

1 **Minutes of the Litchfield Budget Committee Meeting**
2 **Held on November 21, 2013**

3
4 The Litchfield Budget Committee held a meeting on Thursday, November 21, 2013 at Campbell
5 High School, 1 Highlander Court, Litchfield, NH 03052.

6
7 **PRESENT:** A Cutter (Chair), R Peeples (Vice Chair), W Spencer, C Pascucci, D Vaillancourt, J
8 York (School Board Representative), J Brunelle (Selectmen’s Representative), J Hoch (Town
9 Administrator)

10
11 **Absent:** C Couture

12
13 Mr. Cutter called the meeting to order at 7:01 p.m.

14
15 **1. PLEDGE OF ALLEGIANCE**

16
17 **2. PUBLIC INPUT**

18 There was no public input.

19
20 **3. REVIEW/ADDITIONS TO AGENDA**

21 Mr. Cutter noted that items under Town Business-Voting: Personnel Administration and
22 Town Insurance, will be deferred to a future meeting.

23
24 **4. PRIOR MEETING MINUTE APPROVAL**

25
26 **MOTION:** by Mr. Pascucci

27 *Move to approve the amended minutes of November 14, 2013*

28 **SECOND:** by Mr. Spencer

29 **VOTE: 5-0-2**

30 **The motion carried.**

31
32 **5. SCHOOL BUSINESS**

33
34 • **General Updates**

35 Mr. York reported that two major issues have emerged. He indicated that the School Board is
36 being informed, but has not yet discussed the matters. He noted they will have an impact on all
37 schools. Mr. York commented that once the School Board has met and made their decisions, the
38 Budget Committee will be provided with updated budgets if any changes occur.

39
40 Mr. York reported that questions from the Budget Committee regarding the FY15 Recommended
41 Budget have been forwarded to the appropriate party and answers are and will continue to be
42 provided.

43
44 • **Executive Summary of the FY15 School Board Recommended Budget**

45 Dr. Cochrane presented the FY15 Recommended Budget Executive Summary to the Budget
46 Committee. He reviewed strategic drivers of the budget as follows:

- 1 • Math curriculum and instruction (K-12);
- 2 • Math resources, including text and technology-based (resident software and online);
- 3 • Development of Grade 7 “double-math” model for 2014-15;
- 4 • Increasing student, teacher and administrative technology capability while still lowering “annual cost of
- 5 ownership”;
- 6 • Development of BYOD policy, infrastructure and teacher practice that is capable of supporting 1-to-1
- 7 computing within the next 2-3 years;
- 8 • Portable Teacher Technology;
- 9 • Student Information System;
- 10 • GMS computer lab, keyboarding and technology integration capability; and
- 11 • LMS additional technology to support “double math” implementation
- 12 • Facilities/Safety: a) Moving the district’s facilities maintenance program from a reactive repair and
- 13 maintenance approach to a more proactive and preventative maintenance and asset management approach;
- 14 and b) implementation of safety/security measures.

15 Regarding the focus on math curriculum and instruction, Dr. Cochrane indicated that the new
 16 curriculum accelerates the expectations of students. He noted that we have to move students
 17 forward educationally in the same amount of time. He explained that doubling up on literacy
 18 and math should help alleviate that learning curve.

19
 20 Regarding technology, Dr. Cochrane indicated that we are trying to move forward with a vision
 21 of teaching and learning that better reflects what students need. He noted that it is necessary to
 22 develop a technology model that does not overlay a technology cost as well as a teaching cost.
 23 Dr. Cochrane commented that in the next two – three years we should move to a one to one
 24 computing model.

25
 26 Regarding facilities, Dr. Cochrane indicated that the district is moving from a reactionary
 27 position to a proactive position. He noted that facilities are the largest assets to taxpayers and the
 28 concern is that we are not maintaining those assets. He commented that a buildings and grounds
 29 advisory committee was established to focus on these issues. Dr. Cochrane noted that committee
 30 will first focus on GMS and will be discussing how to improve the quality of the building with
 31 the lowest cost possible. He explained that GMS has water issues that result in high humidity
 32 levels from May to October. Dehumidifiers are used to keep the moisture out of the building;
 33 however, Dr. Cochrane pointed out that when the dehumidifiers are emptied they are dumped
 34 outside the building where there is poor drainage. He noted that there is no vapor barrier and the
 35 swale allows the water to come back into the building. Dr. Cochrane indicated that the swale
 36 needs to be maintained and the water directed away from the building.

37
 38 Dr. Cochrane provided a summary of budget totals by function, excluding salaries and benefits.
 39 He indicated that the SAU’s goal was to present a level funded budget. He noted that the School
 40 Board made several reductions as well. He noted that there are certain costs that are not in the
 41 district’s control.

42
 43 Mr. Markiewicz reviewed the Executive Summary with the Budget Committee. He provided
 44 information that reflected increases and/or decreases to the budget. He indicated that the overall
 45 budget has decreased by \$66,735, or 3%. Mr. Markiewicz reported:

- 46 • the guaranteed maximum rate for health insurance is 8.5% for FY15, but the increase is
- 47 8.1%;

- 1 • the number of paraprofessionals has increased 13.3% and additional IEP required
- 2 paraprofessionals will be added to the budget;
- 3 • transportation has increased 4.8% of which a 3% increase was budgeted;
- 4 • the transportation contract will end June 30, 2014 and the District is negotiating a new
- 5 contract with First Student;
- 6 • there is a decrease in handicap tuition, bond debt and data communications.

7
8 Mr. Markiewicz reviewed the cost increase challenges, for which the HEPI (Higher Education
9 and Consumer Price Index) average was used. He explained that the CPI is not appropriate to
10 use as the normal “basket of goods” does not include the types of goods and services that
11 comprise a school district budget. He reviewed a breakdown of salaries and benefits,
12 health/dental insurance trends, contractual services, staffing size, student enrollment and special
13 education.

14
15 • **Review of Accounts**

16 Mr. Spencer asked if revenues and the tax rate impact will be presented. Mr. Markiewicz
17 indicated that they will be provided at the December 3 meeting.

18
19 Mr. Spencer asked if there has been a significant loss of teachers due to the lack of a contract.

20
21 Dr. Cochrane indicated that there was a significant turnover this year. He noted some of the
22 losses were strategic. He explained the level of dissatisfaction this year is noticeable. Dr.
23 Cochrane commented that people become teachers for a reason. Dr. Cochrane noted that the
24 culture between elementary/middle and high school is different. He indicated that high school
25 teachers are more sensitive to the situation and are more likely to move for financial reasons.

26
27 **School Board**

28 Dr. Cochrane presented the FY15 Recommended School Board budget. He noted that there is a
29 reduction for NHSBA fees. He indicated that although they provide a significant policy service,
30 most of that work is done in-district. He noted that we can pay for their enrollment projections.
31 Dr. Cochrane commented although there is value in the NHSBA, at this time we have to make
32 difficult decisions that will result in savings.

33
34 Mr. Spencer asked how the budgeted cost for auditors was determined. Mr. Markiewicz
35 indicated that we historically see a trend that the costs increase annually.

36
37 Mr. Pascucci asked about what is included in election services. Mr. Markiewicz indicated that
38 more detail will be provided on that line item.

39
40 Mr. Pascucci commented that he appreciates Dr. Cochrane’s leadership and wise reductions. He
41 noted that there are things we can do without in the budget.

42
43 **Salaries and Benefits**

44 Dr. Cochrane presented the FY15 Recommended School Board Salaries and Benefits budget.
45 He noted that there is a slight increase that is driven by the benefits increase. He explained that
46 we are a small pool within the health care field. He noted that the same health care options are

1 available for junior members, administrators and other full time employees. Dr. Cochrane
2 commented that it is prohibitive to try to move a subset of that group to a different plan.

3
4 Mr. Spencer commented that there will be a discussion regarding health care.

5
6 **SAU**

7 Dr. Cochrane presented the FY15 Recommended SAU budget to the Budget Committee, which
8 reflects a decrease of over \$7,000.

9
10 Mr. Pascucci asked for more detail regarding SAU supplies. Mr. Markiewicz indicated that
11 more detail will be provided.

12
13 Mr. Cutter asked about the increase in the travel line item. Dr. Cochrane indicated that last year
14 the NH DOE paid for his travel to a national conference and NHASBO paid for Mr. Martin's
15 travel to the national conference as well.

16
17 Mr. Cutter believes the travel line item is high.

18
19 **Salaries and Benefits**

20 Dr. Cochrane presented the FY15 SAU Salaries and Benefits budget to the Budget Committee.

21
22 Mr. York reported that the School Board voted to implement step increases for non-LEA staff
23 and created a budget for the Superintendent to use for administrator range increases.

24
25 Mr. Cutter asked about the decrease in the retirement costs for the HR salaries line. Dr.
26 Cochrane indicated there was a significant job description change, which led to a lower salary.
27 He noted that the savings was used to increase the payroll position from part time to full time.

28
29 Mr. Pascucci expressed concern that increasing a part time position to a full time position should
30 be decided by the voters.

31
32 Dr. Cochrane indicated it would have been more costly to hire another employee.

33
34 Mr. York commented that initially, tasks were moved to from payroll to HR and the skills of the
35 new person were not equal to those of the person that left the position.

36
37 Dr. Cochrane commented that he understands the concern, but that this was the best option.

38
39 Mr. Peebles asked about the payroll process. Mr. Markiewicz indicated that data input is based
40 on hard copy input. Mr. Peebles commented that the company where he is employed uses an
41 automated service.

42
43 Dr. Cochrane commented that stipend and coaching positions complicate payroll as they are
44 done through a series of pays throughout the year. He noted the most automated payroll is the
45 teachers' salaries.

46

1 Mr. Markiewicz indicated that the financial software may have the ability to partially automate
2 payroll, but may be a timely process.

3
4 Mr. Pascucci commented that it is worth taking the time to decrease labor costs.

5 6 **Curriculum & Instruction**

7 Dr. Cochrane presented the FY15 Recommended Curriculum budget to the Budget Committee.
8 He noted that the dues/fees line decreased due to the reduction of SERESC dues.

9
10 Mr. Spencer asked how the reduction will impact the services of the Brentwood School. Dr.
11 Cochrane indicated that there is usually a 5% reduction in tuition, but the savings do not pay for
12 themselves.

13
14 Mr. Cutter commented that the travel line seems excessive.

15
16 Mr. York explained that for the past few years, the School Board opted that there be less travel to
17 national conferences. He indicated that the School Board believes that these employees are
18 benefitted by the conferences. He noted that the School Board discussed mileage and travel and
19 felt that not allowing employees to go to the conferences has a negative impact on professional
20 development.

21
22 Mr. Spencer asked for an explanation of the My Learning Plan software. Dr. Cochrane
23 explained that the software was selected to keep track of teacher professional development and
24 recertification. He noted there are individual plans and goals for teachers. He indicated that the
25 teachers' contract requires a specific amount of course and professional development. Dr.
26 Cochrane pointed out that the line item was originally budgeted under guidance, but has since
27 been corrected.

28 29 **Salaries & Benefits**

30 Dr. Cochrane presented the FY15 Recommended Curriculum Salaries and Benefits budget. He
31 noted that there is a bottom line decrease of \$13,000. Contributing to the decrease are reductions
32 in the mentoring line, course reimbursement and non-bargaining course reimbursement.

33
34 Mr. Spencer believes that course reimbursement will be underspent.

35
36 Mr. Pascucci asked for Dr. Cochrane's feelings regarding the teachers' contract. Dr. Cochrane
37 indicated that there is a high level of dissatisfaction. He noted that in the time there has been no
38 contract there have been no step increases and some teachers are several steps behind in their
39 salaries.

40
41 Mr. Pascucci asked about the responsibilities of mentors. Dr. Cochrane indicated that there are
42 written specifications that outline their responsibilities. He noted new teachers approach mentors
43 for advice on lesson plans, teaching methods, and instruction related issues.

44
45 A brief discussion followed regarding teachers' salaries and benefits.

46

1
2 Mr. Cutter commented that according to the Executive Summary, enrollment is trending in a
3 decline. He asked about the impact of enrollment when budgeting for large improvements in
4 technology and curriculum.

5
6 Dr. Cochrane commented that there are times when enrollment can decrease with no real savings
7 (i.e. 25 students across the entire district as compared to 25 students in one grade level). He
8 indicated that we reduced a grade 8 teacher last year to balance out the teams (for a five person
9 team) and added a literacy course in grade 8 one year early. Dr. Cochrane indicated that the
10 reduction of a grade 2 teacher was budgeted according to FY15 enrollment projections. He
11 commented that we are planning to try to maintain integrity of the program while taking the
12 savings we can take and repurposing staff where it makes sense.

13
14 Mr. Spencer commented that it is less difficult to address staffing positions in grades 1-8 as
15 enrollment declines. He noted that it is more difficult to address the high school rate.

16
17 Dr. Cochrane commented that when examining staffing costs it was determined that we are well
18 under the state costs per student. He noted that the district has done a good job at maintaining
19 quality programs. He indicated that the high school is preparing to schedule the course selection
20 process earlier and has requested to review the course of studies in February. Dr. Cochrane
21 commented that earlier registrations will be beneficial for all, although the district is working
22 with a dysfunctional student information system.

23
24 Mr. Cutter asked about the capacity levels at each school. Dr. Cochrane indicated that at GMS,
25 the kindergarten classes are in portables because every space in the building is being used. He
26 noted, for example, that occupational therapy, physical therapy and speech therapy are housed in
27 storage room spaces and some other providers are doubling up on rooms.

28
29 Mr. Cutter asked if the capacity levels were available. Dr. Cochrane commented that those
30 levels are not known at this time.

31
32 Mr. Pascucci commented that he can provide some information regarding the capacity levels
33 from information he received when serving on the Building Committee. He complimented Dr.
34 Cochrane on his leadership and ability to make difficult decisions in the budget. He agreed that
35 maintaining the swale at GMS is important and beneficial.

36
37 Dr. Cochrane commented that teachers and staff are doing a great job. He complimented the
38 facilities staff. He acknowledged the idea of trying to achieve what can be achieved at the lowest
39 cost possible. Dr. Cochrane reported that originally \$20,000 was budgeted to support a safety
40 issue regarding the student drop off area at GMS. He indicated that a compromise was made for
41 a lower cost solution. He thanked Jack Pinciario, Kevin Lynch, Dave Ross and Scott Thompson
42 for their assistance and collaboration regarding the lower cost solution. Dr. Cochrane reported
43 that a temporary solution was implemented this week and was successful. He noted that the
44 more permanent solution has been budgeted for FY15.

45

1 Mr. Pascucci indicated that he had some questions for future budget presentations. He asked if
2 custodial supplies were only paper products. Dr. Cochrane indicated that cleaning products and
3 industrial products are also included.

4
5 Mr. Pascucci was concerned that the budgeted increase in custodial supply costs was significant.
6 He suggested that it would be worthwhile to research new products.

7
8 Mr. Pascucci was concerned about the power sweeping cost increase. He believes the vendor is
9 the same vendor for the town and was curious why the cost is higher for the schools than it is for
10 the town.

11
12 Mr. Markiewicz commented that it is not exclusive to power sweeping and that other services are
13 included. He offered to research the matter and provide additional information.

14
15 Mr. Pascucci commented that the top dresser appears in two different budgets and asked for
16 clarification.

17
18 Mr. Spencer commented on utilities information. He indicated that the cost for electric at GMS
19 is less this year.

20
21 Mr. Spencer asked for special education transportation information. Dr. Cochrane indicated that
22 the Special Services budget is scheduled last because it is subject to changes. He noted that a
23 bottom line reduction was applied to Special Services transportation as anticipated placements
24 were based on this point in time. He commented that we try very hard to find savings on Special
25 Services transportation any way we can for as long as is possible.

26 27 **6. TOWN BUSINESS**

28 29 • **General Updates**

30 Mr. Brunelle reported that the tax rate has been set. He noted that the overall increase is \$0.76.

31
32 Mr. Pascucci asked how the increased tax rate impacts the property taxes on a \$300,000 home.
33 Mr. Brunelle indicated the taxes would increase approximately \$210.

34
35 Mr. Brunelle reported that the cruiser loan money was received and placed into that account. He
36 reported the police contract was approved by the Board of Selectmen and highlights include: a
37 zero increase for 2014; 2% increase in 2015; two year contract; educational stipend for 2014;
38 overnight shift differential increase; uniform replacement program; reduction in health care for
39 new employees.

40
41 Mr. Pascucci asked why the contract was only for two years. Mr. Brunelle indicated that the
42 teachers' contract is being negotiated.

43
44 Mr. Peebles commented that the cost of negotiating the police contract is significant.

45
46

1 • **VOTING**

2
3 **Personnel Administration 4155**

4
5 **Town Insurance 4196**

6
7 Voting on Personnel Administration and Town Insurance was deferred to the December 3
8 meeting.

9
10 • **Warrant Articles**

11 Mr. Brunelle presented draft warrant articles for 2014. He noted that the Board of Selectmen
12 have not yet approved the monetary warrant articles. He indicated that costs associated are best
13 estimates and it is unknown if the Board of Selectmen will leverage compounds or ask for a tax
14 increase. Mr. Brunelle reported that the pavement improvement program is the largest cost
15 article. He noted that the town is asking for matching funds for the road money we receive from
16 the state.

17
18 Mr. Spencer was concerned that the wording in the pavement article relative to Highway Block
19 Grant monies may be confusing to the voters. Mr. Brunelle indicated that the Board of
20 Selectmen are working on the wording.

21
22 Mr. Spencer indicated that the article has no relation to Block Grant money and the wording
23 should be removed. Mr. Brunelle indicated he will inform the Board of Selectmen about the
24 Budget Committee's concerns regarding the article.

25
26 Mr. Brunelle reported that there are also non-monetary warrant articles as well. Referring to the
27 drainage and storm water planning article, Mr. Brunelle indicated that the dollar amount is not
28 accurate and that there is new language and new requirements.

29
30 Mr. Spencer asked about the proposal for Article 3. Mr. Brunelle indicated that the purpose is to
31 cap the conservation fund with the remainder of the funds going into the general fund.

32
33 **7. MEMBER INPUT/NEW BUSINESS**

34 Mr. Pascucci commented on the town budget. He stated that he was struggling with this budget
35 because as it has been presented it will result in a tax increase. He indicated that the town does a
36 good job and acknowledged that it takes money to run a town. He stated that at this time, he is
37 not prepared to recommend to the community that a tax increase is necessary to run this town.

38 Mr. Pascucci commented that the average homeowner knows their annual revenue and budgets
39 by beginning with that number and working backwards.

40
41 Mr. Pascucci indicated that his discussions regarding promotions were not meant to be insulting,
42 but to dissuade increasing taxes. He noted that it is not the responsibility of this committee to
43 make policy. He commented that our responsibility is to recommend or not recommend the
44 budget. Mr. Pascucci commented that he hears talk in the community relative to having
45 difficulty in this economy. He stated that he is not prepared at this time to recommend to voters
46 that they should give more money to run the town.

1 Mr. Cutter clarified that currently the town is operating under a default budget and there are costs
2 being pushed to the town from the state level.

3
4 Mr. Pascucci commented that he has costs in his business that are not in his control. He noted
5 that in his home, when costs increase (i.e. cable) difficult decisions have to be made to result in
6 savings in cost. He indicated that when vendor costs increase, renegotiating a different product
7 may be necessary. Mr. Pascucci commented that he is not speaking for any other member of this
8 committee. He stated that he is trying to advocate for the people of this town. He indicated that
9 tough decisions have to be made and that sometimes includes fixed costs. He commented that
10 last year almost everything with a cost was not approved by the voters.

11
12 Mr. Spencer commented that he received the revenue projections, which appear to be increased
13 by \$50,000. He asked for the estimated valuation. He commented that it is unknown if the tax
14 rate will increase or decrease. Mr. Spencer indicated that he asked for the letter from the NH
15 DRA that set the tax rate. He suggested that letter be reviewed before making a judgment.

16
17 Mr. Brunelle commented that it is important to note that we inherited some fixed costs (i.e.
18 hydrants). He noted that the cost is now incurred and must be paid. He indicated that cost
19 comes with a rate increase. Referring to salaries, Mr. Brunelle commented that non-union
20 employees have not seen a raise in three years. He noted that the budget increase is \$97,000 over
21 what was requested last year. He indicated that the town is living within their means, but there
22 are inherited fixed costs we cannot control. He disagreed with Mr. Pascucci's perception that
23 everything with a cost was not approved by the voters. He noted that there were ballot items that
24 failed by a small margin.

25
26 Mr. Pascucci acknowledged that the budget failed by a small margin, but indicated that the
27 voters approved a town administrator by a very small margin. He noted that all spending articles
28 failed last year by a small amount of votes.

29
30 Mr. Spencer asked about Article 3. He commented that two years ago the Board of Selectmen
31 pulled the franchise fee of \$100,000 per year for the Cable Committee. He does not believe they
32 are spending that annually. Mr. Brunelle indicated the amount is lower than \$100,000. He
33 offered to provide the adjustment for what is collected.

34
35 Mr. Spencer commented that the franchise fee was adjusted the prior year, but did not go into
36 effect until the following year. He indicated that the town can recoup that revenue. Mr. Brunelle
37 indicated that people are paying it as a tax.

38
39 Mr. York reported that the FY15 School Board Recommended Budget is posted on the district
40 website. He asked if the Budget Committee has a date set to vote to accept the town budget.

41
42 Mr. Cutter indicated that no date has yet been scheduled. He noted that the Budget Committee is
43 meeting on December 12 and two subsequent meetings the following week. He commented that
44 voting on the budget is subject to the warrant articles. He estimated that the Budget Committee
45 could be voting on the town budget the week before Christmas.

46

1 Mr. Brunelle indicated that the Board of Selectmen will make adjustments to Personnel
2 Administration and Town Insurance on December 9.

3
4 Mr. Spencer asked if Mr. Markiewicz is providing a monthly financial report. Mr. York
5 indicated that he provided a spreadsheet in September and October. He noted that Mr.
6 Markiewicz has a different style than his predecessor. Mr. York indicated that Mr. Markiewicz
7 believes it does not make sense to dissect the budget until January.

8
9 Mr. Spencer commented that actual expenditure reports should be provided. He asked if the
10 function summary can be provided for Budget Committee members. Mr. York indicated that the
11 report will be sent monthly.

12
13 Referring to Mr. Spencer's inquiry regarding the cable franchise fee, Mr. Brunelle indicated that
14 the amount is \$13,000 per quarter.

15 16 **8. PUBLIC INPUT**

17 Jason Guerrette, 11 Perry Court, asked Mr. Brunelle about the cost to clean catch basins. Mr.
18 Brunelle indicated that \$250 per catch basin was budgeted.

19
20 Mr. Guerrette indicated that his vendor charges \$37.50 to clean catch basins.

21
22 Mr. Guerrette commented on the discussion of increasing an SAU position from part time to full
23 time. He commented that this was a good example of a part time position moving to full time.
24 He indicated that is the usual result.

25
26 Mr. York stated that Mr. Guerrette's statement is incorrect.

27
28 Mr. Guerrette commented that raises for non-LEA personnel included in the budget is unfair to
29 teachers and should be placed on the warrant. Mr. Guerrette commented that the Supreme Court
30 ruled that warrant language is clean language. He commented that there have been warrant
31 articles in the past regarding part time positions and new positions and encouraged compliance.
32 He indicated that this is what the town voted and that the voters expect their wishes to be
33 followed.

34
35 Regarding health insurance, Mr. Guerrette commented that he has heard concerns that health
36 insurance copays may increase from \$5 to \$20. He indicated that his copays are much higher
37 and that employers do not increase salary to compensate. He commented that public employees
38 are provided with benefits private sector employees are not. He stated that it is the Budget
39 Committee's budget and the budget is their responsibility.

40 41 • **Upcoming meetings**

42 The next meeting of the Budget Committee will be held on December 3, 2013.

43
44 **MOTION:** by Mr. Pascucci

45 ***Move to adjourn.***

46 **SECOND:** Mr. Peeples

1 **VOTE: 7-0-0.**

2 **The motion carried unanimously.**

3

4 There being no further business, the meeting adjourned at 9:45p.m.

5

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

7

8 **Date approved:** **December 3, 2013**