



*Budget Committee Meeting  
Approved Minutes  
December 6, 2011*

---

*These minutes were prepared as a reasonable summary of the essential content of this meeting, not as a transcription.*

---

Chair Martino called the meeting to order at 7:00 PM. Those in attendance were Margaret Allen, Robert Copp, Michael Golden, Robert Hamilton, Select Board Representative Jim Maggiore, Paul Martino, David Peck and Richard Stanton. Absent: Dickie Garnett

1. **Review Minutes of November 29, 2011**

**Motion by Rick Stanton to approve the minutes. Seconded by Bob Hamilton. Mr. Hickey stated that line 80 should say \$245,000 not \$145,000. Mr. Peck stated that he felt his presentation should be included in the minutes. Chair Martino tabled the minutes until the next meeting.**

2. **School Presentation**

Peter Sweet, North Hampton School Principal presented a power point presentation on cost per pupil in North Hampton compared to other towns in the Seacoast. The state average of cost per pupil for 2009/2010 is \$12,600, in North Hampton, \$14,299 and the Seacoast average is \$17,032. The Seacoast average includes the towns of Greenland, Hampton, Hampton Falls, Newington, New Castle, Portsmouth, Rye, Seabrook and South Hampton.

Test scores for North Hampton in Mathematics, Writing and Science in comparison to other towns as well as the state, show that North Hampton is higher in comparison to other towns in cities in the state.

Mr. Hamilton stated that all of the numbers that Mr. Sweet presented were derived from the Department of Education. Mr. Sweet stated that all of the information is available on line for anyone wishing to review his presentation further.

***Disclaimer – These minutes are prepared by the Recording Secretary within five (5) business days as required by NH RSA 91-A:2, II. They will not be finalized until approved by majority vote of the Municipal Budget Committee.***

Mr. Sweet stated that he has heard that some people feel that there are too many teachers and that enrollment is going down, but that it is not just numbers, it is also the makeup of the classes. North Hampton has chosen to have all of the children included in those classrooms. There are not separate rooms for Special Education students. He further stated that all of the children's needs are being met within the classrooms. Mr. Sweet stated that when looking at numbers, it is important to look at the makeup of the classes, not just the total numbers.

Mr. Sweet stated that as a community, everyone should be very proud of the kids in the school.

Brad Gregg, Technology Director and Integration Specialist at North Hampton School, stated that he had been asked to make a brief presentation on the proposed budget in the technology department and he stated that he had based the budget balancing the need for excellent technology education for the students, faculty and staff with a grounded reality of the current economic situation.

Mr. Gregg stated that the budget does not include any new technology initiatives. He further stated that he is asking that the current technology programming is maintained by replacing computers that are over five years old. He further stated that many districts have shorter replacement cycles, but North Hampton has maintained the current five-year replacement program with little down time. Presently, the technology department is maintaining 218 computers and five servers.

Mr. Gregg stated that North Hampton School has been very committed to explore new emerging technology in a controlled methodical manner. New technology is piloted and careful decisions are based on students' needs. iPads are currently being explored to see how they could be used to foster greater learning, and are currently being used in the first grade literacy circles.

Mr. Gregg stated that the proposed budget will allow the school to maintain their present level of technology and includes no new initiatives.

Mr. Peck stated that the Budget Committee had asked at the last meeting for a zero based budget on the technology replacement line, and asked what is being proposed for \$56,718.

Mr. Gregg stated that on the five-year replacement cycle, there are two sets of laptop carts that were purchased in 2007, and those laptop carts need to be replaced. These laptop carts include 20 Mac Book Pro laptops on each cart, printers and a three-year warranty on all parts from Apple. Mr. Gregg stated that there were also seven machines purchased in 2007 that need to be replaced but they are not asking for because they understand the amount of money that needs to be spent for the two laptop carts.

Mr. Peck asked if the \$56,718 was just for the two laptop carts, and Mr. Gregg stated that it includes 40 machines, printers and a three year warranty on all parts from Apple.

Mr. Peck asked how many other roaming carts there are. Mr. Gregg stated that this proposal would replace a 7<sup>th</sup> grade laptop cart, a roam cart, which is a cart that goes to all other grade levels

***Disclaimer – These minutes are prepared by the Recording Secretary within five (5) business days as required by NH RSA 91-A:2, II. They will not be finalized until approved by majority vote of the Municipal Budget Committee.***

and anyone can sign it out. Mr. Gregg stated that there is also a 8<sup>th</sup> grade laptop cart, and a 6<sup>th</sup> grade laptop cart.

Mr. Stanton asked if now might be a good time to purchase iPads instead of laptops, and Mr. Gregg stated that now would not be a good time because there are a lot of limitations on the iPad to be used in a school district due to differences with imaging and file set up. He further stated that maybe in three or four years there would be changes to allow the use in the classrooms.

Mr. Peck asked Mr. Gregg to review the New Technology Equipment line item.

Mr. Gregg stated that the line item affords him to have a small piece of money to go out and purchase emerging technology, such as iPads. He further stated that this amount will buy 10 iPads, and stated that it is the only way they can move forward in a small way with new technology. He further stated that this is a way for the school to purchase and try out new technology for possible future purchases.

Mr. Stanton asked Mr. Gregg to explain what Mr. Porobunu's position is at the school.

Mr. Gregg stated that Mr. Porobunu is the "tech" in the building, and he would say one of the reasons why the school is able to run a five year replacement cycle without having a lot of things down. He further stated that basically he is the "tech guru" fixing what needs to be fixed on the spot.

Mr. Stanton asked Mr. Gregg if this job could be done by someone else or an outside contractor.

Mr. Gregg stated that Mr. Porobunu knows the computer systems in the school inside and out, and would hate to think of taking such a huge step backward.

Chair Martino called for a brief recess so that Bill Hickey could set up his power point presentation.

Chair Martino called the meeting back to order.

Mr. Hickey stated that what he had attempted to do is put together a narrative on the line items that were identified at the last meeting needing more information and what drives that information.

The first item Mr. Hickey reviewed was account number 4110009-128 – Substitutes.

Chair Martino asked how the substitute rate is established.

Mr. Sweet stated that the daily rate for a substitute is \$80 and he is assuming that is the rate it is going to stay for next year. Permanent substitutes are based upon the SESPA contract for the year. Long term substitutes start off at \$80 per day and then depending upon where they are in the step after the first ten days, they go to that next step, and there are no benefits with this position.

***Disclaimer – These minutes are prepared by the Recording Secretary within five (5) business days as required by NH RSA 91-A:2, II. They will not be finalized until approved by majority vote of the Municipal Budget Committee.***

Mr. Hickey explained that in accounts 4110009-442 & 4241031-442-Rental Lease Equipment, more efficient, high speed machines are in place.

Account 4120012-331-Professional Services is for Physical Therapy with a portion paid for from grant monies. Chair Martino asked if there would be grant money allocated this year. (Ms. Tuttle spoke from the audience to answer the question but could not be heard.)

Account 4221009-125-Salary Curriculum/Professional Development, showed a three year spending history.

Account 4221009-240-Tuition Reimbursement, there is a potential liability in this account of \$60,000 for 30 teachers that could enroll in graduate courses.

Account 4221009-240-Professional Development – SESPA, there are currently 24 employees that could enroll in workshops or courses, and there is a potential liability of \$14,400.

Account 4222522-109- Salary Computer Technician, Mr. Hickey stated that it is important to have someone on staff to fix systems immediately versus waiting for a technician to arrive.

Account 4262026-622 – Electricity, Mr. Hickey showed a slide of the distribution piece of the electricity charges for 2010/2011. Mr. Peck stated that he is confused because when he looks at last year's budget book it was \$1,800 per month. (Ms. Tuttle responded to Mr. Peck, but could not be heard on the DVD.)

Account 4262026-624 – Fuel Oil, Mr. Hickey showed the gallons budgeted for over the past five years, and it shows that an average of 23,302 gallons is used each year.

Account 4262026-739-Equipment Mr. Hickey explained that a scrubber is proposed in the budget as there is currently only one machine, and it would eliminate someone always waiting to be able to use the machine, and that the current machine is too small to efficiently clean the gym and cafeteria floors.

Nancy Tuttle spoke to the line item regarding snow plowing and the savings that the school has seen since purchasing a truck with a plow and a sander. Mr. Hickey stated that in 2011/2012 budget will be the last lease payment on the truck the school purchased.

Mr. Golden stated that the cost versus the cost savings of purchasing a vehicle is a net of \$20,700 over last year.

Ms. Tuttle stated that she felt it was important to note that the school purchased the sander last year, and it is mounted on a town truck. She further stated that the highway department applied salt at the school 42 times last year, and all the school had to pay for was the salt. Now that the sander is paid for, the school only has to purchase salt in the future, which is a significant reduction from what used to be paid from an independent contractor.

Mr. Stanton asked if the truck and the sander are on a replacement schedule. Ms. Tuttle stated that the sander has a life span of 10 years, and there was a mutual agreement with the town that the

***Disclaimer – These minutes are prepared by the Recording Secretary within five (5) business days as required by NH RSA 91-A:2, II. They will not be finalized until approved by majority vote of the Municipal Budget Committee.***

school is not committed to buy the next one. She further stated that she expected that the school would be keeping the truck for quite some time.

Bill Hickey and Nancy Tuttle spoke to the health care line item. Mr. Hickey stated that in determining health care costs there are several factors to consider:

- The budgeted amount is based on the GMR
- The budgeted amount is \$30,000 less due to funding from the trust fund
- Each plan has a different rate increase
- Plans have changed from last year
- New prescription plan for non union employees

Mr. Hickey stated that it is important to note that open enrollment is in July, and in July alone there were approximately six enrollment changes which had not been budgeted for. There can also be midstream changes that are not budgeted for.

Mr. Stanton asked for clarification as to how the budgeted figure for health insurance was arrived at.

Ms. Tuttle stated that for the proposed budget, the actual rates that are currently in effect are used and increased by the GMR that the Local Government Center is proposing.

Ms. Tuttle explained the differences between amounts budgeted, expended, guaranteed maximum rates and changes in plans that could occur due to marriage, birth, divorce etc. She further stated that they spend hours going over the numbers and do the best they can 12-18 months in advance.

Mr. Peck asked Mr. Hickey for an explanation as to why the FICA account is up 8.6% when the budgeted salaries are less than a 1% increase.

Mr. Hickey stated that it is just their “best estimate as to how that number is going to shake out.”

Ms. Tuttle stated that they may have over budgeted this line item, but the substitute account sometimes goes over, and there are salary and track advance changes throughout the year.

Chair Martino called for a brief recess.

Chair Martino called the meeting back to order.

David Sarazen gave a power point presentation explaining the logic behind the School Board’s request to purchase five iPads.

Mr. Sarazen stated that he felt it is important for people to understand the volumes of paperwork that the School Board receives. He further stated that if he laid out all of the papers that he has received it would be about 6 ½ feet in length over a four and one half year period.

***Disclaimer – These minutes are prepared by the Recording Secretary within five (5) business days as required by NH RSA 91-A:2, II. They will not be finalized until approved by majority vote of the Municipal Budget Committee.***

Mr. Sarazen reviewed the number of copies, both black and white and color, that he has received over the past three months and calculated the price for making copies and for postage and stated that the annual cost for all five board members is approximately \$992 each.

Mr. Sarazen stated that there is also a privacy and security issue and that school board members have a significant amount of confidential information that resides on their home and/or work computers.

Mr. Golden stated that he was concerned that there are many boards in town and wondered if this would set precedence.

Mr. Stanton asked whether or not there might be five laptops out of the 40 that are being replaced that could be used by the School Board.

Mr. Sarazen stated that those computers are used for parts to fix other computers within the building.

Mr. Sarazen stated that he disagreed with Mr. Maggiore's suggestion that the School Board forego their stipend. He further stated that it is already difficult enough to find someone to run for the different offices, and he felt that there are individuals in the town that would decide not to run if there is not a stipend.

Chair Martino called for a brief recess.

Chair Martino called the meeting back to order.

### **3. Review of 30 Line Items Identified as Needing Further Discussion**

Chair Martino stated that the Budget Committee had unanimously voted to recommend a 1.5% increase in the budgets. He further stated that both the Budget Committee and the School Board were in a agreement to compare "apples to apples" and to take out the debt service payment of approximately \$400,000. In doing this comparison, the budget that the School Board came in with was \$337,000 higher than last year, which is 4.5%, and the Budget Committee's goal was \$113,000 which would represent a 1.5% increase, therefore there is \$223,000 to "hash through."

Chair Martino stated that the Budget Committee would be going through the 29 line items they had flagged for discussion, however he does not want to be recommending where the School Board spends their money.

Chair Martino stated that he and Mr. Peck had worked on a spreadsheet of the 29 items, and that they would be using that information in reviewing the items.

Mr. Stanton asked what would be the amount of money saved if one teacher retired and was not replaced.

***Disclaimer – These minutes are prepared by the Recording Secretary within five (5) business days as required by NH RSA 91-A:2, II. They will not be finalized until approved by majority vote of the Municipal Budget Committee.***

Ms. Tuttle stated it might be approximately \$72,000 just for the salary; retirement is 11.3% of the salary; FICA is 7.65%; life, and long-term disability and health and dental insurance are included. Also included in the contract is a payment of \$500 per year for every year they have been employed and a buyback of sick time which max's out at \$4,800. She further stated that there may be a retirement stipend of \$30,000. She further stated that someone that is retiring is required by their contract to let the SAU know by December 1 in order for them to be able to budget the amount. There are currently no known pending retirements.

Mr. Stanton stated that when the Budget Committee voted on the 1.5% increase, the school was already well into developing their budgets, and asked what would have been a better month to provide that information to them. Mr. Sweet stated that September would have been a better month.

Mr. Sarazen stated while he appreciates the thoughtfulness that went into coming up with a number, and doesn't understand how the Budget Committee can grasp at that number without even having seen the budget book and the materials as well as the constraints that have been placed on the school.

Chair Martino stated that what the Budget Committee was trying to accomplish is to look at what the taxpayers can afford to pay, which is unrelated to what the school needs.

Mr. Hamilton stated that what the Budget Committee did was to look at what the salary increases were for the statistical metropolitan area of Portsmouth.

Mr. Golden stated that he would be a little more sanguine if Mr. Sarazen could name the top two or three cost reduction and efficiency savings that are in the budget, as well as the dollar impact.

Mr. Sarazen stated that in prior year's budgets, there were some heavy hitters that have been taken out, and there are not any big hitters in this budget to take out like there was before.

Mr. Sweet stated that the increases over the past few years on the school budget are minimal compared to the state averages.

Mr. Copp stated that there has been over \$250,000 taken out of the SAU budget over the past two years. He further stated that an effort has been made to have the SAU work with less money.

Chair Martino stated that clearly there is a \$223,000 divide with salaries being the largest one.

Mr. Maggiore stated that when he came onto the Budget Committee five years ago, and when you sit behind the desk, it is very complicated and there are constraints. He further stated that they are going to be doing what they said they did not want to do, and that is to go into the minutia of the budget to try and find the money that isn't going to make the impact they want to make.

Mr. Maggiore stated that the Budget Committee asked for a 1.5% budget, and he felt that they should ask the School Board to find 1.5%, because the only other way that it is coming out of the budget is by head count.

***Disclaimer – These minutes are prepared by the Recording Secretary within five (5) business days as required by NH RSA 91-A:2, II. They will not be finalized until approved by majority vote of the Municipal Budget Committee.***

Mr. Peck stated that he would resign before he voted for a 4.5% increase.

Mr. Copp stated that there are certain fixed costs that can't be played with, and there is nothing they can do about it. He further stated that he doesn't know how many more times they can be asked to cut the budget and put a number on it like 1.5%, and say "do the best you can." He further stated that 1.5% doesn't work for him, when the retirement costs alone are 1%.

Mr. Copp stated that although he appreciates the hard work Mr. Peck has done, he doesn't feel that the school enrollment figures are going to drop any lower or even stay the same as there are a number of homes available for sale in North Hampton. He further stated that he felt a 2.5% budget increase would be a little more realistic.

Mr. Hamilton stated that he felt that the Budget Committee should set aside those items that they can't control, and go with a 1.5% increase on whatever remains.

Mr. Golden stated that history has shown that the school turns a surplus back to the town each year, but what is not reflected is that there was \$130,000 found for a playground that wasn't budgeted for; money was found for an additional kindergarten teacher that wasn't budgeted for; and \$92,000 was found for special education. He further stated his contention is there is money and there is "wiggle room."

Mr. Stanton stated that the Budget Committee is the buffer between the school and the taxpayer. He further stated that he hears people asking, "when is it going to stop?" because they are not going to be able to afford to live in North Hampton. He further stated that they have a moral obligation to put the people that pay the bills right in front.

Mr. Stanton stated that maybe they should look at what Mr. Hamilton suggested, and then see if the school could come up with a 2% increase.

Mrs. Allen stated that she felt one thing that the School Board has to think about is that last year the warrant article was lost by a lot of votes. She further stated that the default budget is lower than the proposed budget for the first time since she moved to town. Mrs. Allen stated that she felt the School Board really has to go through the budget and look things over and come back with a tighter number.

**Motion by Select Board Representative Maggiore that the School Board and Administration present to the Budget Committee a budget not to exceed 2%. Seconded by Mr. Stanton. Michael Golden stated that he felt that in the spirit of the 1.5%, they should do the best they can to come as close as they can to 1.5%, otherwise the Budget Committee is negotiating against themselves. Mr. Peck stated that they cannot hide from the fact that the residents of the town cannot afford to have their taxes increased significantly in these difficult times. Mr. Maggiore stated that he would like to see parity between the town and the school. Mr. Stanton made a friendly amendment to have the budget come in at \$7,731,870. Motion carries 7-1.**

*Disclaimer – These minutes are prepared by the Recording Secretary within five (5) business days as required by NH RSA 91-A:2, II. They will not be finalized until approved by majority vote of the Municipal Budget Committee.*



Chair Martino asked Mr. Sarazen when the Budget Committee could expect a revised budget, and Mr. Sarazen stated that he was booked for the rest of the year and it would have to be at the January 3<sup>rd</sup> meeting. Chair Martino stated that he was not willing to wait until then as there wouldn't be enough time to review before the public hearing.

Mr. Sarazen stated that he is not going to commit to a date at this time.

Chair Martino stated that the Budget Committee would wait to hear from the School Board with a date.

#### **4. Other**

Nancy Tuttle responded to Mr. Maggiore's request as to how funds are transferred from the school to the town.

Ms. Tuttle stated that the town should have already received the school's MS-24 form but if they needed another copy she would send one to the Town Administrator.

Ms. Tuttle stated that an actual check is not cut and explained how the number is reported to the DRA and what forms it is shown on as well as how it is shown that it goes back to the taxpayers. She further stated that there is no money going back and forth between the town and the school and there is not a tax the entire appropriation. The school receives all of its assessment money, and even though it might not all be spent it would go back to the town the following year.

Ms. Tuttle stated that in 2011, the total appropriation that was given to the DRA was \$7,992,986. Revenues were estimated at \$339,598. That year there was an unreserved fund balance of \$103,195, with \$80,000 of that amount to fund expendable trust funds, which left an unreserved fund balance of \$23,195. \$23,195 was then added to the revenues, and subtract \$362,000 off of the appropriation as well as the adequate education grant. The final assessment was less than \$7,400,000 of out \$7,900,000.

Motion to adjourn the meeting by Mr. Copp at 10:00 PM.

Respectfully submitted,

Janet L. Facella  
Administrative Assistant

***Disclaimer – These minutes are prepared by the Recording Secretary within five (5) business days as required by NH RSA 91-A:2, II. They will not be finalized until approved by majority vote of the Municipal Budget Committee.***