

# Budget Committee Minutes 07/29/09

Contributed by Lisa Fellows-Weaver  
Wednesday, 21 October 2009

Budget Committee

Minutes

July 29, 2009

Official as of October 14, 2009

Chairman Daniel McNally calls the meeting to order at 6:04 p.m.

PRESENT: Chairman Daniel McNally, Vice Chairman Kevin Ash, Water District Representative John Jacobsmeyer, School Board Representative Colleen Pingree, Ken Rick, Betsy Colburn, Nona Holmes, Kate McNally, Muriel Johnson, Babette Morrill, Jim Vaillancourt, Herb Johnson, and Board Secretary Lisa Fellows-Weaver. Board Administrator Linda Smith arrives at 6:10 p.m., Selectmen Representative Alden Dill arrives at 6:10 p.m., and Lucy Edwards arrives at 6:55 p.m.

ABSENT: Robert Bailey

Mr. McNally states that this is a work session not a public hearing so there will be comments provided only from support staff, if necessary.

School:

Colleen Pingree, school board representative, presented copies of July 23 draft school board minutes and copies of the meeting's Powerpoint presentation relative to the school board discussions of the teachers' contracts. She explains that the contract was voted down in March and the school board has met with the teachers to renegotiate the contract with another agreement reached. Another school district meeting has been posted for Tuesday, August 18 at 6:30 at the school.

Ms. Pingree explains that at this point the SAU office contacted Linda Smith and gave her the district meeting date and requested that the budget committee schedules a hearing and in order to comply with RSA 32:5 and the necessary timeline, the hearing would have needed to be held prior to July 24. She continues to explain that the response received was that the budget committee could not meet prior to tonight's meeting and at that point she states that they contacted their attorney. She adds that they set the date based on when the teachers return to school. She states the school board is committed to trying to pass a contract before the teachers return.

Ms. Pingree states that the attorney explained that in the event that the budget committee cannot or will not schedule a hearing in compliance with the RSA's the school board can hold the hearing themselves. This hearing was held July 23 and the proposal was reviewed. She adds that their attorney explained that as in the budget season that the budget committee does not actually vote at the public hearing; therefore, the committee could vote on this after the hearing and prior to the posting of the warrant. She explains that at this point town hall was contacted and asked that the information be able to be presented at tonight's meeting, at which time the committee could choose to vote on the contract. Ms. Pingree states that Linda Smith spoke to Dr. Ludwell and told him that the committee would not vote because the committee would not have heard the public input given at the hearing. Ms. Pingree states with that response the business administrator and superintendant did not come to the meeting tonight and no presentation related to the contracts will be done as it is the school board's understanding that this meeting is for information only. She states that they will explain what the proposed contract is for the committee. She refers to the July 23 minutes for reference to the meeting for general discussion and the attorney's comments.

Ms. Pingree refers to and reviews the copy of the Powerpoint presentation. She states that the warrant article is similar to the article presented in March with the exception of the larger money article. She states that what the school board has negotiated will result in an estimate increase of \$77,418. Also included in the presentation information are copies of various slides showing various teachers salaries and the ranges for the three SAU districts. In addition, Ms. Pingree explains the components of the warrant article relative to step increases and the one time payment of \$1,000. for 22 teachers that are no longer on the step chart. She states that she contacted the town office for information relative to the amount of the raise that town employees received. She states that there was some confusion and Linda Smith confirmed with the finance administrator that the raise was 2.5%. Subsequent to that she was provided with minutes noting only 2% so that is still yet to be determined. She adds that they would like that information as this was something they had recalled being discussed during the budget season and thought of during their negotiations. Ms. Pingree states that the

only differences between this article and the article proposed in March is the step increases and the \$1,000. one time payment. She states that the step increase for teachers for steps 0-12 will be 3.5% and the teachers on step 13 will only receive the \$1,000., which equals a 1.9% average increase.

Ms. Pingree states that the figure originally provided from Primex for budgetary purposes was higher than what the actual amount will be so there is a savings of \$42,000. for health care expenses for this school year.

Ms. Pingree refers to the Powerpoint packet again and the final item is the assessed value chart, which she explains the tax impact of the warrant article.

Mr. Vaillancourt states that there are 22 teachers at the top of the chart and asks how many are within the one step. Ms. Pingree replies that she believes that there are 23 teachers within the step chart and 22 that have reached the top of the chart.

Ms. Pingree comments that as a school board member and town resident that she continues to see an adversarial relationship between the school board and budget committee and is not sure as to where this is coming from. She expresses concern that at budget committee meetings, since the March meeting, she had stated that the budget committee would need to hold a public hearing on the budget when the renegotiations were completed and a date was finalized. She states that the request was not a surprise yet she was surprised when she received an email from Board Administrator Linda Smith stating that the budget committee was not willing to meet within the time frame. She states that this concerns her.

In addition, Ms. Pingree states that this proposal is less than what was approved at the March meeting. She states that the school board's attorney had stated that the committee could vote on this if the committee chose too. She states that she has spoken to members who had expressed willingness to meet and discuss the matter but were not aware that the school board was requesting this meeting and this also concerns her. She adds that she is also concerned in going forward with the meeting on August 18 without the budget committee's support as it has not been approved by the budget committee.

Ms. Pingree also expresses concern with the fact that in the spring the school board had several times requested that the 2010 calendar begin to be established so that the business administrator can be prepared as he is addressing three towns. She adds that he wrote a letter requesting that the committee begin developing the calendar. Ms. Pingree states that an email was received from Ms. Smith stating that the committee was not willing to visit the issue until October.

Ms. Smith states she would like to correct some of the comments made by Ms. Pingree. She states that she did not state at any time that the budget committee made these decisions. She states that it was made clear that she has contacted the budget committee chairman, not the committee itself, and that she was providing his decision. She explains that she contacted the chairman relative to both issues. She notes that she does have all copies of emails available for viewing.

Ms. Smith refers to the school board's televised June 15, 2009 meeting that she saw aired in July, which included a discussion relative to the teacher's contract being approved by the school board. She states that there was discussion held that Mr. Demko would need to contact the budget committee to schedule a public hearing. Ms. Smith states that the budget committee staff was in the process of scheduling the agenda for this evening's meeting and was soon to be taking a vacation. She made a phone call to Ms. Pingree to verify that there was an interest in scheduling a public hearing and did they want to be on the agenda for the July 29 agenda. She notes that the June 15 approved school board minutes state that the budget committee needed to be notified of the public hearing date. Ms. Smith states that the first email she received was on July 10 from Mr. Demko. She adds that it was 25 days later before the request was received; noting again that it was only after her phone call to Ms. Pingree who then contacted Mr. Demko regarding the scheduling of the public hearing. Ms. Pingree replies that she is not sure of the time line. Ms. Smith continues to explain the process, in which she then contacted the budget committee chairman and adds that there is typically 8-12 days needed for posting requirements for a public hearing (depending on the particular statute). She adds that that there was only one to two days for the notice requirements to be met. Ms. Pingree replies that the business administrator has been hospitalized for a lengthy time and is back in the hospital today so she is not sure as to the communications that occurred.

Mr. Ash states that he was not aware of any of this going on. Mr. McNally explains that the budget committee was notified around July 10 as Ms. Smith has stated. He states that the committee was told that they would be meeting to address the public hearing on July 23. He states that this is a town board and the business of the committee is done in town hall and there were room limitations as well as staffing issues. Discussion ensues regarding moving to other locations and Mr. McNally states that the committee has moved only twice that he recalls. Mr. Ash suggests that if all were involved to address the problem, there may have been a solution. Ms. Pingree states that she feels two weeks is an adequate notification time. Ms. Smith states that the concern was the time frame needed for proper notification in the paper for the public hearing. She adds that it is her responsibility to contact the chair who calls the meetings. He weighed the facts and made the decision.

Discussion is held regarding the committee voting. Mr. McNally states that there were many errors in the newspaper article. He states that when the board recommends or not recommends it is after hearing input from the public and has been the board's past practice.

Ms. Pingree requests that the calendar be set for the budget season. Mr. McNally states that Mr. Demko had stated that the chair would meet with him to set a calendar. He states that it is the responsibility of the school board representative for communication. Ms. Pingree explains that she believes that a letter was sent and it was a request for all towns budget committee chairmen to meet to discuss the calendar. Mr. McNally notes that this is another form of miscommunication. Ms. Pingree states that all three towns are different. Ms. McNally states that if there is a conflict with the schedules she feels that the school board rep should be able to present the budget to the budget committee. Ms. Pingree states that if administration knows when the meetings are and the expectations of those meetings, and there is a schedule conflict, she will be present with the necessary materials and information; if support is necessary she will have it.

Ms. McNally states that it appears that from the school board's meeting on July 23, that the budget committee is not being cooperative when in fact the deadline for notification dates could not be met. She asks if the SAU has some system to cover for someone, for example, while hospitalized. Ms. Pingree replies that there will be a fall back person and there is a recent new hire of an assistant. She explains that the business administrator is similar to the town administrator, an advisor to the school board.

#### Financial Statement

Ms. Pingree reviews key points of the school's budget and explains that the report is not a final report as the school is still paying bills. She states that they are estimating a surplus of \$150,000.-\$160,000. She states that it is usually September when the books are finalized.

Ms. McNally asks why there appears to be \$97,500 shown in the food service department lines and the warrant articles funding that has not been spent. Ms. Pingree explains that the warrant article figures cannot be removed as it is a function of the software. She adds that the surplus will be less than the amount given. Ms. Pingree replies that she will confirm with Mr. Demko as this was a verbal figure of surplus given.

Mr. Rick asks about the fuel and the current status of the contract obligation. Ms. Pingree explains that they have just looked at quotes at their last meeting because the SAU will be bidding for the districts and the town. She states that the school will be contacting the selectmen to hold a joint meeting for further discussion. Mr. Dill states that the contract with Simple Green has expired; it ended at the fiscal year. Ms. Pingree notes that the selectmen were not happy with this vendor and the only other bidder was Irving so they may go back out to bid. Discussion ensues regarding oil co-ops. Mr. Dill notes that the selectmen are involved with the Suncook Valley co-op and may have other options.

#### Dept. 2321 ~ SAU #44

Ms. McNally requests a copy of the end of the year SAU expenses. Ms. Pingree replies that the school board just reviewed this information and she will forward the information.

Ms. McNally asks if the deficit is a final figure, \$74,193.43. Ms. Pingree replies that they are still waiting for a final bill. Ms. McNally requests a breakdown of the attorney expenses.

#### Town

Alden Dill explains that the Bennett Bridge project has been put out for bids this month and the process should continue within the next two weeks. He states that there were some changes that had to be made to the plan and explains that the drainage runs through the beach so the project must be done at once. He explains that there is a narrow window for completion as the project needs to be done in the fall when the water is down and before it freezes. A brief discussion is held regarding the Bennett Bridge project total costs and what the process is should the cost come in higher than what was budgeted. Mr. Dill states that if the amount is a significant amount there would need to be a special town meeting scheduled.

Mr. Dill states that the FEMA funds are coming in and most of the ice storm damage has been taken care of.

Mr. McNally asks if the town will be receiving any stimulus funds. Mr. Dill states that very few municipalities are getting any funds from the state. Ms. Pingree adds that the school is getting some funds specifically for special ed.

Ms. McNally asks if the two new firefighters/EMT's have been hired. Mr. Dill replies not to date. He adds that there was a change in the state regulations for accredited firefighter and the hiring process should be completed by the end of August. He states that they have received many applications.

Mr. Dill states that early on in the week there were a few questions relative to the town's adopted budget being higher than the budget that was passed at town meeting. He explains that the difference is the total amount of the warrant article for fire fighters, which since it is a payroll warrant article; it is included in the budget.

Mr. Dill explains that the general overview is that the town is generally okay. He notes that there are a few overages. He explains that Fairpoint is not giving the town discounts on the phones like Verizon; therefore, all 14 lines are being assessed at the residential rate, which is a higher rate, and all budget lines are over expended.

Additional discussion is held regarding the phone system. Mr. Dill states that the system is a Centrix system that is 20-25 years old. He states this is why the town proposed a new system. He adds that there are no parts available either for the system. Ms. Garrett explains that the town had a maintenance contract with Verizon that also allowed for a reduction on the 14 phone lines. Fairpoint does not offer a maintenance contract. She states that for an example, the monthly phone charge for the transfer station was about \$5. last year and is now \$56. She states that the contract cost was approximately \$2,000 per year. Discussion ensues regarding a new phone system and possible savings there could be for next year.

Mr. Dill states that there have been some general repairs made to the police cruisers.

Mr. Dill states that with the highway department a lot of funds have been spent on road repairs; however, these funds have been reimbursed by FEMA. He explains the process of reimbursements in that the expenditure comes out of the budget. In the highway budget it is reflected in the highway cleaning and maintenance. He states that \$5,000. was budgeted for road repairs and \$21,000., which is ice storm clean up.

Ms. McNally asks about cell phone increases. Mr. Dill states that there was an increase of cell phone usage in the building department. He adds that the plan will need to be increased.

Mr. Johnson refers to the town parade buildings and notes that there appears to be 62% left under the phone lines. Mr. Dill replies that he believes that the line was budgeted higher as it is used more frequently than the sanitation department would be. Mr. Johnson asks the cost of a new phone system. Ms. Garrett states that the warrant article that failed at town meeting in March listed the new phone system as \$48,888. and was for all departments. Mr. Johnson requests that when the phone system comes before the board again, he requests to be provided with all phone bills so that the total costs will be available and the savings will be clearer.

Additional discussion is held regarding the wideband service during emergencies. Mr. Dill states that he will defer this item to the technology committee. Mr. Ash states that he is a member of the committee and will bring it up at the next meeting.

Mr. Rick asks about the possibility of going out to bid for engineering services. Mr. Dill states that the planning board also uses Underwood Engineering. The cost for the Bennett Bridge project is \$16,500. and that is for them to operate as clerk of the works for the project. He adds that Underwood did plan the work and that was another cost. Mr. Rick states that the town may want to be looking into other engineering firms especially with this economy. Mr. Dill states that the selectmen have decided to go out to bid for audit services but he does not believe that there are any plans for the town or planning board to begin the bid process for engineering services. Mr. Rick feels that this may be an area that the town should look into as this could be an area where there may be some costs savings available.

Mr. Vaillancourt asks for clarification relative to the salary percentage increases received by town employees. Mr. Dill replies that all town employees received a 2% increase this year, effective April 1, and the raise was not retroactive to January 1.

#### Other Business

##### Economic Development Appointment

Volunteers for the Economic Development Committee (EDC) are as follows:

Ken Rick

Herb Johnson

Kevin Ash

Ms. Smith explains that Peter Jones has been recommended as the planning board representative. Mr. Dill states that he believes Bob Holden will be the selectmen's representative and Mr. Rick states that he has been appointed to the EDC already as a member at large. Ms. Smith states that two planning board members cannot sit together on another board.

Kate McNally nominates Herb Johnson as the budget committee representative to the economic development committee and Alden Dill seconds the nomination. Ken Rick nominates Babette Morrill and Colleen Pingree seconds the nomination. Mr. McNally closes the nominations. A secret ballot is conducted with the results being eight votes for Ms. Morrill and

Mr. Johnson receives six. The budget committee recommends Babette Morrill as their representative to the economic development committee.

#### Minutes

April 8, 2009

Mr. Ash makes a motion, second by Ms. McNally, to approve the minutes.

Amendments are made as follows:

Page 3: Add: &hellip;by the first person stepping up to the microphone.

Page 5: Add: &hellip;as&hellip;

Mr. Ash makes a motion, second by Ms. McNally, to approve the April 8, 2009 minutes, as amended. Motion passes unanimously; 14/0.

#### 2010 Calendar

A 2010 proposed calendar is drafted and provided for review. The committee accepts the drafted calendar as their tentative 2010 budget schedule.

#### Adjournment

Mr. Johnson makes a motion, second by Mr. Jacobsmeyer, to adjourn at 7:20 p.m. Motion passes unanimously; 14/0.

Respectfully submitted,  
Lisa Fellows-Weaver  
Board Secretary