



Budget Committee

Robert Copp
Dickie Garnett
Michael Golden
Robert Hamilton
Paul Martino - Chairman
Larry Miller
David Peck
Jon Rineman
Jennifer Simmons

Budget Committee Public Hearing & Meeting – Minutes

Tuesday, January 11, 2011
Town Hall

Call to order: Chairman Paul Martino called the meeting to order at 7:13 p.m. He introduced the members of the Budget Committee and shared several slides describing the role of the committee, the school percentage of the overall tax rate (51.45%), and tax rate comparisons over several years.

1. Public hearing – North Hampton School District Warrant Articles

Article 1 – Building Addition

School Board Chairman David Sarazen reviewed the proposed project, to be funded by a \$2,556,250 bond. He reviewed key events, steering committee findings, and building deficiencies. Enrollment trends are steady, but changes in curriculum, teaching methods, and makeup of the student population require increased space. He shared features of the proposed addition, including two additional classrooms on the first level and two science labs on the second level, new ADA-compliant bathrooms, a renovated science classroom, and additional space conversion.

The School Board is recommending a 10-year level-debt bond at 3.99%, which will save \$417,134 in interest over a 15-year bond. The current building expansion bond expires in 2011-12; the last payment is \$332,823. The new bond would be \$309,275 and, with current programs in place, add an estimated \$25,144 to the annual operating budget. The impact on taxpayers would be 31 cents per mil, or \$124 per year on a \$400,000 house.

Now is the time to build, said Mr. Sarazen, because the current bond is expiring, rates are favorable, construction bids are competitive, the current space is in violation of building and safety codes, bathrooms are not ADA compliant, and the addition would address immediate needs.

At this time, Mr. Martino officially opened the Public Hearing. He invited members of the public with questions or comments to step to the podium.

Don Gould said economic times are difficult, the tax base is eroding, abatements are increasing, and the town's current assessed value is at 105%. The proposed addition, when combined with the \$500,000 Corbett purchase, makes a total indebtedness of roughly \$8 million, and there will be more down the road with the town municipal complex. He said the steering committee met first in August and completed work

in December, and did not show empirical evidence that children were disadvantaged without new science labs. Haste makes waste, he said, and recommended more deliberation and planning. He asked the committee not to recommend this addition this year.

Andrew Hart said North Hampton is surrounded by communities with full-day kindergarten and science labs for middle school students. Winnacunnet science teachers support improved lab space. The renovated town hall has an ADA-compliant ramp and the town offices have an ADA-compliant elevator, both installed relatively recently, and it was not fair or prudent for students at the school to do without access. He agreed times were difficult but noted this bond would replace an expiring bond. Kindergarten program expansion was the responsibility of the School Board not Budget Committee.

Alan Williams said he would like to share the perspective of a senior citizen. Social Security has had a zero cost of living increase, possibly for the third year, and interest on savings is close to zero. He said the state is running a \$900 million deficit and scrambling to find ways to raise the money, while North Hampton is scrambling to find ways to spend money.

Rick Stanton said a \$120 tax impact was significant for those on Social Security and he would like a breather from bond payments for a couple of years. He said he would like to see a capital reserve fund to save money for a number of years.

Terence Conklin said kindergarten extended-day would benefit such a small number of students (and there are alternatives in the community) that the cost benefit seems small for the magnitude of the project. Science labs might be retrofitted to accommodate experiments. Average number of pupils per classroom is higher at the state level than in our school. Enrollment is stable; expansion usually happens with an increase in client base. He advised the wording of the article inform voters of the increase in operating expenses. With an expanded kindergarten program, the commitment could be in excess of \$5 million over 5 years. With state fiscal issues, other burdens may be put on the town. Successfully paying off the current bond is not a cause to add more debt; taxpayers should enjoy the benefits of completing their responsibilities.

David Allen said he considers himself fiscally responsible but he believes the school is overcrowded and having SPED students in the hall and non-ADA-compliant bathrooms is ludicrous in a town like this. Not everyone who wants full-day kindergarten can afford Rye Country Day. The addition would allow the opportunity of extended-day, but he cautioned against voting on an operating budget 5 or 10 years in the future. Nobody wants taxes to go up, but the most important investment a town makes is in children and the future. If the school is deficient, it will stop attracting people to the town and property values will go down.

Article 2 – SEA contract

Mr. Martino read the warrant article, noting that it must pass in all districts. Teachers are paid on a matrix based on experience. This contract would give a two-step increase on the matrix. This is a net increase if every teacher employed by the school stays at the school. Teachers will pay more of their own health insurance costs.

Rick Stanton said he is in support of this article as the quality education of students is based on good teachers.

Article 3 – SESPA contract

Mr. Martino read the warrant article, and noted it must pass in all districts. Aides are currently working under contracts from two years ago.

Alan Williams asked for public employee salaries to be shared with the public. Nancy Tuttle, SAU 21 Finance Assistant, said specific salary information is available at the SAU office.

Article 4 – Operating budget

Mr. Martino reviewed the past four years of school budgets by percentage increase. The proposed operating budget of \$8,053,489 would be a 2.08% increase over the current year. He reviewed the increases and decreases by account.

Mr. Miller asked what the total increase would be if the SEA and SESPAs pass. Ms. Tuttle said it would be 3%.

Article 5 – School health insurance trust fund

Mr. Martino said the purpose of the fund, established last year, is to allow more accurate budgeting. Health insurance is estimated with a guaranteed maximum rate that is about 3% higher than actual, but the committee does not want to underfund that account either.

Ms. Tuttle said the School Board used \$30,000 from the fund this year to help reduce the budget; this article would replace that amount. Mr. Miller asked for a redundancy to be removed from the wording of the article. Ms. Tuttle agreed.

Article 6 – SPED trust fund

Mr. Martino said \$50,000 would be added to the trust from the unreserved fund balance at the end of the fiscal year, if any budget money is unexpended, and after the health trust is funded first. Costs can be volatile in this area of the budget. The SAU recommends this trust be funded up to \$300,000, over time.

Rick Stanton asked if this money was just for North Hampton School District. Ms. Tuttle said yes.

Tamara Le said she is a town resident with one child in the school and she works for NH Connections, an organization that is positive and proactive for children with disabilities. She voiced support for the trust. She praised North Hampton School's ability to deliver special education services in-house, saving tax dollars and also allowing money associated with SPED students to be spent within the school. Recently, NH received \$72 million for disability services but it went into the General Fund. There has been a 301% increase in autism diagnosis in the past two years, with a reduction in diagnosis for general learning disabilities and intellectual impairment. Parents of students with special needs contribute volunteer time and are no different than other parents shopping for schools, except that they do not have the same choices of private schools. Eighty-five percent of people with disabilities will be abused at some time in their lives; special education is not a cost but an investment in ending the ugliness of discrimination, curbing the need for public assistance, and giving an opportunity for gainful and meaningful employment.

Mr. Martino closed the Public Hearing at 8:44 p.m. He called to order an official Budget Committee meeting at 8:49 p.m.

Article 1 was moved by Robert Copp and seconded by Bob Hamilton.

Discussion. Mr. Peck asked for SAU-wide kindergarten information. Ms. Tuttle reported that Hampton has full-day kindergarten, 150 kindergartners, 7 teachers, 7 aides, and 7 SPED students with 2 SPED aides. Hampton Falls has half-day kindergarten with 1 full-time teacher, 1 aide, 3 SPED students and 2 SPED aides. Seabrook has 66 kindergartners, 3 teachers, 3 aides, and 1 SPED student with 1 aide. South Hampton has 9 kindergartners, 1 part-time teacher and no SPED students.

Mr. Hamilton said he visited Rye and Greenland schools to view science facilities. He shared photos with the committee. Lab stations look like what is requested in the bond. Teachers are happy with the set up. Portsmouth will be improving science labs. North Hampton will be the only school not providing the opportunity to do hands-on science. He said if labs were postponed another five years, potentially 300 students would be deprived of the experience in science.

Mr. Miller said the building addition would be without state funding. He had trouble supporting an article that was not supported unanimously by the School Board. Improvement of the school should be examined on a larger scale, to last for a longer time.

Mr. Peck said the school helped the value of the town, but the economic times are tough and there is no matching funding from the state. Science improvement is important. If the project does not include extended-day kindergarten, the scope of the project should be smaller. Full-day would need three teachers and three aides, which could cost an additional \$200,000 per year in operating expenses. He questioned whether paying for full-day kindergarten was the will of the people.

Mr. Golden said he believes in science education but he felt the building addition cost plus additional staff was too great. He was concerned the state deficit would cause North Hampton to have a higher tax burden. North Hampton spends 51% of tax dollars on schools compared to 30-33% in Stratham and Rye. Full-day kindergarten is not mandated by the state. The tax rate in town is part of what attracts people to the town. He said he received calls at home and people were worried about the cost and rush to build.

Mr. Garnett said it was a lot of money but he would probably vote for it as a citizen. If people were educated about it, he felt it would pass. Otherwise, it would probably come up for a vote again next year.

Mr. Copp said it was the duty of the School Board to present what it feels are the needs of the school. The addition would create a working environment for teachers and students to do science. Classrooms are not big enough for science now. He said his children attended NHS and WHS and got good educations, but he would like current and future students to have it just a little better. The school should not stay static, but move on.

Mr. Martino said he was a fiscal conservative but he felt space needs had been identified. Whether people in town want extended-day kindergarten is for a future board to determine; he would not support a full \$250,000 added to the operating budget, but he thought there could be creative solutions for reducing expenses. He moved the question.

Vote: 5-4 to recommend Article 1. (In favor: RC, DG, BH, PM, JS. Opposed: MG, LM, DP, JR.)

Article 2 was moved by David Peck and seconded by Robert Copp.

Discussion. Mr. Peck said he thought questions were answered; collective bargaining can be a challenge to negotiate. He was in favor of recommending. Mr. Miller said he would not recommend this article because he would like the total percentage increase of the proposed budget to be below the rate of inflation.

Vote: 8-1 to recommend Article 2. (Not in favor: LM.)

Article 3 was moved by David Peck and seconded by Michael Golden. Vote: 9-0 to recommend.

Article 4 was moved by Jen Simmons and seconded by Dickie Garnett.

Discussion. Mr. Golden said next year he would look harder at the SAU costs which, due to Hampton's withdrawal, are up 20% with no value added. Ms. Tuttle suggested he attend Joint Board meetings. Mr. Miller asked if this was being voted on as Article 4, and the answer was yes. Mr. Peck said it was difficult to come up with more items to be cut and he thought the School Board did a good job, but he was unhappy the increase was more than inflation. He thanked the School Board for their recent budget adjustments.

Vote: 9-0 to recommend Article 4.

Article 5 was moved by David Peck and seconded by Michael Golden. (Mr. Martino read it aloud without the redundant sentence.) Vote: 9-0 to recommend.

Article 6 was moved by David Peck and seconded by Larry Miller.

Discussion. Mr. Golden said he was concerned about the misuse of trust funds in budgeting, over time, and questioned the volatility of this account. Ms. Tuttle said the DRA only allowed trust funds for four purposes: tech, SPED, building, and health care. All other districts in the SAU have a SPED trust.

Vote: 9-0 to recommend Article 6.

Mr. Sarazen thanked the committee for constructive exchange and said he looked forward to another positive budgeting season next year. Ms. Tuttle asked if the committee would like a year-end report next September as well. Mr. Martino said yes, it had been very beneficial.

The next meeting is scheduled for January 18 to begin the town budget review.

Adjournment

Motion to adjourn by Jon Rineman; second by Dickie Garnett. Motion passed 9-0. The meeting was adjourned at 9:40 p.m.

Respectfully submitted,
Amy Kane