



**Budget Committee**  
**Robert Copp**  
**Michael Golden**  
**Don Gould**  
**Robert Hamilton**  
**Jim Maggiore**  
**Larry Miller**  
**David Peck**  
**Kari Schmitz**

## **Budget Committee Meeting Minutes**

Monday, December 10, 2007  
North Hampton School--Library

Members Attending –Copp, Golden, Hamilton, Maggiore, Miller, Peck, Schmitz  
Members not Attending- Gould

Others in Attendance- Karen Frisbie (NHS, Director of Pupil Services), Peter Sweet (NHS Principal), Bob Berry (SAU 21, Business Administrator), and from the NHS School Board, Mary Pat Dolan (Chairperson), Janet Gorman, David Sarazen, Kari Schmitz (representing both School Board and BudCom), and Stacy Whittier

The Meeting was called to order by Chairman David Peck at 7:00 pm.

Minutes from the November 29, 2007 BudCom meeting were reviewed and unanimously approved as amended.

Chairman Peck began the school budget portion of the meeting by covering some of the open action items from the previous school budget meeting of December 6. The meeting was then turned over to Schmitz, who lead the discussion as a BudCom member and representative of the School Board, covering the financial portion of the school budget. She began by presenting an overview of items to be covered, including health care, personnel calculations, overview of budgeting process, highlights of fiscal '09 operating budget, cost per pupil trends and reallocations from prior fiscal years (portions of presentation attached to this document for reference). Schmitz then went on to outline some of the concerns and risks with the operating budget. Included in this discussion was that the retirement and state education funding portions of the operating budget are out of the control of NHS and dictated by the state. The cost associated with the proposed changes to Kindergarten hours would be called out in a warrant article, and further, the decision to proceed or not with this proposal would be reviewed at the School Board's December 11 meeting. Overall, the '08/'09 budget as presented represented a 2.4% increase over the current year budget, or \$179,200, this amount excluding any proposed warrants. It was noted that the largest increases were in the areas of Salaries & Wages (determined via collective bargaining agreement) and benefits (further discussed below). Examples were shown between those operating budget line items fixed (contractual, fed/state mandates) and discretionary. A schedule showing estimated revenue and credits to the school district by source for 2008-09 was reviewed, the projected amount for '08/'09 of \$330K little changed from the past two years. An overview of the entire operating school budget was presented in pie chart format, showing run rates over a four year period,

presented by object code and by function. Schmitz noted that 81% of the total '08/'09 budget is represented by salary & wage, employee benefits and debt service. The next part of the meeting focused on health insurance costs, including an explanation of how this line item was developed, review of the budget worksheet and an overview of the types of health medical plans offered (as determined by the collective bargaining agreements). A key driver to the development of this line item was a letter supplied by the New Hampshire Local Government Center, giving guidance to using a rate increase of 14.2% (14.0% actually incorporated into operating budget). This rate of 14.2% represents a guaranteed maximum. When looking back at prior years, this line item has represented a great deal of volatility and uncertainty, even with the benefit of LGC guidance. For example, for fiscal '05, budget to actual showed overspending of \$80K as explained by Bob Berry, while '06 had a surplus of \$65K and '07 a surplus of \$52K. Overall, the health insurance line item is up by a modest 1.1% despite overall price tags increasing by a budgeted 14.0%, further explained by Berry that a projected migration by employees to lower cost plans and a significant reduction in prescribed medicine costs offset the 14.0% increases. Similar to the discussion on health insurance, Schmitz walked through the personnel roll-up, how the budget was developed, including the impact of the collective bargaining agreements. While SEA information was known at the time of the budget (incorporated into existing three-year collective bargaining agreement), SESA is in the process of being negotiated and the additional cost associated with SESA if any will be called out in a separate warrant. The discussion then turned to the cost/student, comparing NHS to the state average and local neighboring town school districts. It was noted by Hamilton that the state web site was lacking certain information from NHS. **Action item: Berry to follow up on this omission of information.** The next item covered was the reallocation process. This was covered primarily to address the '06/'07 budget reallocation to pay for the school playground resurfacing of approximately \$120K. Schmitz outlined where this funding was reallocated from, including the health insurance line item (\$90K), salary & wages (\$10K) and professional services (\$26K). Discussion then turned to review of the warrant articles, previously discussed at the December 6 meeting. NHS technology inventory was reviewed, showing placement of computers by year since 2002. Further, a map of the building was reviewed, which showed physical placement of this equipment. In total, 196 computers, of which 57 are laptops, are currently in service, with 36 requested in the '08/'09 budget for replacement for the 2003 population, following NHS's policy of replacing computers every five years. Discussion of the staff was then covered, including breakdown by grade, special ed staffing and other specialist staffing. Discussion then turned back to the reallocation issue, specifically for fiscal '06/'07 as it pertained to the funding for the playground resurface project. Budget transfers in/out for this fiscal year, and as approved by Chairperson Dolan on April 19, 2007, was reviewed. **Action item: Berry to update final costs for playground, showing actual transfers once all of the billing for this project have been submitted and recorded.** Miller asked whether this action by the School Board on the playground had been noted in any School Board minutes. Peck felt upon his own review that this had not been done. **Action item: Schmitz to confirm this discussion by the School Board and approval was contained in School Board minutes.** There was some confusion on the Dolan approved document approving budget transfers and the subsequent explanation including the aforementioned sources for the playground funding. Dolan noted that she did not believe \$53K from health insurance (as shown on the Dolan approved document) and the previously noted \$90K from this same line item, a total of \$143K, was transferred out of this budgeted line item. Miller was questioning how does the '06/'07 health insurance, with the transfers out as discussed, rolled into the '07/'08 budget and proposed '08/'09 budget. Referencing back to Berry's comment about the significant reduction in prescribed medicine costs, mitigating some of the large budgeted increase, **Action item: Berry to supply documentation within one week from today's meeting on pharmaceutical savings.** At this time, Miller proposed a new warrant article that would state that any school budget surplus for health insurance be rolled over into a non-lapsing fund designated for future health insurance care by the school district. Copp suggested an amendment to Miller's motion to include the town departments as well. Peck seconded this revised motion, which approved unanimously. The outcome of this motion is that two separate warrant

articles will be reviewed and voted on by the School Board and the Board of Selectmen. Peck then lead the discussion, covering the proposed operating budget by function, requesting discussion and comments, then motion to approve/disapprove. The motions covered were as follows:

Functional area	Motion by	Seconded by	BudCom vote
Motions to approve following functional budgets for '08/'09:			
Regular education	Peck	Copp	Unanimous
Spec education	Schmitz	Copp	Unanimous
Student activities	Schmitz	Peck	Unanimous
Guidance	Schmitz	Peck	Unanimous
Improv. Instruct	Schmitz	Peck	Unanimous
Educ. Media	Schmitz	Peck	Unanimous
Technology	Schmitz	Golden	yes- all except Miller, Maggiore
(Miller felt that the new computers should be part of a warrant article. Dolan Indicated input from BudCom in prior year's budget review meeting indicated Replacement capex was to be budgeted within the ops budget.)			
Board of Ed	Golden	Peck	Unanimous
SAU Services	Peck	Copp	Unanimous
School Admin	Schmitz	Peck	Unanimous
Buildings	Schmitz	Peck	Unanimous
Grounds	Schmitz	Peck	Unanimous
(Berry indicated Grounds budget includes cost associated with Going Green, the intent to incorporate this into supply items as well once current stock is depleted.)			
Transportation	Peck	Schmitz	Unanimous
Debt Service	Peck	Schmitz	Unanimous
Employee Benefits	Schmitz	Peck	No all, except Golden, Schmitz
(Miller indicated he could not support this portion of the budget without feedback on the proposed warrant article mentioned earlier. He then Made motion to delay approval of health insurance until such time as School Board votes on this matter. Vote: all for except Golden and Schmitz.)			
Food Service	Schmitz	Peck	Unanimous

Discussion then turned to the proposed school warrant articles which have a monetary impact on the '08/'09 budget.

Motions to approve following warrant articles:

Warrant article #	motion by	seconded by	BudCom Vote
No. 1	Peck	Copp	Yes 6 No Miller
No. 5	Schmitz	Golden	Yes 6 No Miller
No. 6	Schmitz	Peck	Unanimous
No. 7	Copp	Peck	Unanimous

There being no further business, Chairman Peck adjourned the meeting at 10:05 p.m.

Respectfully submitted,  
Mhael Golden

