \$142.

What happens if the Warrant Article Fails? The School District would use the default budget and have approximately \$82,000 more to spend and the estimated tax decrease would be 47 cents per thousand dollars of valuation creating an estimated tax decrease of \$94.

The question could be asked why is the default budget higher than the proposed budget. The default budget includes all the expenditures from the current budget and removes one time expenditures. The default budget has to include the old health and dental insurance rates and does not realize the reduction in rates we will be receiving.

Warrant Article 3- Collective Bargaining Agreement with the Education Association of Pittsfield

The School Board has come to a contract agreement with the Education Association of Pittsfield. This Budget Committee has recommended this contract with a vote of 7-1-1. There are 57 staff people covered under this agreement including teachers, school counselors, school nurses, librarians, instructional coaches, extended learning opportunity coordinators and online learning

coordinators. The cost of the contract in the first year is \$121,119. The District lost 20% of our teaching staff with a major reason being the low pay scale the District offered. This contract makes us more competitive with other area districts. A comparison of the current Pittsfield School District's pay scale shows that starting pay averages \$7,000 less or more than surrounding school districts. The rest of the pay scale shows similar comparisons.

What happens if the Warrant Article passes? The teachers will receive pay increases over the next three years and our starting pay will increase \$4,000 over the three-year period. This will not make us higher paying than other school districts but we will become more competitive. The increase in the cost of the contract of \$121,119 is offset by the decrease in the operating budget and will still not create a tax increase. In years two and three of the contract, it is possible that as teachers who are at the top end of the scale retire, we will hire teachers at a lower cost that may lower the increase to the budget in the future. There are two pending retirements this year.

What happens if the Warrant Article fails? The teachers will remain at their current contract levels and receive no increase in salary for the coming school year unless there is a renegotiation. I think it is fair to say that the morale for staff would suffer if the public did not vote to support this agreement.

Warrant Article 4- Reconsideration of the Collective Bargaining Agreement

The purpose of this Warrant Article is to ask permission of the voters to allow the School Board to renegotiate the contract agreement with the Education Association of Pittsfield (EAP) if the contract is not supported by the voters.

What happens if this warrant article passes? The School Board, if they chose to, could reopen negotiations with the EAP. The School Board does not have to. If a new agreement was made, it would be brought back to the voters in the spring for the voters to consider.

What happens if this warrant article does not pass? If the contract does not get voter approval, no new contract can be negotiated during this school year.

Warrant Article 5- Establishment of School District Reserve Fund

A few years ago, the state legislature gave School Districts the ability to ask voters to approve the creation of a reserve fund that comes from unexpended funds from each school year's budget. The Town of Pittsfield already has the ability to do this with their unexpended fund balance each year. There are lots of questions about this. The RSA has a lot of language in it that talks about how much money can be retained. The School Board has voted to do the following in creating the fund if the Warrant Article is approved.

The School Board will create a policy that says:

- The District will never keep more than 50% of the unexpended fund balance each year
- The District will cap its annual addition to the fund at \$150,000. So if the unexpended fund balance is more than \$300,000, the district can only keep \$150,000
- The District will create a cap for the fund of \$400,000

According to the law, the fund can only be spent in two ways:

- The first option is the creation of a special project. Any special project needs to be approved by the School Board, the Budget Committee and the Department of Education. This would be a rarity and the project would not be something that could be funded by a Capital Reserve Fund.
- The second option is for the School Board to add revenue to the School District budget to minimize increases in the tax rate. As an example, if the contract with the Education Association of Pittsfield had created an increase of \$50,000, the Board could choose to add \$50,000 of available funds as revenue. This would balance out the increase cost and the citizens would not see an increase in taxes due to the cost of the contract.

Why do this? If the Board uses this fund to minimize changes in the tax rate, the voters can look forward to smaller changes in the tax rate. This will minimize the rising costs that the District may experience. It will also allow the District to counteract any decrease that may come from federal funds. The fund does not need to be used every year. The Budget Committee will be aware of any use of the fund as they consider the budget annually. If a special project came about due to an emergency, the fund could be used without going to the voters to ask for more money.

The question has also been asked, what is the difference between this and a capital reserve fund? Capital reserve funds cannot be used to modify the tax rate. In addition, capital reserve funds are created for specific purposes that would not be considered a special project.

What happens if this Warrant Article passes? At the end of each fiscal year, funds would be put into this reserve fund. Not counting the years with COVID which created skewed budgets, that amount would be about \$45,000. The School Board would look at the budget annually and determine how much, if any, of the fund would be used as revenue to offset needed increases in the operating budget.

What happens if this Warrant Article fails? The District would continue as it has with no ability to minimize the effects of needed or required increases in the School District's operating budget.

Warrant Article 6- Adding Funds to the Dumpster Replacement Capital Reserve Fund

This Warrant Article is to request that the voters authorize the sum of \$3,000 be placed into the Dumpster Replacement Capital Reserve Fund. The Budget Committee recommends this with a vote of 8-0-1. The District is using dumpsters borrowed from the Transfer Station. We need to purchase our own. As they come to the end of their life, the Transfer Station cannot provide replacements. The District needs to be able to purchase new dumpsters in the coming years. The cost for a new dumpster is between \$12,000 and \$15,000.

What happens if this Warrant Article passes? The District will add to its fund and be closer to be able to replace the two dumpsters being used. This is being done slowly so that the effect on the tax payer is minimal.

What happens if this Warrant Article fails? The District will be farther away from being able to replace the dumpsters without asking for large sums of funding at one time.

Warrant Article 7- Food Service Program Funds

The purpose of this Warrant Article is to ask the voters permission to accept federal funds estimated to be \$330,000 to support the Food Service Program in the School District. The Budget Committee supported this with a vote of 8-0-1. The food service program is supposed to run at no cost to the tax payer. Accepting these funds allows the District to do that.

What happens if this Warrant Article passes? The District will accept the federal funds to offset the cost of running the Food Service program. There is no effect to the tax rate.

What happens if this Warrant Article fails? The District **cannot** accept the federal funds and the \$330,000 will need to come from other places in the Operational Budget reducing the ability to provide programs for students.

Warrant Article 8- Recovering Funds from Grant Funds

The purpose of this Warrant Article is to give the District permission to accept an estimated \$850,000 in funds from public and private grants. The Budget Committee Supported this Warrant Article with a vote of 9 to 0. These funds offset expenditures throughout the budget and allows programs to run at reduced cost to the taxpayer.

What happens if this Warrant Article passes? The District will accept the federal funds and private funds to offset the cost of running programs for students. There is no effect to the tax rate.

What happens if this Warrant Article fails? The District **cannot** accept the estimated \$850,000 and these will need to come from other places in the Operational Budget or require the District to eliminate programs offered for students.

If all these pass, the citizens of Pittsfield will see a decrease in the tax rate next year.

Questions? Reach out to Bryan Lane, Superintendent of Schools at 603-435-5526.