

Town of Sullivan, NH
Budget Committee
Approved Meeting Minutes, Tuesday, January 21, 2025
Sullivan Town Hall

Board members present: Al Merrifield, Chairman; Mike Blanchard, Gary Patnode, Bradford Smith, BJ Wahl;

Board Representatives: Dave Jakway, Selectmen; Paul Bolduc, School Board

Dept: , Sullivan School Board: Mike Brooks, Stephanie Millotte

Staff: Kathleen Rowe, Secretary; Bonnie Blanchard, Office Assistant

1. CALL TO ORDER: Chairman Merrifield called the meeting to order at 6:00 PM.

Chairman Merrifield noted that approval of draft minutes will be deferred to the 2/4/2025 budget hearing at which time minutes for the 1/14/2025 and 1/21/2025 meetings will be acted on.

2. BUDGET REVIEW

A. Sullivan School District \$2,456,229 (+210,649, 9.38% increase)

Mike Brooks presented the 2025 Sullivan School District Budget, noting that the majority of the budget is based on fixed pricing, either by contract or tuition calculations. Sullivan's students are tuitioned to the Nelson Elementary, Keene Middle and Keene High schools; tuition is determined by dividing the operating costs of each school by the number of students attending, a projection made from existing student populations of K-12. A growing student population will lower tuition rates; currently, student populations are decreasing. Currently, Sullivan students make up the larger population at Nelson Elementary School.

The Nelson Elementary School charges the same tuition for regular and SPED students, not including additional special services that may be necessary; Keene Middle and Keene High schools charge separate tuition for each.

2025 budget changes:

Regular and SPED Education: (Tuition/Other Services) \$ 1,948,497, (+\$327,836, 20.3% increase)

Based on population projections for Keene High School (32 students), Nelson Elementary school (24) and Nelson Preschool (4) are tuitioned for \$1,648,497, an average tuition of \$27,475 per student. Out of District placement, mandated by the State of NH, is \$300,000.

Student Support Services \$220,520 (-\$77,700, 26.05% decrease)

Summer Programs: \$37,500 (-\$10,300 21.55% decrease) SPED programs to maintain learning

Other School Board (Staffing): \$20,510 (\$10 increase) \$10 placeholder for Data Manager

SAU Management Services: \$47,700 (\$3,500 7.92% increase) Increases for Business Manager and SPED Administrator

Business: \$675 (no change) Mailbox rental, legal postings

Student Transportation: \$193,317 (-\$42,997 18.9% decrease) Decrease is in one-on-one transport as needs and number of students using the services change

Warrant Article #3: The School District is again asking for \$25,000 to be appropriated from any surplus experienced in the 2024-2025 budget and moved to the Special Education and Tuition Expendable Trust Fund. The value of that fund is currently \$340,555.28 (Report of the Trustees of Trust Funds, calendar year ending December 31, 2024). Mike noted that the Superintendent is looking at the trust funds held by other towns of similar size and feel that Sullivan's target of \$350,000 may be too low.

Paul questioned how often the tuition is adjusted – Mike explained that this is done annually as the student population changes.

Gary asked if the expendable trust is capped; Mike explained that the target has been \$350,000 but there have been discussions about raising it as out-of-district placements could easily drain these funds.

Gary noted that the School Board is working with numbers that are all fixed costs, projecting student populations as accurately as possible, whereas town budgeting may involve negotiating with department heads to ensure needs are accurately addressed. Gary feels that the message for looking at the school budget is "Don't shoot the messenger."

Warrant Articles # 4,5 and 6 address the AREA Agreement for grades 6-12, accepting the provisions of RSA 195-A:14, Alternative Method of Apportioning Operating Costs, as amended to modify the Authorized Regional Area Agreement (in which Sullivan currently participates) by extending the term of this agreement for an additional 20 years. This agreement is used in setting tuition rates which historically are much better than those not under agreement.

Mike Blanchard asked for an idea of the impact this agreement has on the tuition rates; Mike Brooks gave examples of current tuition rates at all three schools for regular and SPED tuitions, varying in savings from \$800-\$2300 per student across all grades. He also reminded the committee that the cost of the school includes annual payment of the 10-year bond Nelson issued to increase capacity when Sullivan joined the Nelson school. When this is finally paid, tuition will go down.

There being no additional discussion, Chairman Merrifield asked for a motion to present the school budget as proposed at the February 4, 2025 Budget Hearing.

On a motion by BJ Wahl, seconded by Dave Jakway, the Budget Committee unanimously voted to present the 2025 School District Budget as proposed by the Sullivan School Board at the February 4, 2025 Budget Hearing.

B. Town of Sullivan Budget: \$1,062,469 (\$1904, .18% increase)

Acknowledging that while the town operating budget reflects only a .18% increase in spending (less that one-fifth of one percent,) the revenues available to offset spending have decreased by approximately 34% . State highway special funding has ended, as has the availability of American Rescue Plan funding.

Discussion ensued of possible operating budget revisions and potential sources of revenue/funding including use of the fund balance and trust fund revenues.

The committee agrees that In order to provide the town with safe roads, fire and police protection and good management and preserve a manageable tax rate, they will need to look further at a combination of alternative revenues and budget revisions. Final recommendations will be made after the February 4, 2025 Public Hearing. Dave will confirm the current fund balance with DRA.

There being no additional discussion, Chairman Merrifield asked for a motion to present the town budget as proposed by the Selectmen at the February 4, 2025 Budget Hearing.

On a motion by Gary Patnode, seconded by BJ Wahl, the Budget Committee unanimously voted to present the 2025 Town of Sullivan Operating Budget as proposed at the February 4, 2025 Budget Hearing.

3. Other Business:

The next Budget Committee meeting will be the Public Hearing, February 4, 2025 at 7PM, Sullivan Town Hall.

4. ADJOURNMENT

Motion to adjourn at 8:10 PM made by BJ Wahl, seconded by Dave Jakway, all aye.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Kathleen N. Rowe', written in a cursive style.

Kathleen N. Rowe
Secretary

