



TOWN OF BOW

Budget Committee

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Bow Budget Committee Town Budget Unapproved Minutes January 16, 2019

John Heise, Chair	P	Melissa Radomski	P
Mark Zerba, Vice Chair	P	Dominic Lucente	P
Bob Arnold, Secretary	P	Benjamin Kiniry	P
Christopher Nicolopoulos (Selectman Rep.)	P	Kathy Garfield (School Brd. Rep)	P
Harry Judd, (Alt. Selectman Rep.)	A	Jennifer Strong-Rain (Alt. School Brd. Rep.)	A
Geoff Ruggles, Finance Director	P	David Stack Town Manager	P

* P = present; A = Absent

I. Call to Order

Chair Heise called the meeting to order at 5:30 PM. He welcomed Library Director Lori Fisher and members of the Board of Trustees to the meeting. Chair Heise stated the order of business would be to hear the budget presentation from the Baker Free Library; finish up miscellaneous items on the Town Budget and have a short discussion on the School District Budget.

II. Review of the Baker Free Library Budget

Director Fisher introduced the members of the Board of Trustees present at the meeting: Christine Carey, Chair; Mark Van De Water, Jennifer Warburton and Benette Pizzimenti. Director Fisher reviewed the December 2018 Statistical Summary. The 2018 circulation is 2% lower than 2017. The changes can be seen under the Specific Physical Collection Changes section. The Library is in the middle of a transition in format from the physical formats of CD and DVD to digital and streaming downloads. The Library started using *Hoopla* in 2017 while also starting their passport service. At this point, the revenue from the passport service pays for *Hoopla* entirely and none of the expense for *Hoopla* is in the general budget for this year. Usage has increased in computer use, program attendance and meeting room use (up 18% over 2017.) The CD line has been zeroed out of the budget and the CD/Audio Book line has been reduced.

Director Fisher then reviewed budget line items for the Committee. The biggest change in **Wages and Benefits** is in medical benefits. There was an increase in the cost of medical benefits and a newly hired person took family benefits, which make up the increase that section. **Operating:** The sewer rates went up as did building maintenance. The building maintenance increase is in carpet cleaning on the main floor. The carpets are older and increased maintenance should help them last longer. **Grounds Maintenance:** Snow removal was increased. **Equipment Repair:** Director Fisher noted that one of the descriptions under this section was incorrect. They are purchasing four self-service computers instead of two. The increase in this section is due to the purchase of those computers as well as the renewal of their “.net” and “.com” domains and license renewal for *Smart Shield*. **Collection Development:** This line item has been reduced by \$4,000 due in part to the decrease in adult audio usage. **Supplies:** The costs for book processing materials, covers and labels have gone up so the budget was increased by \$500.

Warrant Articles: Last year's warrant article to replace all four of the air conditioning and air handling units at the same time failed at Town Meeting. The Capital Improvement (CIP) Committee asked the library to put aside \$15,000 a year for the next four years in the Building Maintenance Capital Reserve Fund (CRF), with the understanding that individual units will be replaced during that time only if they fail. Ideally all four units will be replaced at once in fiscal year (FY) 2022/23. The Town is the agents-to-expend on that CRF. The CIP Committee was also agreeable to bringing the Library's Emergency Fund back up to \$25,000 (from \$16,000), giving them funds to work with, in the keeping the units running until they can all be replaced at the same time.

Baker Free Library RSA and Special Accounts: The Library has three bank accounts. The main account is the **General Operating Account** that receives the town taxpayer allocation for the Library's annual budget. Two other accounts were set up by authorization of specific NH RSAs. The **RSA Account** includes revenues received from income-generating: equipment, fines, fees, miscellaneous small donations etc. from services the Library provides. The **Special Expenditures Account** is for unanticipated revenues such as grants, bequests, insurance payments etc.

One member of the public asked about the purchase policy for the four replacement computers and whether the Library always used the same vendor. Further, if they did, when was the last time they looked at sourcing out the purchase to other vendors? Director Fisher stated they looked at other vendors about 3 years ago and that the Library has used four different vendors in ten years.

III. Approval of January 14, 2019 Minutes

Motion:

Selectman Nicolopoulos moved to approve the minutes of January 14, 2019. Motion was seconded by Dominic Lucente and carried by unanimous vote of the Committee.

IV. Town Budget Miscellaneous Items

Finance Director Ruggles handed out several documents for review. There was a discussion on the amount of utilization of the Town's Health Reimbursement Account (HRA) over the last three years. Kathy Garfield stated that her company went to a \$5,000/\$10,000 deductible, but as a way to incentivize their employees to use the cost effect facilities, the employee pays the first \$2,500 of the deductible and the company pays the second \$2,500. Electrical Usage at the Old Town Hall is showing a spike in FY 2018/19 likely due to the heat pump usage but there is a reduction in propane costs. Primex has approved a Premium Holiday Distribution for the Workers' Compensation Program in the amount of \$41,796.47 which will be applied to the town's bill.

Budget Public Hearing: The public hearings for the Town Budget and School Budget will be on the same day. The Committee set the date for the public hearing as February 12, 2019 with a snow date of February 13, 2019. It will be held at the Bow Middle School starting at 6:00 PM. The Town's public hearing will be first with the School District's immediately after. The Budget Committee will meet directly following the School District's public hearing in order to take a final vote.

Motion:

Selectman Nicolopoulos moved to approve the Town Budget as amended. The Motion was seconded by Mr. Lucente and carried by unanimous vote of the Committee.

Motion:

Selectman Nicolopoulos moved to approve the Town Warrant Articles as presented. The Motion was seconded by Bob Arnold and carried by unanimous vote of the Committee.

V. School Budget Discussion

There was some discussion on the School Warrant to close the Special Education Expendable Trust Fund which has very restrictive language regarding its use. Selectman Nicolopoulos felt it was important not to connect the discontinuance of the fund to any transfer of funds into the CRF for Bow Elementary School (BES) future renovations.

The Committee did some further analysis of the School Budget spreadsheet to try and determine where the majority of increases over the 2017/18 budget occurred, and came up with approximately \$300,000 - \$500,000 increase over last fiscal year.

A second member of the public asked about assembly fees and travel for teachers line items. He felt the money would be better spent on programs such as robotics. Another audience member commented on what he called egregious spending by the school district.

VI. Adjournment

There being no further comments, Chair Heise called for a motion to adjourn.

Motion:

Bob Arnold moved to adjourn the meeting at 8:00 PM. The motion was seconded by Dominic Lucente, and carried by unanimous vote of the Committee.

Respectfully submitted

Wendy Gilman, Recording Secretary