

Minutes
Nottingham Budget Committee Meeting
May 21, 2015

Members Present: Anthony Dumas, Jackie Snow, Jeff Wheeler, Miska Hadik, Michael Koester, Gene Reed, Jennifer Biron, Dawn Fernald, Carrie Lee, Mark Carpenter – BOS Rep, Susan Levenson – School Board Rep

Excused Absences:

Other in Attendance: Secretary Dawn Wirkkala,

Mr. Wheeler called the meeting to order, introductions were completed and the new members were welcomed.

Motion: by Mr. Wheeler to nominate Jackie Snow as Chair.

Ms. Snow thanked Mr. Wheeler for the compliment but stated she did not feel ready to take on the position as Chair, but would consider being the Vice Chair.

Motion: by Ms. Snow to nominate Jeff Wheeler as Chair.

Mr. Wheeler thanked Ms. Snow, but was more comfortable as Vice Chair.

Motion: by Mr. Dumas, second by Mr. Reed to nominate Mike Koester as Chair.

Mr. Koester stated he is honored, but work commitments prevent him from accepting the nomination.

Motion: by Dawn Fernald, second by Ms. Snow to nominate Jeff Wheeler as Chair.

Vote: 10 – 1 abstained (JW)

Motion: by Mr. Dumas, second by Chair Wheeler to nominate Jackie Snow as Vice Chair.

Vote: 10 – 1 abstained (JS)

Chair Wheeler reviewed that members should notify the Chair and the Secretary if they would not be able to attend a meeting and stated members would be able to attend a budget committee member class in the fall if they wanted; dates to be provided later.

Approval of Minutes

Motion: by Ms. Snow, second by Mr. Koester to approve the February 5, 2015 minutes as amended.

Vote: 6 in favor, 5 abstained

TOWN 1st QUARTER 2015 FINANCIAL REVIEW: Selectman Carpenter stated some accounts are at 100% as they are only paid after July 1st when payments of first issue tax bills are received, many accounts are at approximately 60% which is where they are expected to be at this time of the year, and other expenses are fully spent as payments are made at the beginning of the year.

Some of the accounts that have had the full expenditure made include items such as Town Report (Executive) Printing, annual software maintenance agreements for multiple departments, and annual subscription dues; these are items that have a large payment at the first part of the year.

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Selectmen Carpenter stated some of the accounts being monitored more closely are for heating for all town buildings and Highway for plowing based on prior winter expenses.

During Town Meeting \$10,000.00 was moved from the Legal account into the Highway account to help with the additional anticipated highway expenses.

Selectman Carpenter stated the Selectmen have discussed changing newspapers for legal postings because the current paper has recently increased/doubled their publishing fees. These postings are for items such as Planning and Zoning Board public hearings and other board and/or committee hearing notices.

Selectman Carpenter reviewed other accounts that have payments at the beginning of the year, where the complete or almost complete expenditure has been made include Unemployment Insurance, Workers Compensation Insurance, Fire Department Haz Mat materials and other types of emergency supplies, maintenance contracts, and business memberships, among other similar types of activities.

The Highway Department had an unexpected repair to one of the building doors after an accident and the Town Offices/Community Center water pump needed repairs after it unexpectedly stopped working.

Selectman Carpenter stated there are increases seen in the Fire Department Part-time salary because one Full-time position wasn't yet filled, which has since been filled. Selectman Carpenter praised the work and activities of the full time fire fighters on staff and reviewed the history and changes made to make sure the positions remain filled. The Training account funds aren't used monthly but used when training is needed.

Mr. Reed asked about the Fire Department Gasoline/Diesel account and it was stated the town has one tank for each type of fuel for all departments to use and usage amounts are typically allocated to each department later in the year and not on a monthly basis.

Selectman Carpenter stated the Highway part-time salary has higher expenses and the full time salary account is lower, because of a position vacancy. The position has been posted and someone should be hired soon.

Mr. Reed stated the Hired Equipment Plowing appears to be in good shape. Selectman Carpenter stated it is in good after the January/April winter period, but what remains will be for the 2015 October/December fall and winter weather.

The Highway Department had an unexpected vehicle accident and unexpected additional repairs were also needed for the loader; this is typical for vehicle repairs with the Highway Department. The Road Agent and Selectmen made the decision to spend a slightly higher amount on a new truck in order to get a better quality vehicle that will hopefully have a longer life use.

Ms. Fernald asked about the Highway Salt line. Selectman Carpenter replied the Road Agent buys ahead, making a purchase at the end of January/February winter season when prices are typically lower.

Selectmen Carpenter stated he finally has recycling data available and will be able to provide data in the changes being seen after the purchase of the two new storage trailers. The anticipated 10% total savings goal wasn't quite met, but it came in close at 9.6% and the amount of MSW

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tonnage also decreased slightly. The storage units provided better prices because the town was able to send out fuller trailers, decreasing the hauling expenses.

Mr. Reed asked about the Marston Property and if there were any current expense or if there will be any proposed expenses. Selectman Carpenter stated there are no past or proposed expenses at this time.

SCHOOL 3RD QUARTER 2014/2015 FINANCIAL REVIEW:

Ms. Levenson reviewed highlights of the 3rd quarter school expenses. Purchase orders have been completed and entered into the “Encumbrances” column when the exact amount is known. Estimated amounts have been entered into the “Anticipated” column for known expenditures but an exact amount isn’t known, such as Substitute Teacher Salaries # 01-1100-5120-000. Food Service is expected to have a higher than expected deficit, and is being watched very closely for possible additional transfers.

Revenues are on track, the known loss of Coe-Brown tuition revenue is identified, but more than expected insurance and pre-school revenue has been received.

Ms. Levenson stated the School Board is monitoring unexpended SAU expenses in an effort to return those surplus funds to the town.

Mr. Reed asked if the School Board has a legal requirement and/or responsibility to review and report significant budget changes to revenues sources with the Budget Committee before making that change. Ms. Levenson stated she would determine an answer about when and how the School Board should report changes to estimated revenues to the Budget Committee; an answer would be provided to Chair Wheeler after the School Board’s June 6th meeting.

Mr. Reed asked about the higher than anticipated lunch service deficit. Ms. Levenson stated there have been federal and state changes in food requirements to what must be provided to students and the School Board has been looking into possible cost saving alternatives but has not determined a solution yet. The new requirements have led to a lot of food waste; uneaten food cannot be re-used even if it is an item, such as an apple. Ms. Fernald stated the required food guidelines include a reimbursement of expenses; however, the reimbursement is usually less than the actual expense of the foods. General discussion took place about the operation of the school food service program.

Ms. Levenson stated contracted teachers must provide advanced notice of a plan to at the beginning of the school year, but are allowed to withdraw the plan no later than January and can continue to teach, this has taken place and there is a negative \$40,170.29 in the “Amendments” column for the Teacher Salaries account. Mr. Reed asked about the bonus retirement proposal. Ms. Levenson stated it was something offered for the upcoming school year for early retirement with very specific requirements, and the expenses essentially would be off set with lower starting future employee expenses and savings in insurance. There have been no other budget surprises in Regular Education.

Ms. Levenson stated there was a proposed and withdrawn retirement in Guidance, providing an unanticipated surplus in both the salary and insurance accounts. The same situation was also seen in the Health section in the Nurse’s Salary account.

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Ms. Levenson reported a bonus \$6000.00 was provided to the new Curriculum Director, as additional duties were completed in assisting the School Board and school during the loss of the previous school principal, in addition to providing very positive results in working with both the elementary and high school curriculums.

A \$56,280.00 Amendment is in the Computer Assisted Instruction/New Equipment account based on the approved warrant article to purchase the new laptops, note books and associated mobile carts.

A \$20,567.00 Amendment is in Operation of Plant Repairs and Maint-Buildings account to remove a significant ice dam on a flat roof to prevent any damage to the school building.

Chair Wheeler asked about the Amendment for Operation of Plant Repairs and Maintenance-Heating Plant account. Ms. Levenson stated she would need to get further details regarding the \$55,505.00 Amendment.

Mr. Carpenter asked when accounts amounts are increased by an Amendment, where do the funds come from and does the school end up with overall same budget amount? Ms. Levenson stated Amendments include line item transfers, which could be shown over multiple lines, with increased amounts in some accounts and negatives amounts in others and the column will also include the approved warrant article with a positive Amendment amount for the applicable accounts. The Revised Budget column will be the total of the approved budget and the amount of the approved warrant articles, but there will not be any funds spent above the voted total.

Ms. Levenson stated she would review and find a way to identify how accounts and expenditures with special warrants articles could be reported, this might be having a new section and/or providing a detailed description of other reasons for changes to specific accounts, including those with changes to addition/withdrawal of retirements.

Ms. Levenson stated the Auditors have started the preliminary review of the financials with positive initial responses and the integration of the bookkeeper from each individual school to an SAU position is working well. The School Board is also reviewing the physical location of class rooms, grouping classrooms together in the building by grades K through 4 and 5 through 8 to provide the older students with more of a middle school type of environment. The work also taking place with the new technology, mobile carts and integrating it into the classrooms is helping address some of the space issues and will allow the proposed corrections, requires less classroom to classroom movement for the students, and teachers are receiving more help for the integration and improved curriculum.

Mr. Koester asked about the anticipated balance of \$240,261.00 for the Tuition-Coe Brown account. Ms. Levenson stated during the budget planning phase an estimate of five potential students were included in the tuition amount for students that might move into Nottingham during the school year. In addition, there were eight (8) eight grade students moved out of the Nottingham school system and did not enter high school, five (5) eight grade students decided to go to Dover HS instead of Coe Brown, and three (3) tenth grade students also moved out of town.

Ms. Levenson explained in an effort to be more transparent the School Board has for the 2015/2016 budget created separate accounts to budget for high school tuition amounts; one for

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estimates based on current student enrollment counts and separate accounts to address the possibility of students that move into Nottingham, for both Dover HS and Coe Brown.

The total 2014/2015 budget surplus is an estimated \$412,394.94. Ms. Levenson stated this amount will change after the profit and loss financial review, which includes final and updated revenue amounts, any additional transfers for the Food Service deficits, any additional needed transfers, and end of the year expenses.

Mr. Carpenter stated he felt that based on the budget alone, the surplus amount is significant and asked if the School Board has any specific plans and/or objectives to bring the budgeted amount closer to actual expenditures. Specifically, tuition has been an area that has consistently seen very large surplus.

Ms. Levenson stated the School Board can review the surplus once all factors of expenses and revenues have been applied to the budget to determine if the surplus is based on over budgeting or savings because of student changes. The School Board always has the intention to keep a budget that is as tight as possible, looking at all the factors between expenses and revenues, with a goal to be as cost effective as the school can be. General discussion took place about budgeting and proposed objectives for future budget planning.

Mr. Dumas stated he felt much of the surplus at the elementary school came from unexpended funds in salary, retirement and insurance accounts, based on staff changes, and is not something the school board could entirely plan.

Mr. Koester asked to receive more frequent attendance counts from the schools to better calculate the number of students coming into town and how many are leaving.

Ms. Levenson stated the School Board receives enrollment counts on a monthly basis and agreed to have student enrollment counts more frequently and then provided the current enrollments counts to committee members. Ms. Levenson stated she would provide additional information about when children have to be counted for budgeting purposes, including home school students. It was stated that home schooled students may be included in enrollment counts, and Ms. Levenson was asked to verify how or if home schooled students are included in enrollment counts in the budget planning process and in determination of the State of NH student adequacy grant funds.

Mr. Reed asked if the School Board has plans to encumber any of the unexpended 2014/2015 funds for planned and/or contracted expenditures that will be spent after the end of the fiscal year. Ms. Levenson stated discussion has taken place about contracting repairs for the air handler unit, but those funds will come from the capital reserve fund; any additional expenditure haven't been discussed but there are currently no planned expenses at this time.

SCHOOL/TOWN GENERAL UPDATES:

Mr. Carpenter stated the bid was approved to repair the Community Center gym/kitchen building roof, which ended up being slightly more than the proposed warrant article amount. Work will be completed before summer camp begins.

Ms. Levenson stated a dry hydrant failure across the street from the elementary school is being repaired, and the Town and School will split the expenses for the repair. Mr. Carpenter stated

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the pipe failure was due to the shallow placement and plastic fittings; additional testing will take place when the current repairs are made. Ms. Levenson stated the current repairs should not require the road to be closed.

Ms. Levenson stated the school website work has started taking place and will continue over the summer.

SUB-COMMITTEE UPDATES:

Transportation: Ms. Snow stated the group met with Dale Transportation and changes were included in the proposed contract, to include: specific pricing for each of the routes to better anticipate future needed changes; addition or subtraction of busses as rider-ship counts are reviewed; more frequent rider-ship counts; and reporting to the SAU of any complaints received regarding busses and or drivers.

The new buses are being equipped with cameras, to provide student monitoring. Mr. Reed and Mr. Carpenter asked about the type of camera and if it will record video or provide still pictures. Mr. Dumas and Mr. Hadik stated it is typically a recording of video that is kept for a specific length of time. Ms. Snow stated she would ask for more details about the cameras.

Ms. Snow stated the contract increased an approximate 3% with a 3 year contract length from 2015 to 2018, with a fixed rate 3% contract price increase each year. The contracting was difficult as Dale was the only responder to the bid and the sub-committee had little leverage in the process. Ms. Ferland stated the SAU has indicated bussing might be an area all three schools try to contract with together for more leverage with the possibility of a larger contract.

General discussion took place about bussing routes, stops/pickups, changes in routes and bus size, and other possible ways to save on transportation.

Mr. Carpenter asked if it might be possible to extend the contract length for a lower annual increase percentage. Ms. Snow stated she still has time to ask and having the ability to change routes or even eliminate buses, if needed is a big concession.

Default Budget Committee: None.

CIP: Mr. Reed volunteered to remain as the CIP Budget Committee Rep. and no objections were voiced. Mr. Carpenter stated he expects that the CIP committee to work more in the upcoming year with the requests, project priorities, to provide more information to help in the budget planning phase.

MPEC: Mr. Hadik reported the committee hasn't met in a while, but recently met with the school to discuss what plans are being proposed. It is the consensus that the school hasn't discussed the issue, with possible current plans to possibly repair existing fields at the school, and stated they will not ask the Town for anything in regards to fields at the Marston property. The committee will now start considering what activities might take place on the property.

Ms. Levenson stated the School Board loves the idea of having a group property plan, but didn't want to make any demands of the property planning, isn't ready to make any decisions and doesn't want to hold up other plans, and does not have any current plans to budget for recreational fields. It was stated part of the discussion is to determine if the school wants to bus students to a different location but it isn't a big consideration, as bussing is currently taking

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place. The School Board is concerned about all recreational needs, but must consider academics as the priority. Additional discussion has taken place about the different types of fields, such as track and field program, in addition to the standard baseball/softball and soccer fields.

Mr. Hadik stated one of the concerns about building fields at the school is the large amount of work that will need to be done and the significant cost to get that amount of work done, where the Marston property is better situated to handle the field requests more easily. The committee has discussed that official planning and then construction would be a long term plan, but new and updated recreational fields are needed.

OTHER BUSINESS: NONE

ROUNDTABLE:

Mr. Koester welcomed the new members and thanked Mr. Wheeler for becoming Chair.

Additional committee members also expressed their thanks for Mr. Wheeler becoming Chair.

ACTION ITEMS:

Town: Why is there an overage of \$2,000.00 in the Town Clerk account #01-4140.10-018 TC Expenses?

School: Why is there a \$55,505.00 Amendment for account 01-2620.5419-032 Repairs and Maintenance-Heating Plant?

Will the Budget Committee receive advanced notice and be advised of any policy changes being considered and/or made by the School Board that may affect the school budget and/or revenue amounts?

What accounts include the amounts for approved warrant articles?

The Budget Committee requested to receive updated student enrollment count reports on a more consistent basis.

Are home schooled students included in the average daily student membership count?

ADJOURNMENT: Having no further business,

8:59 PM Motion: by Mr. Reed, second by Mr. Dumas.

Vote: 11 – 0 in favor.

Respectfully Submitted,

Dawn Wirkkala