

Budget Committee Meeting Minutes Tuesday, January 14, 2014

Present: Ann Howe, Chris Howe, Steve Londrigan, Matt Murphy, Proctor Wentworth

Call to order: The meeting was called to order by Mr. Murphy at 9:39pm at the Hampstead Middle School Library.

Mr. Murphy opened by reading article 2, the bond for the construction of the improvements to the school. After no discussion the board recommended against the article 0-5 with all members voting not to approve the article.

Mr. Murphy went on to read article 3, the school budget. Ms. Howe noted that since the default budget contained the SAU budgetary figure, it was comparing apples to oranges and the school was really increasing their budget another \$300K. Mr. Murphy commented that trying to reduce the budget in a meaningful way was not possible as the labor costs which are driving the budget are too high and that little progress can be made until this is addressed. Ms. Howe added that the special education requirements were not very clear nor was it clear how many children were benefiting from them. The board voted against the school budget 1-4 with Mr. Howe voting in favor of the article and the remaining 4 members voting against it.

Mr. Murphy then read article 4, the SAU budget. He explained to the committee that it was very difficult to get information out of the SAU. He had requested salary information many times and it was not provided. Questions on the insurance line item were also slow in coming and when they were provided they seemed very high with a large figure being used to support people joining the plan during the year. Ms. Howe noted that every line item, like those in the school budget, seemed to have a pad which keeps resulting in budget surpluses which is not good risk management. The committee recommended against the SAU budget in a vote of 0-5 with zero in favor and all 5 members against.

Mr. Murphy read article 5, the capital reserve fund. Ms. Howe asked if the school has a surplus in place now. Mr. Murphy explained that they do and that the money is not returned to the tax payer as it is supposed to be. The money at the end of the year is returned to the town and then allocated back to the school. The board voted against recommending article 5 in a vote of 1-4 with Mr. Wentworth voting for the article and the remaining members voting against.

At the conclusion of the school items Mr. Murphy commented that he had received the additional information from the rec club regarding article 8; to raise \$24K for the construction of the basketball court. He entertained a motion to re-open discussion which was moved by Mr. Londrigan and 2nd by Mr. Wentworth. The motion passed 5-0 re-opening discussion on recommending the article. In studying the bids received from 3 vendors it was noticed that all of the bids were after the selectman had voted on them. Mr. Murphy felt this was deceitful to propose an article first and then get the bids afterwards. Ms. Howe noted that in the project figures, the donations accounted for less than half of the cost of the project in contrast to what had been stated earlier at the selectman's meeting. Mr. Londrigan noted that there was quite a bit of variation in the numbers and in some cases the article could not cover the cost of the project. The board went on to vote against recommending the project 0-5 with all members now voting against the project.

Mr. Murphy asked for a motion be made to adjourn which was made by Mr. Wentworth and seconded by Mr. Howe. The vote was unanimous in favor and the meeting adjourned at 10:33pm.