



BUDGET COMMITTEE
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MINUTES OF THE BUDGET COMMITTEE HEARING

Wednesday, December 14, 2016 – 6:30 p.m. – Town Hall Conference Room

Members Present: Chair Mary McDonough, Alyson Baryames, James Connelly, Mark Connelly, Sharon Hussey, Bob Krasko, Steve McKenzie, Patty Porter, Kristen Syphers, Pat Walsh – School Board Rep, Paul Sanderson – Selectmen's Rep

Members Absent:

Also Present: Karen Anderson, Town Administrator; Vaughan Morgan – Chairman, Board of Selectmen; Department Heads; Lt. Sawyer – Police Department; Jim Katkin – SAU 50 Business Administrator; Salvatore Petralia – Superintendent of Schools

Chair McDonough opened the Budget Committee meeting at 6:35 p.m. A roll call was taken by the Chair; she announced a quorum was present and the meeting was being recorded.

1. Approval of Minutes: Thursday, December 08, 2016

MOTION: B. Krasko moved to approve the minutes of Thursday, December 08, 2016. Second – S. McKenzie; all in favor. MOTION CARRIED

2. Recommendations: Proposed Town Budget

Questions submitted to the Town Administrator regarding the proposed Town budget were reviewed (copy on file). Lt. Sawyer stated there was a reduction of \$9,600 on the training side of the Police Department budget. Part-time officers vs. full-time officers as well as the need for an additional officer were discussed. P. Sanderson stated that the additional officer would be critical in assisting the Fire Department through their transitional period. There was a discussion about the Harley Rake, which is a combination of a York Rake to take rocks out of soil, a soil conditioner and grader. In addition to using it on multiple fields, the Harley Rake could be used at the Transfer Station, cemetery and road side work. P. Sanderson added the Town is now part of PWNNet, a consortium of towns in the area that have Public Works Departments. Upon request, equipment can be rented from other towns. The Town Administrator will research if that is a possibility through the City of Portsmouth.

- Police Department: Training and training supplies will be reduced by \$9,600; the new total will be \$10,665.

MOTION: A. Baryames moved to reduce Training Equipment (01-4210-289) by \$9,600. Second – B. Krasko; all in favor. MOTION CARRIED

P. Walsh stated they needed to take a macro view. They were grinding through the Town budget that will put a drop in the tax rate by taking money out of surplus accounts. He asked for an idea of the tax rate before removing items from the budget. Chair McDonough stated it was the

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Committee's job to be fiscally responsible. P. Walsh stated there was a dire situation in the school area because there are no reserves to offset the increases. Clearly, there was more money in the Town's reserves.

The additional officer was discussed. The last personnel increase was in 2003; the Town has changed drastically in the last 13 years. P. Sanderson added that the Board of Selectmen reviewed this request from a public safety point of view; they didn't want to see shifts go uncovered. The request for an additional officer was not considered frivolous by the Selectmen based on how the Town has grown over the years. Lt. Sawyer explained the shift coverage as well as the grants.

- Fire Department: Training costs are dependent upon who is due to be recertified or the training that is available. At this time, vehicles are not due to be replaced within the next two years. P. Sanderson noted that the ambulance and utility are due to be replaced within the same time frame.
- General Government: There is a substantial change in Building Maintenance due to a proposed replacement heating system from electric to natural gas (full, operational heating system). The Police Department, Maintenance Building garage and Fire Department bays are currently on propane and the conversion costs will be minimal. A natural gas line will be extended from Bramber Valley to the municipal buildings at no cost to the Town.

When reviewing the Cemetery budget, M. Connelly commented it was difficult to approve items to be budgeted that were not spent in previous years (referring to supplies), or on other things they didn't have a chance to vote on. He asked for more information on the Supply line. The Town Administrator commented that she stressed with all Department Heads, Boards and Committees that just because they have the funds, they should not spend the money to spend it. P. Sanderson added that the Selectmen also scrutinize invoices to be paid. There is also income from a Perpetual Care Fund to offset.

There was a request from a resident that the stipend for the Trustees of the Trust Fund bookkeeper be increased from \$1,000 to \$2,000; the Selectmen have not addressed that request. It was noted that the Trustees of Trust Funds is a separately elected Board. The Budget Committee would like the rationale behind that request before making a decision.

- Public Works: P. Sanderson explained the Paving Assessment Study done by Underwood Engineering. He also briefly reviewed the information provided to members at the meeting on Thursday, December 08, 2016. The Selectmen agreed to leave \$200,000 in the budget for current repairs, make sure there was an adequate reserve for engineering purposes so work on reconstruction could begin, and place preventative maintenance into a warrant article. Not knowing what will be done, an amount for the warrant article was unknown. The Selectmen are trying to do road repairs based upon data. A five year plan is included in the paving study; all roads in Town have been ranked.

The Town Administrator explained that Transportation Enhancements can be used for sidewalks, bicycle paths, road improvements, etc. It's a statutory account through motor vehicle registration, and the Town is limited on its use; it cannot be used for new roads. The Selectmen have not addressed increasing the motor vehicle registration fee.

Backhoe and ATV: P. Sanderson stated that they have looked at basic Bluebook values. The costs were in line with the values for that equipment. The ATV is used for spraying and dragging the fields with a chain link fence. Some members questioned if a \$5,000 ATV was needed. P. Sanderson

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responded that this was a heavy duty model. More information was requested. The backhoe is used at various locations in Town, but mainly at the Transfer Station for the brush pile.

- Snow Removal: Funds were added at a previous Town Meeting to cover the cost of snow removal. It was suggested to cut this line item by \$30,000.

MOTION: A. Baryiames moved to decrease line item 01-4312-221 (Snow Removal) from \$420,000 to \$390,000. Second – S. McKenzie

DISCUSSION: The Capital Reserve Fund for Emergencies has a balance of \$45,000. P. Sanderson recommended they not cut the salt account.

MOTION: A. Baryiames moved to decrease line item 01-4312-221 (Snow Removal) from \$420,000 to \$390,000. Second – S. McKenzie; seven in favor, two opposed. **MOTION CARRIED**

- Solid Waste Disposal: The market for scrap metal is gone; it's no longer being purchased overseas. The Town now pays to have it hauled. The Selectmen have not discussed charging for scrap metal, but may when reviewing solid waste fees. Aluminum cans are baled and recycled.
- Health & Human Services/Welfare: Agencies must contact the Town if they would like funding. The Welfare stipend was eliminated by the Board of Selectmen.
- Recreation: Part-time labor increased to 20 hours per week/27 weeks.

MOTION: P. Walsh moved to reduce line 01-4589-210 (Equipment-Permanent) by \$6,000. Second – A. Baryiames

DISCUSSION: P. Walsh felt it could be subcontracted out rather than having another piece of equipment on hand; the payback was too long. P. Sanderson stated the Selectmen may recommend it be subcontracted out of the Recreation revolving fund and not have the Property Maintenance Supervisor involved. Several members were in agreement and suggested reducing the line by the entire amount. P. Walsh responded that it wasn't his intention to use the revolving fund; if it was subcontracted out, other areas in Town could be done at the same time. He felt \$2,500 would be appropriate. Chair McDonough stated that if the line is reduced by \$6,000, there would be funding available to rent equipment; reducing the line completely wouldn't leave funds for equipment rental. It was noted that it could be taken from the revolving fund.

MOTION: P. Walsh moved to reduce line 01-4589-210 (Equipment-Permanent) by \$6,000. Second – A. Baryiames; three in favor, seven opposed. **MOTION DENIED**

MOTION: B. Krasko moved to reduce line 01-4589-210 (Equipment-Permanent) by \$8,500. Second – S. McKenzie

DISCUSSION: P. Sanderson reminded members that "no means no". If the equipment line was reduced to zero, no equipment at all could be purchased for the Recreation Department. If an amount was left on the line, there would be transfer capabilities.

MOTION: B. Krasko moved to reduce line 01-4589-210 (Equipment-Permanent) by \$8,500. Second – S. McKenzie; seven in favor, two against. **MOTION CARRIED**

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- Library: The Assistant Director is budgeted for 100 hours of overtime. D. Grimse explained that a new law was voted on in May changing the manner in which an exempt employee is determined. In order to be exempt from overtime, the employee had to be paid over \$47,000. The most cost-effective way was to pay the Assistant Director as salaried non-exempt, entitling that position to overtime. It was noted that the law has been put on hold, and the Library was unsure when it would take effect. S. McKenzie commented that if this was not passed and approved, he didn't think it should be budgeted. S. Hussey responded that it was passed, however, an injunction was issued and it was put on hold. The Town Administrator noted that statutorily the Library was budgeted as a one line item, and funds are transferred to them on a quarterly basis. P. Sanderson added that the Library Trustees have discussed a warrant article with the Selectmen that would add to their Capital Reserve Fund for construction. A warrant article will be submitted, however, the amount is undecided. The Selectmen will try to add an amount that is consistent with the Budget Committee.
- Public Works: The purchase of a new truck will be submitted as a warrant article. \$5,000 was budgeted for truck repairs in case the warrant article doesn't pass.
- P. Walsh asked if the Ambulance Special Revenue Fund could be modified so that 50% would go to the Town to purchase equipment. It was explained that it was a Special Revenue fund and was limited; any revenue used had to be associated with the revenue. P. Sanderson reminded members that a new ambulance was purchased through this fund without raising the tax rate.
- The new total for the proposed Town budget, with adjustments, is \$4,141,902 or an increase of 7.97%. The difference between the 2016 budget and the 2017 proposed budget is \$370,421.

3. Recommendations: Proposed School Budget

P. Walsh distributed the Trust Fund balances. He has also requested that the Portsmouth School Department Business Administrator attend a Budget Committee meeting to explain the tuition formula. Chair McDonough stated it would be prudent to have a worksheet explaining the formula, especially for new members; it is questioned every year. J. Katkin gave a brief background of the tuition formula (total cost of the high school divided by the average daily membership = per pupil cost; any equipment used specifically for a Special Education student is an additional cost). Chair McDonough noted Greenland does have a representative on the Portsmouth School Board, but they have no vote. J. Katkin will give the Budget Committee a copy of the formula.

- Additional Teacher: J. Katkin understood that as the students got older, the classes became larger; that is continuing. S. Petralia noted that the school will have three teachers for Grades 1 through 4 (each grade level), which is unprecedented.
- Science books are being replaced with e-books on the computer, and can be updated as needed. There should be a savings in the long run. There is additional rationale provided in the Assistant Superintendent and Principal sections. This is the largest expenditure in curriculum materials and is consistent with the School's emphasis on compliance with the next generation of Science Standards.
- English as a Second Language: The teacher's salary was not budgeted, but there was for an aide. J. Katkin explained the position is considered a tutor that is used in many school districts, and is on a part-time basis.
- There was a significant difference between the actual in 2015-2016 and what's been budgeted in Club Supplies. The specific reason was unknown.

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- Extended School Year Teacher's Salary: The extended school year starts at the end of June, first part of July, through August. More students are projected to need the extended school year than in the past.
- Athletics: There was a discussion regarding the increase of 31% in expenditures. J. Katkin stated the differential was in the co-curricular salaries. There was a suggestion to reduce the athletic budget.
- Chair McDonough suggested that for the public hearing there be an overhead with the itemized expenses. It was also suggested that pages 45 to 77 be posted on the School website, on an overhead for the public hearing, and a physical handout of the itemized version for the public hearing.
- The Board Certified Analyst position was reviewed.
- Data Collector: The data collector was hired to get data from Portsmouth High School. That position was not used last year and will not be used this year. The Professional Growth line is for certified staff in the building, and is in the Collective Bargaining Agreement with a limitation of \$28,000. That is budgeted to comply with the Collective Bargaining Agreement.
- Additional iPads and Chromebooks will be purchased.
- Principal's Salary: There was a question on why the salary was left so high. J. Katkin responded that it was the decision of the School Board after it was reviewed by them. The current salary is \$112,000 and was reduced to \$108,000. There was a discussion about the salary rate. S. Petralia stated the School Board had discussed reducing the salary while still attracting a viable candidate pool. He added it was subject to the market place and was a competitive salary. The position will be advertised at a range within that number. B. Krasko noted that the current principal has received a tax-free annuity for several years; the new principal will not receive that benefit. It was pointed out that the new principal will have an assistant, where the current did not until recently. There were over 100 applicants for the Assistant Principal position. S. Petralia explained the search process for the Principal, hoping to have a final candidate by March 2017. J. Katkin stated it's not uncommon for an incoming person who is replacing a person of many years to make a similar salary.
- Maintenance: The boiler replacement was discussed; the projected price is \$150,000. In the 1921 section of the school, there is an old cast iron boiler that is wrapped in asbestos. Grants are not available for removing asbestos. P. Sanderson suggested they think hard about using some of the School's Unreserved Fund Balance, and replace the boiler. J. Katkin stated the School's Unreserved Fund Balance could only be used to reduce taxation or with the Commissioner of Education's approval. P. Sanderson responded encapsulated asbestos and no heat may present a good case.
- Default Budget: The default budget is \$243,000 more than last year's budget. The difference between the default budget and operating budget is approximately \$172,000 or 1.71%. The operating budget was \$9,671,110 (2016-2017 operating budget); the default budget is \$9,913,985. J. Katkin explained the process to arrive at the default budget.
- P. Sanderson asked if some of the funds in the Tuition Expendable Trust should be used to help defray the cost of tuition. P. Walsh responded it was already in process.

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4. Other Business

The next meeting is scheduled for Wednesday, January 04, 2017 for any final recommendations for the Town and School budgets.

5. Adjournment

MOTION: B. Krasko moved to adjourn at 9:48 p.m. Second – A. Baryiames; all in favor. MOTION CARRIED

NEXT MEETING

Wednesday, January 04, 2017 – 6:30 p.m., Town Hall Conference Room, Final Budget Recommendations

Respectfully Submitted – Charlotte Hussey, Secretary to the Boards

Approved: 