



TOWN OF HUDSON

Budget Committee



Charlotte Schweiss, Chairman

Joyce Goodwin, Vice-Chairman

12 School Street • Hudson, New Hampshire 03051 • Tel: 603-886-6000 • Fax: 603-816-1294

Meeting minutes June 16, 2011

Chairman Schweiss called the meeting to order at 7:30 PM

Vice-Chairman Joyce Goodwin present
School Board Liaison Amy Sousa present
Selectman Liaison Thaddeus Luszey present

Committee members present:

Leo Bernard
Michael Buczynski
John Drabinowicz
Jonathan Maltz
Normand Martin
Stephen Nute
Stuart Schneiderman

In attendance:

Finance Director Kathy Carpentier
Superintendent Randy Bell

Chairman Schweiss called for public input. There was none offered.

Selectman liaison Thaddeus Luszey reported that outsourcing EMT/Firefighters was not feasible. He will present the proposed schedule to the BOS.

Chairman Schweiss offered to provide a more detailed schedule and Selectman liaison Luszey voiced his approval.

Selectman liaison Thaddeus Luszey mentioned the BOS workshop, "Assessing 101", and Chairman praised the presentation and expressed hope that many would have watched it. Vice-Chair Goodwin offered to share the handouts and Selectman liaison urged Hudson viewers to view the workshop on the town website. Mr. Bernard praised the questions asked by Chairman Schweiss and School Board Liaison Sousa.

School Board Liaison Sousa reported that, at the suggestion of the chair, she will bring all school budget transfers of \$5000.00 or more to the Budget Committee meetings in order to answer questions and brief members. No budget transfers of \$5000 or more have occurred since March and that the transfers in March were for changes in benefits. School tours can be scheduled soon or in September so the committee can see the buildings with kids in them. The school committee approved the leasing of six copiers from Conway Office Products for \$29,382.00. Two contracts were awarded to W.B. Mason for office supplies and school supplies for \$18,000.00 and

\$30,000.00 respectively. The same contracts were offered to Office Depot. The School Board approved the substitute managed calling system which allows a teacher to upload a sick call and then makes the calls to recruit substitutes, freeing up administrators to deal with other pressing that require their personal attention. The cost includes a \$500.00 one-time set up and training fee and a \$2.75 fee for each employee absence; \$6682.00 was budgeted based on historical data. The School District will need to get School Board approval to exceed this limit. A three year contract was awarded to Multi-State Billing for Medicaid payments covering Special Education.

Selectman liaison Thaddeus Luszey announced the formation of the Joint Planning Committee.

Finance Director Kathy Carpentier explained the legal requirements of budgeting, the default budget, state accounting codes and accounting purposes to be accomplished with public funds. She then explained how she starts with the default budget, updates debt service and leases, removes one time purchases and adds contractual obligations such as health costs and retirement benefits. Water and sewer is rolled in even as it is paid by user fees. The resulting budget is prepared by the Finance Director, reviewed by the Town Administrator and approved by the BOS.

Superintendent Randy Bell explained that, just like the Town, the School department starts with the approved budget of 2010-2011 and deducts fund transfers and then add them back in for the ensuing year, debt service, collective bargaining.

Selectman liaison Thaddeus Luszey clarified the differences in methodology between the Town budget and the School budget. Where the Town shows differences from budget to budget, the School subtracts the previous amount and adds in the new amount. Selectman liaison Thaddeus Luszey voiced a preference for the former. Mr. Schneiderman voiced a preference for the latter, explaining that it shows the audit trail. Finance Director Kathy Carpentier answered that the backup is available and need not be posted at the Hudson Community Center. She further clarified that if anyone is interested in challenging the adds and deletions, we can point to the budget book that is “yay thick”, motioning with her fingers stretched to three or four inches. Furthermore, debt service is the only cost that is completely subtracted and added in the Town budget. Mr. Drabinowicz voiced that it is a matter of preference and that either way is proper. He added that he prefers the School’s method. Chairman Schweiss concurred but both are acceptable and the Budget committee can change hats for the two different reporting methods.

Finance Director Kathy Carpentier reviewed the non-property tax revenues from the state issued MS-4 form. These include timber tax, licenses and permits, copy and duplication charges, and operating transfers such as Sewer and Water. Vehicle registrations, a major driver which the Town used to depend upon to increase yearly, will hopefully hold steady. The highway block grant from the state was cut \$17,000. Interest income will drop from \$200,000 to \$60,000.00. The BOS maintains a surplus fund of about \$4,300,000.00 which represents about 8% of the previous budget to control the property tax rate. The state requires that this fund fall between 5% to 18% and the BOS aims for 10%.

Superintendent Randy Bell explained that the School cannot accumulate a surplus. Unspent funds revert to the Town because the Town sets and collects taxes. The Federal jobs fund grant of about \$325,000.00 to the School Department will yield some Town tax rate relief. Tax sources include the State education adequacy grant, the state-wide smoke and mirrors property tax and town appropriations, building aid bonds yielding 30% over 20 years, kindergarten aid and building reimbursement of \$1750.00 per pupil. Catastrophic aid for out of district special education costs is underfunded by the state. The state pays 75% of the tuition for Alvirne Vocational and sending

districts pay the remaining 25%. This will be changing as the state downshifts costs and sending districts will be paying a larger share. The Air Force pays salaries and benefit for instructors in the ROTC program as well as some uniforms and equipment. Medicaid reimbursement is charged 10% by the Federal Government for administrative costs. Non-handicapped students are charged tuition for the integrated pre-school. Athletic fees are collected as admission to Football and basketball games. The Federal Government subsidizes some electronic transmission and computer costs and funds are collected for rentals as well. Title one funds, amounting to \$515,000.00 are received based on need and are directed to reading and mathematics programs. Title 2 funds are for class size reduction and they pay for two or three staff members. The school district receives a small grant for "Teens Mentoring Teens." The Perkins Fund subsidizes the Tech Center. The Electrical Apprenticeship Program is adult training run at night. IDEA providing early intervention, special education and related services to eligible infants, toddlers, children and youth with disabilities is projected for \$801,000.00. Food service will collect \$856,000.00 in lunch payments as well as \$275,000.00 in reimbursements for reduced fee and free lunch. The Alvirne Trustees, an independent group, has generously granted funds that have been used for refurbishing science labs and a grant for \$150,000.00 will be used for refurbishing, redesigning and reworking the Alvirne Library this year. Revolving farm and vocational funds generate revenue through horticulture and building trades programs, the school store and Checkers Restaurant to be used for equipment and improvements in the vocational center.

Finance Director Kathy Carpentier explained how the property tax rate is calculated in five sections:

The Town Government

The School Department

The State Education Tax and The County Portion

Total Assessed Property

Proof of Rate

The form is designated MS-1 and is submitted in October to the Department of Revenue.

Abatements are covered by an overlay from the surplus account. For the past five years the total of annual abatements has been running about \$60,000.00 with a range from \$30,000.00 to \$100,000.00. Veteran's tax credits amounted to 1071 at \$500.00 each. Disabled tax credits amounted to 31 at \$2000.00 each. Gross appropriations minus revenues plus overlay plus war service credits means that the Town needs to collect \$15,000,000.00 from taxpayers which equates to \$5.19 tax rate based on \$2,900,000,000.00 of evaluations. The school budget is \$28,700,000.00 made up of \$22,000,000.00 in school property taxes and \$6,000,000.00 in state property taxes. The Town issues funds to the Schools in twelve equal installments. Cooperation between Schools and Town prevents the need for tax anticipation notes which saves interest. In December, the Town sends \$2,800,000.00 to Hillsboro County Government. \$16.11 is the total tax rate for Town, School and County combined.

Vice-Chairman Joyce Goodwin moved to approve the minutes of the May 19, 2011 Budget Committee as amended, second by Mr. Normand Martin. Motion passed on voice vote.

Chairman Schweiss presented the preliminary Budget Committee meeting schedule. Discussion ensued.

Kathy Carpentier will maintain Budget Committee e-mail address list.

Building Tours were discussed.

John Drabinowicz moved that the BOS be asked perform a cost benefit analysis of privatizing town ambulance services. Seconded by Normand Martin. Selectman Liaison Thaddeus Luszey spoke in opposition. He will request the BOS study from last year. Normand Martin spoke in favor. John Drabinowicz said that he was unsatisfied with last year's response. Selectman Liaison Thaddeus Luszey responded that this study would best be performed by the Budget Committee and that privatizing would result in diminished services, loss of revenue and involved a drastic policy change. Stuart Schneiderman spoke against the motion. Michael Buczynski spoke in favor of the motion. Selectman Liaison Thaddeus Luszey suggested that the Budget Committee perform the analysis. Normand Martin withdrew his second.

In answer to a question posed by John Drabinowicz, School Board Liaison Amy Sousa explained that perimeter lighting with a photo eye is used as a deterrent to vandalism. Incandescents are being replaced with LEDs. Library Street and H.O. Smith has interior LED lights on for safety. Staff is being reminded to double check before leaving. Hills Library entrance light might have been left on in error. John Drabinowicz replied that it wasn't emergency hallway lights that he saw. "The place was lit up like a Christmas tree." School Board Liaison Amy Sousa answered that she didn't know about that particular incident and that staff will be reminded.

Meeting was adjourned at 9:52 PM
Respectfully submitted
Stuart Schneiderman
Clerk