

Auburn Budget Committee Meeting  
January 14, 2016  
Auburn Town Hall

Members Present: Peter Miles, Bert Ouellette, Dan Carpenter, Mary Beth Lufkin, David Wesche, Paula Marzloff, James Headd and Alan Villeneuve

Others Present: Auburn School Board members Anita Gildea and Keith LeClair; Assistant Superintendent of Schools Margaret Polak, and Town Administrator Bill Herman

Meeting called to order at 7:00 pm

***Minutes of December 17, 2015 Meeting***

**Alan Villeneuve moved to accept the minutes of December 17, 2015 as printed, second by Dave Wesche. A vote was taken: Voting Yes – Bert, Dan, Mary Beth, Dave, Alan and Jim. Abstaining – Paula. The motion carried.**

***Study for Possible Withdrawal from SAU 15 Warrant Article***

*Shall the Auburn School District vote to support the formation of a planning committee pursuant to RSA 194-C:2 to study whether Auburn should withdraw from SAU #15; and further to raise and appropriate the sum of \$20,000 for this purpose?*

Alan Villeneuve explained the School Board is proposing this article to look at whether there are operational and cost advantages for Auburn to withdraw from School Administrative Unit #15 and perhaps join a different SAU or become a single school district SAU for just Auburn. He noted the School District's current costs for SAU #15 is approximately \$275,000 annually. He also noted the \$20,000 cost to study the issue was an estimate provided to the School Board by the Superintendent of Schools. Alan indicated the School Board felt it was a good business practice to look at this issue and the Board supports the proposal.

**Alan Villeneuve moved that the Budget Committee recommend the Study for the Possible Withdrawal from SAU 15 article funded at \$20,000. Seconded by David Wesche. A vote was taken; Yes – Alan, Bert, Mary Beth, David, Paula and Jim. No – Dan. The motion carried.**

## ***Sale of Property Warrant Article***

*Shall the Auburn School District authorize the Auburn School Board to sell, on such terms and conditions as the Auburn School Board determine are appropriate, land identified as Lot 10-19 located on Hooksett Road in Auburn, comprised of approximately 60 acres, and further to raise and appropriate up to the sum of \$2,000,000 from the proceeds of said sale to be added to the School Construction Expendable Trust Fund established in March 2002?*

Alan Villeneuve explained the School Board has determined that the proposed building project is a 50 year solution to school space needs and, as a result, the school district does not require the use of the Hooksett Road property. He noted it was purchased as part of a proposal to build a joint school with the Candia School District that was not approved by voters. The School Board recognizes the cost impact of the proposed building project and would like to lessen the impact to the extent possible, by funds received from the sale of this property, while at the same time return the property to the tax rolls.

Paula Marzloff indicated she could not be more opposed to a warrant article. She felt the proposal was short sighted and that when the effort was made several years ago to locate property, this was one of the few sizable parcels that had three-phase power already available. She also noted the property was zoned residential and, as such, the near 60-acre parcel would yield 25 or more building lots.

Alan Villeneuve reported the School Board had extensive engineering and review performed on the property and it was determined the most residential building lots possible would be 12 lots. He noted the parcel includes 17 to 18 acres of wetlands mainly in the back of the parcel, while the front is nearly all rock and ledge. He indicated it was not really an ideal location for a school due to the cost of development of the site itself. He again noted the current building project is a 30 to 50 year solution, and felt the School Board has done its due diligence in this area.

Bert Ouellette asked if the property could be re-zoned for commercial or industrial instead of residential, and was advised that it could, but it would take a vote of a future Town Meeting to change the zoning map.

Mary Beth Lufkin noted the two warrant articles – the sale of the Hooksett Road property and the bond proposal for the expansion of the Auburn Village School – seem to be tied together when they should be stand-alone articles. Alan Villeneuve noted they were stand-alone articles, but even if approved, the land sale article only authorized the Auburn School Board to sell the property. The final decisions would still be made by the School Board.

Dan Carpenter noted he would like to see the School District maximize the value of the Hooksett Road property by mining the rock and material from the property for its value,

which would then improve the overall value of the property as it would then be in condition for development purposes of some sort.

**Paula Marzloff moved that the Budget Committee not recommend the authorization to sell the Hooksett Road property and to place the proceeds in the School Construction Expendable Trust Fund. Seconded by David Wesche. A vote was taken; Yes – Dan, Bert, Mary Beth, David, Paula and Jim. No – Alan. The motion carried.**

### ***Operating Budget Warrant Article***

*Shall the Auburn School District raise and appropriate as an operating budget, not including appropriations by special warrant articles and other appropriations voted separately, the amounts set forth on the budget posted with the warrant or as amended by vote of the first session, for the purposes set forth therein, totaling \$12,792,648? Should this article be defeated, the default budget shall be \$12,652,300, which is the same as last year, with certain adjustments required by previous action of the Auburn School District or by law; or the governing body may hold one special meeting, in accordance with RSA 40:13, X and XVI, to take up the issue of a revised operating budget only.*

Alan Villeneuve reported the \$12,792,648 operating budget is the budget that the Budget Committee had already approved when they worked through the proposed school district budget last month.

**Paula Marzloff moved that the Budget Committee recommend the operating budget article funded at \$12,792,648. Seconded by Dan Carpenter. A vote was taken; all were in favor, the motion carried unanimously.**

### ***Collective Bargaining Agreement Warrant Article***

*Shall the Auburn School District vote to approve the cost items included in the collective bargaining agreement reached between the Auburn School Board and the Auburn Education Association, which calls for the following increase in salaries and benefits at the current staffing levels over the amount paid in the prior fiscal year:*

<u>Year</u>	<u>Estimated Increase</u>
2016-2017	\$85,930

*and further to raise and appropriate the sum of \$85,930 for the current fiscal year, such sum representing the additional costs attributable to the increase in salaries and benefits required by the new agreement over those that would be paid at current staffing levels?*

Alan Villeneuve reported the School Board negotiated a one-year contract with the idea that potentially health insurance benefits would need to be addressed a year from now due to changing federal standards and regulations. Not knowing what those standards may be, neither the School Board nor the Auburn Education Association wanted to negotiate for more than one year.

Mary Beth Lufkin asked if language in the warrant article should be corrected as it reads this wage increase is for the current fiscal year versus for FY 2016-2017. Alan Villeneuve agreed that appears to be what the article says, but that this appropriation was definitely for FY 2016-2017 and not this year. Assistant Superintendent of Schools Polak indicated they would re-check the article with legal counsel to ensure it is worded correctly.

**Alan Villeneuve moved that the Budget Committee recommend the Collective Bargaining Agreement article funded at \$85,930. Seconded by Bert Ouellette. A vote was taken; all were in favor, the motion carried unanimously.**

### ***School Renovation/Addition Building Project / Bond Issue Warrant Article***

*Shall the Auburn School District vote to raise and appropriate the sum of \$23,150,321 for the addition/renovation to the Auburn Village School, and authorize the issuance of not more than \$23,150,321 of bonds or notes in accordance with the provisions of the Municipal Finance Act, (RSA 33:1, et. Seq., as amended); to authorize the Auburn School Board to apply for, obtain and accept federal, state or other aid, if any, which may be available for said project and to comply with all law applicable to said project; to authorize the Auburn School Board to issue, negotiate, sell and deliver such bonds or notes and to determine the rate of interest thereon and the maturity and other terms thereof; and to authorize the Auburn School Board to take any other action or to pass any other vote relative thereto; and further to raise and appropriate an additional sum of \$578,758 for the first year's interest payment on the bond? (3/5 ballot vote required)*

Alan Villeneuve provided the Budget Committee with a two-page fact sheet on the proposed addition and renovation project, which included a tax impact outline for properties assessed at a range from \$200,000 to \$500,000. He indicated he knew a number of the Budget Committee members had attended the open house and informational session held at the Auburn Village School several weeks ago, while two were at the bond hearing held earlier this evening. He would prefer to answer any questions Committee members may have as opposed to going through any lengthy presentation.

Peter Miles thanked Alan and the members of the School Board for their hard work in this area. He noted this is something that has been looked at a number of times in a number of ways for years. He had the chance to attend the Open House session several weeks ago and has come to the conclusion that this was the right project at the right time. He indicated his support for the proposal.

Dan Carpenter felt it was late in the process for the detailed information on a \$23 million expense. He wished the Committee members could have had the information two months prior. Alan Villeneuve indicated he understood the sentiments, but noted the School Board has been trying to get the information out almost as soon as it was available to the School Board. He noted the School Board had met with the Board of Selectmen approximately a month ago, within a couple of hours after receiving the initial cost estimates for the project – and they shared that information then. Anita Gildea also noted the School Board has worked hard to bring the number down to a bare minimum, but be able to retain the greatest flexibility for the space at the school property.

Bert Ouellette questioning the timing of phasing and the maintaining of classes during the construction project. Alan Villeneuve reviewed the three phases of construction that should begin June 2016 if the bond is approved and is expected to take a total of 24+ months if it is approved by the voters. He noted the timing and maintaining of classes requires the longer construction schedule.

**Mary Beth Lufkin moved that the Budget Committee recommend the proposed bond issue for the addition/renovation to the Auburn Village School and to raise & appropriate \$578,758 for the first year's interest payment. Seconded by Alan Villeneuve. A vote was taken; all were in favor, the motion carried unanimously.**

### ***Public Hearing***

The Chairman noted that has concluded the business portion of the Committee's meeting, and it being 7:30 PM, he convened the public hearing on the proposed Town and School District budgets and warrant articles.

### ***Town Meeting Warrant***

### ***Collective Bargaining Agreement Warrant Article***

*To see if the Town will vote to approve the cost items related to the first year of a three-year collective bargaining agreement which resulted from negotiations between the Auburn Board of Selectmen, the Auburn Police Commission and the Auburn Police Union, Local 216 and which represents an estimated increase of \$12,418 over FY 2015 salaries, fringe benefits and other cost items at the current staffing level for the ensuing year; and further to raise and appropriate the sum of Twelve thousand four hundred eighteen dollars (\$12,418), to fund those cost items for FY 2016. Costs items for FY 2017 and FY 2018 will be presented to the voters for their approval in March 2017 and March 2018 in accordance with the terms of the collective bargaining agreement. (Recommended by the Board of Selectmen) (Recommended by the Budget Committee)*

Alan Villeneuve questioned how the funding would be raised for the three year agreement as the proposed warrant article only raised the funds for the first year. Bill Herman noted the agreement itself notes that funding would be raised year-to-year by a special warrant article. He noted for years two and three, the contract calls for step increases and a Cost of Living Adjustment (COLA) only if one is provided to all Town employees.

### ***Mosquito Control Warrant Article***

*To see if the Town will vote to raise and appropriate the sum of Thirty-four thousand six hundred and seventy-five dollars (\$34,675) to implement a mosquito control program to include the integration of various methods of reducing mosquito vector species of West Nile Virus and Eastern Equine Encephalitis.*

***(Recommended by the Board of Selectmen) (Not Recommended by the Budget Committee)***

There was no public comment or question on this article.

### ***Town Buildings Rehabilitation Capital Reserve Fund Warrant Article***

*To see if the Town will vote to raise and appropriate the sum of Thirty-thousand dollars (\$30,000) to be placed into the Town Buildings Rehabilitation Capital Reserve Fund previously established. This sum to come from the unreserved fund balance (surplus) as of December 31, 2015 with no additional amount to be raised by taxation in 2016.*

***(Recommended by the Board of Selectmen) (Recommended by the Budget Committee)***

Alan Villeneuve asked if there was a general goal for this fund, and Jim Headd indicated the goal was to maintain approximately a \$100,000 balance. Keith LeClair asked what the current balance was and Bill Herman indicated it was approximately \$65,000.

### ***Cemetery Expendable Trust Fund Warrant Article***

*To see if the Town will vote to establish a Cemetery Maintenance Expendable Trust Fund pursuant to the provisions of RSA 31:19-a, for the maintenance and upkeep of town cemeteries; to raise and appropriate \$4,000.00 to put in the fund, with this amount to come from the unexpended fund balance as of December 31, 2015; and to designate the Board of Selectmen as agents to expend from this fund.*

***(Recommended by the Board of Selectmen) (Recommended by the Budget Committee)***

Alan Villeneuve did not have an issue with this concept and proposal, but noted it was one more fund to be managed and accounted for. He wondered if it was possible to incorporate this into the Town Building Fund or another existing fund. Jim Headd noted that had not at all been discussed, and could be looked at. But it was too late to change this proposal for this year.

### ***Accrued Benefits Expendable Trust Fund***

*To see if the Town will vote to establish an Accrued Benefits Expendable Trust Fund pursuant to the provisions of RSA 31:19-a, for the Town's liability for payment of accrued benefits; to raise and appropriate the sum of Fifty thousand dollars (\$50,000) to put in the fund, with this amount to come from the unreserved fund balance (surplus) as of December 31, 2015 with no additional amount to be raised by taxation in 2016; and to designate the Board of Selectmen as agents to expend from this fund.*

***(Recommended by the Board of Selectmen) (Recommended by the Budget Committee)***

A question from the public was had this previously been funded from the operating budget? Bill Herman reported that in general terms, it had not been specifically funded, but if someone left the Town's employ it was paid from the Town's operating budget. He noted this was initially cited in the Town's audit reports as an unfunded liability. The general idea is to establish the fund to cover a significant amount of the unfunded liability and to have the funds available when needed so as to not affect potential operational budgets of any department. He indicated there was presently about \$85,000 in accrued benefits the Town is obligated to pay out based on current personnel. But, not all employees would leave all at once, so the \$50,000 amount was a good fund balance to try and maintain.

### ***Operating Budget***

*To see if the Town will vote to raise and appropriate as an operating budget, not including appropriations by special warrant articles and other appropriations voted separately, the amounts set forth on the budget posted with the warrant or as amended by vote of the first session, for the purposes set forth therein, totaling \$5,169,138? Should this article be defeated, the default budget shall be \$5,087,445, which is the same as last year with certain adjustments required by previous action of the Town of Auburn or by law; or the governing body may hold one special meeting in accordance with RSA 40:13, X and XVI, to take up the issue of a revised operating budget only. NOTE: This operating budget warrant article does not include appropriations contained in any other warrant article.*

***(Recommended by the Board of Selectmen) (Recommended by the Budget Committee)***

There was no public comment or question on this article.

### ***School District Warrant***

The Chairman read each of the five warrant articles on the School District Warrant concerning money which had all been the subject of the early part of the Committee's meeting. These articles included:

Article #2: School Building Project / Bond - \$23,150,321

Article #3: Collective Bargaining Agreement - \$85,930

Article #4: Operating Budget -- \$12,792,648

Article #5: Sale of Hooksett Road Property

Article #6: SAU Withdrawal Study - \$20,000

The SAU Withdrawal Study was the only article which generated questions from the public. Alan Villeneuve indicated the article would have the Auburn School District look at the services it is getting from its current SAU and take a look at other potential options to see if it do better financially or in services provided. The process for this activity is defined by state statute, and any recommendation for a possible change would be subject of a future warrant article to be decided on by the voters. The article itself only authorized a fact finding effort.

### ***Adjourn***

**Jim Headd moved to adjourn the meeting at 8:00 PM. Seconded by David Wesche. A vote was taken; all were in agreement, the motion carried unanimously.**

**The meeting adjourned at 8:00 PM.**