

TOWN OF ALLENSTOWN
Budget Committee
16 School Street
Allenstown, New Hampshire 03275

Minutes of Budget Committee Meeting on December 9, 2010

Present at the meeting: Carl Caporale, David Coolidge, Don Chaput, Fern Bissonnette, Jason Tardiff, Jerry McKenney, Jon Richardson, Larry Anderson, Lisa Komm, Mike Frascinella and Sandy McKenney

Others present: Paul Apple, Town Administrator; Tom Irzyk, Allenstown School Board; Carl Schaefer, Allenstown School Board; Helene Bidford, SAU53; Peter Aubrey, SUA53; Peter Warburton, SAU53; Joseph M. Vignola, Vice Principal, AES/ARD; Lynn Allen, Principal, AES/ARD; Chad Pelissier, Resident; Ron Pelissier, Resident; Charles Martel, ASC Sewer Commissioner; Andrea Martel, ASC Administrative Assistant; Dana Clement, ASC Superintendent; and Lynn Bissonnette, Resident.

Excused absence: Penny Touchette and Sted Holton

Sandy McKenney opened the meeting at 6:00 PM.

Info re: December 2, 2010 minutes.

Sandy informed everyone that the Minutes Clerk, Sarah Wicks, had a family emergency and therefore the minutes from the December 2 AMBC meeting were not completed for approval.

Reminder re: Budget Committee Sign-Up.

Sandy reminded the Budget Committee members that several of them are due to sign up for another term in 2011. They are Larry Anderson, Don Chaput, Mike Frascinella, Fern Bissonnette, and Dave Coolidge. The dates to sign up, if they plan to, are between January 19 and January 28, 2011. The available terms are: 4 for 3-years, 1 for 2 years, and 1 for 1 year. Sandy said she will be sure to remind everyone again via e-mail.

Report on Sewer Department Budget.

Sandy gave the floor over to Paul Apple, who had some notes about the Sewer Budget. Paul said that Sandy had asked him to look into a question as to whether or not the sewer rate increase could be offset by Haulers Fees. He inquired with DRA and learned that if there is a Special Revenue fund at ASC, it can only be used for whatever ASC has allotted it. He also spoke with Andrea, who informed him that the Haulers Fees are not placed into a Special Revenue Fund, in fact they just go into an unrestricted checking account.

Therefore, according to the contact at DRA, that money can, in fact, be used to offset the rates. After some discussion among the group, it was decided that this would be discussed with the ASC Commissioners.

Review 2011 School Budget.

Sandy turned the floor over to Tom Irzyk, Chairman of the Allentown School Board. He began by reviewing Estimated Revenues for FY 2011/2012. Beginning with Revenue from State Sources, he noted the \$353,335.00 decrease in the Adequate Education Grant from FY 2010/2011. After taking into account changes in several amounts under the headings of Revenue from Federal Sources and Local Revenue other than Taxes, they are looking at an estimated \$784,806.00 decrease, which needs to be picked up by the taxpayers.

Next reviewed was the Tax Rate Forecast Sheet, which showed that the tax rate would need to go from the current 17.12% to an estimated 20.98%, an estimated increase of 3.86%.

The AES and ARD Staff Pay Rosters were reviewed, including noncertified staff and Aides.

Lastly, review of the listing of changes (pluses and minuses) to the 2010/2011 Default Budget, most notably, increases due to:

- AEA (Teachers) Contracted Salary Increase Obligations in the amount of \$91,018.00
- APA (Paraprofessionals) Contracted Salary Increase Obligations in the amount of \$2,828.00
- Employee Contracted Benefit Increase Obligations in the amount of \$205,294.00
- Change in Contracted High School Tuition in the amount of \$104,409.00

Tom also noted that the Proposed Operating Budget should decrease further as they are currently in negotiations to try to make changes to health care packages. If approved, they should see a savings of \$40-50,000.00 more. He said he would meet with the Budget Committee again once he had the updated numbers, and a Final Default Budget. A handout was given to Budget Committee members with regard to per-class/per grade totals on student numbers. He did mention that these numbers are subject to change from month to month due to such events as students swapping classes, moving out of Town, and new students moving into Town. Members also received a copy of the (current) FY 2011/2012 Proposed Default Budget for the School.

At this point, Tom directed attention to his Power Point presentation which began by plainly showing the numbers that make up *Warrant Article # 1*:

- Current FY (2010/2011) Operating Budget= \$9,780,080
- FY 2011/2012 Proposed Budget= \$10,060,417 (2.87% increase)

Note: The Default Budget is \$15,600.00 higher than the 2011/2012 Proposed Operating Budget, and, as mentioned above, the Proposed Operating Budget should decrease further after changes in benefit costs.

Benefits Costs: A breakdown of some of the changes to *Benefits Costs* listed Medical Insurance, Dental Insurance, NH Retirement System, and FICA, Unemployment, & Workmen's Compensation. Overall, Benefits are up 16.6%. *Student Transportation:* With regard to *Student Transportation*, Allenstown is in its 3rd year of a multi-year contract extension with Dail Transportation and will see a 5.2% increase, which covers all fuel costs. Fuel costs are figured into the contract, leaving no risk to the District.

SAU Budget: The *SAU Budget* for SAU 53 (consisting of Allenstown, Chichester, Deerfield, Epsom, and Pembroke) Overall Cost is \$1,291,808.00 of which Allenstown's share next year is \$160,184.00, a decrease of \$7,981.00.

Gross Budget Breakdown:

- Operating Budget: \$9,748,438.00
- Food Service: \$161,979.00
- Debt Service: \$0.00
- Grants (Offset by revenues, no tax impact): \$150,000.00

Special Education (non-salary): This budget is based on current identified enrollment and anticipated Individual Education Plan requirements, which includes specialized student services and equipment. There was a major decrease in out-of-district tuitions in the in the amount of \$253,251.00 and Non-salary Special Education costs went down 2.98%, totalling \$65,414.00.

Utilities and Facilities: Consists of electricity, natural gas, water/sewer as well as Facilities Operations, i.e. custodial, groundskeeping, maintenance supplies, and contracts for snow and trash removal. Utilities and Facilities are up .48%.

Review of Increases and Decreases:

- Health Insurance- *up* \$188,116.00
- Retirement- *up* \$33,102.00
- High School Tuition- *up* \$104,409.00, which is a 5% increase amounting to \$9,753.00 per student
- Salaries (Contractual Agreements)- *up* \$129,523.00

- Special Education- *down* \$29,551.00
- Food Service Transfer- *down* \$10,646.00
- Regular Education Supplies, Books, & Equipment- *down* \$42,728.00
- Life and Disability Insurance- *down* \$25,232.00

The next part of the presentation was a historical listing of School Budget percentage changes over the past 6 years or so, as follows:

- 2005/2006- 4.5% increase
- 2006/2007- 6.8% increase
- 2007/2008- 4.9% increase
- 2008/2009- 7.8% increase
- 2009/2010- 1.3% increase
- 2010/2011- 2.4% decrease
- 2011/2012- 3.5% increase

Lastly, a Surplus History listing was shown from FY 2001/2002 through 2010/2011, the 10-year total of which was a \$2,593,514.00 surplus given back to the Taxpayers, an average of \$259,351.00 per year.

A reminder was added for voting at AES on Tuesday March 8, 2011 from 8:00 a.m. to 7:00 p.m.

There were some questions and discussion at this point regarding what the definition of a "Special Needs" or "Special Education" student is and how many Special Ed students there are which amounts to approximately 17% of the student bodies of both schools. Class size was also a topic of conversation and concern, with 14 kids per class average. Some members felt that this was rather low, especially whereas there are aides in each classroom, and that money could be saved if some consolidation took place. Tom pointed out that testing scores and overall student grades have improved over the past several years, he feels due to smaller class size.

Several Budget Committee members expressed that they were surprised at how high the proposed School Budget was, and if any cuts might be able to be made without "crippling" the school; and some discussion ensued with no solid answers, but a promise to review possible cuts. One area where possible savings was questioned was snow removal/sanding. Members were reminded that the current numbers were not final; the budget was not yet even approved by the School Board.

A meeting was scheduled for December 22, 2010 at 6:15 p.m. back at ARD to finalize the School Budget. Sandy said that there needs to be a minimum of eight committee members present.

Review Sewer Commission Budget.

Sandy gave the floor over to Andrea Martel, Charles Martel, and Dana Clement for further review of the Sewer Budget. Don began by asking why, under NHRSA 149-I:8, some of the money coming in from septic hauling couldn't be used to offset the sewer rate and/or to make improvements to the plant. Dana said that the answer comes from the last line of that RSA, which states "some other equitable basis". In setting up a rate structure, you cannot take money from one group of customers to pay the bills of another group of customers. Each must pay for their own costs. Larry pointed out that the Sewer Commission didn't have the money designated under a Special Reserve Fund which would designate what monies would be paid to where from the haulers revenue, otherwise, the money can be used for anything. Budget Committee members wanted to know why the Sewer Commission was asking for such a high budget when they have so much money sitting in their accounts, and Andrea reminded them that over \$800,000.00 of that money was for the bond which needs to be paid next year, so that money cannot be touched, plus another \$186,000.00 needs to be put aside for this years Warrant Article. Other money that's in accounts needs to stay there for payroll, electric bills, etc...everyday bills for the facility.

The question of further rate increases was again raised by Sandy, and she mentioned that Jim had said at the last Budget Committee meeting that it was a possibility, to cover expenses. Dana didn't think that would happen. Budget Committee members were concerned that Allenstown residents would feel they were being penalized whereas they approved last years Warrant Article and appropriated a lot of money for improvements, yet the rate went up this year, even though they were promised it would not. Dana pointed out that the rate increase this year had nothing to do with that. Sandy said she wasn't sure the residents would understand that, as not everybody will read all the verbiage involved.

Budget Committee members felt that it was not wise to charge a lower rate to the haulers than surrounding towns, though they do understand the need to be competitive. It was suggested that the Sewer Commission raise the haulers fees by even just .5%, putting the residents first rather than the "happiness" of the haulers.

Discussion ensued about planned projects, the first of which is Library Street, and adding another pump station for the haulers to use for dumping. Their only hold now on doing the Library Street work is the cost of repaving when the work is done, which they don't have enough budgeted for due to materials cost increases. Then, they want to begin working down the list of repairs that need to be done which were found when the entire town's system was flushed and filmed.

Budget Committee members further suggested cutting costs within the Sewer Department, as well as seeking out more haulers to use Allenstown's facility since they do have the capacity to accept more septage.

At this point, Carl made a motion to approve the bottom line budget at \$1,995,871.00. Mike seconded the motion. Took a roll call: Carl-yes; Dave-yes; Don-yes; Fern-yes; Jason-yes; Jerry-yes; Jon-no; Larry-no; Lisa-yes; Mike-yes; Sandy-yes. Motion passed.

Review 2011 Legal Budget.

Jon made a motion to open the Legal Budget. Dave seconded the motion. Voice vote with all members in favor with the exception of Jason; Legal Budget opened. Jon stated that he felt that if the Legal line was changed from \$40,000.00 to \$30,000.00, the Highway Department would be able to make the point (to the Taxpayers) that this years budget is a quarter of a million dollars lower than the Default Budget. Jon made a motion to change the Legal line to \$30,000.00. Larry seconded the motion. Took a roll call: Carl-no; Dave-yes; Don-yes; Fern-yes; Jason-no; Jerry-yes; Jon-yes; Larry-yes; Lisa-yes; Mike-yes; Sandy-yes. Motion passed.

Review 2011 Town Bottom Line Budget.

Jon made a motion to approve the Town bottom line budget at \$5,268,871.00. Larry seconded the motion. Took a roll call: Carl-yes; Dave-yes; Don-yes; Fern-yes; Jason-yes; Jerry-yes; Jon-yes; Larry-yes; Lisa-yes; Mike-yes; Sandy-yes. Motion passed.

Larry made a motion to adjourn at 9:08 p.m. Fern seconded the motion. Voice vote with all members in favor; meeting adjourned.

Date approved: _____

Sandra McKenney, Chair
Allenstown Budget Committee