

North Hampton Budget Committee
MINUTES
April 13, 2004

Chairman Robbie Robinson called the meeting to order at 7:05 p.m. He introduced and welcomed new committee members.

Present: Terence Conklin, Mary Pat Dolan, Paul Fitzgibbons, Donald Gould, Henry Marsh, Robbie Robinson, Peter Simmons, Susan Spencer, Fred Englebach (SAU 21 Business Manager)

Absent: Larry Miller

1. Election of chairman and vice chairman

Paul Fitzgibbons nominated Robbie Robinson for chairman; seconded by Peter Simmons. Motion passed 6-0-1 with Robbie Robinson abstaining and Sue Spencer arriving just after the vote.

Peter Simmons nominated Paul Fitzgibbons for vice chairman; seconded by Henry Marsh. Motion passed 7-0-1 with Paul Fitzgibbons abstaining.

2. Review of school and town budget quarterly reports

SAU 21 Business Manager Fred Englebach presented an overview of the 3rd quarter North Hampton School District Budget. He explained the layout of the report and the process of managing the budget. Robbie Robinson noted that budgets passed by voters are on a bottom-line basis; the district can move money between line items and accounts. Warrant article money must be spent on the items described in the article. There was discussion about contractual obligations such as salaries, which account for roughly 70% of the budget and are negotiated by the school board. Robbie Robinson described that money from the budget or other articles that is not spent in the fiscal year is sent to the state Department of Revenue Administration (DRA) and used to develop the following year's tax rate.

Fred Englebach reported that this year's budget is "very much on track". Several "pressure points" include substitute teacher pay, SPED items, and legal accounts. Health insurance is about \$6000 over. However, roughly \$10,000 was saved in the beginning of the school year when the school was without an asst. principal for a time. In response to a question, Fred Englebach said overexpenditures that could not be made up through unanticipated revenues would carry over as a deficit to the following year or the district would be required to borrow through the town using tax-anticipation notes, which he described as "almost unimaginable".

So far the impact of No Child Left Behind legislation has been in testing and will appear in aides salaries as education requirements for aides increase. The school has no capital reserve funds to set aside money for future purchases as the town does, nor can the district use money as the town can from the undesignated fund balance (currently around \$2.5 million) when authorized by voters. The school district is audited regularly and copies are available, including a management letter which is published in the annual report.

The third quarter town report was presented by Selectman Donald Gould, new to the position in March. The committee will invite Jan Facella to the next meeting, as she prepares the expenditure reports. Next time the reports will be available in the committee mailbox a week before the meeting. Terry Conklin requested that accounts be described in name not just number. He offered to work on presentation material for next year's public hearing and deliberative session, among other things clarifying discretionary and non-discretionary accounts. The budget committee would also like to see everything (charts, etc.) that the school board will present to the public before the public hearing. There was discussion about the undesignated fund balance and a request for the trend of the balance. Robbie Robinson said that a "comfortable amount" is between \$2 and 3 million; the state helps decide what amount is appropriate and sets the tax rate accordingly.

There was discussion about telephone overages in several accounts, due to unanticipated rewiring. There was an explanation of the purpose and process of the budget committee and its hearings in the fall. More questions on the town budget should be emailed to Donald Gould who will seek the answers and present them at the next meeting.

Donald Gould introduced the idea of a Financial Oversight Committee, or Capital Improvements Committee, an advisory group to the selectmen that would include volunteers with backgrounds in finance. The committee would seek to identify, prioritize and creatively plan for large capital projects that the town will confront in coming years, yet work to retain a stable tax rate. The budget committee was supportive of the idea and suggested including: communication to and with the general public and increased communication among boards; municipal planning including common areas and open space and quality of life issues; a member of the budget committee. There was discussion of televised meetings, which should be possible early next year, and bringing more people into the deliberative process.

Motion to adjourn by Mary Pat Dolan, seconded by Sue Spencer. Meeting adjourned at 9:03 p.m.

Respectfully submitted,

Amy Kane
Recording Secretary

(Approved by the budget committee 8/12/04.)