

TOWN OF GILFORD
BUDGET COMMITTEE
PUBLIC MEETING MINUTES
January 7, 2016
6:30 PM

Members present: Kevin Leandro (Chair), Kevin Roy, Dr. Leslie Suranyi Jr., Harry Bean, Karen Thurston, Richard Grenier, David Horvath, Robert Henderson, Jeffrey Beane, Susan Greene and Norman Silber.

Kevin Leandro, Chair called the Budget Committee meeting to order at 6:30 PM and led the assembly with the Pledge of Allegiance. The Budget Committee will review the Town Budget Changes & Warrant Articles, School Budget Changes & Warrant Articles and the Gunstock Acres Village Water District (GAVWD) budget.

Announcements:

Kevin Leandro announced the Budget Committees upcoming Public Hearings: Tuesday, January 12, 2016 at 7:00 PM on the School District Budget and Thursday, January 14, 2016 at 7:00 PM on the Town Budget and the Gunstock Acres Village Water District Budget. Both public hearings will take place at the Gilford High School in the Auditorium.

Town Budget:

Town Administrator Scott Dunn gave the budget committee a memo dated 01/06/2016 on the FY 2016 Budget which included the recent changes made by the Board of Selectmen. Administrator Dunn included a DRAFT copy of the warrant article which the Board of Selectmen will review at their 01/13/16 meeting. Town Administrator Dunn reviewed budget reductions approved by the Board of Selectmen totaling \$198,588 making the new bottom line \$12,546,201. The statutory deadline for petition warrant articles is January 12 along with the Teamsters Union contract submittal. Town Administrator Dunn anticipated the Board of Selectmen to make its final recommendations on these matters at their next meeting on 01/13/16, whereupon the final budget requests and Selectmen's recommendations will be incorporated in the handouts at the Budget public hearing on 01/14/16 at 7:00 PM. Administrator Dunn answered the committees questions.

Old business – Meeting Minutes:

Chair Kevin Leandro and Town Administrator Scott Dunn spoke today regarding an email that was sent asking for amendments to the minutes. These changes need to be voted on in a public meeting by the Budget Committee. David Horvath asked if the draft minutes could be watermarked "Draft" before they are sent out. This way, there is a copy of the draft minutes and then the final (or amended final) minutes in an effort to have the most accurate records as possible.

Gunstock Acres Village Water District (GAVWD) Budget:

Norman Silber is (was) a GAVWD Commissioner. Recently, Mr. Silber became aware that when he was elected to the budget committee, the statute prohibits him from serving on more than one Board (dual office holding). Mr. Silber announced that he has resigned from the GAVWD and that he will refrain/abstain from any decisions made for the GAVWD Board. Howard Epstein was then invited to the podium to present the Gunstock Acres Village Water District Budget to the committee and answer any questions. The total budget request is for \$366,831 and is up from last year's amount of \$357,300. Discussion ensued. Richard Grenier made a motion to approve the GAVWD budget for \$366,831; seconded by Kevin Leandro and passed; (10 - 1). (Norman Silber abstained).

School Budget – District wide:

Scott Isabelle gave the committee a revised budget as of 01/07/2016 and explained where he made a few more budget reductions in the numbers according to the budget committee's votes. (Summarized on page 11) and explained in great detail. One is to reduce the food Service budget by \$2,368 and the other will be to take out the \$3,815 from a combination of Professional Development and Training, Advertising, and the Superintendents Salary. This makes the new bottom line \$25,667,251.00 (also listed on pg. 11) David Horvath made the motion to reduce the food service budget by \$2,368; seconded by Richard Grenier and passed; (9-2). (Karen Thurston and Kevin Roy opposed). This makes the food service budget \$647,718.00. David Horvath made a motion to reduce \$3,815 from the Professional Development and Training, Advertising, and the Superintendents Salary as presented; seconded by Robert Henderson and passed; (10-1). (Karen Thurston opposed). This makes the bottom line Gilford School District Budget total \$25,667.251.

School District – Revised Revenue Sheet:

Scott Isabelle gave the committee revised revenue including additional columns to have a 4 year history of the Revenues and Credit for the Gilford School District. Mr. Isabelle explained this in detail and also reminded the budget committee that some federal monies take a few years to receive. Discussion ensued. Kevin Leandro made a motion that future years budget books from the School contain the current budget plus two years beyond (retroactive) of historical data of budgets versus actual (beyond what the current school year is); seconded by Norman Silber and passed with all in favor; (11-0).

Old business - Merit increase:

Norman Silber questions why the merit wage budgeted for non contractual employees of the School (3%) is different than the Town (2.5%) and he would like to reduce the School to the same percentage of the Town for non-contractual to keep consistency. Kevin Leandro commented on the Policies of the Town versus the policies of the School. The School has two Policies on how to distribute merit increases, one that is applicable to the Administrators and one that is applicable to all others. The Town has one set of Policies on how to distribute merit increases that applies to all. Therefore, you cannot fairly treat the Town and School the same. David Horvath wants to see it at the 1.5% for the Town and School as they have discussed/voted. Lengthy discussions ensued. Selectmen Grenier stated this item will be

discussed at the 01/13/16 Selectmen's Meeting. Kevin Leandro then made the suggestion that if something comes up at the Selectmen's meeting that causes the budget committee to amend this back to 2.5% that Mr. Ruggles, and he is asking the same of Mr. Isabelle could be prepared with numbers adjusting out to 2.5% for both. The answer was yes. If changes need to be made they can always meet before the public hearing on Thursday, January 14, 2016 at 7:00 PM. Selectmen Grenier reminded the committee that the School is meeting on Tuesday, 01/12/16. Kevin Leandro would like to table this discussion to see what the Selectmen due at their meeting next week

Town Budget:

The Committee had questions regarding the Town Administrators memo that was handed out including the budget numbers. He asked if the warrant articles are separate. Geoffrey Ruggles confirmed that the \$12,088,201 is only the operating budget. It does not include \$50,000 for the Fire Capital Reserve, \$10,000 for Water Supply Capital Reserve and it does not include the other warrant articles which are included in the \$12,546,201. Kevin Leandro asked what the number is for the Budget Committee with adopting all the changes. David Horvath said that the Budget Committees number is \$12,251,072. Prior to adopting the reductions of \$195,580, \$1,442 and the \$1,536 made by the Board of Selectmen (outlined in the memo from Administrator Dunn). Norman Silber made the motion to approve The Budget Committees recommended number for the Town budget for \$12,052,514; seconded by David Horvath and passed; (9-2). (Karen Thurston and Richard Grenier opposed).

Bond presentation for the Gilford Elementary School:

Superintendent Kent Hemingway took a moment to recognize the group of High School Full Time Teachers who are currently participating at the Southern New Hampshire University's Graduate Course Leadership class who were in the audience. Superintendent Hemingway gave an extensive overview on The MEP study and the process that has brought them to request the warrant article for the Gilford Elementary School Repairs and Maintenance. Superintendent Hemingway then turned the presentation over to Randy Remick, President of Bonnette, Page and Stone. Mr. Remick gave an extensive detailed presentation. Mr. Remick reviewed the Project Budget Worksheet in detail explaining that BPS derived at their numbers as a result of going through the building room by room. Extensive Discussions took place and the committee asked various questions of Mr. Remick and Mr. Tim Bartlett, Facilities Manger of Gilford School. Norman Silber expressed his concern that the number that is recommended will be sufficient for the project. Mr. Remick said that BPS would sign a contract with a "Not to Exceed" amount for the project. This will be a 15 year bond. Discussions ensued.

Warrant Article – Gilford Elementary School Repairs and Maintenance:

Norman Silber made a motion to recommend the approval of the Warrant Article for the Gilford Elementary School Repairs and Maintenance in the amount of \$2,242,646 as well as \$36,805 for the first bond payment as presented; seconded by Jeffrey Beane. Chairman Leandro asked in there was any public input before the vote is taken. Mr. Chris McDonough asked what happens if the School does not spend it (the entire bond amount). The answer is it

would go back to offset the taxes. With no further public input, Kevin Leandro called the vote; motion passes; (11-0).

School District Default Budget:

Mr. Scott Isabelle gave the committee a memo dated 01/07/2016 based on the request for information one time expenditures (special projects) in the default budget. David Horvath says that he has come across many more expenditures that he would consider one time purchases. Mr. Isabelle went onto explain the process and how this changed once the Town went to SB-2. Kevin Leandro stated that one time project means 1 time. Extensive discussions took place. Norman Silber brought up an article that he read in the 12/28/2015 Union Leader regarding SB-2 towns and their default budget. There are areas that need work in the future. Members (School and Budget Committee) do not agree with what qualifies for a onetime expense (special projects) based on past history. Lengthy discussion ensued. David Horvath made a motion to have the School District go back to their list and find more of these onetime projects to be removed; Richard Grenier seconded for discussion. Discussion ensued. Mr. Horvath revised his motion to included the revise the number to \$127,966 and respectfully asks the School Board to go back and find this dollar amount in additional one time expenditures; Richard Grenier seconded; (3-Y, 8-N). Motion fails.

Richard Grenier made a motion that Norman Silber follow the legislation in question (HB1221) and whether it fails or passes, that the Budget Committee meets after the vote and make necessary changes depending on the outcome of the vote for the process next year; Kevin Leandro seconded with an amendment that at the Budget Committees first organizational meeting, they assign a subcommittee to form a group (consisting of Budget Committee members and School Board members and interested parties); passed 10-0 (Jeffrey Beane stepped out for a moment). Mr. Horvath asked Superintendent Hemingway about the Policy for taking nonresident students.

Approval of meeting minutes:

Kevin Roy did some research on the handout David Horvath gave the committee a while back, (the same one Norman Silber asked him to reiterate at the last meeting). Mr. Roy said that Mr. Horvath used the US Census Bureau estimates for house hold income in 2014 and 2015, but for 2009 there was no reference to where the numbers came from; Mr. Horvath said they came from the same group (US Census). Mr. Roy agrees with the 2014 and 2015, but upon further research he found the average household income in 2009 was \$51,190 and felt Mr. Horvath's number was wrong. Mr. Horvath's does not find his numbers to be substantially inadequate and feels they are good numbers. If you use Mr. Roy's number than that would actually mean that the average household income has increased \$4,066 since 2009 instead of Mr. Horvath's stating that is has decreased \$2,500. Mr. Roy said that if the budget committee is using this information to arrive at the 2.5% merit increases then this information is incorrect. Mr. Roy said they owe it to the taxpayers to be open and transparent. Mr. Roy also asked Mr. Horvath where he got his numbers which stated a 15% plus tax increase in most homes in Gilford in the past two years. Mr. Horvath feels his numbers are accurate. Mr. Roy disagrees with the 15% statement and feels it is misleading. Mr. Roy encouraged other members to also go online to

double check. Jeffrey Beane pulled up the US consensus for 2009 on his phone and the number he got matched the 2009 number Mr. Roy had of \$51,190. Discussion ensued. David Horvath made a motion to have his comments entered into the draft 12/17/15 minutes; Kevin Roy stated that they are misleading; seconded by Kevin Leandro and passed; (9-2)

Approval of Amended Meeting Minutes:

Norman Silber made the motion to accept the minutes of 12/17/2015 as amended (adding Mr. Horvath's comments); seconded by Jeffrey Beane and passed; (9-1) (Karen Thurston opposed, Mr. Roy left before the vote).

Next Budget Committee Meeting:

The next Budget Committee meeting will be the Public Hearing on the School Budget held on Tuesday, January 12, 2016 at 7:00 PM at the Gilford High School in the Auditorium.

Adjournment:

Motion made by Jeffrey Beane to adjourn the meeting at 9:44 PM; seconded by Richard Grenier and passed with all in favor; (10-0).

Respectfully submitted,



Angela A. Bovill
Executive Assistant