



BUDGET COMMITTEE
Town of Greenland • Greenland, NH 03840
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MINUTES OF THE BUDGET COMMITTEE HEARING

Monday, January 06, 2014 – 6:30 p.m. – Town Hall Conference Room

Members Present: Chair Mary McDonough, Toby Fedder, Steve Gerrato, Chris Halligan, Bob Krasko, Don Miller, John Penacho - Selectmen's Rep, Mark Raque, Jim Trowell

Members Absent: Steve McKenzie, Pat Walsh – School Board Rep

Also Present: Jim Katkin - SAU50 Business Administrator, Len Couture – School Board Chairperson, Kevin Forrest – Board of Selectmen

Chair McDonough opened the Budget Committee meeting at 6:30 p.m. and a roll call was taken. The Chair stated that a quorum was present and the meeting was being recorded.

1. Approval of Minutes: Wednesday, December 18, 2013

Approval of the minutes was continued to the next meeting.

SCHOOL BUDGET REVIEW

Chair McDonough suggested that a Power Point presentation be done at the public hearing as part of the School budget review process. The presentation would include a brief explanation of an SB2 and its impact. Chair McDonough reminded the Board that articles for the Greenland Grapevine are due. She is planning to submit a short article on SB2.

Mr. Trowell was concerned about the possibility of remaining funds in the budget, specifically in a fixed cost account, and how to make those funds accountable. It was his feeling that it should be put in the Expendable Trust Fund, which was established in case of a budget short fall. Not sure if that could be put into a warrant article, Chair McDonough suggested it become policy.

Mr. Raque reviewed the school budget analysis (copy on file) he provided the Board. It did not include revenue; only the expenditure side of the budget. The analysis included a "like for like" comparison of the 2013-2014 vs. the 2014-2015 budget, which the Board found to be a valuable tool. After reviewing the information provided, Mr. Raque felt there was room for cost cutting.

Mr. Penacho also distributed an analysis to the Board (copy not available). He was looking for the differences with the default budget and the proposed school budget. Chair McDonough and Mr. Katkin clarified that the default is based on two (2) years of budgets: the current year's budget and any item that is mandated by federal and State law, and contracts in next year's budget. Mr. Katkin continued that the default budget is based on the salaries for teachers who would be teaching during the 2014-2015 school year.

Mr. Katkin explained to the Board and members of the audience the SB2 voting process. The budget becomes a Budget Committee budget. There will be a warrant article with an option to approve the proposed budget, and if not approved it will revert to the default budget. Should the budget not be accepted, the default budget becomes the budget unless the School Board feels they cannot operate the school. Once the proposed budget fails, the default budget will be in place for the next year. The School Board will then make decisions based on the default budget.

Mr. Katkin explained that there is generally a difference of 2% to 2.5% between the default budget and the proposed budget. Mr. Couture explained that due to time constraints, they could not come back to the Board with a revised budget. He continued that they had been presented with a budget and they must identify the cost cuts; that budget would then go to public hearing. After that process, the Board would come up with a budget based on input from the public; that budget would move on to the default. Chair McDonough added that whatever is discussed at the public hearing can be acted on by the Budget Committee during the final review of the budget. Revisions can be made on the budget that is moved forward to the deliberative session.

MOTION: *Mr. Gerrato moved to reduce the proposed operating budget to \$8,400,000. Second – Mr. Miller.*

DISCUSSION: There was a very brief discussion on how to achieve that figure without hurting programs. The total proposed reduction: \$102,483.

- **MOTION:** *Mr. Gerrato moved to reduce the proposed operating budget to \$8,400,000. Second – Mr. Miller; five (5) in favor, four (4) opposed. MOTION CARRIED*

Chair McDonough reminded the Board it was now their responsibility to find the line items to cut, and motions must be made on each.

MOTION: *Mr. Halligan moved to reduce Custodial Salaries by \$10,000 (\$181,218 to \$171,218). Second – Mr. Gerrato*

DISCUSSION: There was a brief discussion about other line items that could be reduced.

- **MOTION:** *Mr. Halligan moved to reduce Custodial Salaries by \$10,000 (\$181,218 to \$171,218). Second – Mr. Gerrato; three (3) in favor, six (6) opposed. MOTION DENIED*

DISCUSSION: Mr. Penacho suggested salary increases be reduced from 3% to 2% across the board. Mr. Katkin clarified that the motion on the floor was to reduce all support staff from 3% to 2% and the involuntary benefits.

- **MOTION:** *Mr. Penacho moved to reduce support staff salary increases from 3% to 2%, estimated at \$6,300. Second – Mr. Miller; all in favor. MOTION CARRIED*
- **MOTION:** *Mr. Penacho moved to reduce non-contract employee salary increases from 3% to 2%, estimated at \$3,000. Second – Mr. Gerrato; all in favor. MOTION CARRIED*
- **MOTION:** *Mr. Fedder moved to reduce Painting Services Contracted by \$2,000 (\$2,050 to \$50). Second – Mr. Penacho; all in favor. MOTION CARRIED*

- **MOTION:** Mr. Fedder moved to reduce Custodial Supplies by \$5,000 (\$21,488 to \$16,488). Second – Mr. Raque; all in favor. MOTION CARRIED
- **MOTION:** Mr. Trowell moved to reduce Technology Hardware Additional by \$5,000 (\$22,625 to \$17,625). Second – Mr. Gerrato; five (5) in favor; four (4) opposed. MOTION CARRIED

MOTION: Mr. Trowell moved to reduce Technology Hardware Replacement by \$15,000 (\$43,383 to \$28,383). Second – Mr. Raque

DISCUSSION: Mr. Fedder was opposed to this reduction, stating that the server is replaced every four (4) to five (5) years in most locations. If the server were to go down, much of the school would also go down on an IT basis; the server is critical. One third of that line item is probably non-negotiable.

- **MOTION:** Mr. Trowell moved to reduce Technology Hardware Replacement by \$15,000 (\$43,383 to \$28,383). Second – Mr. Raque; three (3) in favor, six (6) opposed. MOTION DENIED
- **MOTION:** Mr. Gerrato moved to reduce Technology Hardware Replacement by \$8,000 (\$43,383 to \$35,383). Second – Mr. Raque; five (5) in favor, four (4) opposed. MOTION CARRIED
- **MOTION:** Mr. Raque moved to reduce Library/Media Books by \$4,000 (\$7,919 to \$3,919). Second – Mr. Gerrato; five (5) in favor, four (4) opposed. MOTION CARRIED
- **MOTION:** Mr. Penacho moved to reduce the stipend for the Assistant Principal Salary by \$5,000 (\$10,000 to \$5,000). Second – Mr. Gerrato; seven (7) in favor, one (1) opposed, one (1) abstain. MOTION CARRIED

Peter Smith, Principal, receives a \$1,500 annuity annually as a negotiated item by the School Board. Mr. Katkin explained it was not unusual for a principal to receive an annuity in addition to belonging to the NH Retirement System.

MOTION: Mr. Penacho moved to reduce Classroom Furniture by \$6,760 (\$13,520 to \$6,760). Second – Mr. Gerrato

DISCUSSION: This is year two (2) of a three (3) year plan. Mr. Katkin told the Board that the desks don't equal the chairs; chairs are ordered by size. If an elementary student sits in a chair meant for a middle school student, his feet will not touch the ground and circulation will be cut off, causing the student to move around more.

- **MOTION:** Mr. Penacho moved to reduce Classroom Furniture by \$6,760 (\$13,520 to \$6,760). Second – Mr. Gerrato; three (3) in favor, four (4) opposed, two (2) abstain. MOTION DENIED
- **MOTION:** Mr. Fedder moved to rescind the earlier motion to reduce the budget to \$8,400,000. Second – Mr. Miller; eight (8) in favor, one (1) abstain. MOTION CARRIED

DISCUSSION: The total reduction to the school budget is \$38,300; the budget moved to public hearing will be \$8,464,183. The proposed budget is \$185,853 higher than the default budget.

Chair McDonough reminded the Board that the Town budget will be reviewed on Wednesday, January 08, 2014. Department Heads will be presenting their budgets at that time.

MOTION: *Mr. Penacho moved to adjourn at 9:30 p.m. Second – Mr. Fedder; all in favor. MOTION CARRIED*

NEXT MEETING

Wednesday, January 08, 2014 – 6:30 p.m., Town Hall Conference Room: Town Budget Review

Respectfully Submitted: Charlotte Hussey, Secretary to the Boards

Approved: