

BUDGET COMMITTEE MEETING – January 16, 2014

Official

HOOKSETT BUDGET COMMITTEE MEETING PUBLIC HEARING – School District HOOKSETT MUNICIPAL OFFICES Thursday, January 16, 2014

CALL TO ORDER

Chairman Miville called the meeting to order at 7:04 pm.

Pledge of Allegiance

ATTENDANCE

Chair M. Miville, K. VanHorn, C. Morneau, S. Peterson, C. Akstin (School Board Rep.), N. Haas, JR Ouellette, J. Pieroni, T. Jennings, and T. Lizotte (Town Council Rep).

F. Bizzarro – excused.

Water Precincts - absent

APPROVAL OF MINUTES

January 14, 2014

JR Ouellette motioned to approve the minutes of January 14, 2014.

Seconded by C. Morneau.

Vote unanimously in favor.

M. Miville stated that prior to opening of the public hearing; the Budget Committee has an opportunity to discuss the proposed budget. I suggested at the last meeting that there may be a procedural error made by the committee in a motion to recommend the budget prior to the public hearing.

J. Pieroni: I understand that we voted on a budget to present to the hearing so the public understands what direction the committee is going and a final budget will be voted upon following the hearing. We can amend the budget following the hearing if we so wish but we need a budget to present to public at the hearing per the statute.

M. Miville: I just want to make sure that we are following rules and the RSAs, and that the committee is doing it right.

PUBLIC HEARING

Chairman Miville opened the public hearing at 7:09 pm.

M. Miville read the school warrants into the record.

M. Miville stated that the committee had questions on aspects of the default budget and requested how the calculations of the default and operating budget are formulated.

JR Ouellette: I would like to know how the default is determined. How do you determine if it moves forward or is deducted?

K. Lessard: The breakdown does not exist because I don't do it that way. It just has to be done by function code per State regulations. I start with the current year's budget, which is what I shared with Cheryl and broken it down by funds and I take out the on- time expenditures (this year math text books and interest on the bond is reduced so that comes out) I look at each account to determine if the increase needs to be included for contractual reasons. The salaries, except for Administration are added. Health insurance is required per CEA.

JR Ouellette: Those items I understand. What about technology course reimbursement which was approved in 2013-14 and prior years was zero does that get carried over?

K. Lessard: Yes, it was part of the 2013 budget and is contractual for the Technology Director so it is brought forward. A one-time expenditure is like the text books. This is in the contract for course reimbursement.

JR Ouellette- \$9600 for maintenance was brought forward for Underhill, why was that brought forward if it was a one-time expenditure and not in prior years? If you have an item for this budget purposes was being deducted by 10,000 but fluctuated in prior years, would you carry the last year?

K. Lessard: It would carry forward.

T. Lizotte: Do budget transfers get reconciled?

K. Lessard: The budget number was used. You take the current year budget and add contractual obligations and take away one year expenditures.

J. Pieroni: I believe it was the last approved budget not the actual spent.

T. Lizotte: Going forward, my hope is on major purchases we will go for gross appropriations because that would decrease the default by that amount.

J. Pieroni: What is the condition of the paving and the parking lot and why are they paving.

C. Akstin: We are trying to budget it so it won't break down further.

K. Lessard: The upper parking lot is in poor condition and the major lot is to keep it from getting in poor condition.

M. Miville, 42 Main Street (spoke as a citizen): I've expressed the same concerns during our deliberations. I was dismayed with the process on the Budget Committee. We are an independent Board who answers to no department. We have the right to request any documents. The Budget committee has an obligation to advocate for the taxpayer. The comment was the committee has the obligation to create a budget but we did not engage in any deliberation. No motion was made to review or discuss any function line. I wanted to make a vote on something but felt I didn't have the votes but now as I reflect I should have made the motion. I expressed concerns earlier that the operating budget is only \$2000 below the default. We did not represent the overall constituents of the Budget Committee. We locked arms in show of unity with the School Board. We should be independent and dispassionate with our work regardless of who we like. I think this committee failed to do so. I want to bring up if anyone on the committee knows if there is a wage pool line because we didn't review it or look at it. That is the purview of the committee - \$26,000 wage pool line. I looked it up. I looked at every book and made notes on all lines that were discretionary. We didn't examine discretionary lines. This year, the committee didn't create the budget; we handed it to the School Board and asked for a 1% reduction. When the School came with half a percent; we suddenly felt that was adequate. When the voter sees only a \$2000 difference the citizen will not have a choice. We should have provided those citizens with that choice. In consideration, I think you should look at discretionary funds like personal development workshops, administrative comforts, wage pool, salaries, and furniture etc. These items should be examined. I think we should motion to reexamine and come up with a better line than \$2000.

J. Pieroni: I was the one that brought the 1% to give back to the School Board. It was an arbitrary number. I just wanted them to take another look at the number. It is not the job of the Budget Committee to provide a choice. In the none SB2 towns, the Budget Committee creates a budget and that is the number they feel is appropriate for the town for its expenses. There is no default. You look at what is fair for the taxpayer and what is right for the students. The town meeting and the citizens can alter that budget by as much as 10%. The default is there because unlike those meetings, with the law, at the end of the vote, they needed a backup plan so there was always a budget. There is no obligation for the Budget Committee to provide a choice. The citizens at the deliberative session can amend the budget. There is a reality that we spend on the low side in the elementary and at high school; we are locked step with Manchester's expenditures. We have a choice to pick things out but in the end we will cut from the elementary to pay for the high school. There is a reality that the increase in the budget is due to wage related items and salary by contract and the high

school issue. For high school, we have been paying the lowest in the State and now it is coming to a head. We need to pay more at Manchester or find another district. It isn't our job to give the citizens choice, it is a backup plan.

C. Akstin: This budget, when formulated, there were contractual obligations due to the high school and contractual salary. This is a bare bones budget. The default shows this is a status quo budget. I would expect those two numbers to be close. There is no discretionary money and the K-8 does need the funding. We have fallen behind in the technology plan and the 6-8 grades have been trying to increase the team and year after year it has been cut. We have been very fiscally responsible and present a budget as good as we can, given the high school issue.

T. Lizotte: Early on we did discuss bringing the budget down to default. This is the first year that the School Board agreed to look at high school tuition and Sped Tuition and give us a commitment that they would not spend the extra funds from those lines and return it to reduce the tax rate. That is unprecedented conditions. I also think that each of us makes calculations and decides to present motions and amendments so I can't say just because you didn't bring a motion forward it is our responsibility. If you felt that strongly at the time, you should have brought it forward at that time. J. Pieroni came out first with the motion. We shouldn't fear failure, we should go forward and try and win the argument. If anyone had reservations, you must step forward as an individual.

D. Pearl: I was surprised that the 1% was an arbitrary number. We thought that was a real number. If you are going to send it back to a Board, you should say work on it but to find out now that is just a number picked out of a hat, to find out now it meant nothing.

J. Pieroni: It was double what the Superintendent thought he could do. It was determined because if you could do \$140,000, then go for 280,000.

JR Ouellette: I had the Memorial book and didn't look at Underhill or Cawley. I looked through it with a fine tooth comb. I couldn't find anything of significance to cut. As far as the budget, there was nothing that stood out that said this should be cut and I feel they did a great job.

N. Haas: I went through Cawley's budget and came up with slightly less than \$40,000 and that was a stretch. I even called to ask questions on specific areas. To come back with a \$140,000 cut, I thought they did what they could and that is why I supported it.

M. Miville: Looking at it as a regular citizens and taxpayer, those watching and listening, I am dispassionate about reviewing the budget but am passionate about why I am here. It doesn't matter if I like someone or not, I can still look at them and tell them to make a cut. To look at a 29 million dollar budget and make

no changes, I feel we did not do our due diligence. I found about \$55,000 in the Memorial budget book and \$56 in the Underhill budget book. Cawley didn't have as much, about \$40,000. There are certain people on this Board that were the only ones in town that looked at the book and for them to say I didn't find anything. The 1% arbitrary, it came to \$300,000. There is no examination. They came back with a number and we didn't discuss, we locked arms in unity. I had dismay because how I feel about constituents. I think there is a choice. There should be a difference between the budget and the default. I think they can say I don't want to pay that much but we now only have a difference of \$2,224. Why even vote. Reality is we not just paying for K-8, it is a bottom line budget. There are administrative things, wage pool line, conferences and overnight hotel stays. Fund balance – there is a fund balance of at least \$700,000 every year. To say it is level funded, at the end of the year there will be a balance. This is 2 million dollars more. I will bet my salary that there will be a fund balance at the end of the fiscal year. The School District called us draconian with our cuts last year and yet there was an \$800,000 balance at the end of the year.

T. Jennings: While I am appreciative of your passion, I feel that pointing fingers at the Board is not the right way to go. I brought in 2 pages of information and read the other books. I did a lot work. I get a little hurt. I would have to agree that the due diligence was not done this year when I compare the way things were done this year from last.

As a whole, we did a lot more work on the budget last year. I feel there has been a lot in the news going on in the School Board budget and maybe everyone was disparaged and I think we may be shot the gun a little bit. I thought the vote a couple weeks ago wasn't to consider it today but to make a decision which is why I didn't support it. I'm not opposed to taking another meeting to be sure that we are doing our due diligence and maybe more work can be done.

K. VanHorn: If this budget, and the tuition money going back to the town, then this isn't a bottom line budget anymore. Then the money we are taking out it is coming from K-8. If we don't have a balance at the end of the year, we will be in trouble at the end of the year. If they get to March and they are spending the budget, what happens when we need money and don't have it. You claim to represent all the people of Hooksett; I looked at every line of the Sped book and looked at all discretionary. I came up with numbers before the School Board came back to us and I came up with \$140,000. Then they came back with the same \$140,000 number. They may have been different lines. I didn't cut the coordinator, but if we come to the same number on the bottom line, it doesn't matter. Do you represent the children of Hooksett? I looked at this budget but didn't look at a default budget. I didn't compare to the default budget. Is this a budget that will fund the education of our children? I don't think we are spending enough and then in your speech you talked about us because we are not giving the people a choice but we are giving an educational budget.

J. Pieroni: The voters don't vote in the booth on the Budget Committee's budget. The voters have the opportunity at the Deliberative Session to change the budget. That is where the choice happens. It is the peoples budget and we recommend or not but it is no longer our budget. I don't represent any group or friends. I said we should lock arms in that we need to let the people know that we are in a unique situation where the high school situation presents a challenge and we shouldn't cut K-8 and these are difficult times. That isn't saying I'm friends with the School Board or Administration. I will say I am passionate about education and Hooksett is not a quintessential NH town with boutiques and shops. We have car dealerships and gun shops but we also have had good schools and that has maintained us as community and maintained our value in our homes. It isn't because we have a beautiful downtown. I don't want that destroyed. I don't have children or grandchildren in town. I don't want to be Manchester. They had to make difficult choices and they ran from them. That is why they have the problems they have. I don't want to be little Manchester. This is a time we need to step forward. No one wants to spend more in taxes but there is a hard reality to maintain the schools.

D. Pearl: The tuition lock box, to clarify, we discussed that motion at the School Board and that is a commitment of this School Board and we can't bind the next Board. There is no law or signed agreement and if another Board votes to change that we need to be aware of that.

T. Lizotte: I would hope that the existing Board voted on a policy which the Administration understands and will abide by and continue that relationship so in circumstances where fund balances on the tuition line will be recycled back into the fund to reduce the tax rate.

M. Miville: The voters will have an opportunity during the deliberative session; my comments were to the Budget Committee at this stage. We have good schools in this town and we started this discussion because Mr. Pieroni said we are the 9th lowest in funding but are higher in success. My comments at the public input were always directed to the operation or deliberations of the Budget Committee and never intended any personal slights. The Budget Law Book, page 48 states the role of Budget committee.....(read from the role).

C. Morneau: I thought we could take another \$100,000 out of the budget and we have fabulous administration and staff that would move funds to support students' needs. I think if we were to cut the budget by that amount, I think our school system would not be any worse off. Our Administration does a phenomenal job and would find ways to get around it. I think we are providing funds that are not necessarily needed.

Public Hearing closed at 8:15 pm.

BUSINESS

Final Review and Recommendations

Warrant Articles

Article #2 – Operating Budget

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-nine million, nine hundred seventy-seven thousand, six hundred sixty-four dollars and three cents (\$29,977,664)? Should this article be defeated, the default budget shall be twenty-nine million, nine hundred seventy-nine thousand, eight hundred eighty-eight dollars (\$29,979,888), 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). (Recommended by the School Board

J. Pieroni motioned to advance the warrant and recommend the budget in the amount of \$29,977,664. Seconded by S. Peterson.

T. Jennings stated that she has concerns that all supplies are provided to students. Prior to coming to Hooksett, she purchased about \$100 worth of supplies for her children. Adding the general supplies, not including math, science, and art supplies, there is \$45,000 included in the budget for the different schools. For me, \$100 per student to keep the extra money out of the budget, I don't think this is something that isn't needed in the operating budget. If you add all the additional supplies for science and art, it is \$86,000 not including books. I also looked and added all the School Board salaries and supplies. I don't know if it is a rule or law and if they need to have office supplies. We are here late for free. I we talk about bottom line budget; it would take away \$22,000 in School Board salaries. The wage pool was \$26,000. When I went through and added conference and workshops it was \$28,000. That all equals \$76,000. When I went through and looked for the things Mr. Ouellette asked about and weren't there in previous years and were maintained or increased, I have 10 specifically that caught my eye like furniture, course reimbursement, other fees that were never there before and calculating all those up, replacement supplies that have significantly increase (none less than \$1500) and add them up; it is \$71,000 in addition. \$71,000 in numerous lines that were not there previously or significantly increase, combined with the \$76,000 for wage pool, SB salary and conferences, not included the \$46,000 in supplies. If I go through now, and say there is no way we can get rid of anything else, I would not agree with that because I have \$193,535.47 that I have just today and last night come up with. When I went

through the books, I came up with less until it was brought to my attention to pay more attention to the default budget. I'm not saying the School Board doesn't do a lot of work. I don't think they do \$22,000 more work than we do. I can gladly go through and tell you what is included in the \$71,000. I would like to hear everyone else's input.

T. Lizotte: I'm not inclined to look at the salaries of the School Board. Ultimately it is a bottom line budget. With supplies, the question is what are differences between this year and last year's spending for supplies. The number is 57% do not have people in the system. The School buys in bulk for supplies so I am less inclined to take supplies out of the classroom. We don't know the demographics of the other 43% to take the supplies away. There is a price to pay for public education and to pay for supplies is to equalize. There is a lot of burden on those that don't have kids in the system, but that is the value proposition for education. The only thing we don't have other than the word of the SAU is they are not looking at a very big fund balance this year. I thought that we kept pushing through in the past years and cut. We are now down to a tight number. I'm not sure I'm comfortable cutting more to get to a number when we will have the leftover of the large number lines of tuition and Spec. Ed being returned. I'm willing to take that risk.

J. Pieroni: I cannot imagine anything more chaotic than having students bring their own supplies. There would be no consistency. Public education is to provide a free and equal education. There are lines that went up but also lines that went down.

***T. Jennings motioned to amend the operating budget line 31-1105-5561-3-00-000 by reducing it \$120,000. Seconded by C. Morneau.
Vote 3:7 motion failed***

T. Lizotte motioned to amend the operating budget line 31-1105-5561-3-00-00 by reducing it \$40,800. Seconded by JR Ouellette.

T. Lizotte stated that he proposed this amendment with the 100% funding of the tuition.

Vote 8:2 Motion carries

\$29,936,864.34 amended motion

Roll Call

<i>C. Akstin</i>	<i>No</i>
<i>C. Morneau</i>	<i>Yes</i>
<i>T. Lizotte</i>	<i>Yes</i>
<i>S. Peterson</i>	<i>Yes</i>
<i>JR Ouellette</i>	<i>Yes</i>

N. Haas **Yes**
K. VanHorn **No**
T. Jennings **Yes**
M. Miville **No**
Vote 7:3 Motion carries

Article #3

Shall the District vote to approve a tuition agreement between the Hooksett School District and Pinkerton Academy, as negotiated by the School Board, which provides for an initial term beginning on July 1, 2014 and ending on June 30, 2025 with the term to be automatically extended for an additional five years every five years unless either party presents written notice of its intent not to extend the agreement; and further, to authorize the School Board to submit the agreement to the State Board of Education for approval pursuant to RSA 194:22; and to authorize the School Board to take such other and further acts necessary to give effect to this resolution, including the adoption of minor amendments to the agreement, from time-to-time during its term, without further action by the School District Meeting? (Recommended by the School Board)

(No recommendation)

Article #4 – Tractor

Shall the District vote to raise and appropriate the sum of twenty thousand, five hundred seventy-three dollars (\$20,573) for the purchase of a tractor for use at the schools within the Hooksett School District and authorize the withdrawal of twenty thousand, five hundred seventy-three dollars (\$20,573) from the Capital Reserve Fund created in March 1960 for the purpose of financing all or part of the construction, reconstruction, replacement or acquisition of capital improvements for school purposes or the acquisition or replacement of school equipment, including school buses? (Recommended by the School Board)

C. Morneau: The school bought a John Deer tractor and it stills have a lot of life. It needs repairs. My feeling is, do the repairs needed. I see it working all the time. These are tractors that normally last for 20 years.

T. Lizotte: This is coming out of a Capital Reserve Fund with no impact on taxation.

T. Jennings: We heard there is \$113,000 in the fund with 69% being spent out of the fund with nothing going back in the fund. Should all these 3 articles pass, 70% of the fund will be expended in one year.

S. Peterson: I thought that this tractor cost \$15,000 the last few years and now it is \$20,000. Why the increase?

K. Lessard could not answer the question. I don't think it is the same tractor.

J. Pieroni motion to recommend Article 4 (tractor). Seconded by T. Lizotte.

J. Pieroni: I have heard for years how this equipment has been problematic. The operator of this equipment has had problems with this for a number of year and we are pouring money into this year after year.

Roll Call

<i>J. Pieroni</i>	<i>Yes</i>
<i>c. Akstin</i>	<i>Yes</i>
<i>C. Morneau</i>	<i>No</i>
<i>S. Peterson</i>	<i>Yes</i>
<i>JR Ouellette</i>	<i>Yes</i>
<i>T. Jennings</i>	<i>No</i>
<i>M. Miville</i>	<i>No</i>
<i>K. Van Horn</i>	<i>Yes</i>
<i>N. Haas</i>	<i>Yes</i>

Vote 7:3 Motion carried

Article #5

Shall the District vote to raise and appropriate the sum of thirty thousand, seven hundred forty-five dollars (\$30,745) to seal and repair the parking lot, driveway, and sidewalks at the David R. Cawley Middle School and authorize the withdrawal of thirty thousand, seven hundred forty-five dollars (\$30,745) from the Capital Reserve Fund created in March 1960 for the purpose of financing all or part of the construction, reconstruction, replacement or acquisition of capital improvements for school purposes or the acquisition or replacement of school equipment, including school buses? (Recommended by the School Board)

JR Ouellette motioned to recommend Article #5. Seconded T. Lizotte

Roll Call

<i>T. Jennings</i>	<i>No</i>
<i>C. Morneau</i>	<i>Yes</i>
<i>S. Peterson</i>	<i>Yes</i>
<i>N. Haas</i>	<i>Yes</i>
<i>K. VanHorn</i>	<i>Yes</i>
<i>M. Miville</i>	<i>No</i>
<i>T. Lizotte</i>	<i>Yes</i>
<i>J. Pieroni</i>	<i>Yes</i>

Vote 8:2 motion carried

Article #6

Shall the District vote to raise and appropriate the sum of twenty-six thousand, eight hundred dollars (\$26,800) to recoat the Water Tank due to Government regulations which require this to be done every 10 years at the David R. Cawley Middle School and authorize the withdrawal of twenty-six thousand, eight hundred dollars (\$26,800) from the Capital Reserve Fund created in March 1960 for the purpose of financing all or part of the construction, reconstruction, replacement or acquisition of capital improvements for school purposes or the acquisition or replacement of school equipment, including school buses? (Recommended by the School Board)

***T. Lizotte motioned to recommend Article #6. Seconded K. VanHorn
Roll call vote unanimously in favor.***

Article #7

Shall the District vote to raise and appropriate the sum of thirty-four thousand dollars (\$34,000), as recommended by the CIP Committee, for the purpose of purchasing the software components and related materials to upgrade the HVAC system at the David R. Cawley Middle School, thus allowing greater efficiency for our heating/cooling system or to take any other action related thereto? (Recommended by the School Board)

T. Lizotte motioned to recommend Article #7. Seconded JR Ouellette

K. Lessard: This is a compatibility issue and there will be problems in the future if the upgrades are not done. It will help with the efficiency. I don't know what the payback will be.

K. VanHorn stated that at the last meeting it was stated that it would not be more efficient but it could be monitored and upgraded.

T. Lizotte: The Superintendent stated that the parts are obsolete and there is a similar situation with the panel fire system. This is a compatibility issue. I would be inclined to vote for this

Roll Call

T. Jennings No

C. Morneau No

S. Peterson Yes

N. Haas Yes

K. VanHorn Yes

M. Miville Yes

T. Lizotte Yes

J. Pieroni Yes

Vote 8:2 motion carried

Article 8

Shall the district vote to raise and appropriate the sum of eighty-five thousand dollars (\$85,000), as recommended by the CIP Committee for the purpose of furnishing and installing a complete standby diesel generator package including exterior pad mounted generator, automatic transfer switch and related general construction at the Fred C. Underhill School, thus providing emergency backup power supply for the entire building or to take any other action related thereto? (Recommended by the School Board)

C. Morneau motioned to recommend Article #8. Seconded by K. Van Horn.

K. Lessard: This is the only school without generator power.

Roll Call

<i>JR Ouellette</i>	<i>Yes</i>
<i>K. VanHorn</i>	<i>Yes</i>
<i>T. Jennings</i>	<i>No</i>
<i>J. Pieroni</i>	<i>Yes</i>
<i>N. Haas</i>	<i>Yes</i>
<i>C. Akstin</i>	<i>Yes</i>
<i>C. Morneau</i>	<i>Yes</i>
<i>S. Peterson</i>	<i>Yes</i>
<i>M. Miville</i>	<i>Yes</i>
<i>T. Lizotte</i>	<i>Yes</i>
<i>Vote 9:1 Motion carried</i>	

Article #9 – Petition Article (No recommendation)

ADJOURN

***JR Ouellette motioned to adjourn. Seconded by J. Pieroni
Vote unanimously in favor***

Respectfully submitted,

Lee Ann Moynihan