



Budget Committee

**Margaret Allen
Dickie Garnett
Michael Golden**

**Robert Hamilton
Victoria Kilroy
Larry Miller**

**David Peck
Richard Stanton
Michael Walzak**

Budget Committee Meeting

Wednesday, October 24, 2012 at 7:00 pm

Where: Town Hall

Minutes

Discuss Town budget issues for FY14:

- Salaries, healthcare and retirement costs resulting from voter approved contracts.

Interim Town Administrator Dave Caron gave details regarding above with the caveat that what was being presented was not approved by the Select Board.

1. NH Retirement System reduced rate of return to 7.75% which calculates to an additional \$108.0K increase.
2. Wage adjustments from the CBAs is \$85.0K, 4.2%. This includes merit awards/increases, step increases, lump sum payments and 3% COLA.
3. Health Insurance: Lumenos rate is 4.4%, Mathew Thornton 6.0% an overall reduction of 6.2%.
4. Hydrant Rental will increase by \$11.8K since Aquarion has been granted a 9.0% rate increase. \$11.8K is an increase over actual.
5. Contractual services will increase approximately \$30.6K

Overall the FY14 Draft Default Budget is calculated at \$5,869,429.

Mr. Peck questioned the cost savings calculation from FY13 that reflected a greater insurance/wage offset.

Mr. McCormick responded that cost savings was calculated against last year salaries not with the CBA increase and also with previous insurance carrier.

Mr. Golden requested a breakdown of wages and health to detail offsets and Mr. Caron concurred for 11/7 meeting.

Mr. Garnett noted \$80.0K in savings per the warrant.

A discussion ensued regarding the numbers and variables involved and Mr. Caron stated he would breakdown, rebuild and clarify those budget categories.

Mr. Peck requested actual financials to accurately analyze the FY14 budget and Mr. Caron agreed the Budget Committee would have all the data needed. Mr. Peck also noted that without the Retirement pushdown, the draft default budget was only a 1.5% increase to the operating budget.

Mr. Stanton opened discussion of the possible Town Warrant Articles, none of which had been vetted by the Select Board. Mr. Miller stated there may be more.

Mr. Peck requested a summary of all the Town Trust Funds.

Discussion North Hampton School budget issues for FY14 and draft default budget FY14.

Bill Hickey stated that he was presenting this draft default budget, less School Board approval. It was compared to the FY13 budget.

Mr. Garnett noted that SEA and SESPA reflected a savings. Mr. Hickey stated it reflected turnover in SESPA.

Mr. Stanton detailed the increases in SPED line items including a mandated expenditure and inquired whether these were current students or based on projections of the population for next year needs. Principal Peter Sweet explained the increases and the mandated expenditure were for actual student's next year need projections including an out of district placement.

Mrs. Allen asked if all mandated costs were solely for out of district placement and Ms. Kilroy responded that some were in district and some were out of district.

Mr. Peck noted a \$69.0K Health Insurance savings and asked if that was from reserves. Mr. Hickey stated it was from a 0.5% decrease in rates. Mr. Peck asked for further explanation of insurance numbers and actual dollar savings. Mr. Hickey stated the GMR averages 5.6% this year.

Mr. Stanton stated that the draft FY14 default budget had a 4.94% increase over FY13 operating budget. Mr. Peck calculated that without the \$130.0K retirement pushdown, the draft default budget is a 1.8% increase.

Mr. Hickey indicated the School Board was still looking at staffing for FY14.

Mr. Stanton opened the discussion on potential Warrant Articles for the School in FY14. Mr. Hickey stated he would provide more detail about new legislation regarding districts keeping up to 2.5% of their unexpended funds. Ms. Kilroy further talked about CIP and warrants with details to follow.

Victoria Kilroy to discuss Special Ed legal expenses.

Ms. Kilroy deferred to Mr. Sweet regarding legal issues and questions.

Mr. Walzak inquired to the nature and background of legal issues and why there was a \$60.0K spike. He further inquired regarding how the issues were funded, what issues do they relate to and what impact they might have on current and future budgets either directly or indirectly.

Mr. Sweet said he could not discuss specifics. When parents disagree with the district on their child's Individual Education Plan (IEP) they may take legal action. The legal action and the IEP's are all under confidentiality agreements that he could not discuss. He further stated that there was an 8 year lull in legal cases and just in the last few years, probably due to the economy, there were legal cases again. He also stated that the district is responsible to pay for appropriate education and that definition might not be in agreement with what parents want.

There was further discussion regarding if public funds were used to pay the settlements whether the town could than access how and why those funds were spent. Ms. Kilroy stated that data, as it pertains to budgetary needs, will be provided. Mr. Stanton and Mr. Walzak indicated the need to be informed of current and future impacts and how those impacts would be paid. Ms. Kilroy added that there was an ongoing SPED audit which only add positively to the program.

Minutes of September 19, 2012: Approved 8-0-1

New business.

Mr. Hamilton gave details regarding Food Day at North Hampton School on October 24. All students received free locally grown vegetables and fruit kabobs. The lunch was all locally grown and harvested food. The day was a success nutritionally and educationally and will be an annual tradition.

Next Meeting: Wednesday, November 7, 2012, Town Hall.

1. Adjourned at 8:14 p.m..

Approved