

FREMONT BUDGET COMMITTEE MEETING
Fremont Town Hall, 295 Main Street, Fremont, NH 03044
December 12, 2018 at 7:00 PM

CALL TO ORDER

Chair Mary Anderson called the December 12, 2018 Budget Committee meeting to order with the Pledge of Allegiance at 7:00 PM at the Fremont Town Hall. Present were: Mary Anderson, Gene Cordes, Mary Jo Holmes, Pat Martel, Joe Miccile, Jonathan Starr, Brittany Thompson (arriving at 7:15 PM), and Josh Yokela (arriving at 7:05 PM). Also present were Heidi Carlson, Gordon Muench, and Susan Perry.

APPROVAL OF MINUTES

Mary Jo Holmes made a motion to approve the minutes of December 5, 2018 as amended (adding "scheduling" in front of "gap" in the third sentence). Gene Cordes seconded the motion. Motion passed 6-0

After discussion and clarification later in the meeting,

Mary Jo Holmes made a motion to approve the minutes of November 28, 2018 as amended (omitting "...and they were more cost efficient" in the first paragraph and having the third sentence of the second paragraph read: "Because the district budgeted so tightly for Sanborn tuition, there will be no money returned to taxpayers from that tuition line like last year." Pat Martel seconded the motion. Motion passed 8:0.

TOWN BUDGET

There is a reduction in the operating budget of \$225 in line 4155 PERSONNEL ADMINISTRATION (retirement reduction as change in personnel within the Highway Department). The total 2019 Department request is now \$378,872.

The Public Hearing posting sheet was distributed (petition warrant articles due January 8th, Deliberative sessions at Ellis School February 2nd (snow date February 4th), and Budget Committee meeting at 6:30 PM on January 9th (snow date January 10th) before the public hearing at 7 PM.

Remaining Town Warrant articles were reviewed and voted on.

Article A: 2019 Operating Budget

Gene Cordes made a motion to recommend Warrant Article A: 2019 Operating Budget as written (\$3,110,869; default \$3,033,503). Jonathan Starr seconded the motion. Motion passed 8:0.

This is about \$145,000 more than the current year. For consistency, it was suggested that the tax rate impact be added to this Article as with the other articles e.g. "The impact of voting yes on this article is \$X.XX." There was lengthy discussion about how the tax rate impacts are calculated and that they are estimates with several moving parts.

Article B: New Full-time Police Officer

Pat Martel made a motion to recommend Warrant Article B: New Police Officer (\$41,386) as written. Gene Cordes seconded the motion. Motion failed: 2 ayes: 6 nays.

The article will read that "The Budget Committee *does not* recommend this appropriation 2-6".

Article C: Fire Rescue Call Member Hourly Rate for Evening/Weekend Coverage (\$66,000)

There was discussion about the proposal of paying \$7.25 minimum wage on-call hourly rate for two people for evening/weekend coverage (6 pm – 6 am). At least one person has to be EMS certified. Cross training will be needed. Ms. Carlson noted that volunteer fire rescue and EMS volunteers are waning as they require significant commitment. Fire-related services are decreasing generally due to fire prevention and safety education, while EMS-related services are trending upward, due to an aging population, etc. Ms. Carlson will ask for information regarding the range of times/how much faster calls would be serviced if the article passes.

Mary Jo Holmes made a motion to recommend Warrant Article C: Fire Rescue Call Member Hourly Rate for Evening/Weekend Coverage (\$66,000) as written. Brittany Thompson seconded the motion. Motion passed 8:0.

Article M: Trust Fund for Cemetery Improvements/Maintenance (\$3,000)

Ms. Carlson reported that there has been no more movement on this article but she wanted to keep it on the list as a placeholder for tonight. There will potentially be no action.

There was review of current expenses and revenues to date, along with revenue estimates for 2019. Ms. Carlson noted that the forecasted balance remaining (2018) is about \$78,000 now for the rest of the year (bearing no snow storms). There was discussion about the possibility of using any end of year leftover money towards some Warrant Articles (e.g. Expendable Trust Fund or Capital Reserve Fund); this could be done before the Public Hearing. The 2018 estimated total revenue amount is \$1,557,734; the 2019 estimated total revenue amount is \$1,570,021. There was discussion about forms to be used for the Public Hearing (MS 737, 7D-Default, and Warrant). Ms. Anderson and Ms. Carlson will review this. Per new law, actual breakdowns will be given in Department default budgets (separating out increases and decreases).

SCHOOL BUDGET

Ms. Thompson clarified that the cost of living adjustment for 2019 is 2.8% (not 2.1%). She reported that the School Board voted last night 0:5 against the Budget Committee's recommended school budget (equaling the default). The School Board will be meeting on December 18, 2018 to review reallocations, etc. There will be a copy of the final school budget for the Budget Hearing.

Ms. Anderson remarked on an article (Lawrence Eagle Tribune) regarding decreased taxes in some surrounding towns, for example, an overall decrease of 18% in Kingston. She wondered why, then, tuition increased so much. The Committee members were unsure of the conclusions as to these tax decreases (perhaps revaluations were done).

There was review of the School District Warrant Articles:

Article 1 – School Board Members

Article 2 – FEA Collective Bargaining Agreement (\$67,946.59 for 2019-20 fiscal year)

- @ 42 teachers
- salary addition = @2% or below
- HMO: 84% in 2019-20; 82% in 2020-21; and 80% in 2021-22 (new hires will come in at 80%; the goal is to get everyone to 80% healthcare). Mr. Cordes asked how people figured the costs in 2021-22; Ms. Holmes said that Ms. Penny had mentioned that in the beginning, 10% is budgeted but then it swings high or low.

Mary Jo Holmes made a motion to approve School District Warrant Article 2: FEA CBA as presented. Brittany Thompson seconded the motion. Motion passed 7:1.

Article 3 – Special Meeting if article 2 fails

Article 4 – Operating Budget

Article 5 – Expendable Trust Fund – raise and appropriate \$200,000 to be added to the Ellis School Building and Grounds Maintenance Fund – sum to come from the June 30, 2019 unassigned fund balance available for transfer July 1, 2019. No amount to be raised through additional taxation.

The focus is on only one fund, maintenance, for priority/safety purposes.

Gene Cordes made a motion to approve school warrant article 5 – Ellis School Building and Grounds Maintenance Fund (\$200,000) as presented. Pat Martel seconded the motion.....

Discussion followed, including:

- facilities study being done (no complete answers yet on what actual maintenance needs to be done when)
- importance of addressing the roof (focus on repair of flat roof first)
- portables/modular classrooms
- mechanical equipment
- intention to use fund balance or capital reserve? (if money is in the budget, will the district use budget or trust fund money?) Mr. Yokela clarified that if the fund balance is to be small, the Capital Reserve should be used but he was unsure if the reserve fund could be used if there is a fund balance. He felt that if there was a fund balance at the end of the year and the budget was tight, the District could try to get the roof done with the fund balance ASAP.
- starting in March 2019, there would be more information on where the fund balance could be
- issues with the school district budget being on a different cycle than the town (is a state-wide practice)
- money will be withdrawn from the building maintenance fund for the sprinkler project, making the total about \$80,000
- Ms. Anderson said that the District has budgeted for the roof for next year, so \$200,000 should be put in the fund if there are reserves, according to facility plan needs.
- tuition is short \$65,000 now; not anticipating fund balance at the end of the year – but it is too early to tell. GMR comes out on December 15th. Money from students not attending Sanborn was returned to the town; that money for Sanborn won't be used again.

The Committee decided to table the vote on School Warrant Article 5 until next week. Mr. Cordes withdrew his original motion.

NEXT MEETING: Wednesday, December 19, 2018 at 7PM, Town Hall

ADJOURNMENT

At 8:40 PM, Gene Cordes made a motion to adjourn. Jonathan Starr seconded the motion. Motion passed 8:0.

Respectfully submitted,

Susan Perry

Recording secretary