

Minutes for the budget Committee Hearing
Tuesday January 14, 2019

Board Members present:

Lindseigh Picard- School Board rep, Chester LaPoint - Chairman, Ben Kilanski- Selectman rep, Tiffany Melanson, Theresa Sepe- Co-Chairman

Meeting Called to order at 6:00 PM

First Order of Business: Approve minutes from Jan 10th- It was discussed that these minutes and the minutes from today's hearing / Jan 14th would be addressed at the meeting before the town deliberative Feb 1st

Second order of business:

Chester LaPoint opened the hearing by reading the public notice

Ben- Motion to open public hearing- second Lindseigh-5/0 motion passes

Article 2- No questions or comments

Article 3- No questions or comments

Article 4- No questions or comments

Article 4- No questions or comments

Article 5 -No questions or comments

Article 6- No questions or comments

Article 7- No questions or comments

Article 8- No questions or comments

Article 9- Theresa would like to know the opinions of the Selectman that have voted no Ben explained that the Selectman that voted no, was not present at the hearing.

Sherman Tedford- Is the town asking to appropriate \$40,461 or \$13,487 because that would determine how it affects the tax rate.

Ben-The article is only appropriating the first year payment. Sherman clarifies all that is being asked is the \$ 13,487. Theresa asked what happens if it is approved this year and not next? Ben answered that the article is asking to enter into the three year lease agreement for the total price of \$40, 461. and all that is needed this year is the \$ 13,487.

Sherman Tedford explained that it is a non-appropriation clause because the voters would have to vote on it every subsequent year. Questions how it could be put into the operating budget.

Roberta Heinonen (Selectman) Explained that this is a situation that has been discussed many times and Bart, the town Attorney, said once it is approved it is able to be put into the budget. Explained it is the same as the Fire truck payment was put into the budget. It does not have to be voted on every year. The Selectman have the ability to decide if they want it voted on each year or put into the budget.

Article 10- Dennis Murphy asked for clarification on articles 9 and 10 , both articles concern the Police Dept and their vehicles. Asking if the articles are doubling because there is an article to appropriate

funds. Ben explained that article 10 is a capital reserve account that has already been established that can only be used to upgrade vehicles.

Dennis mentions that article 9 is asking for an upgrade. Ben explained that there aren't enough funds currently to purchase a cruiser.

Theresa Sepe stated that the voters may see a 5/0 vote to recommend however that does not necessarily mean she agrees with the appropriation. She may have voted that way to put the article on the ballot because she feels the voters should decide.

Article 11- This article was table until tonight's hearing due to needing more information. Theresa would like the Chairman to recognize town personnel to explain more about the article. This Article is addressing the town loader.

Karey Miner- Town Admin- Explained that Dale Grey, Highway Dept. needed a new loader and received three quotes. Karey explained that the old loader would be traded in for the new one. The Selectman decided to on a Volvo Loader at a cost of \$ 151,700, base price and a trade in value of 26,000 and the BOS decided to take \$15,000 from the Capital reserve account used for highway equipment. With 3.1 % interest for 5 years, the trade in and down payment the price on the . All of these factors make the price \$ 121,706.

Theresa would like to know the remaining balance in the capital reserve IF the 15,000 is taken out?

Karey answered about \$6,000

Dale Grey- The current loader is 22 years old with over 13,000 hours and currently needs \$28,000 to repair. The loader constantly needs \$4-10,000 of repairs.

it needs a new transmission and three new wheels, and no one will mount tires on it, the wheels alone are 6,000 each.

Theresa asked how much is remaining for repairs in the budget. Dale confirmed that the account was very low, and it started at 40,000

Sherman Tedford-the actual cost of the loader is not \$121,706 is it actually \$151,700- Chester and Ben Theresa explained that they are not appropriating that amount because of the down payment and the down payment.

Dennis Murphy-Will this amount be placed into operating budget next year. Ben- Yes, that is the intention

Chester -Explained the reason the budget committee did not act previously is because they needed the info that was just given.

Article 12-No questions or comments

Article 13- No questions or comments

Article 14- No questions or comments

Article 15- Sherman Tedford- Is the block grant money able to be used to purchase a loader?

Ben- Yes,

Kevin Bazan - is the \$145,447 is that the exact total of the grant? Amy Bond-m No, that is based on the current year. The new amount is not yet available. Kevin confirms the funds could be less and the residents would have to make up the difference.

Article 16-No questions or comments

Article 17-No questions or comments

Article 18- Kevin Bazan- Would like the public to know how the \$800 will be used for the purchase of pickles to be given at the annual Pickle Festival. The pickles are purchased from The Patriot Pickle Company.

Article 19- Theresa and Chester discussed this article should read Not recommended by the budget committee 3/2

Petition Warrant Articles

Article 20- Ben stated that there is a typo on the recommendation. Neither the Selectman nor budget committee has made a recommendation at the current time.

Kevin Irwin, He is on the Board for ACCESS and questioned the not recommend. Ben explained that was a typo and is hasn't been acted upon yet.

Ben explained that the BOS haven't made any recommendations on any of the petition warrant articles to date.

Article 21- No questions or comments

Article 22- No questions or comments

Article 23- No questions or comments

All of the town warrant articles have been addressed. Chester calls for any further questions or comments.

Sherman Tedford-With the BOS and budget committee's recommendations the warrant articles total 2,500,067. If all pass as written at the deliberative session and voting booth what will the affect be on taxation for just the town portion? Ben- A little of 1.00

Theresa explained the exact amount is \$1.13 Theresa explained on a \$100,000 home the addition would be \$113.00. This is only for the town portion.

Todd Kilanski- Is asking if instead of giving money to both ACCESS and the ELMM center if it is possible to work together and combine the two programs

Ben- Neither are town organizations; therefore, the town does not have control over asking that happen. The articles are put in by petition and they have the right to do so. It would be the responsibility of the voters to grant to not grant the funds.

Theresa explained that ACCESS does have some programs that the two organizations participate in together. The ELMM and ACCESS have started to share summer programs.

Theresa asked for exact amounts of expenditures and income and was only given a list of expenses.

Ryan Baker- Board for the ELMM center, expresses that the \$55,000 received from the residents could not be replicated by the town in the same manner the ELMM has been performing for double the amount giving the field maintenance, activities and events and athletic programs. Other towns the size of Winchester have double the funds.

There are over 100 children in each sports program, and they are working hard to raise their own money.

Bianca - ACCESS board- 21 -C grant is changing, and they expect not to be able to continue collecting tuition for enrollment.

This will result in about a 35,000 reduction.

The summer program is 3 weeks access funded and 3 weeks ELMM funded. Part of the 21-C grant requires that they run a summer program.

Theresa- Wants a detailed list of all revenue, expenses before she will decide.

Chester stressed that the budget committee is requiring the exact amounts and asked what is ACCESS intent if the ability to collect tuition is changed. Bianca is not able to answer that at this time and ACCESS will be happy to provide the requested information. Chester and Theresa both stated that this was requested and has been in the past and the info given is now and in the past been vague.

Ryan- The summer program is very small. Stressed that ACCESS will be happy to provide the requested info.

Chester- What is the intention with the extra funds in the event ACCESS is able to continue to collect?

Ryan feels it is a fair question and he does not know the answer.

Todd Kilanski- What does ACCESS do to fund raise? He knows what last year's answer was and he wasn't pleased about no fund raising .Knows that the ELMM continues to fund raise and wants to know if ACCESS plans on any or to just ask for money from taxation?

Chester explained that this is the question many residents have and why the committee is insisting on a detailed list.

Sherman Tedford- mS 737, Actual expenditures ending 6/30/2019 does not give a dollar amount and the appropriations for this current budget do not have a dollar amount. Feels something like that would give an example of how much increase or decrease because of warrant articles. He confirmed that the increase would be due to warrant articles not the operating budget.

Theresa- Without considering the water and sewer is it 4,000,012.

Ben- Motion to close Public hearing town portion 6:47 -second- Lindseigh-5/0 motion passes

Third order of business

Town articles that need to be addressed

Theresa MTR Article 11- second Ben- 5/0 motion passes

Ben- MTR Article 23 -second Theresa- 5/0 motion passes

Article 20 for ACCESS- agreed to table the article until town deliberative

Ben- MTR to print all money warrant articles on the ballot as written. second Lindseigh 5/0 motion passes

Theresa addressed that there were a few typos and those need to be corrected before printing.

Ben made the correction to be print as recommended.

Recess

Fourth Order of Business: School Warrant Articles:

Ben Motion to reconvene the public hearing- second Lindseigh 5/0 motion passes

Article 2

There is a typo on the handout, and it is explained that both the school board and budget committee did not recommend the proposed budget.

Lindseigh explained that after the reeducation was made by the budget committee that the school board re-voted, and it is 5/0 not to recommend.

Roberta Heinonen- Please explain why the vote is not to recommend by both the school board and budget committee. Which committee came up with the proposed budget.

Chester explained that a reduction was made and approved then money was added back into the operating budget after the original reduction.

Roberta clarifies that the reduction was voted on and passed- then the money was voted on and passed to put back in, however it is not recommended.

Ben explained that the vote was split to put back into the operating budget.

Lindseigh explained that the original reduction was \$ 481,000 by the budget committee and then there was conversation to return \$287,000 back in.

Theresa explained that She and Ben both voted Not to return the funds into the budget therefore they voted not to recommend the new number.

Lindseigh explained that her vote remained consistent.

Roberta is confused on why the budget committee did not come up with a budget for the town to vote on.

Lindseigh explained that the school board feels the amount put back in was not enough.

Roberta feels it is not fair to the town not to have a dollar figure nobody is recommending.

Margaret Sharra would like to know the vote by the entire budget committee for the \$12,630,000? Ben explained that the vote was 4/1 to make the original reduction. The vote was 3/2 to put the money back in. The vote was 5/0 not to recommend because some wanted it higher and some wanted it lower.

Tony- very confused on why three people voted to put money back into the budget and yet nobody voted to recommend the new amount.

Margaret would like to know if they could break down of the default budget?

Kevin Bazan- at the last budget meeting the budget committee took out almost a half a million dollars from the operating budget. Could you please explain the reductions?

Chester- we only took \$ 210,000 because \$287,000 was put back in from the original proposal. \$40,000 wages-\$6,000 regular ed and 10,000 special ed. and \$154,128.00 from lines involving special education department.

Kevin explained that the special education is a hard #, that is budgeted on current students. He is curious of the motivation behind that cut.

Chester explained it is a bottom line budget ultimately, they need the reduction to come from someplace.

Theresa- the reduction was page 5-

Kevin asking Theresa if there are suggestions were the money can be made up elsewhere?

She stated she was told it is a projected amount so there are several different line items through the budget they could take the funds from.

Kevin explained that in order to make the proposed amount from special education workable there would have to be town special education kids move from KHS.

It was explained by Theresa and Chester that the number they were given was projected.

Theresa states that the dollar amount given for the initial increase is \$747,000

Kevin agrees.

Lindseigh explained that the number is not projected. This is the current number of students. Theresa confirms that students could move from the district and Lindseigh stated that more could move into the district.

Lindseigh explained that they budgeted this department the same way as they always have.

Kevin would like to discuss some of the other reductions.

\$ 40,000 non-union - are there any recommendations of positions that the wages would come from? Theresa stated that would be the responsibility of the school board because they originally asked for \$49,809. The motion was to remove \$40,000 because the school board originally asked for all of the non-contracted staff was going to get a 2.5 % raise.

Kevin stated that they are leaving about \$10,000.

Theresa- Yes for 21 non contracted staff members.

Chester stressed that is a bottom line budget and it is irrelevant where they say to make the reductions. The school board will make the final decision.

Kevin explained that several of the positions are specialized positions and the motivation behind the school board is to bring up the salaries due to a high staff turnover rate. They would like to see the staff members receive a wage that is comparable with other school districts in the area.

He has spent enough time on the school board to see the negative effect the high turnover has on the school. The board is trying hard to correct that.

Chester feels if they continue to raise the taxes on the residents it will have a negative impact on the school because many residents are going to move. In the real world not, everyone gets a raise every year and feels that should be considered by the school.

Kevin would like the school board to consider adding back \$120,000 to their reduction.

Chester stated if they revise the number, he is confident it would be in the other direction.

Margaret- form 2018-2021 she notices a 2.5 million increase in 3 years.

She believes strongly in raises, especially in a good economy. in one year, there is over a million dollar increase and would like to know where the increase is coming from.

Lindseigh explained that in 20-21 there was just over a million dollars and in that over \$800,000 is special education and regular ed tuition related and special education transportation related. There is a larger number of students transitioning to KHS.

Margaret asked about the special education expenditure fund.

Lindseigh explained that the funds are not able to be used if the department is not properly funded. The only way to use that fund is for the unexpected, not for inadequately funding.

Theresa- What is the balance in the fund currently?

\$250,000

How much money has been places since 2001?

Lindseigh stated it was created in 2001. She doesn't know exactly how much has been added, she knows it has been about \$25,000 a year. She knows they used it a few years ago for a student that moved into the district.

Margaret stated a few years it was more than \$25,000. Lindseigh was not on the board at the time.

Margaret confirms the school budget is a bottom line budget.

Lindseigh- Please consider that the school is not able to negotiate already contractual obligations or special education.

Margaret ask if they needed the special education trust fund for special education could they use the funds form there?

Lindseigh stressed only if the funds from that line item were spent in full and it was an unexpected reason. You cannot under fund the line then expects to use the reserve.

Margaret would like information on the exact amount that has been placed and the amount that has been used.

Article 3- Lindseigh stressed that disability and social security benefits are not benefits.

Article 4- no questions or comments

Article 5- Todd Kilanski- What is a bargaining unit? Lindseigh- The support staff union.

Lindseigh explained that the school board feels health insurance is an important benefit for everyone to have. This was a negation with the support staff, and they agreed to put in on the ballot for the voters to decide. After putting together the budget and other warrants they realized this would be a large dollar amount.

Todd- Is this the Paraprofessionals?

Lindseigh- Yes, and food service.

Ben- It shouldn't include food service. You said that the food service was contracted out.

Lindseigh- There are still employees in the food service.

Roberta- Are they full time? Lindseigh- they work 34.6 hours. in the state of NH 32 hours is considered full time.

Lindseigh- It is only a single plan.

Todd- Could you put in who is covered in the bargaining unit? When he worked for the town 32 hours was part time and he couldn't have insurance.

It was explained that the towns policy is 32- the state does not mandate that you have to offer it.

Kevin Other surrounding districts offer their para's insurance.

There's would like to see the support staff, and custodians receive either benefits or insurance.

Article 6- Ben- At the last budget meeting is was told that the specific verbiage that stated what the money would be used for would be removed and it would just be put in as infrastructure upgrades and he notices it is still in the article.

Lindseigh stated that what was told would not be in the article was dollar amounts. They want to be transparent about what the funds are used for. They have some quotes and estimates on the projects.

Margaret- What are the third floor renovations? Lindseigh explained they are looking to complete the renovation and they currently have a renter in the Ford building that needs more space. They are looking to relocate some things to the third floor and have more space for the tenant.

Ben- addressing the audience stated that the adequacy aide the article is referring to is for infrastructure upgrades and the one time grant is for an estimated \$839,000. This one time grant is only for infrastructure upgrades. Also, the funds are earmarked specifically for infrastructure. The school board decided to do the article for \$550,000 in the event the funds came in less it would not affect the tax payers. He confirmed this statement.

Lindseigh agreed the intent is to be able to use the one time fund without it impacting taxation. Ben read a statement as follows " The budget committee had questions on the remaining money if the school did get the whole \$839,000. As he understands the school district represented the one time municipal infrastructure grant would be in part appropriated in the warrant article and the balance would be used to displace taxes. Correct? "

Lindseigh yes- Ben asked Mary if this was correct. Ben restated that is what was discussed and that's why they put \$287,000 back into the operating budget. The \$287,000 was the remaining balance. Mary explained that was the school board intent with the original budget. Instead of taking the full \$839,000 and doing projects with all of it they were going to take part of it and use it to help offset the original budget number.

Ben- If the warrant article passes you are going to use the money for upgrades and whatever is remaining you are going to use offset taxes.

Mary- On the original budget correct.

Lindseigh- On the original school board budget.

Ben- Confused. there was a statement that has triggered a lot of red flags. You are now saying on the original budget. Are you not going to stand behind what you said?

Mary- no

Lindseigh- No it is still going to the bottom line, but you cut our budget significantly so the impact that that money is going to have is going to be potentially different.

Ben- We understand that, we didn't cut the school budget so that you could spend the remainder of the infrastructure grant. The entire conversation was that the \$287,000 that was left over was going to be used to offset taxation.

Chester- Are we caught up on verbiage or are we under the same arrangement?

Mary- It is not spending. You can only spend what you raise and appropriate. We aren't raising and appropriating that additional money anymore because it was cut out of the original budget. So, it is in the revenues, but not in the budget as expenditure which means it will go right to taxation.

Ben- None of this \$839,000 is part of the budget. Therefore, it wasn't taken from the budget with the decrease.

Mary- rephrasing, the school board put forward a budget of \$12,840,700. then that budget was cut. Ben confirmed.

Mary- The decision to change that warrant article from 837,000 to \$550,000 was to help offset that original budget number that they put forward.

Is it still going to offset the new budget?

Yes-

Mary explained the funds are coming adequacy aid because of the method in which it is coming in instead of it being grants that means it could be spent in the manner in which the budget committee wants. It does not have to be specifically for infrastructure.

article 7- No question or comments

article 8- Ian- The funds are going to be used to continue to upgrade the building. One large project he is looking to do is to upgrade the athletic field.

Lindseigh- The school board is working to put together a capital plan since the facilities manager came on. Will be happy to show the plan to show the actions and activity that has taken place in the last couple of years. The plan dates out to 2030.

Tony Small- If we are using the adequacy fund, what aren't we earmark enough money to fix the roofs etc. so that the money isn't going to just a general pool if we get over \$550,000?

Ben- That was his original point to his statement to make sure it would at least go back to the tax payers to help offset taxes. However, we just heard more information that is throwing him for a loop.

Kevin- It is important to remember for the original warrant article for the one time money we have to be careful of the number that is put in.

Ben is not arguing the number in the warrant article. He agrees with the thinking on the article. Re-addressing Mary, is Ben correct that she said a few minutes ago that the one time infrastructure aid no longer has to be used for infrastructure because it's coming in as adequacy aid? Theresa- she said it could be spend where ever they want.

Lindseigh- we had this conversation at the budget meetings.

Ben disagrees. The conversation was always about infrastructure.

Mary- That is originally what they wanted to use it for, that's why most boards in the area are using it for that.

They don't want the tax rate to go up and down. Giving the method it is coming in, it is still considered infrastructure money or disparity because they knew Winchester is one of those towns that doesn't have the money. Claremont etc. got large amounts to put into the buildings or educational system, something that that normally wouldn't be able to raise thru taxation.

Ben- Because it's coming in thru adequacy aid it can be used for anything that it is needed for?

Mary- Not know because of the warrant article says specifically what it is being used for.

ben wants to know what happens of the warrant article fails?

Mary- It goes back to the tax payers. There won't be any offset.

Ian- The school cannot spend any money they are not appropriated. Whatever the budget comes out at, the \$839,000 cannot be spent except by this warrant article and the number that is on the warrant article.

The reason they didn't ask for the entire amount is because of the forced numbers with KHS and special ed. Because the number from the state is an estimate if they are specific and don't receive the funds, they won't be able to spend it.

Does not want to replace all of the roofs now because of the \$400,000 expense. There is still life on them, and he wants to get as much as possible from it.

Ben- Mary , is the money coming in as adequacy like we already receive? Yes, she feels confident we will receive it.

Margaret- Very confused. Feels we have gotten a lot of conflicting information

Ben- Motion to close school portion of hearing. second Lindseigh- 5/0 motion passes.

Ben- Motion to approve warrant articles with any corrections. second tiffany. 5/0 motion passes

Motion to adjourn- Ben-second Lindseigh-5/0 motion passes

FEB 1st 9:00 am TOWN DELIBERATIVE (SATURDAY) - budget committee meeting at 8:30 AM

FEB 6th 6:30 PM SCHOOL DELIBERATIVE (THURSDAY) -budget committee meeting at 6:15 PM

Respectfully submitted,
Jennifer Rhodes January 20, 2020

A handwritten signature in blue ink, appearing to be 'JR', with a long horizontal flourish extending to the right.