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**TOWN OF DEERFIELD, NH**  
**MUNICIPAL BUDGET COMMITTEE PUBLIC HEARING**  
**George B. White Building**  
**8 Raymond Road, Deerfield, NH 03037**  
**January 8, 2019**  
**MINUTES**

**Call to Order:**

7:00 pm – Chair called the meeting to order

**Pledge of Allegiance to the Flag:**

Chairwoman Hotaling asks all to rise and pledge allegiance to the Flag

**Roll Call:** Andrea Hotaling, Chair, Members Phil Bilodeau, Zach Langlois, School Board Representative, Bonnie Beaubien, Herman Pretorius, John Dubiansky, David Carbone and Andrew Robertson, Select Board Representative.

Excused Absence: Jo Anne Bradbury

Unexcused Absence: Alden Dill (came in during discussion of Article 5)

Chairwoman Hotaling stated that the purpose for tonight's public hearing was to present the town and school warrant articles and default budgets.

**Citizen's Comments:**

None heard at this time

**Presentation of Town Budget, Warrant Articles and Default Budget**

It was stated that copies of the Town Budget were at the back of the room.

Chairwoman Hotaling asked everyone to look at the final page of the budget.

She pointed out that currently, the MBC recommended budget is \$4,220,967.00 which was an increase over last year's budget at \$3,910,923.00.

Total increase in the recommended budget is \$310,044.00 which is a 7.93 percent increase over the default budget from last year.

H. Pretorius questioned the percentage increase and it was explained by the chairwoman that it was from changes from the MBC final recommended budget figure.

Substantial increases were to do with three of the government buildings, shown on pages 20-22. It was due to the fact that since the town was on a default budget, necessary maintenance was not done and therefore budgeted in this year's budget.

Items which were reflected in the increase

An increase of \$92,000.00 for the GBW Building for maintenance items.

Police Line was a \$70,000.00 which is reflecting that the police department is now fully staffed and the default budget was based on staffing at that time.

1 The library also showed a fairly large increase (page 71) – it reflects the fact that the library now has two, fulltime  
2 people instead of 1 full-time person and two, part-time people, so the better staff the library. There also was a  
3 \$17,000.00 cost that is related to safety upgrades to the library per the safety inspection to bring it up to code.  
4

5 Chairwoman Hotaling stated that it is significantly up over the 2017 actual presented budget. (see last page of  
6 packet -3,728,234.00). If looking at that budget, it would be a 13.2 percent increase.  
7

8 The fire department line has also increased and added to the default budget was the part-time line and it was  
9 increased for this year also.  
10

11 The MBC did put \$1.00 into a line for the fire department full-time line from the part-time line, (Page 37) which  
12 would allow full time personnel to be hired potentially.  
13

14 A. Robertson stated that in regard to her comment regarding the fire department, the Board of Selectmen have  
15 not appropriated or recommended appropriating any funds for full-time officers.  
16

17 Chairwoman Hotaling asked since she saw a posting for part-time help for the fire department, if the town had lost  
18 their part-time help.  
19

20 A. Robertson stated that no, they have only lost one person but fund a certain number of hours but would prefer  
21 to have a pool of part-time officers, preferably four to six.  
22

23 J. Dubiansky stated that previously, they had a number of people that could commit to a part-time schedule but  
24 one got a job in SC and the others left in the pool other than one person, only are able to work here and there.  
25

26 Chairwoman Hotaling added that they had received the report on Revenues Actual for 2018 tonight which is minus  
27 property taxes - \$1,870,000.00. She continued that the select board is basing their last year's actual revenues of  
28 \$1,694,000.00. The MBC has not discussed the revenue piece of the budget.  
29

### 30 **Kevin Verville – McCarron Road**

31  
32 He stated that he likes to throw out that the Department of Labor Statistics currently has the inflation rate  
33 fluctuating between 2.0 and 2.5 percent for the Northeast region as well as the Bank of Minneapolis which does  
34 the CPI which is at 2.2 percent for 2018.  
35

36 He also asked if there were any motions to increase the hot top, grinding line on Page 49, second from the bottom.  
37

38 Chairwoman Hotaling stated that there was not a motion made but there was extensive discussion with the road  
39 agent and based on his staff, he didn't have the ability to spend that amount of money to which J. Spillane added  
40 that this was the case.  
41

42 K. Verville stated that he has been advocating increasing the line by \$100,000.00 for many years and if they had  
43 been doing this for that amount of years, he stated that he thought that they would be caught up or close to being  
44 caught up with Deerfield roads.  
45

46 He also asked that a member make a motion to add this amount of money to the budget in order to start making  
47 the roads of Deerfield a top priority in their repair and maintenance.  
48

### 49 **Warrant Articles:**

50  
51 **Article 1** is for the operating budget in the amount that was already discussed. A copy of the default budget was  
52 also available and the only change from last year's default budget is an amount required by law for Worker's  
53 Compensation. No other increases were not included. The default budget amount is \$3,918,588.00.

1  
2 **Article 2** is a warrant that has been on the ballot for several years in the amount of \$300,000.00 for handicapped  
3 access to the second floor of the town hall.  
4

5 **Article 3** is one that hasn't been voted on by the committee as the amount was not available. The select board has  
6 recommended it to establish a police department building expendable trust fund for the purpose of doing  
7 engineering and architectural plans for a new police department building. It would be to raise and appropriate up  
8 to \$50,000.00.  
9

10 A. Robertson stated that this comes from the Police Department Building Committee to have something created by  
11 the civil engineer and architect to show to the people of Deerfield over the next year.  
12

#### 13 **H. Cady – Old Centre Road**

14  
15 She stated that she was talking with someone from another town and was told that the town of New Hampton  
16 built a complete safety complex for \$1.2 million because one of the fire fighters could do the design work and  
17 wondered if this had been checked into at all.  
18

19 A. Robertson stated that being a member of the Police Department Building committee and the Board of  
20 Selectmen, that no one has spoken with anyone from the New Hampton Fire Department in this regard but could  
21 certainly take it under advisement.  
22

23 H. Cady stated that it should be something that they look into instead of paying for all the plans again as she  
24 thought that this would be the fourth time doing so.  
25

#### 26 **K. Verville – McCarron Road**

27  
28 K. Verville asked if the focus would be to locate just a police station on the property and deal with fire and rescue  
29 separately on this location or to deal with fire and rescue at another location.  
30

31 A. Robertson stated that there was considerable conversation with the civil engineer to locate the building so that  
32 they were not isolated or limited and that the potential would be there to do that. They would not limit any  
33 building so that it couldn't be added onto either by the police department or other emergency services such as  
34 rescue and fire.  
35

36 **Article 4** which is to add \$50,000.00 to the Previously Established Fire Apparatus and Equipment Capital Reserve  
37 Fund. The fund is used to prefund the purchase of the next large piece of fire apparatus.  
38

39 **Article 5** - Cost of Living Raises for town employees in the amount totaling \$37,132.00 which works out to two  
40 percent.  
41

42 A. Robertson stated that the Board of Selectmen looked at the same statistics as Mr. Verville as well as some of the  
43 other contracts of unionized municipal employees and decided to go with the two percent. It was also decided to  
44 put that in as a warrant article to give people some say in raises for municipal employees.  
45

46 (At this time, Alden Dill came into the meeting)  
47

48 **Article 6** was to establish a Fire Emergency Water Supply Expendable Trust Fund for the purpose of the  
49 maintenance and repair of existing water holes and cisterns in the amount of \$32,000.00. This would be taken  
50 from existing surplus.  
51

52 **Article 7** to add \$25,000.00 to the Municipal Buildings Expendable Trust Funds to come from unassigned fund  
53 balances.

1 **Article 8** is a new article that the Municipal Budget Committee has not yet voted on for recommendation.  
2 Chairwoman Hotaling stated that they would be doing it tonight after the public hearing.  
3  
4 She stated that it was a three-year lease agreement for the amount of \$61,090.86 for the purpose of leasing a  
5 2019 Chevrolet Tahoe for the fire department and rescue command vehicle. They would like to raise and  
6 appropriate the sum of \$20,363.62 for the first year, second and third year.  
7  
8 A. Robertson stated that the pricing is the state bid price and also has a walk away clause in in so that if in years  
9 two or three, the town wanted to walk away from it, they could without recourse. There is a buyout at the end of  
10 the lease after year three.  
11  
12 He continued that the current vehicle is 16 years old and repairs to this vehicle are getting bigger each year.  
13  
14 It was asked by many what the actual total price would be as it seemed that the buyout is pricey.  
15  
16 **K. Verville** asked what the repair costs have been on the vehicle and he would encourage the select board as well  
17 as fire and rescue to make sure that they have those figures readily available for the townspeople as well as  
18 parking the current vehicle outside the polling place for people to look at.  
19  
20 D. Carbone asked if the current vehicle was purchased in the same manner and A. Robertson thought yes and J.  
21 Dubiansky that he thought it was an outright purchase.  
22  
23 A. Robertson stated that he thought after the fire chief reviewed both buy and lease, that the lease option would  
24 be a better deal and that the lease also allows for unlimited mileage.  
25  
26 Z. Langlois stated that after reviewing the leasing document that A. Robertson gave him, he thought that it was a  
27 full payout at the end of three years but that without it being filled out in its entirety, he couldn't state that with  
28 certainty.  
29  
30 P. Bilodeau asked if there were further costs to outfit the vehicle with emergency equipment which J. Spillane  
31 stated that in years past, they staying with Tahoe because they could move the equipment from one to the other.  
32  
33 J. Dubiansky stated that he didn't know exactly what the chief was going to transfer or replace but that the most  
34 expensive item is usually the radio which should be able to be transferred.  
35  
36 **H. Cady** stated that she was really against buying a Tahoe and she stated that she sees Blazers, more and more.  
37 It's the biggest gas guzzler but that that even worst than that, she hasn't heard where the fire chief has brought  
38 other manufacturers of vehicles to the Board of Selectmen to discuss.  
39  
40 **K. Verville** stated that in the past, the town has supported both fire and rescue very well and would it not be in the  
41 town's interest just to buy the vehicle outright instead of spreading the cost over three years. It wasn't that big of  
42 a ticket item and he thought that it would pass easily at the ballot box.  
43  
44 J. Spillane stated that the way that the warrant article is written it, the new law allows years two and three to  
45 become part of the default budget for the next two years so the ability not to make the lease payments is greatly  
46 diminished.  
47  
48 **K. Verville** stated that he didn't know about the new law and that was good news but they would still save the  
49 finance costs if it were bought out right. It seemed to him that it wasn't a big-ticket item and to buy it outright  
50 would make it so they wouldn't have to worry about complicated leases and finance rates.  
51  
52 H. Pretorius thought that maintenance costs were included within the lease but Z. Langlois stated that they are  
53 not.

1  
2 A. Robertson stated that with the new police vehicles it usually was but didn't know about this.  
3  
4 Z. Langlois added that normally maintenance is an additional line negotiated and is a cost item that is included in  
5 the cost of the vehicle.  
6  
7 J. Spillane stated that he thought that the maintenance that was included with the police vehicles was normal  
8 maintenance items such as oil changes, not engine work, tires and the such.  
9  
10 **Article 9** is to add \$20,000.00 to the Fire Department Vehicle and Equipment Expendable Trust Fund to come from  
11 unassigned fund balances. The chairwoman added that this is the fund that they use to for repairs that are  
12 necessary.  
13  
14 **Article 10** is to add \$10,000.00 to the Rescue Vehicle Capital Reserve Fund to come from taxation.  
15  
16 **Article 11** \$8,000.00 for the Northwood Lake Association to control the milfoil in Northwood Lake.  
17  
18 **Article 12** \$2,500.00 for the Pleasant Lake Preservation Association to for payment of trained boat inspection  
19 attendants  
20  
21 **Article 13** Not a budgetary item but is an article regarding Keno  
22  
23 A. Robertson stated that a scheduled public hearing would be scheduled in the near future.  
24  
25 Chairwoman Hotaling stated that different between last year's and this year's default but is the Worker's  
26 Compensation line of \$7,665.00 which changes this year's default budget to \$3,918,588.00.  
27  
28 **School Budget and Warrant Articles:**  
29  
30 **Operating Budget changes.**  
31  
32 Z. Langlois stated this year's proposed budget is \$13,531,421.00 which is an increase of \$35,574.00 or .26 percent.  
33 The adjustments to the budget reflect increased enrollment, program adjustments and specific student  
34 requirements.  
35  
36 Some of the larger items are as follows.  
37  
38 Line 13 reflects two retirements  
39  
40 Line 32 is the high school expenditures determined by the pre-existing contract with Concord High School which  
41 was raised from \$12,029.00 to \$12,646.87.  
42  
43 Capital fee increased from \$483.00 to \$496.00 per student.  
44  
45 Lines 52 – 88 Increase in teaching supplies due to reading program and software upgrades  
46  
47 Line 93 – 108 – Instructional equipment increased slightly due to the request of a fireproof cabinet  
48  
49 Line 111 – 137 – Special Education due to student specific services  
50  
51 There was a reduction of paraprofessional staff from 32 to 29  
52

1 Lines 154 – 165 – Co-curricular increases for enrichment programs, athletic programs, athletic director and coach  
2 stipends and well as theater performances, umpire fees, dues and fees increased for other athletic events.  
3  
4 Line 212 – Reduction due to a retirement  
5  
6 Line 262 – the assessment rate for Deerfield is 21 percent, last year it was 20.4 percent.  
7  
8 Lines 268 – 298 – school administrative services were increased due to contractual items  
9  
10 Line 330 – reduction in contracted services due to non, reoccurring expenditures  
11  
12 Lines 335 – 347 – reduction in transportation – includes 7 buses.  
13  
14 Lines 352 – 370 – increase in fringe benefits  
15  
16 Line 383 – food service costs and program shortage  
17  
18 Chairwoman Hotaling pointed out from 2017/2018 actual to the 2018/2019 default budget after taking out  
19 required items, there was a 5.3 percent increase.  
20  
21 Should the warrant article for the teacher’s contract were to be approved, the budget would be \$13,705,299.00  
22 which would be a 2.7 percent increase which seems to fall within a cost of living inflation rate.  
23

24 **Kevin Verville – McCarron Road**

25  
26 Page 19, the co-curricular budget, Mr. Verville asked if it were correct to state that the items that he was pointing  
27 out, that the majority of it was direct, student services?  
28  
29 Z. Langlois stated that it was for general supplies used for students across the building but deferred to the business  
30 administrator to which she agreed that it was.  
31  
32 K. Verville asked if the lines that he pointed out, fully funded?  
33  
34 Z. Langlois stated that they are operating under the recommendations from the administration and it the same  
35 amount being brought forth to the community.  
36  
37 Line 262 which is the SAU portion which he stated was a 6 percent increase and it growing at an unsustainable rate  
38 and if it can be kept under control, it would free up money for direct student services.  
39

40 **Harriet Cady – Old Centre Road**

41  
42 Nottingham School budget is \$13,104,435.00 for 511 elementary and 211 high school students and they pay over  
43 \$16,000.00 per high school student to go to Dover.  
44  
45 She continued that Nottingham has more high school students, pay more to send them to high school but has a  
46 smaller budget.  
47  
48 She also stated that she has checked into the preschool, which is not a required class. She stated that Z. Langlois  
49 stated there were 48 students, others say 50.  
50  
51 She stated that she talked with a Ms. Moody and Deerfield got \$1,781.00 for the preschool student.  
52

1 She stated that since the school is in modular and they are currently looking at space, that they could eliminate the  
2 preschool classrooms.  
3  
4 Z. Langlois stated that they use one classroom for the preschool but didn't have numbers. Thirteen of the students  
5 in the preschool have been identified as needing special services.  
6  
7 He continued that the school board feels that having the preschool at DCS is the best course of action for the town.  
8  
9 Ms. Cady stated that if an IEP has services that can be done at home, then they should be done at home. Z.  
10 Langlois directed that question to the special education staff.  
11  
12 Chairwoman Hotaling stated that she would like to make some comments regarding the default budget. Basically,  
13 she stated that she felt that the default budget hasn't been prepared according to the new changes to the law.  
14  
15 She got an answer from the school board and SAU that after consulting with their attorneys, that the default  
16 budget is correct as presented.  
17  
18 Her response from the NH Municipal Association was that her interpretation was seem like the correct scenario.  
19  
20 Kevin Verville asked if she thought that the default budget was over or understated, and if so, by how much?  
21  
22 Chairwoman Hotaling stated that she couldn't as there are items going in both directions. One example would be  
23 the Concord High School Contract. Since it was changed in 2014, the legislative body never voted on the new  
24 contract. With that stated, she didn't know if the number should be higher or lower.  
25  
26 Mr. Verville asked if the school board got their opinion in writing to which Chairwoman Hotaling stated that she  
27 was just told that their attorney was confident that how their default budget was presented, was fine.  
28  
29 J. Dubiansky stated that the NH Municipal Association did not put their opinion in writing either.  
30  
31 **(The comment from the school representative in the audience was not audible as she didn't come up to the**  
32 **microphone.)**  
33  
34 J. Spillane stated that he had issue with the fact that the answer was attorney-client privilege since the town is the  
35 one paying for the attorney that's being retained, that provides opinions to the school. They have a right as  
36 citizens and taxpayers to have access to that opinion.  
37  
38 Z. Langlois stated that the default budget was crafted by using the voted 2018/2019 budget, reduce the line items  
39 by non-reoccurring expenditures as to only capture expenditures that were previously voted on and mandated by  
40 law and/or previously established contracts that were voted on by the governing body.  
41  
42 Vacant positions were not included no were any expenditures that were not longer required were eliminated so to  
43 reflect what the school needed to conduct their educational programs.  
44  
45 Chairwoman Hotaling brought up several items that she felt were not in accordance with the new law as was  
46 interpreted by the NHMA and herself.  
47  
48 Ms. Cady asked why anyone hadn't contacted the DRA to which Chairwoman Hotaling stated that she did and they  
49 basically stated that the default budget was up to the governing budget and if they didn't like what was produced,  
50 someone could sue the school board which is what happened in Kirk vs Town of Weare.  
51  
52 J. Spillane stated he was also going to mention Kirk vs Town of Weare stating that it was a precedent set by that.  
53

1 **K. Verville** stated that the Kirk vs Town of Weare proved that a taxpayer could bring suit.

2  
3 **Warrant Articles:**

4  
5 **Article 1:** Operating budget of \$13,531,421.00. If defeated, the default budget is \$13,408,776.00. The MBC voted  
6 on this article and it was an 8-1-0 vote to recommend.

7  
8 **Article 2:** Collective Bargaining Agreement

9  
10 2019/2020 - \$173,878.00

11 2020/2021 - \$173,723.00

12 2021/2022 - \$157,387.00

13 2022/2023 - \$138,683.00

14  
15 MBC voted 8-1-0 to recommend

16  
17 Chairwoman Hotaling stated that the reason that she did not vote for this is the fact that there were new  
18 schedules for salaries for each year which at the starting salary levels is an increase of approximately 4 percent a  
19 year.

20  
21 She stated that she went through and by the time that each step was given for a person with a B.A., that person  
22 after going through the four years of the contract, would have gotten a 36.2 percent raise.

23  
24 For a person with a Master's Degree, it was a 39.0 percent raise over four years.

25  
26 She continued that considering the private sector is only giving 3 percent raises and others only 2.0 to 2.5 percent  
27 raises, she didn't feel comfortable in voting for this schedule.

28  
29 **Kevin Verville** asked if there were any other changes to the contract besides the salary raises.

30  
31 Z. Langlois stated that there is a lengthening of the school day which equates to approximately 60 additional hours  
32 which will allow them to have five additional educational days throughout the course of the year.

33  
34 He asked how long the school day would be lengthened by to which it was answered 20 minutes and didn't have at  
35 this time, which end of the school day it would be applied.

36  
37 Basically, what it amounts to is that there are five additional days for snow days before having to lengthen the  
38 school year to make up those days.

39  
40 K. Verville asked for an explanation of the extra snow day time which it was answered by Z. Langlois is that if the  
41 snow days were not used, they would be used for student instruction.

42  
43 Z. Langlois also stated that there were changes to the insurances.

44  
45 **K. Verville** asked what the changes to insurance were to which it was that the percentages went down for the  
46 school district as to the percentage that the school would pay.

47  
48 **(The representative from the school in the audience wasn't very well heard as she didn't come to the  
49 microphone)**

50  
51 **(More conversation from the audience, not at the microphone, don't know who was talking or what they were  
52 talking about)**

1 **Article 3** is if Article 2 fails that they can call a special meeting to address the Article 2 cost items.  
2

3 **Article 4** is to add \$7,500.00 to the Facility Repair Fund previously established to come from the June 30<sup>th</sup>, 2019  
4 fund balance available for transfer on July 1, 2019.  
5

6 **Article 5** is to establish an Equipment and Installation Expendable Trust Fund under the provisions of RSA 198:20-c  
7 up to \$25,000.00 and to designate the school board as agents to the fund to come from the June 30<sup>th</sup>, 2019 fund  
8 balance available for transfer on July 1, 2019.  
9

10 **Citizen's Comments:**  
11

12 **Ms. Cady** asked the MBC if they looked over the budget and see where they were over budget year after year?  
13

14 Chairwoman Hotaling stated that they had not specifically looked. She looked at it this year and find it reasonable  
15 based on what information they have.  
16

17 Ms. Cady stated that special education can over expend their line and it can be made up in the next tax cycle.  
18

19 She continued, in regards to the Neil Kirk case, pay raises are being given even though they haven't been voted on.  
20 If the budget doesn't pass in March, the town can find the money in other lines but if they are over budgeting to  
21 begin with, then she feels that it is deceptive budgeting.  
22

23 **Dan Holdridge – South Road**  
24

25 He just wanted to thank each person on the board for all their hard work in doing what they are doing and it is  
26 sincerely appreciated.  
27

28 **Adjourn:**  
29

30 **Motion:** A. Robertson moves to adjourn the pubic hearing at 8:34 p.m.

31 **Second:** Z. Langlois

32 **Discussion:**

33 **Vote: Yea 8, Nay 0, Abstained 0 – Motion Carries**  
34

35 *The Minutes were transcribed and respectfully submitted by Dianne L. Kimball, Recording Secretary*  
36 *Pending approval by the Municipal Budget Committee*  
37  
38