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TOWN OF DEERFIELD, NH
MUNICIPAL BUDGET COMMITTEE
George B. White Building
8 Raymond Road, Deerfield, NH 03037
January 5, 2019
MINUTES

Call to Order:

9:00 am – Chair called the meeting to order

Pledge of Allegiance to the Flag:

Chairwoman Hotaling asks all to rise and pledge allegiance to the Flag

Roll Call: Andrea Hotaling, Chair, Members Phil Bilodeau, Zach Langlois, School Board Representative, Jo Anne Bradbury, John Dubiansky, David Carbone, Herman Pretorius and Andrew Robertson, Select Board Representative.

Unexcused Absence: Alden Dill, James Spillane

Bonnie Beaubien will be able to participate but will not be able to vote as she hasn't been sworn in as of yet but will be able to participate fully at the January 8th public hearing and any meetings thereafter until March.

Chairman Hotaling stated that there are three, three-year positions and one two-year position that will be up to be filled at the March elections.

Review of Outstanding Minutes:

Motion: Z. Langlois moves the minutes of December 4, 2018 as written

Second: A. Robertson

Discussion:

Vote: Yea 8, Nay 0, Abstained 0 – Motion Carries

Motion: Z. Langlois moves the minutes of December 11, 2018 as written

Second: A. Robertson

Discussion: J. Bradbury stated that on line 127, the year should be corrected to read "2020 to 2021"

Motion: J. Dubiansky moves the minutes of December 11, 2018 as amended

Second: Z. Langlois

Discussion:

Vote: Yea 8, Nay 0, Abstained 0 – Motion Carries

December 18th, 2018 minutes were not available for review at this time.

Z. Langlois asked if the order of discussion could be changed to move the school to the beginning of the meeting. All agreed

Citizen's Comments:

None at this time

Old Business:

Motion: J. Dubiansky moves to take the school out of order

Second: Z. Langlois

Discussion: A. Robertson stated that he thought that they could have both town and school done before 11:00 am

Vote: Yea 8, Nay 0, Abstained 0 – Motion Carries

School Warrant Articles:

1
2 **Article 1:**
3

4 **Motion:** Z. Langlois moves Article 1 - The Deerfield School District raise and appropriate as an operating budget, not including
5 appropriations by special warrant articles and other appropriations voted separately. The amount set forth in the budget
6 posted with the warrant or amended by vote of the first session for the purposes set forth within totaling \$13,531,421.00.
7

8 Should this article be defeated, the default budget shall be \$13,408,776.00 which is the same as last year with certain
9 adjustments required by previous year action of the Deerfield School District or by law or the governing body may hold one
10 special meeting in accordance with RSA 40:13, 10 and 16 to take up the issue of a revised operating budget only.

11 **Second:** A. Robertson

12 **Discussion:** Chairwoman Hotaling stated that she talked with Stephen Buckley regarding preparation of default budgets.
13

14 The items that she came away with from that conversation and class she took was if the cost of some item within the budget
15 went up from one year to the next it could not be revised to show the increase in the default budget. Whatever the budget
16 was from the previous year, carries to the current year.
17

18 The second item which was regarding contracts, unless the contract was voted on as a warrant article, the only amount that is
19 valid is the last year's amount. It doesn't mean that you can't pay this year's amount, it just means that they would have to find
20 the increase in another budget line.
21

22 Increases to wages that aren't part of collective bargaining that's been voted on, for example, a three-year contract, because
23 the contract amount was not approved by the "legislative body", which is the new wording.
24

25 Costs that were put into a budget that are a one-time purchase, need to be removed from the default budget.
26

27 If a cost is a recurring cost such as the replacement of one-fifth of the computers, you can keep that amount in the budget
28 because it is a recurring cost.
29

30 Another example was if there was an employee that was making \$70,000.00 and they were retiring and that person was going
31 to be replaced with someone else, they can keep the \$70,000.00 salary in the budget. If you can hire someone at \$50,000.00,
32 then they would be \$20,000.00 in the good.
33

34 Chairwoman Hotaling stated that she thought that the school budget was a very responsible budget but with the information
35 that is currently in Article 1 regarding the default budget, she is going to vote against Article 1.
36

37 D. Carbone asked the chair woman if the reason she was voting against this was that the number was too low. She stated that
38 she didn't know what the real number should be.
39

40 She continued that she felt good about the operating budget as it was prepared but wasn't comfortable with continued to
41 prepare the default budget that isn't being prepared as the law says it should.
42

43 Z. Langlois stated that the business administrator and the supervisor of the SAU also attended workshops in this regard and
44 clearly got different opinions. They talked with their legal department and it was stated that they were doing it correctly.
45

46 No raises for non-certified staff were included in the default budget. He thought that items that the chair woman would be
47 concerned with would be the transportation contract and he didn't know what else.
48

49 Members of the school board has discussed the default budget numbers and are very comfortable with how it has been
50 presented.
51

52 At this time Alden Dill arrived so the board stands at nine voting members – (15 minutes, 15 seconds into meeting)

53 **Vote: Yea 8, Nay 1, Abstained 0 – Motion Carries**
54

55 **Municipal Budget Committee recommends Article 1 – 8-1-0 vote**
56

57 **Motion:** Z. Langlois moves Article 2 - Shall the Deerfield School District vote to approve the cost items set forth in the collective bargaining agreement reached between the Deerfield School Board and the Deerfield Education Association for the 2019/2020,

1 2020/2021, 2021/2022, 2022/2023 fiscal years which calls for the following estimated increases in salaries and benefits at the
2 current staffing level:

3
4 2019/2020: \$173,878.00
5 2020/2021: \$173,723.00
6 2021/2022: \$157,387.00
7 2022/2023: \$138,683.00
8

9 And further to raise and appropriate the sum of \$173,878.00 for the 2019/2020 fiscal year. Such cost representing the
10 additional cost attributable to the increase in salaries and benefits required by the new agreement over those that would be
11 paid to the current staffing level.

12 **Second:** J. Dubiansky

13 **Discussion:** Chairwoman Hotaling passed out a chart of what she has done regarding what she thinks the current budget
14 numbers should look like. She noted that not only do the teachers have salary increases but steps.

15
16 She noted that with a satisfactory performance review, teachers with a BA get an \$1,850.00 raise, a Master's is a \$2,325.00
17 raise and at the lowest levels, it represents a five percent increase each year. Over the life of the contract, it would be a 36.2
18 percent raise. If on the Master's level, it would work out to a 39 percent raise.

19
20 The chair woman stated that she went to the Department of Education's website and downloaded numbers of starting salaries
21 from surrounding towns thinking that maybe Deerfield's starting salaries were too low but it turned out to be very close to
22 what Deerfield was paying compared to other towns.

23
24 In continuing her research, it was noted that surrounding towns have more steps than Deerfield does and it worked out that
25 each step is approximately \$1,850.00 for a BA. Deerfield's salary steps stop at 12 whereas other districts go up to 14 or 15
26 steps. If Deerfield had the same number of steps, Deerfield's salary for staff that stayed a long length of time would also be
27 similar.

28
29 Over the length of the contract, it seems that there are averages of 36 percent pay increases over the length of the contract
30 whereas in the real world, the most that it would be 14 percent with the yearly average of three percent.

31
32 Chairwoman Hotaling stated that she could not vote on a contract with not only five percent increases as well as step increases.

33
34 Z. Langlois stated that the contract was approved by the School Board and the Union. Not figured in the chair woman's analysis
35 was additional time worked which according to Z. Langlois works out to approximately two weeks.

36
37 Z. Langlois stated that this contract is like it is to keep newer staff. There are also changes to the insurance. He stated that it
38 was a very strong contract and a good contract for the town. He hoped that everyone will support this contract.

39
40 J. Dubiansky stated that the step system is very common in the municipal world. He currently is on one in Manchester but it is
41 not as generous as this one is.

42
43 Chairwoman Hotaling stated that she thought that the steps and increases were more generous than they should be and it
44 didn't address the fact that she would like to reward those teachers that have proven themselves and have stayed for the
45 twelve or whatever years and would like to see more steps.

46
47 P. Bilodeau stated that he could support this Article. He thought that the analysis was great but it seemed to be missing local
48 surrounding towns and he thought that maybe they were going through the same type of increases and therefore was the
49 norm.

50
51 **Motion:** A. Robertson moved the question

52 **Second:** Z. Langlois

53 **Discussion:**

54 **Vote: Yea 9, Nay 0, Abstained 0 – Motion Carries**

55 Vote on the original motion:

56 **Vote: Yea 8, Nay 1, Abstained 0 – Motion Carries**

57
58 **Municipal Budget Committee recommends Article 2 – 8-1-0 vote**

1
2 **Article 3 – there is no money attached so the MBC does not have to approve or disapprove**
3

4 **Article 4:**
5

6 **Motion:** Z. Langlois moves Article 4 as written – To see if the Deerfield School District will vote to raise and appropriate of up to
7 \$75,000.00 to be added to the Facilities Repair Fund previously established. This sum to come from the June 30th, 2019 fund
8 balance available for transfer on July 1st, 2019. No amount to be raised from taxation.

9 **Second:** J. Dubiansky

10 **Discussion:** Z. Langlois stated that it is adding additional funds to add with what they had done last year. They had asked for a
11 total of \$150,000.00, \$75,000.00 raised from taxation and \$75,000.00 from surplus. It has been used to complete projects
12 within the building or are going to be completed once school is out.
13

14 It was asked if there was an updated punch list to which Z. Langlois stated that he didn't at this time other than his working
15 copy but projects that have already done include such things as cleaning of the kitchen ducts and replacement of the hinge kit,
16 work on the well, updated the bacterial testing, repairs to the septic system and the lines underneath the floors inside the
17 building, restriping of the parking lot, replaced all exterior lighting with LED, repaired and replaced a large number of flush
18 valves, and upgrade to the Honeywell system for HVAC.
19

20 Work that is being scheduled now is the replacement of all the stairwell treads, replacement of urinals and toilets, new exhaust
21 hood for the dishwasher in the kitchen and replacement of hot water heaters.
22

23 A lot of cost savings has been accomplished by having inhouse maintenance staff do the work.
24

25 H. Pretorius asked how the projects that are going to be included in the \$75,000.00 asked for in the warrant are going to be
26 ranked.
27

28 Z. Langlois stated that they are using the list that was provided by the engineering survey and picking off the higher priority
29 items, especially if it involves student safety.
30

31 H. Pretorius stated that he was concerned that the \$75,000.00 was too low and Z. Langlois stated that they already had a
32 reasonable sum of money already in that account.
33

34 H. Pretorius was concerned that this money would be transferred as surplus back to the town. Z. Langlois stated that if the
35 warrant passes, the \$75,000.00 would first be transferred into the trust fund and then any surplus would be returned.
36

37 Z. Langlois stated that there is currently \$335,000.00 in that particular trust fund.
38

39 Chairwoman Hotaling thought that the list had to do with priorities of items that could be down within one year within a five-
40 year plan and it seems to look to her like with the money that is already there, trying to keep up.
41

42 Z. Langlois added that the school board tries to keep enough money in this trust fund to replace the roof when the time comes.
43 It has been out there for a number of years with roofing companies saying one thing and the engineering firm saying another as
44 to when the roof should be replaced.
45

46 J. Bradbury had a question regarding the wording of the warrant "raise and appropriate a sum up to \$75,000.00". She stated
47 that it sounded like they needed the whole amount.
48

49 Z. Langlois stated that this was wording this way in case there isn't the whole amount in surplus. They could take what was
50 available.
51

52 **Vote: Yea 9, Nay 0, Abstained 0 – Motion Carries**
53

54 **Municipal Budget Committee recommends Article 4 – 9-0-0 vote**
55

56 **Article 5:**
57

1 **Motion:** Z. Langlois moves Article 5 as written which is To See if the Deerfield School District will vote to establish an
2 equipment and installation expendable trust fund under the Provisions of RSA 198:20-c for the purpose of purchasing and
3 installing equipment and further to raise and appropriate a sum of up to \$25,000.00 to be placed in this fund and to designate
4 the school board as agents to expend from this fund. This sum to come from the June 30th, 2019 fund balance available for
5 transfer on July 1st, 2019. No amount to be raised from taxation.

6 **Second:** J. Dubiansky

7 **Discussion:** Z. Langlois explained that there are certain items that can't be repaired out of the facilities repair fund so this is
8 going to allow to have other money to repair equipment not covered under that fund.

9
10 **Vote: Yea 9, Nay 0, Abstained 0 – Motion Carries**

11
12 **Municipal Budget Committee recommends Article 5 – 9-0-0 vote**

13
14 Chairwoman Hotaling stated that the only item left would be knowing who would be available from the school and what they would be
15 presenting to the public at the public hearing on January 8th.

16
17 She asked if they would be putting together a pamphlet similar to last year which was stated they would be and she also stated that they
18 would need their default budget presented in the way that has been outlined by new legislation.

19
20 The representative from the school board stated that they would be presenting their default budget with a summary page to show what
21 and why the changes were made.

22
23 **Citizen's Comments:**

24
25 H. Cady spoke to the fact that the comment at the end of the articles saying no taxation increase. There is a taxation increase because if
26 the money was returned, it would lower taxes.

27
28 She would like that statement removed and remarked that she would go to the legislature and fix the law so that it does show there is an
29 impact.

30
31 Ms. Cady remarked that she didn't think that items that would be bought or repaired from money in the equipment repair trust should
32 be done in that manner. She would like to see them as part of the budget so that the town's people can see what is being done.

33
34 Ms. Cady stated that this practice of not showing items has gone on for at least the last five or so years. She would like to know why pay
35 raises aren't shown as warrant articles anymore but rather as part of a budget.

36
37 Z. Langlois stated that before the school board can withdraw money from a trust fund, they have to have a public hearing. He stated that
38 he thought that meeting was coming up on the 14th. He also added that the wording "not raised from taxation" is prescribed by law.

39
40 Chairwoman Hotaling stated that she too, questioned the wording and was told by then retiring moderator, Jack Hutchinson, that the
41 wording could be changed so that it more reflected what people would understand.

42
43 Ms. Cady stated that in regards to the public hearing, most people don't take an interest in public hearings and therefore attendance is
44 very low.

45
46 **Town Discussions:**

47
48 A. Robertson passed out numerous sheets to MBC members

49
50 **Motion:** A. Robertson moves to reduce the operating budget in Warrant Article 1 by \$28,000.00 to \$4,220,967.00.

51 **Second:** Z. Langlois

52 **Discussion:** A. Robertson stated that \$5,000.00 would come from the Government Buildings Line – 01.4194.04.430 (repairs and
53 maintenance line) – funds were encumbered from the 2018 budget to move forward to 2019 to paint the town hall.
54 Town Hall Repairs and Maintenance Budget – reduce by \$6,000.00 – Line 01.4194.03.430 – normally they attempt to paint two
55 sides of the town hall each painting cycle. The town has encumbered that amount this year for next year's painting.
56 George B. White Building – \$17,000.00 – Line 01.4194.02.430 – Repairs and Maintenance Line – GBW Building. Select board
57 has voted to encumber the amount from the 2018 budget to fix the walkway on the right side of the building, stripe and seal
58 the parking lot.

1
2 J. Dubiansky stated that he knew that there was a list of things to bring the building into compliance and was there any
3 consideration to use that money for those projects.

4
5 A. Robertson stated that there was not and feel they have a plan to address the issues as needed.

6
7 A. Dill asked A. Robertson if they encumbered the Veasey Park maintenance money that was talked about.

8
9 A. Robertson stated that they did not. He listed the encumbrances as stated below:

10
11 The \$28,000.00 that was mentioned plus \$3,300.00 for cemeteries for the gate repair at the Batchelder Cemetery.

12 **Vote: Yea 9, Nay 0, Abstained 0 – Motion Carries**

13
14 **Motion:** J. Dubiansky moves to recommend the change to the amount in Article 1.

15 **Second:** A. Robertson

16 **Discussion:** Chairwoman Hotaling stated that the new operating budget total will be \$4,220,967.00. Should the article be
17 defeated, the default budget is \$3,918,588.00 as adjusted by law.

18
19 J. Bradbury asked if the proposed tax impact would be changed. A. Robertson stated that these proposed tax impacts don't
20 account for any revenue that would offset the taxes. He stated that he mentions at public hearing the amount of \$575,000.00
21 would equal \$1.00 of tax. He also stated that if it is more than one cent difference, it would show.

22
23 Chairwoman Hotaling stated that a training that she went to, it was suggested that to not put the tax impact but it would be
24 fine either way.

25 **Vote: Yea 9, Nay 0, Abstained 0 – Motion Carries**

26
27 **Municipal Budget Committee recommends Article 1 – 9-0-0 vote**

28
29 **Article 2 had previously been voted on.**

30
31 **Article 3:**

32
33 A. Robertson stated that they were going to go with an "up to" \$50,000.00 as they only want to cover preliminary costs and the
34 hard and fast proposal, they got from the engineering firm was through completion of the building. He also noted that the
35 proposal will go out to bid. He thought that the total cost would be somewhere in the \$35,000.00 to \$40,000.00 range for
36 preliminary work.

37
38 He thought since the wording for the article was readily available that he would bring it up at the public hearing and make all
39 changes at that time.

40
41 **Article 5:**

42
43 **Motion:** A. Robertson moves Article 5 – To see if the town will vote to raise and appropriate the sum of \$37,132.00 which
44 includes additional wages and required benefits for the purpose of writing cost of living raises to town employees in the
45 amount of two percent.

46 **Second:** Z. Langlois

47 **Discussion:** A. Robertson stated that the select board, after investigating surrounding towns, found that 2.5 percent annual
48 raises were built into contracts such as Raymond, which is unionized. They were concerned with the increase in the budget and
49 decided instead of incorporating it into the budget, it was decided to put it into a warrant article to give the townspeople a
50 chance to weigh in.

51
52 Chairwoman Hotaling stated that this just reflects what she was stating earlier with the nine percent raises that were being
53 proposed for teachers.

54 **Vote: Yea 9, Nay 0, Abstained 0 – Motion Carries**

55
56 **Municipal Budget Committee recommends Article 5 – 9-0-0 vote**

57
58 Chairwoman Hotaling stated that she thought that any other warrant articles that had money amounts have previously been addressed.

1
2 Chairwoman Hotaling asked if the revenue projections had been updated since the handout from November was actually a year to date
3 revenue report.

4
5 A. Robertson stated that for the public hearing, they could use the state report which Chairwoman Hotaling stated was used at last year's
6 public hearing.

7
8 He continued that they look at the overlay and actual surplus.

9
10 Chairwoman Hotaling stated that the projected revenue is an important piece to consider because the tax rate is set using that figure and
11 there could be years where the projected revenue is much lower than hat actually happened which created a surplus.

12
13 She also mentioned that the town would have to present their default budget and as previously noted, the town only changed the
14 Worker's Compensation line because that's a required legal requirement.

15
16 The town's default budget is going up from \$3,910,923.00 to \$3,918,588.00.

17
18 Chairwoman Hotaling outlined what would be happening at the public hearing.

19
20 Chairwoman Hotaling also explained that if there are no changes to what is presented at the public hearing, a brief meeting will be held
21 after the public hearing to sign the MS-737 form.

22
23 **Citizen's Comments:**

24
25 J. Dubiansky stated that there are four positions that will be up and the filing period begins on Wednesday, January 23rd and ends on
26 Friday, February 1st.

27
28 A. Robertson also mentioned that there are two select board positions open.

29
30 **New Business:**

31
32 None

33
34 **Adjourn:**

35
36 **Motion:** Z. Langlois moves to adjourn at 10:25 am

37 **Second:** A. Dill

38 **Discussion:**

39 **Vote: Yea 9, Nay 0, Abstained 0 – Motion Carries**

40
41 **Next Meeting: Public Hearing, Tuesday, January 8, 2019 at 7:00 pm**

42
43 *The Minutes were transcribed and respectfully submitted by Dianne L. Kimball, Recording Secretary*
44 *Pending approval by the Municipal Budget Committee*