

1 **Minutes of the Litchfield Budget Committee Meeting**
2 **Held on December 19, 2013**

3
4 The Litchfield Budget Committee held a meeting on Thursday, December 19, 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/B Bourque (School Board Representative), J Brunelle (Selectmen’s Representative), B
9 Cochrane (Superintendent), F Markiewicz (Business Administrator)

10
11 **Absent:** C Couture

12
13 Mr. Cutter called the meeting to order at 7:02 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 announced that he sent out a revised agenda. He noted that Account 4194, General
22 Government Buildings, will be reopened. He reported that in reviewing the December 12, 2013
23 draft minutes he discovered that Account 4150.4 was inadvertently not recorded, but has since
24 been corrected.

25
26 Mr. Spencer asked to reopen the Hydrant account.

27
28 **4. PRIOR MEETING MINUTE APPROVAL**

29 The December 10 and December 12, 2013 draft minutes approval will be deferred to
30 January 2, 2014.

31
32 **5. SCHOOL BUSINESS**

33
34 • **General Updates**

35 Mr. York reported there is no agreement with the LEA at this time. He noted they rescheduled
36 their vote for January 3, 2014. The School Board will meet on January 8, 2014 and move
37 forward any information regarding the LEA agreement to the Budget Committee for discussion.
38 He indicated since the Collective Bargaining Agreement is not a special warrant article it does
39 not need to be part of the Budget Hearing presentation.

40
41 Mr. York reported that the School Board reviewed the FY15 Default budget and recommended
42 some changes. The default budget will go to legal counsel for review and then be provided to
43 the Budget Committee. Mr. York noted that revenue projections were provided for the Budget
44 Committee. He reported that we are bringing recommendations to increase both the
45 transportation and utilities: water budgets.
46

1 • **Transportation and Water Increases**

2
3 **MOTION:** by Mr. York

4 ***Move to increase utilities: water budget line items by \$3346***

5 **SECOND:** by Mr. Spencer

6 **VOTE: 7-0-0**

7 **The motion carried.**

8
9 **MOTION:** by Mr. York

10 ***Move to increase transportation budget accounts by \$101,254***

11 **SECOND:** by Mr. Peeples

12
13 Mr. York commented that the School Board had a lengthy discussion last night regarding
14 transportation. He noted that First Student is adamant that if they are not awarded a contract
15 with Nashua the increase could be 25%. He indicated that the School Board elected to increase
16 the accounts by 20%.

17
18 **MOTION:** by Mr. Spencer

19 ***Move to amend the motion to increase transportation budget accounts by \$41,000***

20 **SECOND:** by Mr. Pascucci

21
22 Mr. York commented that transportation is a moving target. He noted that we do not know
23 which number is correct. Mr. York suggested that we should be wrong on the higher end or
24 students will be impacted. He commented that we are obligated to provide transportation for
25 elementary and middle school students, as well as Special Services. He noted that it may be
26 possible to decrease a high school bus run.

27
28 Mr. Spencer disagreed with Mr. York. He commented that the transportation budget is
29 underspent year after year.

30
31 Mr. York pointed out that the underspend gets smaller each year.

32
33 Mr. Spencer commented that the under spend is smaller because positions were added to Special
34 Services when we had the serious special education problem. He noted that was an abnormal
35 year. Mr. Spencer indicated that he does not mind the statement that the reduction in the
36 increase for transportation is a risk, but he does not agree it will jeopardize the education of the
37 students.

38
39 Mr. York commented that there was impact on this budget because special education students
40 moved into the district and we are obligated to provide services as well as transportation. He
41 noted if there is money left over, we will return it to the taxpayers. Mr. York indicated that every
42 time money is moved around something is going to be impacted. He commented that
43 transportation is not an emergency; it is a requirement.

44
45 Mr. Spencer commented that he takes issue that Mr. York claims it will jeopardize the education
46 of the students.

1
2 Mr. Cutter asked when the district will know about the contract.

3
4 Mr. York indicated that there is no known time frame.

5
6 Mr. Cutter asked why the district is tied to First Student. Mr. York indicated there is a very
7 limited vendor pool in New Hampshire. He noted that First Student has a large facility in
8 Nashua and we are able to get a better rate because we bundle with Nashua and Hudson as
9 Nashua absorbs the cost of the bus storage. Mr. York indicated Goffstown Trucking is the only
10 other vendor in the area. He noted that Hudson used Goffstown Trucking and broke their
11 contract after only two years. Mr. York indicated that the administration would rather continue
12 the relationship with First Student. He commented whomever is awarded the Nashua contract
13 could decide that Litchfield is too small a district to service.

14
15 Mr. Cutter was concerned about increasing the transportation budget by \$100,000 when we
16 already have a budget of approximately \$440,000.

17
18 Mr. Peeples commented that First Student is holding us at ransom and saying we have no place
19 to go. He was concerned that the School Board is yielding to them.

20
21 Mr. York disagreed with Mr. Peeples comment and stated that the School Board is yielding to no
22 one. He indicated that the School Board asked very pointed questions, but there are limited
23 options in the state, which is not the fault of the School Board.

24
25 Mr. Cutter asked if the district has called Goffstown to ask for a cost. Mr. York commented that
26 the School Board encouraged the administration to call. He indicated that we are at a point
27 where we cannot continue to wait. He noted if we have an answer on January 8 we can move on.
28 Mr. York commented that we believe the correct number is what was stated and the education of
29 our students is our responsibility.

30
31 Mr. Pascucci agreed that this is a moving target. He was concerned that First Student is stating a
32 25% increase to see if we will increase the budget. He believes there is room to negotiation with
33 First Student as there is competition. Mr. Pascucci agrees from the view of the School Board
34 that it is easier to add money and reduce it later. He commented it is reasonable from the view of
35 the taxpayer to increase by a lower amount and add more later, if necessary. Mr. Pascucci
36 believes that the statement that education will suffer is an emotional tactic. He disagreed that
37 education will suffer. He indicated he does not believe in over taxing for a 'just in case' event.

38
39 Mr. York indicated that he is concerned that Mr. Spencer and Mr. Cutter will present reductions
40 over \$50,000 in the budget, which will be discussed.

41
42 Mr. Vaillancourt asked how the School Board can propose a 20% increase in transportation
43 without having any offer from Goffstown Trucking.

44
45 Mr. York commented that they will most likely propose an increase.
46

1 Dr. Cochrane explained that the School Board is concerned that as the budget gets reduced, there
 2 is little hope that we can find the funds to support an additional increase. He commented that
 3 national conferences can be cancelled, but that would only save approximately \$14,000. He
 4 noted that we have not yet had to use any of the Special Education Capital Reserve fund, but it
 5 would only take one additional placement to impact that fund. Dr. Cochrane reported that this
 6 past week the GMS supplemental boiler failed and needs \$3,200 in repair. He indicated that the
 7 School Board is concerned the Budget Committee is going to propose significant reductions,
 8 which could result in the district's inability to address major issues that may occur, such as the
 9 potential significant increase in transportation.

10
 11 **VOTE ON AMENDED MOTION: 4-3-0**

12 **The motion carried.**

13
 14 • **Revenue Projections**

15 Mr. Spencer asked if the tax rate had been set. Mr. Markiewicz indicated the tax rate has not yet
 16 been calculated.

17
 18 Mr. Spencer asked about an estimated fund balance. He commented that each year when the
 19 Budget Committee reviewed revenues we were provided an estimated fund balance of \$200,000.

20
 21 Mr. Markiewicz commented that most of the fund balance will be the result of unanticipated
 22 revenues. He noted that the district is monitoring a 98% 'spend down' in salaries and benefits
 23 with 2% remaining, or \$43,382. Mr. Markiewicz indicated that he is uncomfortable estimating a
 24 fund balance at this time.

25
 26 Mr. Spencer commented that we need the tax impact information for the Budget Hearing. Mr.
 27 Markiewicz indicated that the School Board recommended tax impact at this time is
 28 approximately \$0.40, but could be as low as \$0.36.

29
 30 • **VOTING**

31
 32 **Special Education**

33
 34 **MOTION:** by Mr. York

35 *Move to approve the FY15 Recommended Special Education Budget of \$1,228,100*

36 **SECOND:** by Mr. Spencer

37
 38 **MOTION:** Mr. Spencer

39 *Move to reduce Account 1000215000-330, Professional Services, by \$5,000 for a new bottom*
 40 *line of \$28,000*

41 **SECOND:** Mr. Pascucci

42
 43 Mr. Spencer believes that the account total is high and is based on more students than is listed.

44
 45 Mr. York indicated what is budgeted is for three students on a plan.

46

1 **VOTE: 5-2-0**

2 **The motion carried.**

3
4 **VOTE ON A NEW BOTTOM LINE FOR THE FY15 RECOMMENDED SPECIAL
5 SERVICES BUDGET OF \$1,223,100 : 6-1-0, with Mr. York opposing**

6 **The motion carried.**

7
8
9 **Special Education Salaries & Benefits**

10
11 **MOTION:** by Mr. York

12 *Move to approve the FY15 Recommended Special Education Salaries & Benefits Budget of*
13 *\$2,855,960*

14 **SECOND:** by Mr. Spencer

15
16 Mr. Cutter asked if a new position was included in the salaries and benefits this year. Mr.
17 Pascucci commented that the new positions was added last year.

18
19 Mr. Spencer commented that the position was to prevent an out of district placement.

20
21 Dr. Cochrane clarified that the savings is based on delivery of services. He explained that the
22 first \$71,000 of savings was related to keeping the student in-district. He indicated the position
23 saved an additional \$20,000+, excluding travel and consulting costs. Dr. Cochrane commented
24 that with travel and consulting costs, the savings would be in the range of an additional \$30,000.

25
26 **VOTE: 6-1-0, with Mr. Spencer opposing**

27 **The motion carried.**

28
29 **District Wide**

30
31 **MOTION:** by Mr. York

32 *Move to approve the FY15 Recommended District Wide Budget of \$1,120,381*

33 **SECOND:** by Mr. Spencer

34
35 **MOTION:** by Mr. Pascucci

36 *Move to reduce Account 1000262000-442, Equipment Rental, by \$1,350*

37 **SECOND:** by Mr. Peeples

38
39 Mr. Pascucci commented that the top dresser rental is duplicated in the budget. He commented
40 that although the cost of the rental of the top dresser is accurate, he believes there is no need to
41 rent the top dresser twice in one year.

42
43 Mr. Spencer pointed out that the Superintendent had already reduced the line by \$600, which
44 would leave a balance of \$400 to rent an aerator.

45

46

1 Mr. Pascucci indicated that aerators are less expensive to rent as it is a common item.

2
3 **VOTE: 6-1-0, with Mr. York opposing**

4 **The motion carried.**

5
6 **MOTION:** by Mr. Spencer

7 *Move to reduce Account 1000272100-626, Fuel, to \$0*

8 **SECOND:** by Mr. Pascucci

9
10 Mr. Spencer believes that the fuel adjustment will not be spent.

11
12 **VOTE: 6-1-0, with Mr. York opposing**

13 **The motion carried.**

14
15 **VOTE ON NEW BOTTOMLINE FOR FY15 DISTRICT WIDE BUDGET OF \$1,117,031:**

16 **6-1-0, with Mr. York opposing**

17 **The motion carried.**

18
19 **District Wide Salaries & Benefits**

20
21 **MOTION:** by Mr. York

22 *Move to approve the FY15 Recommended District Wide Salaries & Benefits Budget of*
23 *\$521,214*

24 **SECOND:** by Mr. Peeples

25
26 Mr. Spencer was concerned that with the Superintendent's reduction of \$29,200 from the
27 district-wide salaries account, the associated costs for Social Security, NH Retirement, etc. were
28 not removed.

29
30 Dr. Cochrane commented that the total reduction would be approximately \$5,840.

31
32 **MOTION:** by Mr. Cutter

33 *Move to reduce the FY15 Recommended District-Wide Salaries and Benefits budget*
34 *bottomline to \$515,374, a reduction of \$5,840*

35 **SECOND:** by Mr. Pascucci

36 **VOTE: 6-1-0, with Mr. York opposing**

37 **The motion carried.**

38
39 **MOTION:** by Mr. Spencer

40 *Move to reduce Account 1000290000-211, Health Insurance, by \$50,000*

41 **SECOND:** by Mr. Peeples

42
43 Mr. Spencer commented that the budget was built based upon the current plans employees have
44 elected plus the Guaranteed Maximum Rate increase. He indicated that historically we do not
45 end up with the guaranteed maximum rate and we typically have staff turnover. Mr. Spencer

1 commented that in 2012/2013, 95% of that budget was spent; 94% the prior year; 94% two years
2 prior. He indicated that he is proposing a reduction that is reasonable.

3
4 Mr. Markiewicz noted there have been some years where the district has been relative to budget
5 to actual in health insurance, some years where it was under spent and some where it was tight.
6 He cautioned that the district is within 2% of what we are projecting we will spend down. He
7 noted that a new hire just recently elected to change to a family plan, which costs the district
8 \$1,600 per month. Mr. Markiewicz indicated that industry manages health insurance to 4%. He
9 commented that this is a deep reduction in an expense area that cannot be cost contained or
10 predicted. He noted that we have a population that shifts insurance coverage and a life event
11 change can be critical to the budget. He indicated that we monitor this budget line on a weekly
12 basis.

13
14 Mr. Spencer commented that he sent an analysis to Budget Committee members. He indicated
15 that when looking at the current budget, it appears that 13 employees changed their insurance.
16 Mr. Markiewicz indicated that those types of changes are unknown.

17
18 Mr. Spencer believes that the reduction he proposed is reasonable.

19
20 Mr. York indicated that the School Board strongly recommends the Budget Committee not make
21 this reduction. He commented that a reduction such as this could have a negative impact as we
22 would be limited to areas where we could find extra funds. He noted that as the process
23 continues the Budget Committee will have made \$150,000 reduction along with other reductions,
24 which have impacts.

25
26 Mr. Cutter concurred that a reduction is justified, but that Mr. Spencer's proposed reduction is
27 excessive. He indicated that he has studied Mr. Spencer's analysis and his own analysis.

28
29 Dr. Cochrane commented that assuming no changes, we have six months left to the school year,
30 with approximately \$40,000 in reserve. He noted the concern is that a \$50,000 reduction is
31 based on the fact that only half of the GMR (guaranteed maximum rate) will be applied.

32
33 Mr. Spencer believes this year's budget is overstated and that health insurance could be under
34 spent.

35
36 **MOTION:** by Mr. Cutter

37 ***Move to amend the motion to reduce Account 1000290000-211 by \$30,000***

38 **SECOND:** by Mr. Pascucci

39
40 Mr. Cutter commented that he appreciates Mr. Spencer's analysis, but does not agree.

41
42 **VOTE ON AMENDED MOTION: 2-4-1**

43 **The motion failed.**

44
45 **VOTE ON ORIGINAL MOTION FOR A REDUCTION OF \$50,000: 4-3-0**

46 **The motion carried.**

1 **VOTE ON NEW BOTTOMLINE FOR FY15 DISTRICT WIDE SALARIES AND**
2 **BENEFITS OF \$465,374: 4-3-0**

3 **The motion carried.**
4

5 **Food Service**
6

7 **MOTION:** by Mr. York

8 *Move to approve the FY15 Recommended Food Service budget of \$345,281*

9 **SECOND:** by Mr. Pascucci

10 **VOTE: 7-0-0**
11

12 **Food Service Salaries & Benefits**
13

14 **MOTION:** by Mr. York

15 *Move to approve the FY15 Recommended Food Service Salaries & Benefits budget of*
16 *\$249,421*

17 **SECOND:** by Mr. Pascucci

18 **VOTE: 7-0-0**
19

20 **Grants**

21 Deferred until January 9, 2014 for update.
22

23 **Travel/Conferences**

24 Dr. Cochran commented that there are seven people expected to be the educational leaders in
25 the District: the Superintendent, Business Administrator, Curriculum Director, Special Services
26 Director and the principal of each school. He indicated that there is value in the national
27 conferences that these leaders would like to attend. Dr. Cochran mentioned that he attended a
28 session at the national conference last year regarding Smarter Balance Assessments and spoke
29 with the speaker/presenter about testing length requirements. He noted that the information
30 assisted in calculating the number of computers the district would need for that testing and he
31 was able to suggest a technology solution that was less costly than expected. He indicated that
32 he discussed technology strategies with other Superintendents. Dr. Cochran commented that
33 the information taken away from these types of conferences is priceless and is a good value for
34 the district. He indicated that other workshops that are of value are those that are centered on
35 HR, Laws, PPACA, Facilities, Finance, Technology and Special Education. He noted that
36 ASBO is a conference the Business Administrator attends which is focused on school funding
37 management. Dr. Cochran indicated that the conferences have strategic purposes.
38

39 Mr. Cutter commented that when we first started reviewing the budget, there was a concern
40 raised regarding the two accounts. He indicated that it is believed that these lines are at least
41 \$30,000 higher than the prior year. He commented that the mileage line analysis alone reflects
42 the account is \$16,000 higher.
43

44 Dr. Cochran thanked Mr. Cutter for his analysis. He indicated that a \$15,000 - \$17,000
45 reduction is reasonable, which would level fund the accounts from the previous year. He

1 commented that anything beyond the suggested reduction will impair professional development
2 opportunities.

3
4 Mr. Cutter commented that conferences do not have a lot of value in his experience and he does
5 not believe they are a benefit to the district.

6
7 Mr. Brunelle commented that there may be contract requirements. Dr. Cochrane confirmed that
8 of the 10 national conferences are contractual.

9
10 Mr. York commented that the School Board focused on mileage and travel. He indicated that
11 more detail would be needed for mileage in order to address it appropriately. He noted that the
12 information garnered from the conferences/workshops are being used to improve the district and
13 productivity of the staff. Mr. York mentioned that he has attended an educational conference
14 and there is much information. He commented that the Budget Committee has already made
15 reductions and approved them. He cautioned Budget Committee members against a significant
16 reductions in these areas.

17
18 Mr. Spencer commented that this issue is similar to the health care issue as this may be a case of
19 requesting what is thought it will cost. He suggested making a global reduction in the budget.

20
21 It was decided that the reduction would be taken from the District Wide budget and that Mr.
22 Markiewicz will drill down the costs to the appropriate budgets and line items.

23
24 **District Wide**

25
26 **MOTION:** by Mr. Cutter
27 *Move to reopen the FY15 District Wide budget*

28 **SECOND:** by Mr. Pascucci

29 **VOTE: 7-0-0**

30 **The motion carried.**

31
32 **MOTION:** by Mr. Cutter

33 *Move to level fund accounts 272 and 580 to the FY13 actual expenditure levels, which is a*
34 *reduction of \$21,475.33*

35 **SECOND:** by Mr. Pascucci

36 **VOTE: 6-1-0, with Mr. York opposing**

37 **The motion carried.**

38
39 **VOTE ON A NEW BOTTOM LINE FOR FY15 DISTRICT WIDE BUDGET OF**
40 **\$1,095,555.67: 6-1-0, with Mr. York opposing**

41 **The motion carried.**

42
43 **Facilities Acquisition & Construction**

44 **MOTION:** by Mr. York

45 *Move to approve the FY15 Recommended Facilities Acquisition and Construction budget of*
46 *\$48,855*

1 **SECOND:** by Mr. Pascucci

2 **VOTE: 7-0-0**

3 **The motion carried.**

4

5 **6. TOWN BUSINESS**

6

7 • **General Updates**

8 Mr. Brunelle shared that the Board of Selectmen will be meeting on Monday to discuss warrant
9 articles and final end of the year funds.

10

11 Mr. Cutter indicated that it is expected that the Budget Committee will vote on the 2014 Town
12 budget bottom line and warrant articles on January 2, 2014.

13

14 Mr. Brunelle reported that a reconciliation has been done for the month with no variances.

15

16 Mr. Cutter commented that he was reviewing the draft minutes from December 10 and 12. He
17 noted that Mr. Brunelle mentioned a bottom line budget total after the Budget Committee had
18 completed voting on town budgets that were reopened, which Mr. Cutter discovered was in error.

19 Mr. Cutter was concerned about how the Board of Selectmen presented the budget adjustments
20 to the Budget Committee at their last meeting. He wanted assurance that the Budget Committee
21 had full transparency of all increases and decreases brought forward.

22

23 Mr. Brunelle indicated that a detailed document with rationale included was provided to the
24 Committee.

25

26 Mr. Cutter commented that the Board of Selectmen added money to the police cruiser line after
27 the Budget Committee reduced it. Mr. Brunelle indicated that other changes were made so that
28 there would be no significant increase to the budget.

29

30 Mr. Spencer commented that the police training account was amended and then readjusted by the
31 Board of Selectmen. He indicated he was not comfortable with the change.

32

33 Mr. Brunelle commented that the bottom line of that department was lowered so that we could
34 add back to the cruiser line and still achieve the priorities we had. A lengthy discussion
35 regarding the revision of the 2014 Town budget followed.

36

37 Mr. Cutter commented that he wanted to ensure that the Budget Committee understood their
38 actions. Budget Committee members agreed on the actions taken.

39

40 • **Voting**

41

42 **General Government Buildings 4194.10**

43

44 **MOTION:** by Mr. Brunelle

45 *Move to reopen Account 4194.1, General Government Buildings*

46 **SECOND:** Mr. Cutter

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

2 **The motion carried.**

3

4 **MOTION:** by Mr. Brunelle

5 *Move to approve a new bottom line for Account 4194.10, General Government Buildings, of*
6 *\$107,881 for 2014*

7 **SECOND:** by Mr. Cutter

8 **VOTE: 7-0-0**

9 **The motion carried.**

10

11 **Hydrants 4220.90**

12 **MOTION:** by Mr. Spencer

13 *Move to reopen Account 4220.90, Hydrants*

14 **SECOND:** Mr. Pasucci

15 **VOTE: 7-0-0**

16 **The motion carried.**

17

18 **MOTION:** by Mr. Spencer

19 *Move to reduce the bottom line for Account 4220.90 to \$295,658*

20 **SECOND:** by Mr. Pasucci

21 **VOTE: 6-1-0, with Mr. Brunelle opposing**

22 **The motion carried.**

23

24 Mr. Cutter indicated that the new 2014 Town budget bottom line is \$5,130,167.

25

26 **7. MEMBER INPUT/NEW BUSINESS**

27 Mr. Cutter thanked Mr. Peebles for chairing the meetings in his absence.

28

29 Mr. Spencer asked if the town has a guestimate for the tax rate impact. Mr. Brunelle indicated
30 that the Board of Selectmen will discuss it at the next meeting.

31

32 Mr. Spencer asked if the Board of Selectmen will use funds from the fund balance for some
33 warrant article items. Mr. Brunelle affirmed.

34

35 **8. PUBLIC INPUT**

36 There was no public input.

37

38 **• Upcoming meetings**

39 The next meeting of the Budget Committee will be held on January 2, 2013.

40

41 **MOTION:** by Mr. Brunelle

42 *Move to adjourn.*

43 **SECOND:** Mr. Vaillancourt

44 **VOTE: 7-0-0**

45 **The motion carried unanimously.**

46

1 There being no further business, the meeting adjourned at 9:30 p.m.

2

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

4

5 **Date approved:**

DRAFT