

Town of Alton
Budget Committee Meeting
Town Hall Meeting Room
January 13, 2016
Minutes
Approved April 28, 2016

I. Call to Order 6:00 pm

II. Pledge of Allegiance

III. Roll Call

Andy McLeod, Chairman
Roger Nelson, Vice Chairman
Lou LaCourse, Selectmen's Representative
Terence O'Rourke, Member
David Hershey, Member
John Markland, Member
Steve Miller, School Board Representative

IV. Approval of Agenda

J. Markland motioned to approve the agenda as presented and was seconded by T. O'Rourke with all in favor.

S. Miller motioned to add another public input and was by L. LaCourse with all in favor.

The public input will be added to the agenda after item VI.a. It will be a second public input prior to the public hearing.

There was a discussion on the need for an additional Public Hearing.

The Committee agreed to leave the Agenda as originally presented.

V. Public Input I

None
Public Input I closed

V. Presentation of Final ACS Budget

S. Miller presented an overview of the final budget. The Operating budget of \$14,924,547.00 is a decrease of \$617,262.00 from the previous year with a reduction of 3.97%. The ACS operating budget is down \$177,927.00 which is a 1.6% reduction taken from salaries and benefits. The PMHS operating budget is down \$20,344.00 less than ½ percent from the previous year. S. Miller pointed out that benefits and salaries and not programs are being cut. The default budget is higher by \$95,691.00 coming in at \$15,020,238.00. S. Miller noted that the warrant articles would be down as well if not for the roof warrant article.

Warrant Article 3 – School Operating Budget

S. Miller motioned to accept Warrant Article 3 as presented and accept the school operating budget of \$14,924,547.00 and was seconded by J. Markland.

Discussion

The Budget Committee votes 5-2 in favor with L. LaCourse and R. Nelson voting against.

Warrant Article 4 – Special Warrant Collective Bargaining Costs

J. Markland motioned to accept Warrant Article 4 as presented and was seconded by T. O'Rourke.

Discussion

The Budget Committee votes 7-0 in favor.

Warrant Article 6 – Building and Grounds Expendable Trust

S. Miller motioned to accept Warrant Article 6 as presented and was seconded by J. Markland

Discussion

The Budget Committee votes 6-1 in favor with R. Nelson voting against.

Warrant Article 7 – Boiler Capital Reserve Fund

S. Miller motioned to accept Warrant Article 7 as presented and was seconded by J. Markland

Discussion

The Budget Committee votes 6-1 in favor with R. Nelson voting against.

Warrant Article 8 – Security and Safety Expendable Trust

S. Miller motioned to accept Article 8 as presented and was seconded by T. O'Rourke

Discussion

The Budget Committee votes 4-3 in favor with A. McLeod, L. LaCourse and R. Nelson voting against.

Warrant Article 9 – Special Education Capital Reserve Fund

S. Miller motioned to accept Article 9 as presented and was seconded by A. McLeod.

Discussion

The Budget Committee votes 3-4 against with L. LaCourse, D. Hershey, A. McLeod and R. Nelson voting against.

Warrant Article 10 – PMHS General Maintenance Capital Reserve Fund

S. Miller motioned to accept Article 10 as presented and was seconded J. Markland

Discussion

The Budget Committee votes 6-1 in favor with R. Nelson voting against.

Warrant Article 11 – Engineered Metal Roof System for PMHS

S. Miller motioned to accept Warrant Article 11 as presented and was seconded by J. Markland.

Discussion

The Budget Committee votes 7-0 in favor.

Warrant Article 12 – Improvement of Instruction Capital Reserve

S. Miller motioned to accept Warrant Article 12 as presented and was seconded by J. Markland

The Budget Committee votes 6-1 in favor with R. Nelson voting against.

Warrant Article 13 – PMHS Unanticipated Utilities Expendable Trust Fund

S. Miller motioned to accept Warrant Article 13 as presented and was seconded by J. Markland
Discussion

The Budget Committee votes 5-2 in favor with D. Hershey and R. Nelson voting against.

Warrant Article 14 – PMHS Athletic Field Capital Reserve Fund

S. Miller motioned to accept Warrant Article 14 as presented and was seconded by J. Markland.
Discussion

The Budget Committee votes 5-2 in favor with L. LaCourse and R. Nelson voting against.

S. Miller motioned to accept the Default Budget as also noted in Warrant Article 3 and was seconded by J. Markland.

The Budget Committee votes 7-0 in favor.

J. Markland recommended to K. Oblenes that the last line in Article 9 be put in bold lettering.

VII. Public Hearing

Alton town resident Chris Macstravic had a question about Warrant Article 3. He stated that L. LaCourse and R. Nelson had noted some figures and wanted some clarification about the \$770,000.00. R. Nelson responded that it is the amount money that the School Board returned to the tax payers after last year's budget. Part of that was an accounting issue between Barnstead and Alton in the amount of \$200,000.00 or \$300,000.00. There was between \$300,000.00 and \$350,000.00 that was actually returned.

Mr. Macstravic asked about the \$350,000.00 that R. Nelson wanted removed from the budget. R. Nelson responded that every year for the for the past 3-4 years the school board had proposed a budget and year after year they return \$300,000.00-\$350,000.00. R. Nelson asked why we are over budgeting by this amount each and every year and he wanted that \$350,000.00 taken out of this year's budget to avoid having the surplus. R. Nelson also stated as Mr. LaCourse noted, \$217,000.00 of the reduction for this year was actually a warrant article from last year.

Mr. Macstravic asked Mr. Miller about the fence and safety issues. Mr. Macstravic stated we have a school resource officer and offered that maybe it would be in the best interest to have the officer out there during drop off and pick up times so that they do not drive in that area.

A. McLeod stated that that was only part of the issue, there were also after school hour issues.

Andrea Christo stated that there were conflicting numbers from what Mr. Miller reported at a School Board Meeting regarding the discussion of the roof and that Mr. Miller discussed bonding and non bonding he said the operating budget was down \$400,000.00. Tonight he stated it was down \$150,000.00. She asked for clarification. S. Miller responded that he did not state that. He stated that since that board meeting they decided they would cut an additional \$150,000.00 out of the budget based on anticipated expenses.

Alton Resident Barbara Howard asked a question about the enrollment going down and at the School Board meeting S. Miller compared the 2004-2005 numbers to what the projected numbers were for next year and that we were potentially down 147 students and yet we are only down ½ position. At what point is the school going to look at the number of students and see if we are over staffed. We are 1 adult to 10 students at that ratio. S. Miller explained that from 2014-2015 and coming up to 2016-2017 there are about 145-147 students. We are going through at this time a reduction in force and looking at potential non-renewals. Based on what we think might happen at the end of the year, and it is a fluid situation, we thought it was appropriate to reduce \$150,000.00 from salary line of the budget. Since 2004-2005 at that time we did not have a Pre-

K3 and a Pre-K4 or a full time kindergarten. We agree that it is an issue that we are taking a hard look at but don't want to sacrifice programs.

Ms. Howard also had a question the amount of \$90,000.00 for food. What happens when students pay for their lunch, where are the revenues for that. S. Miller referred Ms. Howard to the line item on the budget. She believes it is a lot of money for the amount of time the children are in the school. S. Miller stated the cost is going down and assumes that it is because there are fewer children.

D. Hershey asked Ms. Howard if she was suggesting if the price of school lunches is high for the amount of students served. Ms. Howard responded the cost of the food that they are preparing for the amount of students is high.

There was a discussion on the amount of children versus the cost.

Chris Macstravic asked about the default budget and stated recently some positions were moved from one line to the 1100 line and if the budget becomes the default budget do those positions move back to the line that they came from.

S. Miller responded that it is an aggregated line. Mr. Macstravic states so if the does not pass and it becomes the default budget that money can still be spent it whatever way. Mr. Miller responded the default budget is \$94,000.00 higher more than the default budget. Mr. Macstravic continued so that money is not earmarked in any one particular way it is just a lump sum and Mr. Miller responded correct.

Ms. Oblenes pointed out that in Warrant Article 3 it states that the governing body may hold one special meeting in accordance with RSA 40:30 X and XVI to take up issue of any revised operating budget only. If the school district goes into default budget the School Board is allowed to go into one special meeting to figure out where they want to dollar amount to go based on that default budget.

Alton resident Ray Howard addressed the committee on Article 9 the \$100,000 Special Education Capital Reserve and he believes there should be a wording change. It says the sum to come from the fund balance and no amount to be raised from taxation. He believes it should state no amount to be raised from new taxation as he believes the fund balance is from old taxation. K. Oblenes responded that Mr. Howard was correct but the wording is how it was recommended by the lawyers and by the DRA.

Mr. Howard also had a question on the fuel issue noting that we didn't spend \$162,000.00 and was wondering if that budget was part of the unreserved fund balance. K. Oblenes responded that the fiscal year runs July through June.

Mr. Howard continued that he was doing the math on the operating budget, and we have roughly 750 students between the two schools and the operating budget will be about \$15,000,000.00 that puts us about \$20,000.00 per student and the state average is about \$16,000.00 per student and would like to know why it is so high.

There was a discussion on calculating per child and the state uses a special formula. Alton is about \$2,000.00 per child more and what other towns pay per child.

Andrea Christo would like to know about the reduction and asked if a number could be provided for the personnel, anticipated cuts. S. Miller stated they estimated around \$150,000.00. S. Miller stated it represents 20 less students coming in, we are trying to keep as many program intact as

possible and give consideration to our teachers and staff. The average teacher in the state of NH makes \$52,000.00. He does not know the number of teachers that would be reduced.

B. Howard asked for clarification on the \$52,000.00, was it just salary or did it include benefits. S. Miller stated it was without.

J. Markland asked S. Miller if the School Board had made a decision on the 3 extra days for the school year. Mr. Miller responded that they have gone back to 180 days but have increased the school day by 20 minutes per day. It equates to about 9 additional instruction days.

Alton resident C. Macstravic wanted to take an opportunity to respond to Mr. Nelson, when Mr. Howard spoke on his numbers regarding costs per student I thought it was a huge difference but when Ms. Oblenes explained where the amount comes from he understood those values. I totally agree with you that the average tax payer may not think about formulas or how it is calculated and just looks at the bottom number. But he believes it is the responsibility of the BC and the taxpayers themselves to be educated about those things so that they understand what those numbers really are.

There was a discussion regarding the differences between Town Meeting and Deliberative Session.

R. Howard provided some information for people who many not have been in the town 20 years ago when we had well attended town meetings. At 1:00 or 2:00 in the morning they would run a sweep article and pass everything anyway. SB2 is not too bad. He asked the BC if they would support a tax cap. S. Miller stated that the tax cap would have to be essentially run by the Selectmen. You would have to give legislative authority over to the Selectmen to set the budget for the school. Mr. Miller would be against that. Mr. Howard continued you could set it up so that you could have either one or the other or both. The law on tax cap is very broad and vague. There was a discussion on various towns with tax caps.

Public Hearing closed

K. Oblenes stated she would have the MS27 available for signing. It requires a majority of the Budget Committee members to sign. It will be available for signing on Tuesday.

VIII. Old Business

S. Miller motioned to accept the meeting minutes of January 6, 2016 as presented and was seconded by T. O'Rourke with a vote of 6-0-1 with J. Markland abstaining.

The approval of the meeting minutes of January 7, 2016 will be held over to the next meeting.

X. Adjourn

R. Nelson motioned to adjourn the meeting and was seconded by T. O'Rourke with all in favor. The meeting adjourned at 8:15pm.

Respectfully submitted,



Peggy Hawksley
Budget Committee Secretary
Approved April 28, 2016