

Minutes of the Litchfield Budget Committee Meeting

Held on December 18, 2012

The Litchfield Budget Committee held a meeting on Tuesday, December 18, 2012 at Campbell High School, 1 Highlander Court, Litchfield, NH 03052.

PRESENT: J Harte (Chairman), R Peeples (Vice Chairman), B Spencer, A Cutter, C Pascucci, C Couture, D Barka (School Board Representative), G Lambert (Board of Selectmen Representative), J Brunelle (Selectman), J Hoch (Town Administrator), B Cochrane (Superintendent), S Martin (Business Administrator), D Mahoney (Director of Human Resources)

ABSENT:

Mr. Harte called the meeting to order at 7:00 p.m.

1. PLEDGE OF ALLEGIANCE

2. PUBLIC INPUT

There was no public input.

3. PRIOR MEETING MINUTE APPROVAL

MOTION: by Mr. Spencer

Move to approve the minutes of the Litchfield Budget Committee meeting on December 11, 2012 and December 13, 2012 as written

SECOND: Mr. Peeples

VOTE: 5-0-3, with Mr. Harte, Mr. Cutter, and Mr. Lambert abstaining

The motion carried.

4. TOWN BUSINESS

- Warrant Article Review

Mr. Brunelle and Mr. Hoch presented the 2013 draft Town warrant articles to the Budget Committee.

Article 1: relative to the establishment of a Building Systems Expendable Trust Fund of \$20,000 to be transferred from the unexpended fund balance of December 31, 2012.

Mr. Hoch explained that the purpose for the expendable trust is as a contingency fund. He noted that the Selectmen are asking to transfer \$20,000 from the unexpended fund balance to be set aside for a major expense or major expenses.

Mr. Pascucci asked if the money from the trust, once expended, is automatically replaced. Mr. Hoch indicated that the money is not automatically replaced once expended.

Mr. Lambert indicated that this would give the town an emergency fund.

Mr. Brunelle indicated that the language in the article is specific to costs associated with unanticipated system failures of key building systems. He noted that the net tax impact is \$0. Mr. Brunelle explained that the money will be used for costs associated with mechanical systems or infrastructure and not for smaller assets.

Mr. Hoch noted that if a key system fails, the Selectmen would decide whether or not to use the funds.

Mr. Harte asked if the main computer system that runs the Police and Fire departments would be considered a key system. Mr. Hoch indicated that the language is open enough for the Selectmen to be able to apply the definition of key systems.

Article 2: relative to the establishment of a Library Benefits Expendable Trust Fund of \$8,161 to be transferred from the 2013 unexpended fund balance of December 31, 2012.

Mr. Hoch explained that this fund can be used for payment of health and/or dental insurance premiums should an employee of the Library need to enroll unexpectedly during any given year. The net tax impact is \$0.

Article 3: relative to raising and appropriating the sum of \$10,000 for the replacement of the concrete at the entrance to the Town Hall/Police Station building and repairs to damaged siding on the entrance columns to the building.

Mr. Hoch explained that the sum represents a portion of the approximately \$28,000 that was returned to the general fund balance that was unexpended for the roof repair. This article will have a net tax impact of \$0.

Mr. Harte asked why this was not done with the funds prior to returning them to the fund balance. Mr. Hoch explained that the funds were approved by the voters for the repair of the roof only.

Mr. Cutter asked what will happen if the article fails. Mr. Hoch indicated that a less effective patch will be applied.

Article 4: relative to raising and appropriating the sum of \$12,500 for the development of engineering design plans for a sidewalk on Pinecrest Road to connect bike path on Albuquerque with the middle school so that a construction cost can be brought forward to the 2014 Annual Meeting.

Mr. Pascucci asked if the estimate cost for the construction of the sidewalk is \$250,000. Mr. Hoch indicated that was the estimate.

Mr. Pascucci commented that the voters need this information. Mr. Spencer agreed that this information should be included in the article. Mrs. Couture indicated that information is part of the explanation that is placed in the newspaper. She commented that adding more wording becomes confusing.

Mr. Pascucci and Mr. Spencer disagreed. Mr. Spencer commented that background information is needed when voters go to the polls. Mrs. Couture agreed that many people go to vote without a lot of background information. She indicated that people need to be educated before they go to the polls.

Mr. Spencer commented that they need to understand what they are voting for. Mrs. Couture agreed, but indicated that information should not be in the warrant article.

Mr. Pascucci commented that more words are helpful. Mr. Cutter suggested a simple statement such as 'the anticipated cost of the project is X'.

Article 5: relevant to raising \$25,000 for the implementation of a town wide data network and associated first year service costs to connect all departments to the Town Hall and consolidate all associated data services.

Mr. Brunelle explained that this is to connect all town buildings via fiber and tap into the service provider fiber running through the town. He noted that the first year service costs are included in the sum.

Mr. Pascucci asked about the average monthly costs. Mr. Brunelle indicated the monthly costs are approximately \$2,500.

Mr. Pascucci commented if the voters approve the article they are approving \$30,000 per year in associated service costs.

Mr. Spencer asked about the necessity of the town wide data network. Mr. Brunelle explained that we do not have a common infrastructure and there is much data leakage and loss. He noted that it is necessary to have the town hall as a home base for all data services.

Mr. Spencer asked about the fire station. Mr. Brunelle indicated that the phone system is inefficient and all the records are there. He commented that connecting the town at a quality level is not inexpensive. He noted the Board of Selectmen decided not to include this in the budget, but believe it is important.

Mr. Pascucci agreed that it should be a warrant article; however, because people vote for things such as this without additional information included in the article, they need to understand they are approving annual costs.

Mr. Harte asked if additional equipment will be needed for switching. Mr. Brunelle indicated that no additional equipment is necessary. He explained that we are removing what we already have and the monthly cost will equate to \$1,200 more than the existing service costs.

Mr. Pascucci commented that the additional information should be included in the article. Mr. Brunelle indicated that there is no issue with including that information.

Mr. Harte asked if the town technology plan would justify the implementation of this data network. Mr. Brunelle indicated that this is included in the plan.

Mr. Harte asked if this would tie into the schools. Mr. Brunelle indicated that he and the District IT Director have been diligently working together and are narrowing down to the right providers.

Mr. Spencer asked if Mr. Brunelle has backup in the event he cannot maintain the network. Mr. Brunelle indicated that there is a backup vendor.

Mr. Peebles asked if industry standards are being followed so that any company can take over if necessary. Mr. Brunelle indicated that it is built on best practices and well documented.

Article 6: relevant to raising and appropriating the sum of \$70,000 for the replacement of two defibrillator/monitors used on Fire Department trucks. Mr. Brunelle explained the current defibrillators are 10 and 13 years old.

Mr. Pascucci commented that this should have been included in the budget. He indicated that other items could have been removed from the budget to make room for this expenditure. He commented that the Selectmen are placing something in the warrant that people will obviously approve.

Mr. Lambert commented that the Budget Committee gave direction regarding placing items in the warrant and the Selectmen have taken heed of that request. He indicated if you give the Selectmen different guidelines, we will listen.

Mr. Peebles expressed concern that although the first few articles denote \$0 tax impact, end of year funds are used and less is returned to the taxpayers. Mr. Brunelle explained that it does not impact the end of year fund balance commitment of \$100,000. He indicated that we can operate with the budget and are committed to ending the year with \$100,000 to help reduce taxes.

Mrs. Couture commented that the alternative is to reopen the Fire Budget, add one defibrillator and put the other in the warrant.

Article 7: relative to raising and appropriating \$10,000 for a planning and engineering study to determine designs for a wastewater (sewer) system to encourage further commercial and industrial growth.

Mr. Spencer asked why do the study next year. Mr. Hoch commented that it takes a long time for the development of a wastewater system and there is much preparation. He noted that this is for areas slated for industrial development. Planning and Engineering Study for designs for wastewater sewer system to encourage further commercial and industrial growth - \$10,000

Article 8: relative to raising and appropriating \$20,000 to repaint the old town hall.

Mr. Cutter was concerned about the cost and asked if the Historical Society will offer some funding. Mr. Hoch indicated that the cost is accurate and the Selectmen are not counting on funds from the Historical Society unless it is in writing.

Article 9: relative to raising and appropriating the sum of \$18,242 to support the request of Human Services agencies outlined in the article.

Mr. Lambert explained that the article is written in such a way that people can decide [at Deliberative Session] which agencies to include.

Mr. Spencer indicated that he understands what the Selectmen are trying to accomplish; however, if someone does not agree with supporting the Red Cross, for example, the whole article may fail. He suggested the article should denote one sum and the Selectmen can decide which requests to fund and by what amount.

Article 10: relative to raising and appropriating the sum of \$24,655 to hire a Teen/Technical Services Librarian effective April 1, 2013.

Mr. Spencer asked if the tax impact will be included on the articles. Mr. Hoch indicated that the enabling law to include the tax impact must first be approved.

Article 11: relative to establishing an Ambulance Revolving Fund. Mr. Hoch explained that the money received from ambulance bills will be allocated through the operating budget for the cost of anticipated uncollectable bills. He noted no funds have to be appropriated for this fund.

Article 12: relative to increasing the at-large membership of the Budget Committee to 7 members.

Mr. Peeples indicated that the Budget Committee provided their input at a previous meeting. Mr. Harte asked for the reason for the article. Mr. Brunelle commented that this will give the Committee an odd number of members and does not change the Committee.

Mr. Spencer requested the Committee go on record with agreement or disagreement of the article.

Mr. Pascucci supported the article.

Mr. Harte did not agree that an additional member would be beneficial.

Mr. Spencer commented that he would rather negate voting by the Selectmen and School Board representatives.

Article 13: relative to authorizing the Selectmen to establish or amend fees for Solid Waste Disposal.

Article 14: relative to adopting the provisions of RSA 41:14-a, which grants the Selectmen the authority to acquire or sell land, buildings or both providing they submit any such proposal to the Planning Board and to the Conservation Committee for review and recommendation.

Mr. Hoch explained that in the event there is an opportunity to buy or sell land or buildings, the Selectmen would have to wait until the next annual meeting. He noted that this is a way to be prepared in the event an opportunity arises. Mr. Hoch noted that there is currently no agenda to buy or sell any land or buildings.

Mr. Pascucci commented that he supports the current practice of going to the voters for approval.

Article 15: relative to studying the potential impact of adopting the provisions of RSA 32:5-b, which could implement a tax cap. Mr. Hoch explained that the purpose of this article is to ensure that the Budget Committee submits a recommended budget that is not increased more than a certain dollar amount.

Mr. Brunelle commented that the new law is confusing and we need to do an analysis before we can enact a tax cap. He indicated that a committee would be formed to analyze how the process will work. He noted that the committee membership would include citizens, a Selectmen representative, and a School Board or District representative. Mr. Brunelle commented that the Selectmen would like people to know that we are planning for this and taking the right steps.

Mr. Lambert indicated that the Legislature is concerned about the problematic structure in the tax cap legislation. He commented that many extraordinary people are working on this legislation. Mr. Lambert noted that any citizen can bring forth a petition article to implement a tax cap that may be approved, but with no real structure.

Article 16: relative to require that the annual budget and all special warrant articles have a tax impact included.

Advisory Articles

Article 1: relative to reverting to the traditional Town Meeting.

Article 2: relative to holding the first session of the Town Meeting (Deliberative Session) on the same day with the Litchfield School District.

Mr. Harte indicated that Mr. Brunelle and Mr. Hoch provided updated budget numbers, which the Budget Committee will review and vote on at the December 27, 2012 meeting.

Mr. Brunelle indicated that the budget bottom line was lowered to \$5,055,646, which is an increase of \$91,000 over 2012.

Mr. Spencer requested to revisit the Police budget; specifically the Special Officers account. He commented that he will suggest a \$9,000 reduction.

5. SCHOOL BUSINESS

- **SCHOOL DISTRICT BUDGET REVIEW**

- a) School Board

Salaries

There were no questions on the FY14 School Board Salaries budget.

MOTION: by Mr. Barka

Move to approve the FY2014 School Board Salaries & Benefits Budget for \$44,771.

SECOND: by Mr. Cutter

VOTE: 8-0-0.

The motion carried.

Operating

Mr. Martin pointed out there is an increase in legal services. He noted it is anticipated that there will not be a reduction of requests for legal opinions.

Mrs. Couture asked if the amount budgeted for legal services is somewhat based on negotiations. Mr. Martin commented that there were no expenditures for mediation last year. He noted that the total cost for legal services last year was \$44,000.

Mr. Cutter asked about the amount budgeted for audit services. Mr. Martin indicated that the amount is based on the auditor's advice regarding the amount to budget.

MOTION: by Mr. Barka

Move to approve the FY2014 School Board Operating Budget for \$69,411.

SECOND: by Mr. Spencer

Mrs. Couture commented that she believes there is room in the legal services budget if there are no negotiations next year.

MOTION: by Mrs. Couture

Move to reduce Account 1001231800-330, Legal Services, by \$3,500

SECOND: by Mr. Peeples

VOTE: 7-1-0, with Mr. Barka opposing

The motion carried.

Mr. Cutter asked about the justification for the amount budgeted for audit services. Mr. Martin indicated that it is an estimate from the auditors. He noted that the increase is based on more federal requirements and the auditing rates.

MOTION: by Mr. Cutter

Move to reduce Account 1001231700-331, Audit Services, by \$2,000

SECOND: by Mr. Lambert

Mr. Cutter commented that he believes the amount budgeted is too high based on past history.

Mr. Martin commented that this is an account where using an average is not wise. Auditors' rates increase each year, as do requirements. Mr. Martin indicated that the auditors are in the best position to provide the cost.

VOTE: 4-4-0

The motion failed.

VOTE ON THE AMENDED BOTTOM LINE OF \$65,911 FOR THE FY14 SCHOOL BOARD OPERATING BUDGET: 7-1-0, with Mr. Barka opposing.

The motion carried.

b) SAU

Salaries

Mr. Martin indicated that the large decrease is contributed to the fact that three separation payments were budgeted last year, but only one was budgeted next year. He noted no transition pay was budgeted. Dr. Cochrane indicated that if the individual retires this summer any savings in salary will be enough for transition services.

Mr. Martin indicated that an administrative salary pool of \$5,000 was budgeted and approved by the School Board to be shared by all administrators. He noted that the Superintendent will decide on the distribution of the pool.

Mr. Spencer asked where the 1% COLA for the non-LEA employees is budgeted. Mr. Martin indicated that it is budgeted in their salaries.

Mr. Spencer commented that COLA's were included in separate warrant articles and wondered why these adjustments were budgeted differently. Dr. Cochrane commented that the Board did not follow the approved step plan and approved a 1% increase instead.

Mrs. Couture commented that the 1% adjustments were in the warrant the previous year because of extenuating circumstances and were not in the warrant in the past.

Mr. Spencer asked if the value of the steps changed. Mrs. Mahoney indicated that the steps were adjusted by 1% and employees will remain on their current step.

Mr. Peeples asked if the steps are increased by 1%, the next step advancement will be 4%. Mr. Barka indicated the next step advancement will still be 3%. Mr. Martin indicated that the only reason employees advanced a step this year was because of the default budget. He noted that if that did not happen, this would have been the third year steps would be frozen.

MOTION: by Mr. Barka

Move to approve the FY2014 SAU Salaries & Benefits Budget for \$654,582.

SECOND: by Mr. Cutter

VOTE: 8-0-0

The motion carried.

Operating Budget

Mr. Cutter asked what is included in the travel account. Mr. Martin indicated that this account includes travel for the Superintendent and the Superintendent's assistant. He commented that it includes mileage reimbursement, tolls and airfare, but he cannot account for differentials.

Mr. Martin indicated that in the Business Office Miscellaneous account an annual public performance site license is included. He explained that the District has to purchase the license in order for the showing of movies in the District. He noted that this applies to anyone (PTO, other organizations) who shows a movie in the District facilities. Mr. Martin commented that paying a royalty on every movie shown in District facilities would be expensive.

Dr. Cochrane indicated that movies are sold for in home use only. He noted that showing movies in the schools would be a violation and companies can fine us for showing a movie out of compliance. Mr. Martin indicated that we pay Movie Licensing, Inc.; however, we are not required to have site licensing to show a movie in the classroom. He noted this is only for after school activities or events/functions.

Mr. Harte asked about the increase in the Software Lease account. Mr. Martin indicated there was an increase in the contract price and support. He explained we are looking to implement two new modules in eFinancePlus. One is vendor access module so vendors can be paid online. The other is a p-card module, which will negate having to enter purchase orders and enable better purchase tracking. Mr. Martin commented that we are reducing cost with a paperless initiative and productivity.

MOTION: by Mr. Barka

Move to approve the FY2014 SAU Operating Budget for \$98,396.

SECOND: by Mr. Spencer

VOTE: 8-0-0

The motion carried.

c) Curriculum

Salaries

Mr. Martin indicated that there is a \$2,000 PPACA tax budgeted as the Curriculum Director position is the only part time position that was not reduced in hours. He noted that the staff member will take the health insurance waiver.

Mr. Harte asked about the increase in salaries. Mr. Martin indicated that there was an increase in staff mentors. Dr. Cochrane explained that this is a specific program and competency based grading is different from what new teachers have seen in their student teaching.

Mr. Pascucci asked why the School Board reduced course reimbursements. Mr. Martin indicated that course reimbursement is part of the administrators' contracts. He explained that most administrators are contracted to take four courses; however, not all administrators are taking classes and those that are will be taking three courses.

Mr. Cutter asked why nothing was budgeted for mentors in 2012. Mr. Martin noted that all mentor salaries were paid from a grant in 2012. He explained that grant expectations for next year are reduced.

MOTION: by Mr. Barka

Move to approve the FY2014 Curriculum Salaries & Benefits Budget for \$162,646.

SECOND: by Mr. Cutter

VOTE: 8-0-0

The motion carried.

Operating Budget

Mr. Pascucci asked why the School Board reduced SERESC dues. Mr. Martin indicated the dues are based on the number of students in each member district.

Mr. Pascucci asked about savings for members. Dr. Cochrane indicated that we get a 5% discount on tuition to the Brentwood School, which is run by SERESC. He noted that the biggest benefit is the meetings that are held for South Central curriculum people and Superintendents and the ability to interact with other Superintendents and curriculum professionals. He mentioned that the administrative retreat is held there annually for no cost.

Mr. Peebles asked about the Contracted Services for CCSS. Dr. Cochrane indicated that the amount budgeted is for Professor Sharma. He noted that one of the issues in this budget is that the federal funds are decreasing greatly.

Mr. Cutter asked if there is any expense in GMS Professional Development to date. Mr. Martin indicated funds have not yet been spent this year. He noted that the money budgeted is for in-service days.

Mr. Cutter asked for an explanation of in-service days. Mr. Martin explained that in-service days are teacher workshops on days when there is no school. He noted that money is governed by the principals and the schools provide professional development specific to their school. He commented that Dr. Heon provides professional development district-wide.

MOTION: by Mr. Barka

Move to approve the FY2014 Curriculum Operating Budget for \$45,850.

SECOND: by Mrs. Couture

MOTION: by Mr. Cutter

Move to reduce the following Line items:

- *1000221000-610 by \$250*
- *1011221300-320 by \$500*
- *1021221300-320 by \$900*

for a total reduction of \$1,650.

SECOND: by Mr. Peebles

VOTE: 7-1-0, with Mr. Barka opposing

The motion carried.

d) District Wide

Salaries

Mr. Martin indicated that the major change is the reduction of 6th period classes by the School Board. He noted that one staff member has retired and one is retiring, for whom we have budgeted separation pay.

Mr. Lambert asked about separation pay. Mrs. Mahoney explained that separation pay is calculated by a formula based on teacher years of service and sick time.

Mr. Lambert asked if the cumulative liability is tracked each year and what that number is in the audit. Mr. Martin commented that the cumulative liability is tracked each year and the amount of compensated absences in the audit statement is \$733,472, \$259,000 in vested sick leave, \$149,000 in accrued vacation, and \$325,000 in vested retirement.

Mr. Peeples asked if SERESC is a public or private enterprise. Dr. Cochrane indicated that SERESC is non-profit entity with a Board of Directors.

Mr. Cutter asked about substitute salaries as compared to prior year actuals. Mr. Martin indicated that one line is budgeted to the District and substitutes are charged to the school of the teacher that is absent. He mentioned that an attendance module has been implemented and has been a successful tracking instrument.

Mr. Martin indicated that an additional line item is included as part of a Buildings & Grounds initiative. He explained that we would like to have the Buildings & Grounds Coordinator in the office [for more hours] to help with purchasing and tracking building expenses, and hire part time help for Grounds.

Mr. Martin indicated that \$20,000 has been budgeted for PPACA fees under fixed charges as a contingency for this account. He noted that LGC premium holiday credits have been budgeted as well.

MOTION: by Mr. Barka

Move to approve the FY2014 District Wide Salaries & Benefits Budget for \$405,044.

SECOND: by Mr. Cutter

MOTION: by Mr. Cutter

Move to reduce the bottom line of the District Wide Salaries & Benefits budget by \$175,000.

SECOND: by Mr. Pascucci

MOTION: by Mr. Barka

Move to amend Mr. Cutter's motion to reduce the bottom line of the District Wide Salaries & Benefits budget by \$125,000

SECOND: by Mr. Spencer

VOTE: 2-5-0

The motion failed.

MOTION: by Mr. Pascucci

Move to amend Mr. Cutter's motion to reduce the bottom line of the District Wide Salaries & Benefits budget by \$150,000

SECOND: by Mr. Peeples

VOTE: 6-1-0, with Mr. Barka opposing.

The motion carried.

VOTE ON THE REDUCTION OF \$150,000 TO THE FY14 BOTTOM LINE OF THE DISTRICT WIDE SALARIES & BENEFITS BUDGET: 6-1-0, with Mr. Barka opposing.
The motion carried.

VOTE ON THE AMENDED FY14 DISTRICT WIDE SALARIES & BENEFITS BUDGET OF \$255,044: 6-1-0, with Mr. Barka opposing.

Operating:

Mr. Peeples queried about the Building Needs Assessment Study budgeted under Building Services: Professional Services. Mr. Martin indicated that one of the School Board's high priority requests is for a capital plan to be entered into the maintenance software in order to manage building maintenance and repairs. He explained that since we do not have the resources to accomplish this, we are hiring a company to enter the information into the software. Mr. Martin indicated that they will print out the information in the software, add any missing inventory including purchase date, life expectancy and replacement cost. He explained that the software calculates the cost of maintenance each year.

Mr. Peeples asked if the money budgeted would be better spent on needed repairs. Mr. Martin indicated that is a Board decision as they believe we cannot maintain our assets without this.

Mr. Spencer expressed concern about the timing of the study. He indicated since there is no serious penalty on maintenance of our equipment, he does not understand why the Board insisted this information be entered into the software. Mr. Martin commented that he would rather pay for repairs.

Mr. Peeples commented that if some gain can be made each year this will be accomplished without spending a lot of money. Mr. Pascucci suggested allowing a Buildings & Grounds employee more hours to gain more expertise. He noted that some of this can be done without a professional. Mr. Pascucci expressed concern about the tax rate increase.

Mr. Spencer commented on District Wide Transportation, indicating that at some point if the population decreases buses can be decreased. Mr. Martin indicated that we need another bus for Vocational Education.

Mr. Spencer commented that in planning a few years ahead if the population decreases the number of buses can be adjusted. He commented that with fewer students there will be fewer stops. Dr. Cochrane commented there will be the same number of stops with fewer students at the stops. Mr. Martin indicated that we can reduce a bus, but it will extend the route times. He explained that more stops will take longer to complete the routes, which would require schools to

change their schedules.

Mr. Spencer queried about the increase in transportation. Mr. Martin indicated that the contract has increased 3.5%.

e) Function 4000

Mr. Martin highlighted some of the changes to the function account. He referenced the GMS paving project and indicated that the Superintendent reduced it from the budget, but the School Board added in the re-paving of the main parking area. Mr. Martin commented that a new storage shed has been budgeted for CHS, which will house field and maintenance equipment and some dead storage.

Mr. Harte asked about the LMS portables. He wanted to know how old they are and at what point do we purchase them. Mr. Martin indicated that the portables are 10+ years old and are in poor condition. He noted that we would not want to purchase the portables.

Mr. Harte asked why CHS would need a new storage building if they have the trailer they received from Hudson. Mr. Martin indicated that the trailer is totally full with IT equipment, Buildings & Grounds storage and much athletic storage.

Mr. Harte asked what will be housed in the new storage building. Mr. Martin indicated that the tractor, lawn mowers and other grounds equipment that cannot be kept in the elements would be stored.

Mr. Pascucci commented that a top dresser has been budgeted and indicated that if approved and purchased, would increase storage needs.

Mr. Spencer asked if the pole vault mats are stored in the trailer. Mr. Martin indicated the mats are stored in the trailer along with much athletic equipment.

6. SCHOOL DISTRICT BUDGET VOTING

Mrs. Couture suggested that Budget Committee members speak to their recommended budget reductions.

GMS Budget

Mr. Cutter commented that he analyzed salaries and concluded that Salaries & Benefits are budgeted .0075% higher than expected in comparison to actual 2011 and 2012 values. He indicated that .0075% is warranted. Mr. Cutter commented that Account 440 should be reduced \$2,000 as the responses provided for the GMS copiers, usage and actual expenditures appeared to be a best guess. Mr. Cutter commented with regard to Account 737, the Superintendent's recommended reduction of \$7,076 is warranted and should be applied.

Mr. Cutter commented with regard to Account 734, there has been a 56% yearly increase in FM Systems. He expressed that he does not believe it is justified. Mr. Cutter commented that feels there is opportunity for savings in Accounts 610 and 641. Mr. Cutter believes that a more

phased approach should be used with Technology and that a \$75,000 savings is warranted.

Mr. Spencer commented that GMS Salaries can be handled on a district-wide basis. He suggested a \$20,000 - \$30,000 bottom line reduction to the GMS Operating budget as all supplies and some utilities are over stated. Mr. Spencer commented that he would also like to see a reduction to the Technology budget.

Dr. Cochrane responded to Mr. Cutter's comments. He indicated that he originally reduced the furniture account. Dr. Cochrane commented that FM Systems are budgeted for what we need. He noted that IT is already budgeted as a phased in approach. Dr. Cochrane indicated that to align with the Smarter Balance Assessment we need the resources and at this time we do not have any computers that are capable of supporting the testing. He noted that it will require this much in the next two years to reach our goals.

Mr. Barka indicated that he is not comfortable with reducing technology as we are already failing state standards for digital portfolios. He commented that if technology is cut we will be that much further away.

Mr. Lambert commented that we have school payments that will change over the next two years. He asked how much of that savings will be used to implement what you want for the next two years. Mr. Lambert commented that 18 months from now it will cost big money to get us more.

Dr. Cochrane indicated if we replace technology at once we will end up with a spike. He commented that two years from May our students will be taking the assessment online and will be required to have keyboarding skills. He stated if we do not implement this next year we will not meet the requirements.

Mr. Harte commented that he keeps hearing because of the default budget the district had to double up next year. He commented that we are anticipating a loss in revenues and adequacy aid. He indicated that one of his recommendations is to reduce half of the upgrades and put the server on the warrant. Mr. Harte commented that you can present the technology plan.

Mr. Spencer agreed and noted that the concern is the increase in the operating budget.

Mr. Pascucci commented that the real issue is that people will have to understand that you have to reduce more.

Mr. Harte indicated that the burden on the district is the unexpected loss in revenue.

Dr. Cochrane commented that the cost of the budget has not increased as much as is thought. He noted there has been consistent downsizing at the state level (i.e. catastrophic aid, Title I and II). He indicated that people are not paying more at the state level, but to maintain the level of services that level has to be raised and it is seen mostly in education.

Mr. Harte commented that five years of budget information shows the budget has been steady. Enrollments are decreasing slightly. Mr. Harte indicated that according to his analysis

recommended reductions are in repairs/maintenance, supplies, and furniture replacement. He noted that in technology he recommended a reduction of \$81,542, with \$42,000 of legacy equipment to be placed on the warrant. He believes we need to communicate our technology plans. Mr. Harte indicated that new equipment should be placed on the warrant and equipment replacement should be reduced \$1,000 because the IT Director and IT Technician are getting new laptops. He suggested these laptops should be leased and not purchased. Mr. Harte recommended that the LMS budget be reduced by \$10,000 and that salaries/benefits be reduced by 2% or \$293,689.34.

Dr. Cochrane indicated that we have ratcheted down the budget in comparison to real cost in the last several years. He expressed concern about larger decreases in salaries and benefits. Dr. Cochrane indicated that we have a good benefit rate, a good tuition number, and some employees have switched to their spouse's insurance. He noted we are using the capital reserve funds for the LMS Fire Panel and special education. Dr. Cochrane was concerned that with no contingency fund we will not be able to cover fixed costs if we have an unexpected major occurrence.

Mr. Spencer commented that salaries/benefits have always been under spent. Dr. Cochrane commented that the last two years salaries/benefits was over spent and cannot be guaranteed. Mr. Martin indicated we cannot manage to spend 100% of the budget from day one. He noted that he manages the budget to \$200,000 in the event of a major need.

Mr. Lambert commented when we tell the taxpayers their taxes will increase significantly they will look at household expenses and find reductions to pay for the tax bill. He noted that they do not have a choice as they could lose their homes. He indicated that we have to appear to have given the same level of conviction to the way government spends money as we expect them to do in their homes. Mr. Lambert commented that the district should remember that we have to explain to the homeowners when their tax bills are sent.

Mr. Barka expressed concern for recommended reductions in technology and salaries and benefits with regard to properly educating students. He noted that we inventoried computers by age and those that are 6-9 years old need to be replaced.

Dr. Cochrane indicated that the total potential reductions put us in a situation that impacts education. He noted that taxes here are not much different than in other towns and coming up with a final number is difficult. Dr. Cochrane expressed appreciation for the work the Budget Committee performs to help struggling homeowners. He indicated that we want to do the best we can and try to spend in the best interest for education. Dr. Cochrane commented that if reductions are too deep, there is a risk of impacting education, which can drive house prices to decrease in value. He asked the Budget Committee to consider that there is a potential teachers contract and that the district is committed to offering the best education to its students.

Mr. Harte asked if the Committee is looking in the right areas for reductions. Dr. Cochrane indicated that they are the right areas, but if the maximum reductions are made without a contingency, it will yield a negative impact.

Mr. Harte commented that the reductions we suggested do not reduce the budget below the default. He noted that we do not want to tell the voters taxes are increasing or tell the community that services are being reduced for the students.

a) Griffin Memorial School

MOTION: by Mr. Barka

Move to approve the FY14 GMS Salaries & Benefits budget bottom line of \$3,140,395

SECOND: by Mr. Spencer

VOTE: 8-0-0

The motion carried.

MOTION: by Mr. Spencer

Move to reduce the FY14 GMS Recommended Operating budget bottom line by \$30,000

SECOND: by Mr. Pascucci

Mr. Spencer commented that he believes the GMS Recommended Operating budget is over funded. He noted that the bottom line reduction seems reasonable.

Mr. Cutter commented that his calculations resulted in reductions totaling \$39,000.

Mrs. Couture commented that her calculations resulted in reductions totaling \$38,365.

Mr. Barka indicated that many of the increases are Common Core related. Mr. Cutter commented that his reductions are in accounts such as Repairs/Maintenance, Rental/Lease Equipment, Supplies, and Textbooks.

Mr. Martin indicated that when preparing the FY14 Default budget, the Curriculum Director recognized an additional \$30,000 in CCSS related items. He noted that \$110,000 of the increase in the GMS budget is attributable to salaries/benefits.

MOTION: by Mr. Cutter

Move to amend Mr. Spencer's motion to reduce the FY14 GMS Recommended Operating budget by \$39,000

SECOND: Mr. Lambert

VOTE: 7-1-0, with Mr. Barka opposing.

The motion carried.

VOTE ON AMENDED FY14 GMS RECOMMENDED BUDGET BOTTOM LINE OF \$443,482: 7-1-0, with Mr. Barka opposing

The motion carried.

Mr. Harte asked Mr. Martin about the process that will be used for the recommended budget reductions. Mr. Martin indicated that he will allocate the reductions with the Superintendent's approval.

6. MEMBER INPUT

Mr. Spencer commented that Mr. Harte provided information regarding school budget recommendations in his proposal. Mr. Spencer acknowledged that he provided recommendations, as well as did Mr. Cutter. He asked the remaining Committee members to provide their input as well.

7. PUBLIC INPUT

There was no public input.

- **Upcoming meetings**

The next meeting of the Budget Committee will be held on December 20, 2012.

MOTION: by Mr. Lambert

Move to adjourn.

SECOND: Mr. Pascucci

VOTE: 8-0-0

The motion carried unanimously.

There being no further business, the meeting adjourned at 11:02 p.m.

Minutes by: *Michele E. Flynn (Recording Secretary)*

Date approved: **December 27, 2012**