



***Budget Committee Meeting
Approved Minutes
December 19, 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 James Maggiore, Margaret Allen, Michael Golden, David Peck, Rick Stanton and Bob Copp. Those in attendance via telephone were Dickie Garnett and Robert Hamilton.

Chair Martino stated that under the meeting rules for when members call in, there will have to be a roll call vote.

Chair Martino stated that the school has worked hard to revise their budget per the request of the Budget Committee. He further stated that at the last meeting the Budget Committee asked the school to come back with a 2% budget increase.

Chair Martino stated that half of the Budget Committee agreed with a 2% increase and the other half with a 2.5% increase, but after discussion they were in agreement on a 2% increase.

Mr. Peck stated that he disagreed with a 2% or 2.5% increase, and he felt it should be 1.5% to 2%. He further stated that he just wanted to be sure that everyone understood that a 2% to a 2.5% increase was not unanimous amongst everyone on the Budget Committee.

1. Review Revised School Budget

David Sarazen, School Board Chair, stated that the School Board has met twice since the last Budget Committee meeting, and went through a very high level, page by page look at the budget based on discussions with the Budget Committee.

Mr. Sarazen presented the Budget Committee with the following proposed budget reductions:

- Reduction of musical instrument by \$2,152
- Elimination of Occupational Therapist by \$61,002

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- Reduction of Legal by \$15,000
- Level Funding of Technology by \$6,918
- Elimination of iPads for School Board by \$2,500
- Reduction of Maintenance by \$15,000
- Reduction of Oil by \$1,700
- Payment of Scrubber (savings over two years) by \$2,000
- Reduction of Health Insurance by \$40,000
- Reduction of FICA by \$7,000
- Reduction of Lunches by \$10,000

Mr. Sarazen stated that the total reduction to the budget would be \$163,322, with a new bottom line for 2012/2013 of \$7,751,682. He further stated that with removing the Debt Service from the 2011/2012 budget, this would be a 2.26% increase to the overall budget, as opposed to the initial proposed increase of 4.5%. He further stated that the proposed default budget would now be \$85,310 higher than their proposed budget.

Chair Martino asked Mr. Sarazen where the School Board stood with the proposed budget, and also what a 2% budget would mean.

Mr. Sarazen stated that the School Board voted 5-0 on the budget that he presented. He further stated that Principal Sweet would be addressing what impact a 2% increase would mean.

Mr. Golden stated that a 2% increase would mean cutting approximately \$19,812.

2. Discuss and Review What a Two Percent Budget Would Mean

Mr. Sweet stated that to make the cuts that they did, it meant taking the Occupational Therapist position, and he feels that they are now reducing the quality of service. He further stated they also looked at whether or not to cut any school programs out, and the decision was that they did not want do that.

Mr. Sweet stated that they also looked line item by line item, and decided against “nickel and diming” things such as paper, as then it would place the burden on the teachers to purchase items that they need in the classrooms. He further pointed out, if you reduce those accounts then the following year the budget will double.

Mr. Sweet stated that they took out as much as they possibly could to get to the 2.26% increase.

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Chair Martino stated that the Budget Committee would not be voting on the school's budget at this meeting. He further stated that he would like each of the Budget Committee members to share their comments regarding the revised budget.

Chair Martino stated that he is comfortable with the school's proposal of 2.26% increase, and the town's ability to pay.

Mr. Hamilton stated that if the budget comes in at 2.26%, and the teacher's contract raises the salaries by 1% on \$3,000,000, that would add another half a percent so it would be 2.75%. He further stated that the 2.26% represents to him the school paying for half of the retirement costs and the town paying for the other half. Mr. Hamilton stated that he is in favor of the proposed 2.26% as he felt the school has cut quite a bit and is being very generous.

Mr. Garnett commended the school for coming down from their original proposal of 4.5%. He further stated that if the school could bring it down to 2% it would look a little more appealing to the voters.

Mrs. Allen thanked the School Board for all of their hard work. She further stated that based on the constraints that the school is under with contracts and New Hampshire Retirement, she felt that what was presented was a very fair budget.

Mr. Golden thanked the School Board and the Administration for going back and looking at the budget further, and he felt that it is a budget that he can live with. He further stated that he could offer advice to be careful with the Trust Funds for maintenance and legal and that he had come up with his own list of potential other areas that can be swapped out for those. He further stated he would not push the issue, but the offer was there to share his thoughts.

Mr. Maggiore thanked the School Board and the Administration for their efforts, and he realizes that there are contractual constraints that are very challenging. He further stated that he could live with the 2.26% increase.

Mr. Copp stated that last year there was no money turned back to the Town, and they had all they could do to fund the Trust Funds, and that this year they will be hard pressed to find the money to fund them. He further stated that the school is now at the point where they have to start cutting positions and programs.

Mr. Copp stated that they are looking at every possibility at both the school and the SAU level to save money. He further stated that he felt a 2.26% increase was low, but that he could live with it.

Mr. Stanton stated that he would like to thank the School Board as well. He further stated he felt that a 2.26% budget is very workable figure, but is concerned with cutting \$10,000 from

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the food service program, and asked if there is any way to make it a cost center that pays for itself by increasing the fees. Mr. Stanton also asked about the decrease in tuitions from the last meeting.

Mr. Sweet explained that last year there were students that were living in North Hampton, but were not yet adopted so the district where they came from was still responsible for their education so they were paying the tuition to North Hampton.

Mr. Sweet stated that there is a fine line when you increase costs to the food program, the participation goes down. He further stated that there is currently a group looking at ways to help better fund the program.

Mr. Peck stated that it was clear to him that when the school first postured a position of maybe coming back with a 2.5% increase, and then to come back at less than that indicates that the School Board really did "work it" and was sincere about finding a number that was lower than the 4.5% originally proposed. He further stated that he commends them for their thorough work.

Mr. Peck stated that the increase of 2.26% is before the warrant article for the teacher's contracts which he is hoping to support. He further stated that could add a significant amount to that figure.

Mr. Peck stated that he wants to know what the actual number is going to be that goes before the voters and the taxpayers. He further stated that he had a couple of suggestions to add to Mr. Golden's list.

Mr. Peck added that in general they did a good job, and it was well done.

3. Review Warrant Articles

Nancy Tuttle distributed copies of the proposed warrant articles to the Budget Committee.

Ms. Tuttle stated that they are still waiting for all of the School Board's to ratify the SEA contract, so until that is fully ratified they cannot release any numbers at this time. She further stated that on Thursday (December 22, 2011) morning she will be able to provide the numbers for the ratification.

Ms. Tuttle stated that the warrant article for the SESP contract's first year of a three year contract would be \$12,115. She further stated that a concession was made in the prescription program to increase the dollar amount of the co-pay which results in a 5% decrease in the health insurance premium to both the employee and the employer.

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Mr. Golden and Mr. Stanton stated that perhaps language could be added to the warrant article stating that the SEA and SESPA contracts did not pass last year, in order to avoid possible confusion to the voters.

Ms. Tuttle stated that the owner of the property just east of the school contacted the school district to see if they would be interested in purchasing it. Negotiations with the owner are not complete at this time. She further stated that there hasn't been a lot of discussion at this point as to what would be done with the property.

Ms. Tuttle stated that the next warrant article is to add \$30,000 to the school's Expendable Health Trust Fund. This is the third year of adding \$30,000 to this trust, and is used to help offset costs with health insurance.

Ms. Tuttle stated that the next warrant article would be to add \$50,000 to the Special Education Fund for unanticipated costs and related services associated with educating educationally disabled children.

Ms. Tuttle stated that the next warrant article would be to add \$60,000 to the School Building Maintenance Fund.

Mr. Golden reviewed his "laundry list" of suggestions for line items that could either be reduced or eliminated. Some of those items included, fuel oil, electricity, UNH Interns and tuition reimbursement.

Chair Martino stated what he would like to review the Operating Budget and the SEA contract in detail at the January 3 meeting. He stated that he would like to review all seven warrant articles, and asked that if Budget Committee members had questions for the School Board to try to get them to the SAU and the School Board before the meeting.

Mr. Peck confirmed with Ms. Tuttle that the information on the contracts would be in the same format it has been in the past.

Mr. Golden suggested perhaps paying for the land next to the school all at once instead of bond payments.

Ms. Tuttle stated that she had made inquiries to the bond bank back in November, and at that time the interest rate was 2.997% for a five year bond. She further stated using an estimated potential figure for the purchase price at an interest rate of 2.997%, added an additional \$41,000 to the cost of the property, so they had been leaning towards just a onetime purchase rather than adding on an additional cost of \$41,000.

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Chair Martino asked Ms. Tuttle to research as to whether or not a bond could be taken out for a shorter period of time than five years.

Mr. Stanton asked about spreading out the burden of the payments over 20 years.

Ms. Tuttle stated she would be cautious about going out that long because of the potential for overlapping bonds due to other school projects that may happen during that time.

4. Other

Motion to adjourn by Michael Golden at 8:00 PM. Seconded by Bob Copp. Motion carries 9-0.

Respectfully submitted,

Janet Facella
Administrative Assistant

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