

**Official**

**BUDGET COMMITTEE MEETING  
Public Hearing School District Budget  
Minutes  
Municipal Offices  
35 Main Street  
Thursday, January 10, 2013**

**CALL TO ORDER**

Chairman Miville called the meeting to order at 6:03

**ATTENDANCE**

M. Miville, F. Bizzarro, D. Argo, J. Hyde, C. Morneau, T. Jennings, T. Keach, S. Peterson, and T. Lizotte

Joe Hebert & Mike Jache, Village Water; Irene Beaulieu & Bill Alois, Central Water  
N. Haas - Excused

T. Young – arrived at 6:55 pm

**APPROVAL OF MINUTES**

December 27, 2012

*T. Lizotte motioned to approve the minutes of December 27 as presented. Seconded by T. Jennings.*

*Vote unanimously in favor*

**WATER PRECINCT BUDGETS**

**Village Water Presentation – Joe Hebert and Mike Jache**

M. Jache stated that there is one part time employee retiring and one new full time employee being hired. There will be an increase in benefits (pension for retiree) and benefits for new hire.

Currently, there are approximately 1000 customers and they are anticipating 200-250 new customers due to the new construction at University Heights Apartments.

The cost for one new home to hook up is \$4200.

No wage increase recommendation has been determined.

No rate increase is proposed

The following Warrant Articles were reviewed:

5. To see if the Precinct will raise and appropriate the sum of \$559,557 for general district operations. This article does not include appropriations contained in any other warrant articles. (Recommended by the Commissions)

6. To see if the Precinct will vote to raise and appropriate \$12,000 to be deposited into the HVWP New Source Trust Fund with said funds to come from fund balance (surplus) and no amount to be raised from taxation. (Recommended by the Commissioners)

7. To see if the Precinct will vote to raise and appropriate \$3,000 to be deposited into the HVWP Repair and Replacement Trust Fund. Said funds to come from fund balance (surplus) and no amount to be raised from taxation. (Recommended by the Commissioners)

8. To see if the precinct will vote to raise and appropriate \$2,000 to be added to the Truck Trust Fund. Said funds to come from fund balance (surplus) and no amount to be raised from taxation. (Recommended by the Commissioners)

F. Bizzarro asked about the 51,000 surplus from revenue.  
The Fund balance at the end of 2012 was about \$200,000.

### **Central Water Presentation**

Irene Beaulieu: The Superintendent is retiring and we are hiring one new person who is already on staff. The person retiring will be available in case of an emergency.

Increases:

A small increase in the water purchased from Manchester.

Health Insurance and benefits.

25% increase on general expenses

40% increase in commissioner expense due to classes for new employee.

The budget represents a 9% increase over last year's budget.

There are no increases in rates.

Hook up cost for a single family (2 bedroom)

Warrant Articles were read by M. Miville and reviewed.

5. To see if the Precinct will raise, from capital improvement fees, and appropriate the sum of Three Thousand Seven Hundred Thirty Dollars (\$3,730.00) for the Central Hooksett Water Precinct Capital Reserve Fund #1, entitled Water Storage Capital Reserve Fund (recommended by the Precinct Commissioners).

6. To see if the Precinct will raise, from water rents, and appropriate the sum of One Thousand Dollars (\$1,000.00) for the Central Hooksett Water Precinct Capital Reserve Fund #2 - New Construction and Capital Improvements Capital Reserve Fund (Recommended by the Precinct Commissioners).

7. To see if the Precinct will raise, from capital improvement fees, and appropriate the sum of Three Thousand Seven Hundred Thirty Dollars (\$3,730.00) for the Central Hooksett Water Precinct Capital Reserve 2 Fund #3 - Repair and Replacement of Main and Equipment Capital Reserve Fund (Recommended by the Precinct Commissioner).

8. To see if the Precinct will raise, water rents, and appropriate the sum of One Thousand Dollars (\$1,000.00) for the Central Hooksett Water Precinct Capital Reserve Fund #4 -

Standpipe Relining Capital Reserve Fund (Recommended by the Precinct Commissioners).

9. To see if the Precinct will raise, from source development fees, and appropriate the sum of Fourteen Thousand Nine Hundred Twenty Dollars (\$14,920.00) for the Central Hooksett Water Precinct Capital Reserve Fund #5 - Source Development & Infrastructure Preservation Capital Reserve Fund (recommended by the Precinct Commissioner).

10. To see if the Precinct will raise and appropriate the sum of Seven Hundred Nineteen Thousand Six Hundred Seventy Nine Dollars (\$719,679.00) for general Precinct operations. This article does not include appropriations from any other warrant articles (recommended by the Precinct Commissioners).

11. To see if the Precinct will ratify and affirm as ordinances any By-Laws adopted by the Commissioners during the preceding year and to ratify and affirm the Commissioners' written schedule of fees and charges.

### **School District**

T. Keach asked D. Argo with regard to the Principal and Assistant Principal's contract; it was my understanding that they were bound by the contract to give a 7% raise and in reading the contract; it was an option the School Board could chose to exercise.

D. Argo: My recollection is the Board voted to approve it. I do not remember.

T. Keach: I was under the impression that the Principals were getting the increase as part of the contract and it was not negotiable. Now I learn that it was an option. I understand that employees have gone without raises in the town when times are tough. I'm concerned the School Board was too generous.

D. Argo: When those Administrators were hired, they were not given the salaries of their predecessor and they were working towards that for 3 years. Granted, the year it appears in the budget is a large increase but they were stepping toward that final salary in their contract.

T. Keach: In addition to that step, are they receiving any other cost of living increase or stipend?

D. Argo: There was a wage pool in the budget which was cut.

K. Lessard: There are only two principals that got built in raises. The Underhill and Cawley Principals had increases tied to their contract. The salary for the Memorial Principal is what he is making this year.

T. Keach: Those not eligible for step were given a cost of living increase and those eligible were given both.

K. Lessard: That is not how it was presented. \$91,314 is what the Principal at Memorial is making this year and that is what he will make next year.

**PUBLIC HEARING**

The Public Hearing for the School District was open at 7:15 pm.

M. Miville reviewed the School District Budget

**General Fund Budget** - \$26,354,667.93 (as approved by the Budget Committee)

**Federal Funds Budget** - \$525,000 (this is the money the district receives as grant money and our expenditures cannot exceed our revenue – there is an offsetting amount in the revenues of \$525,000 to cover this expense.)

**Food Service Fund** - \$635,005.20 (this amount is also offset by revenues from the state, federal, and lunch receipts)

**Total for Warrant Article 4** - \$27,514,673.

Default Budget

The default budget \$27,934,852

**Warrant Articles**

**Article #2**

Shall the District vote to approve the costs items included in the collective bargaining agreement reached between the Hooksett School Board and the Hooksett Education Association, which calls for the following increase in salaries and benefits at the current staffing levels over the amount paid in the prior fiscal year:

<u>Year</u>	<u>Estimated Increase</u>
2013-2014	\$234,015
2014-2015	\$229,406
2015-2016	\$231,394

and further to raise and appropriate the sum of two hundred thirty-four thousand, fifteen dollars (\$234,015) for the 2013-2014 fiscal year, such sum representing the additional costs attributable to the increase in salaries and benefits required by the new agreement over those that would be paid at current staffing levels?

1% raise in the first year and a 1% pool that they will decide to equalize the pays

1.5% raise in the second year and a 1% pool

2% raise in the third year and a 1% pool

D. Argo: This is a 1% cola for each of the 3 years plus steps.

K. Lessard: Starting in July 2013, all new hires will contribute 20% of the health benefit. Currently employees contribute 15%.

Warrant #2 – Collective Bargaining Agreement

***T. Lizotte motioned to recommend Article #2. Seconded by J. Hyde.***

J. Hyde stated that he does not believe in public sector unions and therefore will never vote to support a union contract.

***Vote 5:4:1 abstained***

**Article #3**

Shall the District vote to approve the costs items included in the collective bargaining agreement reached between the Hooksett School Board and the Hooksett Educational Support Professionals, which calls for the following increase in salaries and benefits at the current staffing levels over the amount paid in the prior fiscal year?

<u>Year</u>	<u>Estimated Increase</u>	
	2013-2014	\$38,641
2014-2015	\$39,384	
2015-2016	\$50,214	
2016-2017	\$61,764	

and further to raise and appropriate the sum of thirty-eight thousand six hundred forty-one dollars (\$38,641) for the 2013-2014 fiscal year, such sum representing the additional costs attributable to the increase in salaries and benefits required by the new agreement over those that would be paid at current staffing levels?

Warrant #3 – Collective Bargaining for Professionals

***T. Lizotte motioned to recommend Article #3. Seconded by J. Hyde***

***Vote 7:3 motion carries***

**Article #4**

Shall the District vote to raise and appropriate as an operating budget, not including appropriations by special warrant articles and other appropriations voted separately, the amounts set forth on the budget posted with the Warrant, or as amended by vote of the first session, for the purpose set forth therein, totaling twenty-seven million, five hundred fourteen thousand, six hundred seventy-three dollars (\$27,514,673)? Should this article be defeated, the default budget shall be twenty-seven million, nine hundred thirty-four thousand, eight hundred fifty-two dollars (\$27,934,852), which is the same as last year, with certain adjustments required by previous action of the Hooksett School District, or by law; or the governing body may hold one special meeting, in accordance with RSA 40:13, X and XVI, to take up the issue of a revised operating budget only. (This article does not include appropriations in any other warrant articles).

***T. Young motioned to recommend Article #4. Seconded by T. Lizotte***

***Vote 8:2 motion carries***

**Article #5**

Shall the District vote to authorize, indefinitely until rescinded, the retention of year-end unassigned general funds in an amount not to exceed, in any fiscal year, 2.5 percent of

the current fiscal year's net assessment, for the purpose of having funds on hand to use as a revenue source for emergency expenditures and over-expenditures under RSA 32:11, or to be used as a revenue source to reduce the tax rate, all in accordance with RSA 198:4-b, II?

K. Lessard: The allowance is \$540,652 is the based on the assessment. The tax rate and the school amount is 17 million and the rate from the state is 3 million and those numbers added together at 2.5%.

L. Moynihan asked if the warrant could have been drafted with less than 2.5% maximum allowance.

K. Lessard: Yes, it could be less and the School Board can choose to retain less than 2.5%.

K. Lessard stated there are currently the following funds:

Capital reserve fund - \$52,000

Special Ed - \$213,344

Technology - \$60,320

D. Pearl: I made the motion to accept this warrant along with 5 other warrants on December 4<sup>th</sup>. In my view, this article has never been moved to the ballot. Just as we accepted negotiated contracts which we later voted on independently, this was never discussed at the Board level. I will raise this issue at the School Board meeting on the 22<sup>nd</sup> of January. I do not believe that this article is a warrant article.

Warrant Article #5 (may not need or require the Budget Committee's recommendation)

***J. Hyde motioned to recommend Article #5. Seconded by S. Peterson***

A discussion ensued regarding the 2.5% retention of fund balance for emergency expenditures.

T. Keach stated that an emergency is defined in the Statute 32:11 as requiring the DOE or the DOE and the court to rule on the expenditure.

M. Miville stated that he does not support fund balance spending.

T. Young motioned to a call the vote  
Vote unanimous.

Vote on Article 5

***Vote 4:6 motion fails***

### **Article 6**

Shall the District vote to raise and appropriate the sum of three hundred sixteen thousand dollars (\$316,000) to be placed in the School Building Construction/Reconstruction

Capital Reserve Fund established in March 1960 for the purpose of construction/reconstruction, replacement or acquisition of capital improvements for school purposes?

K. Lessard: This article is for \$188,000 for HVAC upgrades at Underhill and \$128,000 for the roof replacement at Underhill. Both items were part of the CIP.

T. Lizotte asked what the return on investment for the HVAC upgrades will be.

D. Argo and K. Lessard did not know.

Chair M. Miville declared the public hearing closed at 8:04 pm

***T. Lizotte motioned to recommend Article #6. Seconded by C. Morneau  
Vote 4:6 motion fails***

**ADJOURN**

The meeting was adjourned by the Chair at 8:45.

Respectfully submitted,

Lee Ann Moynihan