

CITY OF BERLIN

New Hampshire

Minutes of Council School Budget Session of 3/09/2026

City Hall Council Chambers

6:30 pm

Members:

Mayor Cone
Councilor Morency
Councilor Korzen
Councilor Higbee
Councilor Qualls
Councilor Valerino
Councilor Plourde

City Staff:

Phillip Warren, Jr, City Manager
Holly Larsen, Finance Director
Shelli Fortin, City Clerk

School Board, Administration and Staff:

District Education Services Administrator Tammy Fauteux
Business Administrator Evan Arsenault
School Board Chair Matt Buteau
School Board Member Debra Foss
School Board Member Amy Poirier
School Board Member Mark Evans
Jesse Arsenault, Assistant Principal, BHS
Danielle Demers, CTE Director
And others

Lisa Connell, Berlin Daily Sun

Other members of the public

At 6:29 p.m. Mayor Cone opened the Work Session.

FY2027 Budget – Board of Education

District Education Services Administrator Tammy Fauteux provided the budget presentation for the Council, noting that this budget offers services at the same level as they do today. Fauteux noted that they are making every effort to be fiscally conservative while providing an adequate education for students. Fauteux noted Board of Education goals, and stated that they are

working to reduce out-of-district placement costs, adding a transportation team to reduce transportation costs, and are watching what is happening in Concord and the Federal government to stay compliant with changes. Fauteux advised that the NH School Board Association is watching over 300 bills that could have an impact on schools.

Fauteux shared the Enrollment figures, noting an overall decline of 34 students, or 3%. Fauteux noted that the state average also saw a decline of 1.4% and that this is a trend across the nation. Fauteux advised that 34 students amount to only 2-3 per grade level, which makes reducing teaching positions difficult.

Fauteux reviewed class sizes, noting that some numbers appear low. Fauteux noted that numbers are an average, and shared an example of English classes with an average of 15, however there are 24 students in the 9th grade General English class and 9 in AP English. Councilor Plourde asked about the size of the senior class, and Fauteux confirmed that it was only 56 last year, but it is 83 this year.

Councilor Korzen asked about enrollment, which is listed at 959, but is only at 905.6 for adequacy aid. Business Administrator Evan Arsenault advised that they estimate on the lower end for budgeting. This year they received more in adequacy than budgeted, and the amount is paid in the following year.

A summary of Pre-K to age 22 student placements was provided, which is based on the current student population and may be adjusted as needed.

Fauteux reviewed tuition rates for elementary, middle school, and high school for the last 20 years, which are calculated by the Department of Education. Tuition rates have increased, as even with a lower enrollment, costs stay the same. Fauteux noted that Berlin falls within the state average, and has at times been below the state average.

Fauteux reviewed the breakdown of the tax rate, and noted that the school portion is the state and local share of the school tax. Fauteux noted that the percentage is average for the state compared to other schools.

In reviewing the FY27 Budget Summary, Fauteux advised that the requested budget is \$25,674,908, which is a 4.45% increase over last year. Revenues are estimated at \$15,042,616, which is a 4.97% increase over last year. Expenses minus the revenues equals a revenue gap of \$10,668,358.

Fauteux reviewed expenditures. City Manager Warren asked about the percentage of the budget for personnel expenses, and Fauteux advised it is 79% of the budget. For salaries, four classroom paraprofessionals were added, along with 2.5 SPED paraprofessionals. No other positions were added. In Fringe Benefits, Fauteux noted that insurance costs decreased 1.6%. Contracted Services saw a significant increase due to the need for contracted SLP services.

Councilor Korzen asked about Medicaid reimbursements for services, and was advised that they recently switched vendors for billing and have seen some progress. They are able to bill for OT,

PT, SLP, and psychological services. Councilor Korzen asked about offering services at the school rather than sending students out of district, and Fauteux advised that they have had to contract for services that they were unable to hire for.

Fauteux advised that the Travel/Out of District/Purch Services line increased by \$577,035 due to tuition and out of district costs for new enrollments. When asked if these were court ordered placements, Fauteux advised that some are court ordered, and some are placements made by IEP teams.

In reviewing Supplies, Material, Texts, and Energy, Fauteux noted this section has decreased by \$3,705. City Manager Warren noted that bids for fuel for next year will close on March 18. The war in Iran will negatively affect costs, and the whole bid may need to be thrown out.

Equipment and Computers increased by \$161,809, and Fauteux noted that Chromebooks were purchased using FY25 funds for the FY26 school year.

Capital Improvements includes the amounts to match grants for an electric bus and utility truck if the grants are received.

Federal Programs are budgeted at \$7,975,273, and are fully covered by grants.

Food Services is budgeted at \$872,134 and is intended to be self-supporting. Councilor Korzen asked if Food Services counts toward the per pupil cost, and was advised it does not. City Manager Warren asked about negative balances owed for food services and Evan Arsenault advised that they are covered by the general fund if they are unable to collect the amount due. They do make every effort to collect it.

Fauteux shared the school budget history for the general fund, noting that the increase was about 7% for the last two years, but is 4.5% this year.

Fauteux shared information on how adequacy aid is calculated, noting that they base aid is \$4,351 per pupil, and extra is added for students eligible for free and reduced meals, special education students, and English Language Learners.

In reviewing revenues, it was noted that there is a 4.8% increase in adequacy aid this year. There is also an increase of 6% in tuition, which is received from Milan and Dummer students, and Gorham CTE students. Total revenues increased by 5%.

The budget is the same for revenues and expenditures for food services, and they currently have \$48,495 cash on hand.

Fauteux shared the Tax Rate Breakdown for Berlin for 2025.

Fauteux shared the NH Code of Administrative Rules Minimum Standards for Public Schools.

Fauteux again noted that this is a level service budget.

Councilor Korzen noted that there was an accounting error a couple years ago, and asked how they will be sure this does not happen again. Evan Arsenault advised that they now run the MS25 through the auditors to be sure the numbers match so that there is no unanticipated tax increase or shortfall.

Councilor Korzen noted that during budget season, the school notes that there is nothing left to cut, but then are able to find money in the budget, and asked how this happens. Fauteux advised that sometimes they budget for items for which grants become available, or they find another avenue to cover the costs. Fauteux advised they also have to be careful with budgeting for special education costs, as they would not want to have to find money to cover expenses. Fauteux advised they also still have 8-9 unfilled positions, which should be budgeted mid-range for salary and insurance costs. Arsenault pointed out that even \$500,000 is only 2% of the budget, and this amount in surplus would be very close to what was budgeted.

Councilor Korzen requested a teacher to student ratio, as the last thing they want is to see anyone laid off, but they would like a full grasp of how many staff there are and where they are.

Councilor Morency asked about the IEP teams, and Fauteux advised an IEP is an individualized education plan for students with special needs. The IEP team makes decisions based on student needs.

Councilor Morency noted that he was accused last week of voting against public schools with the Education Freedom Accounts. Councilor Morency noted that he wants public schools to succeed, and asked about the impact of EFA's on the schools in Berlin. Fauteux advised that she has no access to this information. Councilor Korzen stated that he believes Berlin had 77 the last time he checked, but not all are the full amount. Some are homeschooled and some are EFA or Charter schools.

Councilor Valerino thanked the school for the presentation and noted that the budget is a work in progress. Councilor Valerino noted that he is a big supporter of the school system, and stated that not having a good school system would hurt the city.

Councilor Plourde noted that the presentation was easy to understand and that he has heard positive comments about the school returning funds to the city to help with the tax rate. Councilor Plourde also noted that he has had family members with IEP's and has seen beneficial results.

Councilor Higbee asked about the facilities study that was done a few years ago, and if there is a plan to accomplish any of the recommendations on the list. Fauteux advised that the School Board is forming a subcommittee on facilities and plans to get back to addressing those needs.

City Manager Warren noted that this area has a high cost to do business, even though salaries are lower. Fauteux noted that they do collaborate with other schools in the area to provide programs and support each other. Councilor Morency advised that he attended a meeting last month which highlighted the sharing of resources between school districts.

Councilor Korzen asked about financial reconciliations and Arsenault advised that he is responsible for this. Arsenault advised they are waiting on the FY25 audit to be completed to address an expense line that was inflated. Arsenault noted the challenges of the city and school having two different software programs and of being a dependent school district.

Mayor Cone asked questions on behalf of Councilor Lavertu who was unable to attend. Mayor Cone asked about the possibility of regionalizing with SAU20, and Fauteux advised this has been an ongoing conversation over many years and studies have shown that there would not be significant cost savings, but it may expand opportunities. Fauteux advised they can continue to look at this.

Mayor Cone asked about the revenue gap, and why this did not decrease the appropriation. Fauteux advised that these were projected expenses in the initial request to Council, not the appropriation.

Mayor Cone asked if the Council was to reduce the budget, would the school want to be told where to cut or make the decision themselves. Fauteux advised that the School Board would decide where to cut if that was to happen. Councilor Morency noted that if they do talk about cuts, the Council would want to know what impact it would have on the school.

On a motion by Councilor Valerino, seconded by Councilor Higbee, the meeting was adjourned at 7:32 pm.

Respectfully Submitted by Shelli Fortin

Note: Minutes are unofficial until they have been accepted by the Council by motion.