



Budget Committee

Robert Copp

Dickie Garnett

Michael Golden - absent

Robert Hamilton

Paul Martino - Chairman

Larry Miller

David Peck – arrived 7:15 p.m.

Jon Rineman

Jennifer Simmons - absent

Guest: Nancy Tuttle

Budget Committee Meeting – Official Minutes

Monday, October 4, 2010

Town Hall

Call to order: Chairman Paul Martino called the meeting to order at 7:04 p.m.

1. Review School Budget etc – Nancy Tuttle

Ms. Tuttle distributed handouts with each section of her report. The district was told in Oct. '08 that the maximum health insurance rate increase would be 11.3%; in April '09, the actual was 4.7%. In 09-10 there were many changes to health plans, including four teachers having babies. The '09 estimated rate increase was 19.5% and came in at 13.3%; this would show a budget-to-budget savings of \$46,000.

Ms. Tuttle reviewed the school district trust funds, which include 3 maintenance funds, a health insurance fund and a building expansion fund. The \$155,332 is reserved for building maintenance for items such as boiler replacement, roof repairs. This past summer, \$75,000 was spent on gym floor repairs. Ms. Tuttle shared copies of the most recent warrant, detailing the purpose of the two most recently established funds. Ms. Tuttle said she recommends trust funds to plan for unforeseen major expenses, such as SPED costs, because schools are not allowed to hold onto unreserved funds at the end of the budget year. Expendable trust funds must appear on warrants every year, requesting funds “up to” a certain amount. When the school board votes to expend funds, they must hold a public hearing.

Ms. Tuttle explained accounting of revenue, including ARRA funds used for “adequate education.” Food service took in less than anticipated. Mr. Hamilton noted that if 12% or more of the student body qualified for free or reduced lunch, the school could qualify for more money for all students. Roughly 10% qualify now. Ms. Tuttle said the most recent audit was successful. She explained that transfers between accounts were allowed but must always net to zero. Transfers are made only if there is a deficit of \$1,000 or more, and first from the same function, if possible, then across functions as it is a bottom-line budget.

Next. Ms. Tuttle reviewed the budget as of the end of the year. The school budget had a \$59,380 revenue surplus. She explained accounting procedure for the potential food service revenue shortfall, and prior year encumbrances. A bus contract compliance audit resulted in a return of \$64,000 SAU-wide. A total of \$23,194 will be returned to the town to reduce taxes. The committee discussed the debt service, which pays off in August 2011. State aid may not exist for future projects. The committee also clarified issues regarding food service costs and accounting. The state advises that food service should pay for itself and

cannot be run into a deficit. Changes to the food service program include local fruits and vegetables as part of a farm-to-school program.

Ms. Tuttle reviewed the timeline for school budget development. The Hampton withdrawal from SAU 21, to form SAU 90, will impact the North Hampton School District's share of the SAU 21 budget in an amount not yet determined. Committee members praised Ms. Tuttle's thorough, clear report.

2. School Building Committee Update – Bob Copp

Mr. Golden is the liaison to the School Building Committee. Mr. Martino said Mr. Golden was upbeat but noted the timeline was tight. A proposal is due Dec. 17; it will go to the School Board, then CIP, then Budget Committee. Mr. Copp said the committee was seeking a representative from beyond the immediate school community. A warrant article with a fixed sum for school expansion may be presented.

3. Review Conservation Trust Funds

Mr. Martino shared a handout detailing trust funds held by the Conservation Commission. A member of the Conservation Commission was not present, but audience member Richard Stanton, of the Zoning Board, was able to offer some information in response to committee questions. The original source of some of the funds was conversion of properties from current use. The Budget Committee was interested in the funds purely for informational purposes.

4. Review Cable Committee budget information

Mr. Martino said he had shared a forwarded email with committee members because it pertained to the budgeting process.

5. Review responsibilities / expectations of liaisons

Mr. Martino said his view was that liaisons would meet with their departments in advance of Budget Committee review of those budgets. Members agreed.

Mr. Miller reported on a recent meeting with the town administrator. A re-evaluation of the town could potentially be very different than in the past, and could cost \$100,000 over two years. Health insurance will go out to bid, due to the Budget Committee's concern that the town was being represented by a supplier of insurance. An article will fund the Building Maintenance Fund in order to finish the exterior of Town Hall. The Select Board may bring forward proposals for the municipal complex before the next election.

6. Revisit and conclude Economic Overview discussion

Mr. Martino said the town administrator could not provide the income numbers sought. Ms. Simmons contacted the NH Policy Center and a representative may be available to come speak to the committee. Mr. Hamilton shared data from the Bureau of Labor Statistics on wages and unemployment. Data does not reflect the underemployed or those who have given up looking. Mr. Hamilton said the Portsmouth area may have lost some high quality jobs. The consumer price index deflated during the recessionary period and has recently begun going down again.

7. Discuss committee rules and guidelines

Mr. Martino asked if the committee would like to institute a time limit for meetings that could be overruled by a vote to extend a meeting. The committee was generally not in favor.

8. Review minutes from September 14, 2010

Mr. Copp asked that Mike Shulman be inserted as Winnacunnet Budget Committee representative and his own name removed.

Motion to accept the minutes as corrected by Bob Copp; second by Dickie Garnett. Motion passed 7-0.

9. Other

Mr. Copp noted that the School Deliberative Session is scheduled for February 8.

Adjournment

Motion to adjourn by Paul Martino; second by Bob Copp. Motion passed 7-0. The meeting was adjourned at 8:54 p.m.

Respectfully submitted,
Amy Kane

(The Budget Committee approved these minutes without amendments on December 2, 2010.)