

**Budget Committee
Public Notice
Regular Meeting Minutes
Monday January 12th 2015**

The Chairman opened the meeting at 6:13

Roll Call: The Chair called the roll of the seating members Chair Bruce Woodruff, Bob Carrier, Ann Walsh (School Board Rep.) Larry Brown, Eric Ohlenbusch a quorum was present

Excused: Jennifer Crone, Devon Pageau, Mike Beaulieu (Selectmen Rep.) **Absent:** (Water District Rep.)

School Board: Micheal Tursi (Superintendent SAU#64), Nathan Castle (Business Administrator SAU#64) Doug Shute, Brandy Banks, Paul Steer, Chair Ann Walsh

Review and Approval of minutes: December 16th 2014 minutes and January 6th 2015

The Chair ask for a motion to approve the December 16th 2014 minutes
If there are no errors, omissions or changes. A. Walsh made the motion to approve second by E. Ohlenbusch
Motion Passed (5-0)

The Chair made the same motion to approve the January 6th 2015 minutes if there are no errors, omissions or changes. A. Walsh made the motion to approve second by E. Ohlenbusch Motion Passed (5-0)

Review of School Warrants Articles and CBA:

Article 2: This article is the collective bargaining agreement between Milton School District and the Milton Education Association. Which calls for the following increase in salaries and benefits at the current levels.

Estimated Increase: Year 2015-16 \$108,292 Year 2016-17 \$112,604

A. Walsh: There's no contract this year. This is a three year contract it covers the first year but not retroactive. The two cost items here would be for the second year which would be next year and the third year which would end in 2017.

B. Woodruff: Just for information the 15-16 increase and the 16-17 increase, what is the percent raise?

A. Walsh: This year the teachers were not moved up a step, next year which would be the \$108,292 they'll be put back on their appropriate step where they should be. It's not retroactive they don't get their pay increase for this year that they missed, but they are put on the right step to where they should be next year.
The second year they again move up another step.

L. Brown: do I understand correctly the question you're getting to \$5.00 is 5% of a \$100.00 \$108,292 represents what increase? A. Walsh: for the better part probably a 3% increase.

B. Woodruff: I maybe I'm misunderstanding this collective bargaining is not a raise they're being allowed to move forward with the establish step plan. Mr. Tursi that's correct. There weren't any adjustments to the current salaries schedule, however in the second year there's an adjustment to longevity I believe there's four categories for longevity and the last two categories longevity has been increased a dollar amount.

B. Woodruff: when you're collective bargain agreement ends and you don't negotiate a new one all steps are frozen because there are no evergreen clause in N.H. anymore? Mr. Tursi correct.

L. Brown: If I stay absolutely flat last year and got \$5.00 this year in 2 years I'm getting 2.5% this is rough math but if I had nothing last year and I'm up \$5.00 this year for two years I'm getting \$2.50 each year.

B. Woodruff: I'm not hearing that the wage schedules were increased by any percentage. I'm hearing that they are now, because they have tentively approved a CBA are resuming the movement up through their establish step schedule.

L. Brown: again to more formal language any increases have to be tempered by the year nothing happen.

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A. Walsh: If I was a first year teacher last year than I'm a first year teacher this year, but next year if the CBA passes I'm going to be a third year teacher because that's where I should be. B. Woodruff: the cost for that though. A. Walsh: you would jump your 2 steps, but you won't get paid the money that you lose this year.

Article 2: the Chair: read the article. I would like a motion to recommend Article 2 L. Brown made the motion second by E. Ohlenbusch, (Discussion) A. Walsh It's important that we get the contract pass this year because when you start going multiple years without teachers' contract you start losing good teacher's.

L. Brown: I think that somewhere in the public discussion people should appreciate there's been a stand pat contract which in some way reduces the cost of \$108,292 that's a point I would make.

The Chair: called the question

The School Board recommends this appropriation (4-1)

The Budget Committee recommends this appropriation (5-0)

Article 3: The Chair read the warrant article If article 2 is defeated it would authorize the School Board to call a special meeting.

A motion to recommend L. Brown made the motion second by A. Walsh (Discussion)

L. Brown: did not Mr. Tursi just advise us that it's outside our purview? B. Woodruff: I thought he wanted us to do it. Mr. Tursi: it's up to you how you want to handle it. B. Woodruff: we should not make any recommendation because it's not an appropriation. This is strictly a process. A. Walsh: we can look it up to see if it's been done in the past and bring up the matter before the public hearing.

A. Walsh rescinded her second and L. Brown rescinded his motion.

Article 4: The Chair read the article a motion to recommend A. Walsh: motion to recommend second by E. Ohlenbusch (Discussion) The Total operating budget is \$9,364,729 to be offset by revenues of \$294,500

B. Woodruff: I would like to note that the figure on here is not the same as what the Budget Committee recommended at our previous meetings.

This Article needs to be re-written to show how much is to be raised by taxes from the actual recommended budget that the Budget Committee recommended which is \$9,070,229.

The way the Article reads Shall the MSD vote to raise from taxes the Total Operating Budget of \$9,364,729.

The way that this article is written the recommended total operating budget is \$9,070,229 the revenue of \$294,500 was added to the total operating budget.

At the bottom of the Article there is a note.

NOTE: The Total Operating Budget will be offset by revenues of (\$294,500), which would leave a net budget amount of \$9,070,229. The question is are you raising from taxes the \$9,364,729?

This also applies to the following note at the bottom of the Article.

NOTE: The Total Default budget will be offset by revenues of (294,500), leaving a net budget amount of (\$8,983,427).

Mr. Tursi: When we started the budget process we did as status quo and how we do the budget process and that's presenting the Board and Budget Committee the proposed operating budget and we have not been presenting any of the revenues to offset the operating budget. We do put our revenues on the MS-27. In the presentation of the operating budget we have not been showing those revenues to the Budget Committee and we have not been presenting those anticipated revenues on the Article which states our operating budget and when that was brought to our attention we put this wording together that shows our anticipated revenues and taking the advice of our District Attorney as well the DRA at the time put the wording together with this number this is what you see in front of you.

What it comes down to is my understanding according to the RSA we have to even in the warrant show the voters what it takes to operate the School District. The Federal entitlements come out to \$294,500 are used to run the School District therefore they become part of the operating budget. Where we made a mistake which

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I found out today is that the \$294,500 should have been in that operating budget document that was presented to the Budget Committee. We have time to remedy that prior to the Public Hearing.

Learning through the process my understanding this is how we should have been doing it and what we're presenting is according to the RSA how it should be done its new it's confusing.

B. Woodruff: There are 2 parts the key words are 1st part is to raise the 2nd part is to appropriate.

The to raise part in the sentence is the amount to be raised from taxes, if you take that amount that is to be raised from taxes for your budget and then you add revenues to get a total for the transparency, your raising my taxes to much.

A. Walsh: To raise are we raising the money through grants B. Woodruff: No, that's what you people do administratively. This is a municipal thing and a School District thing with a regard to the taxes that are raised. You raise taxes from property taxes and each one of these articles gives you legal authority to raise this amount of money from those funds. It has nothing to do with grants. You got to raise the right amount from taxes and then you got to say you're also getting these grants and subsidies making a total budget of, this is how it should be written.

L. Brown: are any of the grants revocable by the third party absent a cause of action to perform? Mr. Tursi: No. 2nd question does the structure of the warrant as DRA and your own lawyer has informed you, omit of the phrase augmented in the language of the warrant and then just in terms of the tax levy. If you do a quick math on a nine million dollar budget 1% is \$90,000 3% is \$270,000 if you take 2,000 homes in Milton you just given them a \$150 tax bill on each of those 2,000 houses to get up to the \$290,000. If the \$290,000 is returned to the taxpayer at the end of the year that's not the same as the taxpayer having the \$150 for the entire year. There was more discussions about this Article.

B. Woodruff: We can take this up prior to the Public Hearing with our recommendation vote.

Article 5 has the same issues. We will wait for some advice based on the response from the experts on alternative language then make a decision by vote on our recommendation on those 2 Articles.

Article 5: The Chair read the article shall the voters adopt a School Administrative Unit budget of 1,749,392 for the forthcoming fiscal year. \$403,635 are assigned to the School budget of the Milton School District.

The Default Budget The adjusted of \$1,735,610, (\$397,649) assigned to the School Budget of the Milton School District.

NOTE: The SAU Budget will be offset by revenues of \$820,000 leaving a net amount of \$929,392 to be apportioned between Wakefield and Milton School District. \$403,635 are assigned to Milton. (RSA 32:5 III)

NOTE: The Total Default SAU Budget will be offset by revenues of (\$820,000) leaving a net amount of \$915,610 to be apportioned between the Wakefield and Milton School District with (\$397,649) assigned to the Milton School District (RSA 32:5 III)

Article 6: The Chair read the article To See if the MSD will raise and appropriate (\$16,900) for a civil site evaluation and Structural roof analysis at Nute School. This a special warrant article appropriation.

A motion to recommend this article A. Walsh made the motion second by L. Brown (Discussion)

A. Walsh: this is all part of the planning for the future for what we're going to do with Nute if there's water issues can it be fixed or will we be able to remodel the old building of Nute or do we have to look elsewhere. The Chair called the question.

The School Board recommends this appropriation (5-0)

The Budget Committee recommends this appropriation (5-0)

Article 7: The Chair read the warrant article to see if the MSD will vote to raise and appropriate (\$27,000) for a facilities analysis at the MES this is a special warrant.

A motion to recommend L. Brown made the motion second by Eric (Discussion)

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Mr. Tursi: recently we had a full facility analysis done by the Harriman Group they review the entire structure for building codes and safety codes and they provide us a document to be utilize to determine future plans for the facilities might need. We have a complete analysis of all the facilities in the District that will allow us future planning.

Doug Shute: This study is available in the Library and it also be online if you want to read it. I felt that we should have waited one more year. There's another reason I voted against it. I'm upset about these reports these engineers that did the study I wanted cost estimates. They only tell you what's wrong. They should also be able to tell you the estimated cost this was not in the document, which I wanted in the document.

A. Walsh: I like the idea of getting this done sooner than later because when we're talking about planning our future needs Nute, Middle school, we also have to keep in mind the Elementary School because while were doing these projects maybe it's one big project, when we don't know when we're looking at the future coming up with a strategic facilities plan for the whole School District. It would be nice to have all the information that you need.

L. Brown: just for talk numbers. You decided to completely renovate classic Nute and it's going to cost you a million and you have all the exact numbers for that, and the Elementary School have an engineering report and yes it will cost a lot of money and you're point would be the engineer is telling you it will cost a lot of money is useless compared to how to figure out how to allocate you're resources for repairing classic Nute.

A. Walsh: If I weren't getting these reports I could sit down and say ok over the next 15 years, we in the Town of Milton are going to have to address issues after issue and we can come up with a plan to address those issues than you can get your costs and move forward.

E. Ohlenbusch: I may have understood did you say you already done a site review? **A. Walsh** we haven't done it at the Elementary School yet. The Chair called the question.

The School Board recommends this appropriation (4-1)

The Budget Committee recommends this appropriation (4-1)

Article 8: The Chair read the warrant article to see if the MSD will vote to raise and appropriate (\$9,400) to replace the MES Library flooring. This is a special warrant article appropriation.

A motion to recommend L. Brown made the motion second by A. Walsh (Discussion)

B. Banks: The rug in the Library is stretched to the point it is a tripping hazard and there are asbestos tiles underneath the carpet.

E. Ohlenbusch: is the total cost of asbestos removal included **B. Banks:** Yes

The Chair called the question.

The School Board recommends this appropriation (5-0)

The Budget Committee recommends this appropriation (5-0)

Article 9: The Chair read the warrant article to see if the MSD will vote to raise and appropriate (\$21,200) for Phase II of the project to replace and repair the multipurpose room and kitchen roof at MES and shop roof at Nute High School. This will be a non-lapsing appropriation per RSA 32:7 and will not lapse until replacing the roof and shingles is finished or by June 30, 2017, whichever is earlier. This is a special warrant article appropriation.

A motion to recommend A. Walsh made the motion second by Eric (Discussion)

Mr. Tursi: We did Phase I this past summer and we don't want to put it off.

The Chair called the question.

The School Board recommends this appropriation (5-0)

The Budget Committee recommends this appropriation (5-0)

Article 10: the Chair read the warrant article to see if the MSD will vote to raise and appropriate up to the sum of (\$50,000) to be added to the MSD Building Maintenance Repair, Renovation and Capital Project Reserve Fund for the purpose of repairing and maintaining school buildings and to authorize the use of that amount from the year end unreserved fund balance (surplus) available on July1, 2015 and no amount to be raised by taxation.

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A motion to recommend A. Walsh made the motion second by L. Brown (Discussion)

A. Walsh: what we're asking for here is \$50,000. If we have any money left over at the end of the year the first \$50,000 would go to this fund here. The current balance is \$5,000.

The Chair called the question.

The School Board recommends this appropriation (5-0)

The Budget Committee recommends this appropriation (5-0)

Article 11: The Chair read the warrant article to see if the MSD will vote to raise and appropriate the sum up to (\$25,000) to be placed in the expendable trust fund for the education of educationally disable children, with such amount to be funded from the June 30, 2015 unreserved fund balance (surplus) available on July 1, 2015 and no amount to be raised by taxation.

A motion to recommend E. Ohlenbusch made the motion second by A. Walsh (Discussion)

A. Walsh: If there's any money left after the first \$50,000 went in the Capital Reserve up to \$25,000 will go in the trust fund Currently the Fund Balance is \$100,000.

The Chair called the question.

Article 12: The Chair read the warrant article to see if the MSD will vote to raise and appropriate the sum of up to \$15,000 to be placed in the expendable trust fund for the School Bus Trust Fund with such amount to be funded from the June 30, 2015 unreserved fund balance (surplus) available on July 1, 2015 and no amount to be raised by taxation.

A motion to recommend E. Ohlenbusch made the motion second by A. Walsh (Discussion)

A. Walsh: The Trust Fund has been around a long time and I believe there's \$10,000 in that account. Our thought is after the building maintenance and special Ed funds if there's \$15,000 left over will put it in that fund and then next year when it's time to buy a new special Ed van will have the money in there to spend it. The wording in that trust fund only allows us buy a bus it doesn't allow us to make repairs.

L. Brown: You would be able to buy a vehicle with a complete with a complete maintenance and warranty agreement. A. Walsh yes.

The Chair called the question.

The School Board recommends this appropriation (5-0)

The Budget Committee recommends this appropriation (5-0)

A. Walsh: I have an old book and the Budget Committee did not recommend the special meeting in this book even the School Board didn't have a recommendation. This in reference to Article 3.

B. Woodruff: What I'm hearing from Ann I think we can cross out the line where the Budget Committee recommends this Article. Reference to Article 3.

NOTE: Articles 6 thru 12 at the end of each of the Articles the words "This appropriation is in addition to Article 4, the operating budget. (Majority vote required)."

Members Comment:

L. Brown: Regarding the facility analysis for the Elementary School I think it's an important thing and if I were to find out at 6:00pm on the evening of the 20th that the Board has decided to ask for cost estimates from the Engineers doing the study. I would ask for reconsideration of the vote to recommend.

A. Walsh: I think what we need to do as a community not just the School Board come up with a strategic facilities committee for the school we have 2 buildings that are very old and we need to put all this information together and come up with a plan. We can't go ask the Town to spend four million dollars on Nute this year and two years later were going to need four million dollars for the Elementary School, if were staying in Milton we need a plan.

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B. Woodruff: We have a public hearing January 20th at 6:00pm at Nute High School cafeteria the hearing has been posted and we should meet earlier at the Nute cafeteria. What time would the committee like to meet?

L. Brown: do we have an hour of talk or half hour of talk. **B. Woodruff:** our recommendation is our business. If were told that the wording has to stay exactly as it is you're going to vote how you feel. We have 2 Warrant Articles to vote to recommend. Article 4 and Article 5.

A. Walsh: Why don't we meet in the community room at 5:30pm and move to the cafeteria at 6:00pm.

B. Woodruff: The Committee will meet tomorrow at 5:00pm at the Town Hall.

L. Brown: I had to leave the last meeting I understand that Jennifer is in the process of resigning or has resigned.

B. Woodruff: She has put in writing her intent to resign right after the deliberative session.

L. Brown: When does her term expire? **B. Woodruff:** she has 1 more year.

B. Woodruff: We have a Public hearing meeting tomorrow night at 7:00pm. The Committee will meet at 5:00pm. I want the committee to go over the minutes we approved there were things that were recommended to be raised or reduced. Both Boards need to come to an agreement and come up with an operating Budget for 2015 before the Public Hearing.

Adjourn: The Chair would like a motion to adjourn L. Brown made the motion second by A. Walsh
Motion passed at 7:22 pm.

Submitted by Bob Carrier

Chairman: _____