



BUDGET COMMITTEE
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MINUTES OF THE BUDGET COMMITTEE HEARING

Tuesday, December 10, 2019 – 6:30 p.m. – Town Hall Conference Room

Members Present: Jamie Connelly, Frank Hansler, Bob Krasko, Steve McKenzie, Don Miller, Zack Pike, Paul Sanderson, Rick Hussey – Selectmen's Rep, Randy Bunnell – School Board Rep

Members Absent: Mark Connelly, Sharon McLaughlin

Also Present: Sal Petralia – Superintendent of Schools, Mindy Ryan – Business Administrator, Kelli Killen – Assistant Superintendent, SAU 50 Senior Staff Members, Tamara Hallee – Greenland School Principal, School Board Members

Chair Krasko opened the Budget Committee meeting at 6:30 p.m. A roll call was taken by the Chair; he announced a quorum was present and the meeting was being recorded and live streamed.

1. Approval of Minutes

MOTION: J. Connelly moved to approve the minutes of Tuesday, November 19, 2019. Second – Z. Pike; eight in favor, one abstain (S. McKenzie). MOTION CARRIED

MOTION: J. Connelly moved to approve the minutes of Tuesday, December 03, 2019. Second – R. Bunnell; eight in favor, one abstain (S. McKenzie). MOTION CARRIED

MOTION: J. Connelly moved to approve the minutes of Wednesday, December 04, 2019. Second – R. Hussey; five in favor, four abstain (R. Bunnell, S. McKenzie, D. Miller, Z. Pike). MOTION CARRIED

2. School Budget Review

S. McKenzie stated it appeared the default budget was larger than the proposed budget. M. Ryan responded that the 2019-2020 budget was carried over for Special Education. If that budget had an appropriation that was higher than the proposed, it was kept in the default budget in anticipation of need. S. McKenzie noted it was \$40,000 higher and needed to be addressed. The School Department wanted to make sure they were following the State regulations before making any changes. S. McKenzie stated he has read the RSA and it didn't make sense that the default budget was larger than the proposed budget. P. Sanderson disagreed stating it was possible with Special Education; it has to do with contracts. A member of the SAU stated it had to do with student services. P. Sanderson asked if they felt everything included in the default budget would occur. The response: yes, and they are working very hard not to have that happen. S. Petralia stated he discussed the RSA in detail with M. Ryan and asked her to explain what constituted a default budget.

S. McKenzie questioned using the Tuition Expendable Trust Fund to pay for a portion of the tuition to Portsmouth High School. R. Bunnell stated it was on the table. They preferred not to use their reserve

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funds. 174 students were budgeted; the actual number was 171. M. Ryan stated 175 were budgeted; they may not have that number based on the Grade 8 students. S. Petralia stated it is monitored very closely. R. Bunnell stated any unanticipated tuition expenses to Portsmouth High School can come out of that fund.

There are two consumer driven health plans: one is an HMO; the other has an extremely high deductible. The consumer driven health plan offers a health savings account. Premium costs are much cheaper than an HMO.

The School has a Technology Coordinator in addition to the district-wide Technology Director. Greenland's portion of the district-wide Technology Director is based on the student population as well as the Town's valuation.

R. Bunnell stated the network infrastructure at the School is in sad shape and was out of license last year. The School relies heavily on the wireless infrastructure. Brian Grattan explained some of the changes are due to the mandated House Bill 1612 regarding student data privacy; the School is in compliance. They are also looking at phased approaches; the wireless in some parts of the building needs to be replaced. He explained additional changes that can be expected with HB 1612. There was further discussion about technology advances and needs. They will be developing a two to three year technology plan.

The School's portion of the SAU budget is based on a percentage of the Town's assessed value combined with a percentage of the ADM for 2018-2019. Greenland's share of the \$1,670,000 SAU budget is 31.30% (\$525,000).

F. Hansler addressed the maintenance section of the budget. T. Hallee reviewed the responses to the emailed questions from F. Hansler. He had given specific recommendations and was challenged with several of the responses and missed opportunities for saving money.

There has been considerable leakage in sections of the 2004 roof that were not part of the energy project. S. Petralia reminded the Budget Committee that the School Board made a concerted effort to keep the energy project reasonable. The Board had to use money from the fund balance to do emergency repairs to the roof outside of the scope of the energy project. F. Hansler stated that should have been included in the project. He felt Warren was a wonderful asset to the School but sometimes his hands are tied and now there was a \$45,000 roof challenge. T. Hallee has met frequently with Warren about building maintenance. F. Hansler stated the Budget Committee did not question Warren's ability. He reminded them that Budget Committee had to look at the rest of the Town and there were some hefty numbers out there that could add a couple of dollars per thousand; the taxpayers would not be happy.

There was a brief discussion regarding the Planning Board's Capital Improvement Plan (CIP). P. Sanderson explained the CIP process. The School planned to put aside a substantial amount of money for roof replacement on the 2004 section. Roof repairs made now can put off roof replacement for three to five years.

R. Bunnell explained that the Unreserved Fund Balance of \$244,000 was their retainage. It is State regulated and will be used in emergency situations. S. Petralia explained that to use retainage, a request to the Commissioner of Education needs to be made and must be for catastrophic reasons. In addition, all the available fund balance must be used prior to requesting use of retainage. P. Sanderson stated it was not the Commissioner of Education, but DRA. He reminded members that the discussion

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was started at the last meeting, trying to get tax relief by using some of the available funds. It was P. Sanderson's understanding that the School Board did not want to use any of their retained funds. R. Bunnell agreed; they have kept the expendable trust funds to a minimum. The retainage was kept at that amount because they were concerned about replacing the boiler. R. Bunnell explained that his understanding of retainage was for emergencies or a catastrophic event. It was a very small percentage compared to the Town. F. Hansler stated the School must have insurance to cover a catastrophic event and was challenged by what kind of catastrophic event would happen below the roofline.

When S. McKenzie questioned where the discussion continued about using the reserved funds and making it work with reducing the tax rate, P. Sanderson stated the discussion was started at the last meeting. It was also suggested reducing the difference between the default budget and proposed budget, getting them as close together as possible. Facilities is a large amount as are the two additional positions. The Board will need to advocate why those two positions are necessary. D. Miller asked if those positions were absolutely needed this year. Chair Krasko added they needed to meet the Budget Committee halfway; there were things they wanted to do that would benefit the Town.

S. Petralia stated that they have reduced the School budget several times; they wanted to present a reasonable budget that could be discussed and reviewed. They are now working on version three. S. Petralia observed a shift: they were beginning to digress from line items in areas where the School had potential use of expendable trusts and were now leaning towards personnel. He wanted to get to the "meat" of what the Budget Committee wanted; they needed to prepare version four for the School Board meeting on Monday, December 16, 2019.

S. McKenzie felt they could use funds to help lower the tax rate and not necessarily cutting positions. P. Sanderson was hoping to achieve something closer to the default budget; he did not want to micromanage. They were trying to look at the end result with a minimal amount of tax increase that could be justified to the people at the public hearing. Student/teacher ratio over the last several years was discussed.

Facilities maintenance discussion was continued. S. Petralia suggested "piggy-backing" with the Town on paving projects and do things collectively. They have preventative maintenance to be done on their parking lot, including striping. F. Hansler gave the SAU personnel the names of contractors they should contact for pricing. Shades were estimated at \$6,600 for six windows; approximately \$18,000 will be used for a wall to create another classroom. The need for an additional classroom was explained.

S. McKenzie noted that in five budget years to the current proposal, the School budget has increased \$2,725,000 (29%) and gained 26 students.

P. Sanderson stated that there was a \$267,000 difference between the default budget and the proposed budget. He suggested trying to revise some of the maintenance numbers based on suggestions from F. Hansler (approximately \$40,000 in savings); cutting \$25,000 over various departments; not budgeting one student at the High School; using a portion of the Unreserved Fund Balance for some of their expenses. He would be happy if the School came within \$75,000 of the default budget.

Also discussed was the need for a Facilities Manager; that was one of the biggest expenses. P. Sanderson believed they needed facilities consultative services. He was unsure they needed a full-time position; there were good people in all the buildings across the district. Someone like F. Hansler was needed to go in for a few days and assist that person. The total cost of the position was approximately \$124,000 including benefits; approximately 30% would be Greenland's share. Some members of the Budget Committee were in favor of a full-time Facilities Manager.

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The School budget will be reviewed again on Tuesday, December 17, 2019, at 6:30 p.m. in the Town Hall Conference Room.

3. Adjournment

MOTION: D. Miller moved to adjourn at 8:15 p.m. Second – R. Bunnell; all in favor. MOTION CARRIED

NEXT MEETING

Tuesday, December 17, 2019 – 6:30 p.m., School Budget, Town Hall Conference Room

Respectfully Submitted: Charlotte Hussey, Administrative Assistant