

**Minutes of the Litchfield Budget Committee Meeting
Held on December 2, 2014**

The Litchfield Budget Committee held a meeting on Tuesday, December 2, 2014 at Campbell High School, 1 Highlander Court, Litchfield, NH 03052.

PRESENT: C Couture (Chair), A Cutter (Vice Chair), W Spencer, R Peeples, C Pascucci, D Vaillancourt, K Douglas, B Bourque (School Board Representative), F Byron (Selectmen's Representative)

Absent:

Mrs. Couture called the meeting to order at 7:00 p.m.

1. PLEDGE OF ALLEGIANCE

2. PUBLIC INPUT

There was no public input.

3. REVIEW/ADDITIONS TO AGENDA

There were no additions to the agenda.

4. REVIEW/ACCEPTANCE OF MINUTES

- **November 20, 2014**

MOTION: by Mr. Peeples

Move to approve the minutes of November 20, 2014 as amended

SECOND: by Mr. Pascucci

VOTE: 8-0-1, with Mr. Cutter abstaining

The motion passed.

5. CORRESPONDENCE

Mrs. Couture indicated there were several articles of correspondence:

- Request for audit trails for handicapped tuition, special education transportation and vocational transportation;
- Function and object summaries for the FY16 School Board Recommended budget;
- School District salaries breakdown by location for all three schools;
- Responses to questions by Mr. Spencer regarding Special Education transportation;
- Question from Mr. Pascucci regarding Parks and Recreation field maintenance budget information;
- Response from Mr. Hoch regarding Parks and Recreation field maintenance budget information;
- Explanation of the SOU rifle purchase in the police budget;
- Explanation of police salaries.

6. OLD BUSINESS

● 4520.1 Parks and Recreation Voting

Mrs. Couture noted that the Budget Committee voted to defer voting on the Parks and Recreation budget because the Committee requested additional information regarding the field maintenance line items and a decision by the Recreation Commission on bids for mowing. She read the response to a request for clarification of the 650 Field Maintenance line item with regard to the request for additional information on the mowing contract.

The 650 Field Maintenance line covers several aspects of the costs related to maintaining the recreation fields. In 2013, the contracted monthly maintenance was \$42,000 and this year was \$39,969. Approximately \$1,000 was spent this year on issues related to repairs to sprinklers, well and related pipes. The cost is variable since it is based on failures and problems. Mr. Hoch's assumption the past few years has been an additional \$1,000. Additional supplies have been charged to that line. The savings from 2013 to 2014 is due to the leagues taking over most of the cost of infield maintenance. The last item (if circumstances allow) would be use of the County Prison Community Service program, which is charged to field maintenance because this year we both work and availability of the crew.

When the Recreation Commission finalizes numbers for 2015 there will be a mowing contract and additional sprinkler maintenance. This will not be finalized until the next meeting in early December. Their process was to accept bids, review and meet again to gather questions and follow-up answers so they can award a contract in December. Mr. Hoch indicated that based on what he is seeing now, the recommended budget should be adequate for these expected costs and with the added specifics of the actual contracts, we should be under budget by a few thousand dollars in that line.

Mrs. Couture asked Committee members for direction regarding the Parks and Recreation budget voting.

Mr. Spencer suggested tabling voting until the Budget Committee receives the bid information.

7. SCHOOL BUSINESS

● Budget Review

○ School Board

Mr. Cutter observed that the heading reflects Superintendent Recommended Budget. Dr. Cochrane explained there are three phases of the budget process: directors/managers requested budget, Superintendent's recommended budget and School Board recommended budget. He indicated that the budget distributed to the Budget Committee is the School Board recommended budget.

Mr. Spencer commented that the budget is confusing as, for example, there was a \$70,000 reduction in the CHS budget, but there is no information in the budget notes.

Mr. Bourque presented the FY16 School Board Recommended budget to the Budget Committee. He noted the budget reflects a decrease of \$1.684. He reported that NHSBA dues were included in the budget.

Mrs. Couture asked why the Board added funds for enrollment projections. Dr. Cochrane indicated that he will not prepare the enrollment projections for next year. He noted that the projections are not included in the dues. Dr. Cochrane explained that the NHSBA main function aside from advocating for policies is school board member development. He commented that there is a lot of turnover on school boards and the NHSBA offers services such as orientation, database subscriptions and workshops for members.

Mr. Spencer commented that Line 272, Conferences, has increased by \$200. He indicated that while this is a small increase, the total amount of the budget that is requested is enormous compared to what has been spent. He was concerned that a total budget of this size may not be approved by the voters.

Mr. Spencer asked why overtime has increased for Election Services. Mr. Bourque did not have the answer to that question.

Mrs. Couture asked about additional bound copies of the audit that were budgeted. She commented that the town has reduced what they print (i.e. annual report) and suggested the district follow suit.

Mr. Byron indicated that the school district is obligated to submit copies for the state archives. Mr. Markiewicz indicated that the district is also obligated to provide copies for banking associates.

Mr. Spencer asked about Line 890 – costs associated with Deliberative Session. Mr. Byron asked if this is related to set up and break down of elections. Mr. Markiewicz commented that costs have increased for the custodian staff. Mr. Byron noted that the district has to host three elections in 2015.

Mr. Cutter acknowledged that it was stated that audit services are a fixed price. He asked why the district has never over spent this line. Mr. Markiewicz indicated that is the contracted price the district received and he cannot answer for previous years under spending.

o SAU

Superintendent's Office:

Mr. Spencer referred to Line 272, Conferences, and asked about the NHSAA Season Pass. Dr. Cochrane indicated that it is a less expensive admittance to a number of conferences as compared to paying for each admission separately.

Mr. Cutter observed that travel is significantly higher across the total budget. He suggested when going forward through the process we need to make recommendations on travel line items.

Mrs. Couture asked about the School Board reduction in Dues and Fees. Dr. Cochrane indicated that it is related to the Hudson Litchfield Rotary.

Mr. Pascucci asked for an explanation of the South Central under Dues and Fees. Dr. Cochrane indicated that is the South Cental Superintendent's Association. He explained that member Superintendents meet at SERESC to discuss critical issues, local hot topics and changes in districts.

Mr. Cutter referred to Line 890 and asked for the justification for the School Board increase. Dr. Cochrane commented that we have gone through a difficult teachers' contract and we are in a situation where we are concerned about retention issues. He indicated the rationale is related to the recognition of excellence in teaching and to demonstrate to our best teachers we are focused on retention and appreciation. Dr. Cochrane noted we are looking to award small amounts of cash to teachers to spend on resources for their classrooms. He indicated it is a way of reinforcing and supporting excellence in teaching and recognition of extra work.

Mr. Spencer indicated the original request is what you had in the budget this year and the School Board increased the line by \$2,175. He asked if the Superintendent asked for that number or did they just come up with a number. Dr. Cochrane commented that the School Board felt the district could use more money in that area.

Business Office:

Mr. Pascucci referred to Line 610, Supplies, and asked about the JLMC Safety Committee. Mr. Markiewicz explained we are required as a school district to have a joint loss management committee. He noted it is comprised of administration members and staff members that meet quarterly. He indicated the committee reviews accident incidents and risk management and makes recommendations to the district regarding safety. Mr. Markiewicz commented that the budget includes supplies for some safety equipment.

Mr. Spencer asked about workshops budgeted for the district wide JLMC members. Mr. Markiewicz indicated that there was a recommendation from the Joint Loss Management Committee for training and information on certain criteria and knowledge in areas they are lacking.

Mr. Cutter asked how the budget number was determined. Mr. Markiewicz indicated that some of the training carries a cost and some is free. He noted that the costs for some training classes were priced.

Mr. Pascucci commented that committee members should take advantage of the free training. Mr. Markiewicz commented that vendors charge for training. He indicated that this is a high level committee meeting whose work has resulted in the district having one of the lowest workman's compensation rates.

Mr. Spencer noted that business office conferences have increased.

Mr. Cutter asked about the Software Lease increase. Mr. Markiewicz explained that the business office is looking to an enhancement to the finance software and estimating an increase between 3% and 4%.

Mr. Spencer asked about what was budgeted in Line 734, Equipment Additional. Mr. Markiewicz indicated that the business office has budgeted for electronic time cards. He explained it is a hardware/software package that will be integrated to our accounting system with the ability for employees to clock in with their proximity cards.

Mr. Spencer asked if there will be any savings with it. Mr. Markiewicz commented that would be unknown if there are other responsibilities this will create.

Mr. Peebles asked how many transactions are recorded within one timesheet. Mr. Markiewicz indicated he has not drilled down to that detail of information.

Mr. Peebles asked if employees' hours are being tracked currently. Mr. Markiewicz indicated they are tracked and there are additional requirements from PPACA to track hours of other types of employees in the district (i.e. coaches, substitutes).

Mr. Cutter commented that the budget reflects the bond is paid. Mr. Markiewicz commented that the School Board will be receiving projected revenues tomorrow night and the Budget Committee will receive them Thursday morning. He mentioned that the district will still be receiving building aid in the amount of \$66,000.

Mr. Cutter commented even with the high school bond being paid off our budget is increasing \$800,000. Mr. Markiewicz indicated that salaries and benefits contribute greatly to the increase.

Mr. Cutter commented that he will be taking a hard look at this budget as this is a significant increase. Dr. Cochrane commented at the same time the tax rate for the school has decreased the last four years.

Mr. Cutter commented that the taxpayer does not know the difference if it is school or town tax; taxes just keep increasing.

Mr. Pascucci commented that he has been going through this budget and looking at enrollment. He indicated budgets did increase in the past, but have stayed almost level over the last four years while the student count stayed level or decreased. He noted there has been sacrifice on certain maintenance items. Mr. Pascucci commented he is trying to determine the per student cost – what dollar amount it takes to operate a building.

Mr. Bourque commented that a decrease of 30 or 50 students is not going to impact the budget to a great extent. He indicated that technology is increasing and we are behind. He noted that we spend more on technology now than years ago. Mr. Pascucci agreed, but commented he is trying to determine what is making the budget increase.

Mr. Bourque commented much has been put aside for maintenance and equipment is aging. He indicated that Mr. Pascucci has stated we have to take care of the buildings as they are the towns largest assets.

Mr. Spencer commented the technology budget increase is not bad, but building maintenance has increased \$200,000 over what we spent last year and transportation is a major increase. He acknowledged that budgets have to increase, but not to increase to the magnitude of this budget. He noted that this is completely different than we have seen in the last few years and has not been prepared the same way. Mr. Spencer commented the increase is unreasonable.

Mrs. Couture mentioned that the state DOE website lists the cost per pupil by town and district.

Dr. Cochrane indicated that the cost per pupil for Litchfield is usually \$2,000 below the state average. He acknowledged responsibility for some of the budget preparation because of what occurred with his contract in September and October. He commented he would have spent more time with budget managers, but felt at that time it would not be appropriate to make financial decisions someone else would have to make.

Mr. Pascucci commented that he would like a real cost for educating a child in Litchfield and not what other districts or towns spend.

Dr. Cochrane commented you will not get to the right number until you look at what we do in the district. He noted that salaries are below the state average and the cost per pupil is below the state average. He indicated that we do well academically, but to some extent, as expectations ramp up higher there is a cost. Dr. Cochrane commented we are trying to do more in terms of ensuring every child moves up a grade level and small amounts of money can make a difference in that goal. He noted that is where professional development conferences are effective. He indicated that the budget is not where he would like it to be and there are some areas we would like to address (i.e. textbooks). Dr. Cochrane commented we have not been consistent in the curriculum cycle and trying to get the alignment to get the maximum benefit from quality teachers takes resources.

Human Resources:

Mr. Spencer noted that Line 272 (conferences) reflects an increase, Travel has increased and Professional Services has increased. Mr. Spencer added that Line 890, Miscellaneous, has increased.

Mr. Pascucci asked how employee wellness money is spent. Dr. Cochrane indicated that the SAU provides programs that increase physical activity and encourage more people to keep fit and healthy to decrease the use of the health insurance.

o Curriculum

Mrs. Couture mentioned that Dr. Heon was not able to attend tonight.

Mr. Markiewicz reported that many of the items that were budgeted under Lines 640 and 641 were moved from locations throughout the budget to the Curriculum budget. He indicated the School Board made the decision to place all those appropriations under the purview of the Curriculum Director.

Mr. Spencer disagreed that all items in those lines were moved. He commented that there are textbook replacements in every budget.

Mr. Cutter concurred and commented that there is \$140,000 in these lines in the budget.

Mrs. Couture indicated that she recalls a six year cycle for curriculum review, but replacement texts were separate. She commented that replacements were for books lost by students.

Dr. Cochrane indicated that lost textbook money goes into the student funds. He commented that the schools have been doing things differently with Lines 640 and 641 since he arrived in the district. He noted that we pulled these lines together to make sure we are following the cycle and for consistency. He mentioned that the Curriculum Director is very good at negotiating deals on textbooks. Dr. Cochrane indicated that we have not spent much on textbooks as we are waiting for them to be aligned to the Common Core Standards.

Mrs. Couture commented that the 641 line is where we should see textbooks from the curriculum review cycle. Dr. Cochrane commented that for the last two years the 640 line is used for replacing old texts with new.

Mrs. Couture indicated that is not how these lines have been used in the past. She asked about the \$80,000 budgeted in curriculum replacement. Dr. Cochrane indicated outdated resources are being replaced.

Mrs. Couture asked if old books will be replaced with new books. Dr. Cochrane indicated they would be budgeted under new textbooks. He commented we are trying to get consistency with the interpretation of "replacement".

Mr. Spencer indicated all three schools have money in the budget for text replacement, which is what Mrs. Couture was talking about. He commented if the district was doing a major replacement in the past it would still be included in school budget and it would be identified, but now the district is budgeting \$80,000 for a major replacement in the Curriculum budget and budgeting another \$50,000 in the schools' 640 lines. He noted typically when a request comes to the Budget Committee we are told what it will be spent on.

Dr. Cochrane indicated that Dr. Heon can answer those questions. Mr. Bourque indicated that she has already priced out the books and reported it to the School Board.

Mr. Peebles commented if we are going to Common Core Standards there is a complete framework. Dr. Cochrane indicated those are the standards and they do not provide a process. He commented this is a small district with one curriculum position, while other larger districts

have more. He noted that we have the same standards as everyone else now and everyone is writing to the standards. Dr. Cochrane commented in a district this size it is difficult to write the same amount of curriculum as other districts.

Mr. Peeples commented that he is trying to make the point that it is inefficient to have districts write to their own curriculum and is a large cost for a small district.

Mrs. Couture asked about the software in Line 650. Dr. Cochrane indicated that we have been using NWEA for over a decade. He explained that AIMSweb provides an ad hoc basis for students who are struggling with quick feedback and cost effectiveness. He noted that we are piloting AIMSweb for progress monitoring in grades 5-7.

Budget Committee members expressed confusion regarding money moved in the budget accounts. Dr. Cochrane indicated they are trying to get things on track for the future.

Mr. Cutter asked about Non-Union Course Reimbursement. Dr. Cochrane indicated that is budgeted for what is included in the administrative contracts. He noted it is usually coursework toward a Masters degree. He commented that line was budgeted at \$40,000 annually and was significantly under spent.

Mr. Spencer commented that conferences, workshops and in-district professional development are budgeted because they are in the contract, but is never spent. Dr. Cochrane indicated there have been more requests this year. He noted in the past it has been budgeted at \$40,000 and we have reduced it.

Mr. Cutter commented that Lines 270 and 271 are \$11,000 high across the budget, as are Lines 320 and 321. He asked if there is a need that justifies it. Mr. Spencer commented they have to budget the amounts that are in the contracts, but they never spend it all.

Mr. Markiewicz commented that we verify with the union every year that we've met our obligation of the budget.

Mr. Spencer noted that \$4,000 has been budgeted in CHS in-district professional development and asked if that was a number that we developed.

Dr. Cochrane commented that is specifically for curriculum development. He explained when you write curriculum you have to release teachers from their classrooms [using substitutes]. If it is not part of the teacher's responsibility we have to pay them per diem. He noted we spent much on that this year and are hoping for more teachers this year and increase that amount of money. Dr. Cochrane indicated there are so many more courses at the high school level, which is the reason that line item increased.

Mr. Cutter commented that Line 320 is \$8,000 to \$9,000 high across the budget. Dr. Cochrane indicated we are trying to write a lot of curriculum.

Mr. Cutter asked how that is different than in the past. Dr. Cochrane indicated we are looking at horizontal and vertical alignment of instruction. He commented that curriculum is being written and aligned to the Common Core Standards and the focus of that work is how to get to that alignment.

Mr. Cutter commented that the question is what can the district afford to do. Dr. Cochrane indicated we have summed up what we are trying to do and how to determine the number. He commented we will use the bottom line to the best of our abilities.

Mr. Spencer requested to see an overall plan for text replacement. He asked when the Budget Committee would receive revenue projections. Mr. Markiewicz commented the Committee will receive them on Thursday morning.

Mr. Spencer asked about the timeline for the default budget. Mr. Markiewicz indicated that he will be presenting it to the School Board in the next couple of weeks.

Mr. Spencer noted that he previously asked for the FY15 year to date budget status. Mr. Markiewicz commented that he did not receive the request. He asked Mr. Spencer to forward the request so he can provide the report.

Mrs. Couture indicated that Salaries and Benefits will be reviewed on December 9, the Committee will receive projected revenues Thursday morning, the default budget will be presented in two weeks, and the Committee will receive the year to date budget status report.

8. MEMBER INPUT/NEW BUSINESS

There was no member input or new business.

9. PUBLIC INPUT

There was no public input.

- **Upcoming meetings**

The next meeting of the Budget Committee is scheduled on December 4, 2014.

MOTION: by Mr. Cutter

Move to adjourn.

SECOND: Mr. Peeples

VOTE: 9-0-0

The motion passed unanimously.

There being no further business, the meeting adjourned at 8:50 p.m.

Minutes by:

Michele E. Flynn (Recording Secretary)

Date approved: