

North Hampton Budget Committee Meeting  
 Thursday, December 17, 2009  
 Old Town Hall

### **Official minutes (revised)**

**1. Call to order:** Chairman Jim Maggiore called the meeting to order at 7:04 p.m.

*Budget committee members in attendance:* Robert Copp (North Hampton School Board), Michael Golden, Robert Hamilton (Little Boar's Head), Jim Maggiore, Paul Martino, Larry Miller, David Peck, Jon Rineman (Select Board), Jennifer Simmons

*Also in attendance:* SAU 21 Superintendent James Gaylord, NHS Principal Peter Sweet, SAU 21 Finance Assistant Nancy Tuttle, School Board members David Sarazen, Kari Schmitz, Curriculum Coordinator Jan Scipione, Amy Kane (minutes)

### **2. Review minutes, October 5<sup>th</sup> meeting**

**Motion by Michael Golden to add "with benefits" after "with the cost of one employee averaging \$75,000" on page 2. Second by David Peck. Passed 8-0.**

***Motion by David Peck to accept the October 5th minutes as amended. Second by Paul Martino. Passed 8-0.***

### **3. Review minutes, December 5<sup>th</sup> meeting**

**Motion by Michael Golden to add "warrant" before "article" on page 3. Second by Larry Miller. Passed 8-0.**

**Motion by Michael Golden to add "by the School Board" between "Cuts" and "in the Board of Education account" on page 3. Second by Larry Miller. Passed 8-0.**

(Mr. Copp arrived at this time.)

**Motion by Jim Maggiore to accept the December 7<sup>th</sup> minutes as amended. Second by David Peck. Passed 9-0.**

### **4. Review of North Hampton School FY10-11 Proposed Budget and Warrant Articles**

Ms. Tuttle distributed the updated proposed warrant articles; Mr. Copp briefly reviewed them. They are:

1. Proposed operating budget, final number not yet available due to teacher and support staff contract negotiations
2. SEA contract
3. SESP contract
4. Up to \$50,000 to be added to the Building Maintenance Expendable Trust Fund from the unreserved fund balance
5. Creation and funding of School Health Insurance Fund up to \$30,000 from unreserved fund balance
6. Changing terms of school district clerk, moderator and treasurer from one to three years (Budget Committee does not vote a recommendation for no-money articles)

### **Review of Article 5**

Mr. Maggiore asked to clarify that Article 4 would be funded before Article 5 if both passed. Ms.

Tuttle confirmed that the first approved would be the first funded. Mr. Peck noted the annual surplus for the past few years had been in excess of the combined amount requested in Articles 4 and 5. Ms. Tuttle said the DRA had confirmed that: an amount “up to” was required; funds must be put into the trust in full up to that amount and could not be decreased if articles passed; the surplus cannot be removed from any particular line item but must come from the unreserved fund balance; the articles are not automatic once passed, but must be put on the ballot each year, in an amount chosen by the Board. The amounts in the articles were based on this year’s surplus. The building fund was placed first on the ballot this year due to anticipated needs, but the articles could be reversed in future years, or only one or none placed on the ballot, said Mr. Copp. There is currently \$114,000 in the building fund. The committee cannot change the amounts in the warrant articles, but only vote to recommend each article or not. Ms. Tuttle read RSA 198:20c, which governs trust funds created by school districts for specific purposes. School Board members are trustees. Mr. Golden said he understood the intent of Article 5 was to reduce subsequent budgets by reducing the health line item; Ms. Schmitz confirmed that is the Board’s intent. Mr. Rineman suggested the article be written to clarify to voters that 4 takes precedence over 5 in funding. The Committee discussed wording and addition of notes to the article. Ms. Tuttle said she would consult the DRA.

***Motion by Jim Maggiore that Article 5 be placed on the ballot as written. Second by Larry Miller. Passed 9-0.***

#### **Review of Article 4**

Mr. Peck said he had strongly supported the creation of this fund two years ago in the belief that it would be used only for building maintenance, improving the existing structure, and asked if that was the Board’s interpretation. Mr. Copp said the trust fund might also be used for planning an addition, and Ms. Schmitz and Mr. Sarazen agreed. The Committee and Board discussed the intent of the article and fund, and voters’ likely understanding of it. Mr. Miller said he believed it was designed to maintain a building that was there, not a building that was not there, Ms. Schmitz said the Board was not trying to mislead the Committee or public, and the \$153,000 in the fund was yet to be spent. Mr. Peck said he believed an architectural design study should be funded in a separate warrant article. Mr. Sweet said part of the design would include rehabbing existing bathrooms. Mr. Maggiore noted that the RSA governing this fund is clear that the School Board has discretion of this fund. Ms. Tuttle added it is the role of trustees (the School Board) to determine if an expense falls within the purpose of this fund. The Committee discussed whether to hold off voting until warrant article wording was changed, a note added, or the original intent of the fund was reviewed. Mr. Maggiore said the next meeting was the Public Hearing on January 14. Mr. Hamilton offered to research the Committee’s understanding of the intended purpose. The Committee decided to hold off voting on Article 4 until after the Public Hearing.

#### **Review of Article 1**

Mr. Maggiore suggested the Committee review and vote on the proposed budget section by section.

#### **4110009 – Regular Education**

Ms. Simmons asked about the certified reading specialist position. Mr. Sweet said the administration had suggested the position be removed when a zero budget increase was requested; other staff members are certifiable. The Board voted to keep the position. With last meeting’s recommendation to remove the Assistant Principal position, the Budget Committee-recommended amount for this account is \$2,391,032.

***Vote to recommend Regular Education account: 9-0.***

#### **4120012 – Special Education**

The BudCom-recommended amount for this account is \$932,103. Mr. Golden asked if the Legal line item could be lowered from \$5,000 to the Administration-proposed \$2,500. Mr. Sweet said

the higher number was based on spending this year.

***Vote to recommend Special Education account: 9-0.***

#### **4140060 – Student Activities**

The BudCom-recommended amount is \$95,818. Ms. Simmons asked why the School Board was still making \$4,000 available for a 7<sup>th</sup> grade field trip when it had voted not to recommend the New York trip. Mr. Sarazen said the Board would like 7<sup>th</sup> grade to propose a less costly trip that is appropriate to the curriculum. Mr. Martino said he did not like voting to fund a trip not yet chosen.

***Motion by Larry Miller to remove \$4,000 from the Other Expenses line, reducing it to \$43,120. Second by Jen Simmons. Failed 4-5. (In favor: PM, LM, DP, JS. Opposed: RC, MG, RH, JM, JR.)***

Mr. Golden asked about changes in the Coaches and Advisors line. Mr. Sweet said a fourth administrator had done work that would now go back to a staff member, necessitating a stipend.

***Vote to recommend Student Activities account: 6-3. (In favor: RC, MG, RH, JM, DP, JR. Opposed: PM, LM, JS.)***

#### **4212029 – Guidance**

The BudCom-recommended amount is \$73,365.

***Vote to recommend the Guidance account: 9-0.***

#### **4213044 – Health**

BudCom-recommended amount is \$54,378.

***Vote to recommend the Health account: 9-0.***

#### **4215012 – Speech Services**

BudCom-recommended amount is \$243,363.

***Vote to recommend the Speech Services account: 9-0.***

#### **4221009 – Improvement of Instruction**

BudCom-recommended amount is \$41,002.

***Vote to recommend Improvement of Instruction account: 9-0.***

#### **4222042 – Educational Media**

BudCom-recommended amount is \$119,361.

***Vote to recommend Educational Media account: 9-0.***

#### **4222522 – Technology**

BudCom-recommended amount is \$293,983.

***Vote to recommend the Technology account: 9-0.***

#### **4231000 – Board of Education**

BudCom-recommended amount is \$40,976.

***Vote to recommend Board of Education account: 9-0.***

#### **4232000 – SAU Services**

BudCom-recommended amount is \$160,935.

***Vote to recommend SAU Services account: 9-0.***

#### **4241031 – School Administration**

BudCom-recommended amount is \$301,558.

***Vote to recommend School Administration account: 9-0.***

#### **4262026 – Buildings**

BudCom-recommended amount is \$431,501. Mr. Golden said he thought the 4.1% manager

salary increase was overly generous in this economic climate. Ms. Tuttle noted that his salary had already been increased to this amount.

Ms. Tuttle updated the Committee regarding the Heating Fuels line item. At 5 p.m. she had spoken to the SAU's bidder, Competitive Energy Services and received the current prices and trends for the past 90 days. The trend has been up, but for the past 4 days prices has been going down. If the SAU "locked in" today for next winter, the price is currently \$2.30 per gallon and would be \$2.52 for January 2011. The SAU would have 24 hours to get signatures from all SAU Boards to lock in.

***Motion by Michael Golden to reduce the Heating Fuels line item based on a price of \$2.52 per gallon from \$69,750 to \$63,000. Second by Larry Miller. Failed 4-5. (In favor: MG, PM, LM, DP. Opposed: RC, RH, JM, JR, JS.)***

Mr. Martino asked about electricity prices. Ms. Tuttle said there were two components: kilowatt usage and distribution costs. She detailed budgeted amounts and lock in with two vendors.

***Vote to recommend Buildings account: 6-3 (In favor: RC, RH, JM, JR, DP, JS. Opposed: MG, PM, LM.)***

#### **4363026 – Grounds**

BudCom-recommended amount is \$35,600.

***Motion by Michael Golden to level fund the Grounds Repair line item, reducing it from \$14,300 to \$13,100. Second Jon Rineman.***

*Discussion.* The amount difference is the cost of servicing the port-a-potty on the nature trail. It is used for six months of the year, according to Mr. Sweet.

***Vote. The motion passed 6-3. (In favor: MG, JM, PM, LM, JR, JS. Opposed: RC, RH, DP.)***

***Motion by Jim Maggiore to level fund snow removal at \$11,438. Second by Larry Miller.***

*Discussion.* Mr. Maggiore said the amount should go up when a truck for removal had been purchased last year. Ms. Tuttle said sanding and salting and moving snow off the property was necessary in addition to plowing with the new truck.

***Vote. The motion failed 1-8, with LM in favor and all others opposed. Vote to recommend Grounds account: 9-0.***

#### **4265026 – Vehicles**

BudCom-recommended amount is \$10,967.

***Vote to recommend Vehicles account: 8-1, with LM opposed.***

#### **4272000 – Transportation**

BudCom-recommended amount is \$299,409. Mr. Maggiore asked how many athletes were going on bus trips. Mr. Sweet said that depended on the team. Some teams were small enough to get rides with parents and coaches.

***Vote to recommend Transportation account: 9-0.***

#### **4510000 – Debt service**

BudCom-recommended amount is \$473,956.

***Vote to recommend Debt service account: 9-0.***

#### **4290000 – Employee benefits**

BudCom-recommended amount is \$1,701,206. Discussion centered around cost of plans, the volatility of insurance estimates, whether or not the Board would consider underfunding, and

creation of the health insurance trust fund. According to Superintendent Gaylord, the GRA estimate of 19.3% increase was based on a 2-year claims average. Recent retirements have been followed by hiring younger staff. They have a higher maternity rate and choose more expensive family plans

***Vote to recommend account Employee benefits: 9-0.***

#### **4522100 – Interfund Transfer (\$1)**

***Vote to recommend account: 9-0.***

#### **Food Service**

BudCom-recommended amount is \$189,870. Mr. Hamilton noted that increasing the price of school lunch from \$2 to \$2.20 has caused fewer students to purchase lunch. He said a healthy lunch and breakfast helps kids nutritionally and educationally. He calculated costs - overall and at the median tax rate - noting that lunches are the only part of a school day kids and parents pay for directly, and suggested the taxpayers consider funding school lunches for all students. For the average taxpayer, this would cost about a dollar a week to pay for lunches for all students.

***Motion by Robert Hamilton for the Budget Committee to support the School Board and Administration if they decide not to charge kids for lunch. Second by Larry Miller.***

*Discussion.* Mr. Hamilton said he would make a second motion if the first passed to appoint a committee of 5 or 6 people to explore financially efficient ways for all students to be served a healthy lunch. Mr. Rineman said he drives a school bus and the 60 to 70 kids on his route do not fit the category of need Mr. Hamilton is describing. He said he thought the Administration was handling kids who did need help. Mr. Sweet said he did think some kids were coming to school hungry and that breakfast is under consideration. He said attempting to make the account self-funding probably cannot continue. If students are not charged, however, there is no federal reimbursement. Mr. Golden said this was the responsibility of the School Board. Mr. Hamilton said the Budget Committee never adds money to a budget, only cuts, and that this was their responsibility too. He said if people did not approve, they could take the money out at the Deliberative Session.

***Vote. Motion failed 4-5. (In favor: RC, RH, JM, JS. Opposed: MG, JM, PM, DP, JR.)***

***Vote to recommend Food Service account: 9-0.***

***Motion by Mr. Hamilton to approve a total operating budget of \$7,889,183. Second by Mr. Miller. Passed 9-0.***

Mr. Hamilton brought information to the attention of the School Board concerning the track system for school employees, suggesting that making the percentage change in salaries more standardized over time would help in budget planning and controlling costs. He suggested linking salary increases or decreases each year to percentage changes in median salary for people living in this area (available from the Bureau of Labor Statistics). It would be perceived as fair by both taxpayers and school employees, and better reflect what could be afforded.

### **3. Adjournment**

***Motion to adjourn by David Peck. Second by Robert Copp. Passed 9-0. The meeting was adjourned at 10:22 p.m.***

Respectfully submitted,  
Amy Kane