

Minutes
Nottingham Budget Committee Meeting
August 6, 2015

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

Excused Absences: Miska Hadik, Dawn Fernald;

Other in Attendance: Secretary Sue Serino, Gail Mills, Christopher Mills

Mr. Wheeler called the meeting to order, introductions were completed.

Approval of Minutes

Motion: by Ms. Snow, second by Mr. Dumas to approve the May 21, 2015 minutes as amended.

Vote: 8 in favor, 1 abstained (Michael Koester)

Budget Committee Representative: Chair Wheeler asked for a motion to officially select Gene Reed as the Budget Committee Representative to the Capital Improvement Program Committee (CIP).

Motion: by Mr. Dumas, second by Ms. Snow to nominate Eugene Reed as the CIP Representative for the Budget Committee.

Vote: 8 in favor and 1 abstained (Eugene Reed)

Open Action items/Questions:

Town: Why is there an overage of \$2,000.00 in the Town Clerk account #01-4140.10-018 TC Expenses? This was caused by an error in a car registration, so we know root cause. We are correcting how it is reported.

Chair Wheeler referred committee members to a previously provided email indicating the overage was caused by an error with a car registration and it has been corrected.

School:

1. Why is there a \$55,505.00 Amendment for account 01-2620.5419-032 Repairs and Maintenance-Heating Plant? (warrant article)

Ms. Levenson stated the amount relates to approved warrant articles for repairs to the heating and ventilation system, which was reflected in the amendment column in the budget worksheets. The amounts include \$56,280.00 for technology equipment, the \$55,505.00 for HVAC repairs and \$72,000.00 for text books.

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

Chair Wheeler asked if the School Board receives enrollment reports during their second meeting of the month. Ms. Levenson replied the School Board receives them electronically on a monthly basis and has requested that Dr. Gadomski include the Budget Committee secretary in the email list to forward to the Budget Committee members.

3. 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?

**Minutes
Nottingham Budget Committee Meeting
August 6, 2015**

Ms. Levenson stated the Budget Committee did receive notice of the policy change and believe the decisions and discussion with the Budget Committee have been appropriate.

4. What accounts include the amounts for approved warrant articles?

Accounts 01-1100-5645-015, 01-1100-5645-029, and 01-1100-5645-030 reflect the additional warrant article amounts for Language Arts, Science and Social Studies text books. Account 01-2225-5731-031 reflects the warrant article amount for technology equipment. Account 01-2620-5419-032 reflects the warrant article amount for HVAC repairs. These items were approved during the March 2014 elections for the 2014/2015 school year.

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

Mr. Reed asked about an open question asked during the May 21, 2015 meeting, which was not listed in the Action Item List; does the School Board have a legal requirement and/or responsibility to review and report significant budget changes to revenue sources with the Budget Committee before making that change.

Ms. Levenson replied the answer was included in the paraphrased question regarding policy changes. The Town has two distinct districts (the school and town) that come before the Budget Committee according to RSA 32. While ultimately the budgets become the Budget Committee budgets, once the budgets are approved/voted on they go back to the Board of Selectmen and School Board to make line item transfers as needed, as long as they do not exceed the bottom line.

Mr. Reed asked when the School Board would advise the Budget Committee of changes. Ms. Levenson replied the School Board will conduct regular business, including review, discussion and make decisions regarding proposed changes regarding budgets and policies as needed; what specific changes are being requested. Mr. Reed asked if revenues are considered part of the budget and Ms. Levenson replied that they are.

Ms. Levenson stated she believes Mr. Reed is indicating the School Board doesn't have the authority to make changes on revenues; Mr. Reed stated he is asking the question. Ms. Levenson stated the School District has the authority to make changes, including policy changes. The School Board made the tuition decision on December 3, 2014 and notified the Budget Committee on December 4, 2014; which is a fast turn around. The School Board is not required to have the Budget Committee weigh in on policy or budget changes and decisions. Chair Wheeler stated it is not a duty of the Budget Committee to offer an opinion.

Mr. Reed stated it is his argument, and according to the NH Department of Revenue, the budget bottom line is the amount that is sent to the Tax Collector for the amount to be raised once the revenues have been collected. If the estimated amount of revenue is not received, then the expenditure should be reduced by a proportionate amount so the amount of expenditures does not exceeded what is raised by taxation.

Chair Wheeler stated once the Budget Committee approves the proposed budget, the public votes for the budget, it is then returned to the School Board and this includes their addressing less than anticipated or acceptance of unanticipated revenues. The School Board has the ability to make line item changes for expenditures, as long as they don't go over the total amount in the

Minutes
Nottingham Budget Committee Meeting
August 6, 2015

approved budgeted. The Budget Committee does not have the authority to weigh in on the line item changes.

Mr. Reed stated he agrees with general line item transfers for expenses, but in regards to revenues there should be some discussion. Should there be a determination to define the “bottom line”, which typically is spending less revenues but should there be a review of issues that could significantly impact collection of revenues. Ms. Levenson stated the same argument could be made that there would be a need to discuss unanticipated expenses or acceptance of unknown estimated revenues; as they are all moving parts of the budget.

Mr. Reed expressed concerned that this leaves the School Board with the ability to make changes to the budget and/or policies that affect the budget without restriction; which “bottom line” does the School Board adhere to?

Mr. Carpenter stated if there is a policy change that changes the amount of property taxes that needs to be raised, then by statute it must go back to the people and before the Budget Committee. Ms. Levenson stated the policy change did not affect the overall budget; the school budget was not overspent. Mr. Carpenter stated the budget wasn’t affected with the return of tuition funds because the school had a surplus from other over budgeted accounts, which prevented the school budget from being overspent. If a surplus had not been available, the School Board would have had to come back to the Budget Committee and town for a special meeting for additional funds.

Ms. Levenson stated the School Board did not overspend the 2014/2015 school budget, so the discussion is theoretical.

Ms. Levenson distributed and reviewed the current un-audited 2014/2015 year end financial handouts. The total amount of funds that remain, after payment of the listed expenditures, must also subtract any additional funds from the approved warrant articles, which include the year end capital reserve transfers. The anticipated deficit in the Food Services Program did not take place and no additional funds were needed.

The account that contains the largest percentage of surplus funds comes from the Coe-Brown tuition account; there were fewer than anticipated students that attended Coe-Brown, three current Coe-Brown students transferred to Dover HS, and there were no move in students that transferred into Coe-Brown. General review took place on how student counts and tuition rates are estimated.

Mr. Reed asked where the Unanticipated Revenues of \$157,191.39 came from. Ms. Levenson replied it was funds from an insurance company; the Health Trust Settlement. Mr. Carpenter stated the Town received their settlement fund in the form of a payment holiday for insurance coverage, essentially a credit towards what they needed to pay for budget for insurance coverage, but it was probably different for schools and the Town didn’t necessarily know the exact amounts.

Ms. Levenson stated she would provide details about the unanticipated revenue. Mr. Carpenter was asked to provide the amount the Town received in payment holidays from Health Trust.

Mr. Reed asked if there were any encumbrances/ obligations that were contracted during 2014/2015 but would be paid during the 2015/2016 school year. Ms. Levenson stated she does

Minutes
Nottingham Budget Committee Meeting
August 6, 2015

not know of any funds that have been encumbered to 2015/2016 but would bring forward anything brought forward from the SAU and Auditor at the September meeting, but also believes the presented financial statements may include what Mr. Reed is asking for.

Mr. Reed asked if there are non-resident students attending the Nottingham elementary school. Ms. Levenson stated she doesn't have that information available, but can provide the information. Teachers are allowed to bring their students to the Nottingham School system as part of their teacher contract and paying a specific tuition amount. Ms. Levenson would determine the tuition rate and number of non-resident students attending the Nottingham school system.

Mr. Reed asked if the School Board has made a decision about setting aside surplus funds as indicated in the 1.5% emergency fund (Warrant Article # 8) voted in the affirmative during the March 2015 elections. Ms. Levenson replied the School Board hasn't made a decision yet regarding the matter, the decision will be made after the audited financials are received.

Mr. Reed asked about budgets included for classroom supplies. Ms. Levenson stated some supplies are purchased for the classrooms but there are lists of supplies parents are requested to purchase for the school year. Mr. Reed asked if it should be something that is included in the budget. Ms. Snow stated she believed asking parents was to assist in keeping the school budget tight, including decisions in prior years limiting how often school books were purchased.

OTHER BUSINESS: NONE

ROUNDTABLE: Mr. Carpenter stated the Selectmen are planning to start CIP committee meetings and planning. The Selectmen will also hold a public hearing soon to review, accept, and consider approving a "parking ordinance" to require municipal vehicle passes by property owners and to have special day pass permits for guests of property owner to use the Town Beach.

Mr. Reed explained and reviewed his concerns regarding the emails that flowed between the members and secretary, stating he objects to any kind of polling/voting via email even if it is in a temporary understanding for the Budget Committee representative to the CIP committee. Mr. Reed objected to comments expressed by Mr. Dumas in the email correspondence, stating Budget Committee members should be able to ask any questions regarding the town or school budget without it being considered some type of witch hunt or it being in an emotional manner. Mr. Dumas apologized for his comments during the emails and his comments were based on his perceptions, including repeated questions from Mr. Reed in regards to the school budget and the appearance of not accepting the answers provided.

Mr. Wheeler suggested that all Budget Committee business should be discussed during meetings and not via email to prevent any misunderstanding. It is the duty of the members to ask questions to provide the best budgets for the town.

Ms. Snow stated she was happy with the outcome of the meeting and how professional the meeting was and the dialogue allowed for a better understanding of budget issues taking place.

Ms. Levenson stated she also appreciated the how the meeting was conducted, with positive dialogue; it is difficult to be on the receiving end of yelling and name calling as has happened in the past.

Minutes
Nottingham Budget Committee Meeting
August 6, 2015

Chair Wheeler reminded committee members of the upcoming NHMA Budget Workshops taking place in Manchester or Bartlett. Members who want to attend should notify the Secretary for registration so only payment needs to be made to the NHMA.

ACTION ITEMS: *FYI: Next Meeting September 10th at 7 PM.*

ADJOURNMENT: Having no further business,

7:48 PM Motion: by Ms. Snow, second by Mr. Reed.

Vote: 9 – 0 in favor.

Respectfully Submitted,

Sue Serino