

Present: Dorianne Almann, Bruce Bellville, Michael Carrier, Joseph Conroy, John Hartnet, Morris Klein, James MacDonell, Tina McCosker, Lewis Major, Bernie Rideout, Peter Zavorotny

Mr. Zavorotny called the meeting to order at 6:30 pm in the Town Hall, stating that after the meeting with the school board, the budget committee had other business to address; he asked the members to please stay seated. He said that David Crisafulli and Tom O'Connor have a handout for the committee and the Dr. Crisafulli and Mr. O'Connor began their presentation.

Dr. Crisafulli noted that the budget is \$12,003,160--\$106,741 lower than it was last year. He said the impact on taxes would be \$187,436 which means an increase of \$0.52/thousand. He will be attending a hearing. He noted the year has been challenging with the loss of \$225,000 of state aid. However, costs are "skyrocketing" due to the types of students entering the school system and the types of services they need. Fuel costs have risen. Dr. Crisafulli said the school board has tried to be sensitive to the taxpayer and tried to do its part. Two positions were reduced.

He said the school has "held the line for two years" in terms of costs. Programs haven't expanded. There are some expenses that can't be reduced with accreditation expense being one of these. Accreditation will be about \$14,000-\$15,000 and take a full week to accomplish. Documentation will be required. The entire process will take about 1-1/2 years.

There are "lots of things coming down that change requirements: Dr. Crisafulli noted. Two life skills programs have been introduced including one at the middle school.

Mr. MacDonell spoke up, saying that he would like to see the school budget under \$12 million.

Dr. Crisafulli replied that the budget committee should be "selling the \$187,436." Mr. MacDonnell pointed out that electricity costs are high. He urged the school board to "take out 10%." "I could take out 10% from everything," Dr. Crisafulli responded. Pricing for fuel fluctuated. He has programmatic concerns—SPED, for example, could rise about \$150,000.

Mr. MacDonell asked if electricity is provided by PSNH or by an alternative. Mr. O'Connor replied, "PSNH. We're talking about a small number of dollars" and suggested looking at "bigger items."

Mr. Conroy spoke up, noting the "psychological effect" of keeping the budget at a flat \$12 million. "People will say it's over \$12 million."

Dr. Crisafulli said "my services are very different. We're trying to be sensitive."

Mr. Zavorotny spoke up: "The school board isn't going to take out the \$3,000 voluntarily so if the committee wishes to see that reduction, committee action is required."

Mr. Hartnet commended the two new principals. He said that when he looks at the high school budget, he sees "a lot of money for music." Dr. Crisafulli said he doesn't know "if we'll get the band." There's a very active theater, drama, and dance program in the schools. The current music teacher is well liked. The music program has been brought back over the last three years. Instruments are expensive.

Dr. Crisafulli talked about credits and going to a 20 credit degree from 23-1/2 credits. The reduction means that students who want to pursue a trade can go over to the program in their sophomore or junior year.

Mr. Zavorotny noted that retirement funds are burning us," since the state is no longer funding retirements, leaving \$225,000 unfunded.

Dr. Crisafulli said the school is trying to put money back, returning \$120,000. By April or May, the school will know what can be returned.

Mr. MacDonell asked about the hearing Dr. Crisafulli mentioned. Dr. Crisafulli responded it will focus on transportation and types of services; there are "lots of students coming in from elsewhere with lots of issues."

Mr. Hartnet made a motion approve the school board's \$12,003,160 budget, seconded by Mr. Carrier. The motion carried, with Ms. Almann and Messrs. Conroy and MacDonell voting no.

Discussion moved to the school's warrant articles.

Dr. Crisafulli began discussion of Article 2. "There was lots of sensitivity that salaries be fair' while keeping the town's focus in mind. The three year cumulative increase is 5.7%. Short term disability was removed. Sick leave is banked. The school staff is younger which means there are degrees that are necessary and more staff is getting master degrees.

When there were no questions on Article 2, Mr. MacDonell made a motion to approve Article 2. Mr. Conroy seconded the motion and the motion passed unanimously.

Dr. Crisafulli referred to Article 3 as "a safety valve for all of us." Mr. Hartnet spoke up, saying that Articles 3, 4, and 5 are kind of intertwined. Article 5 reflects a new state law. \$175,000 is in present reserves.

Mr. Bellville noted the money can't be designated for special education. Mr. O'Connor said the amount is not cumulative and the annual recalculation is not to exceed 2-1/2%. In terms of the article, "it's very restrictive," Mr. O'Connor said. "If you had a fund balance as of June 30 and had voter's authorization, the money would be put back."

Mr. Zavorotny noted the retained fund balance is “similar to the town’s general fund” that is used to off-set taxes. The school would have to get approval from the budget committee, then the state, in order to spend over the budgeted amount. Mr. O’Connor said the fund balance could be used to off-set short falls. In March 2013, the budget is set. When we get to April, a fair amount of money has been expended, but then suddenly, the school sees a hit of a couple hundred thousand dollars. If revenue is short, this situation means a deficit at the year’s end. This situation would require a warrant article in March to fund the deficit.

Mr. Zavorotny noted that if they overspend the budget, the school would have to come to the budget committee. Regardless of the source of the funds, the school board would have to come to the town. If there’s a decrease in income, the school can use the money as long as they don’t go over budget.

Mr. O’Connor said that he and Mr. Zavorotny agree on the over spending part. Beyond that, it’s “a muddy issue”—would the money be treated as loan?

Mr. Rideout said that the amount that could be potentially put aside could be as high as 7-1/2% between the Town and the School District; his concern is that the town can’t afford this.

Dr. Crisafulli said he “wants to see this grow slowly.” It’s a “little bit of a hedge,” a “little bit of a cushion.” Start with \$10,000 being put away. He described Article 5 as being “much for restrictive” than he’s seen in other states.

Mr. Hartnet said 2.4% would be put away. The town payment is about \$4 million. The town also has special ed costs of \$200,000. He wondered if the “town can afford to squirrel away that amount?”

Mr. Zavorotny said that since Article 5 does not specify an amount, the budget committee does not have to act on it; however, the committee should do so to be on record as to its position. Mr. O’Connor noted that the Department of Revenue Administration cleared the articles.

He stressed that “perception is very important. This is different from a trust fund. The money will go back to the town.”

Mr. Zavorotny said the selectmen should consider the article when setting the tax rate and should consider making the school board part of the discussion.

Dr. Crisafulli said it’s “good business” to have the money there when you need it. If the school needs to spend, for example, \$25,000 for security, “will anyone here tell me I can’t the money for security?” The money will come out of the capital reserve fund. The roof needs to be done as it wasn’t done when work on the school took place. “What doesn’t get spent goes back to the town.”

Mr. Bellville asked why the school board came to the budget committee with a request that had no money attached to it? Why not come back when the school board has an amount?

Dr. Crisafulli said we “don’t want to divide the selectmen or the budget committee.” We want to work collaboratively.

Mr. Rideout said there will be “a perception issue.”

Mr. Zavorotny reminded the committee it is not unusual for us to put away money for capital reserves and trust funds. Money is put away, collecting interest, but the tax payers can’t use it.”

Mr. Hartnet said that if the school asked for security money, they would get the money. If the boiler breaks, the school board would come to the budget committee and ask for money. It would be taken from the emergency fund. He went on to say that “special education is a different bird--\$175,000 won’t cut it in special education” as that amount of money” could be wiped out with one kid.”

Mr. MacDonell said the law is new, there’s no case law, and suggested waiting til next year with Article 5. Mr. Rideout said that at the school meeting “people will want to hear numbers.”

Mr. Zavorotny suggested that a motion be made on Article 3. Mr. MacDonell made a motion to approve Article 3, seconded by Mr. Bellville. The motion passed unanimously.

Mr. Major made a motion to approve \$50,000 being added to the School Building Maintenance Fund (Article 4). He was seconded by Mr. MacDonell. The motion passed unanimously.

Mr. Bellville made a motion to not recommend Article 5. He was seconded by Ms. Almann. The motion passed unanimously.

The school board meeting with the budget committee ended at 7:39pm.

Mr. Major made a motion that the minutes of meeting 617 be accepted. He was seconded by Mr. Rideout. The motion passed with Mr. Carrier and Mr. Klein abstaining.

Mr. Bellville made a motion to approve the estimated revenues of \$1,960,207 for the town other than taxes and was seconded by Mr. Carrier. The motion passed unanimously.

Mr. Zavorotny said the committee still needed to recommend articles 3, 4, and 5.

Mr. MacDonell made a motion to recommend Article 3 (Town operating budget \$3,369,438); he was seconded by Mr. Rideout. The motion passed unanimously.

Mr. Major made a motion to recommend Article 4 (Water Department of \$477,735). Mr. MacDonell seconded. The motion passed with Mr. Bellville voting no.

Mr. Carrier made a motion to recommend Article 5 (Waste Water Treatment) and was seconded by Mr. Rideout. The motion passed unanimously.

Mr. Zavorotny said the one article on which the budget committee has not taken action is the police department. The committee will do so at the 6pm meeting on Wednesday prior to the hearing.

To Mr. Zavorotny's query as to questions or issues, Mr. MacDonell reminded the committee about being mindful of what is discussed via email—if enough members are included in an email, a quorum could be reached and the discussion would have to be noted in minutes.

He also said he had the opportunity to talk to the shuttle bus driver. The driver told him he already has several regulars and that the bus stops at Wal-Mart on both the drive to and from Brattleboro.

Mr. Bellville asked about the status of MS-5. Mr. Zavorotny replied the tax rate has been set; it's \$24.78. Mr. Bellville asked how that breaks down. Selectman Richard Shill who was in the audience spoke up, noting it was \$6.50 for the town and \$12 or \$13 for the school. Mr. Bellville noted these figures were similar to those of last year.

Mr. Rideout noted Ms. Almann takes excellent minutes.

He made a motion to adjourn. Mr. Carrier seconded the motion; the motion passed unanimously, and the meeting ended at 7:50pm.

Respectfully Submitted

Dorianne Almann
Recording Secretary