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3 **Minutes of the**
4 **Litchfield Budget Committee**
5 **Held on December 1, 2009**
6

7 The Litchfield Budget Committee held a meeting on Tuesday December 1, 2009, at
8 Campbell High School, 1 Highlander Court, Litchfield, NH 03052.
9

10 **PRESENT:** B Lemire (Chairman), J Harte (Vice Chairman), B Spencer, G Lambert
11 (Board of Selectmen Representative), M Falzone, R Peeples, P Parker, Mr. Guerrette
12

13 **ALSO PRESENT:** Dr. E Cutler (School Superintendent), Mr. S Martin (Business
14 Administrator)
15

16 **ABSENT:**

17 Mr. Lemire called the meeting to order at 7:01p.m.
18

19 **1. PUBLIC INPUT**

20 Mr. Chris Pascucci, 12 Colonial Drive introduced himself and thanked the Budget
21 Committee for all the work they do for the town.
22

23 **2. APPROVAL OF MINUTES**

24 The approval of the minutes of the November 5th meeting was tabled until the next
25 meeting.
26

27 **3. SCHOOL DISTRICT BUDGET**

28 Mr. Lemire thanked members of the Budget Committee for their efforts, reminding
29 everyone the Committee will be meeting twice weekly for the rest of the budget
30 season. He welcomed the representatives of the Litchfield SAU and Mr. Dennis
31 Miller of the School Board who was in the audience.
32

33 Mr. Guerrette deferred to Dr. Cutler and Mr. Martin to present the School District
34 budget Mr. Martin explained school revenue figures are not yet available for the
35 Budget Committee as these will be presented to the School Board next week for
36 approval. He indicated the figures will not be down a lot apart from the Fund
37 balance. He reported they do not have the Kindergarten setup costs from the state
38 perspective, but there are no major changes overall. Responding to Mr. Spencer's
39 statement that he is interested in what the District anticipate revenue will be for
40 following year, Mr. Martin reported the state is forecasting almost a \$2 million drop
41 in revenues to them. He stated he would go over the utilities figures and explain the
42 process used to come up with those figures.
43

44 **a) Overview (includes Revenues And Enrolments)**

45 Mr. Martin reported a decrease of \$109,0045 in the School Board's recommended
46 operating budget from the current year's budget but this does not include any

1 collective bargaining costs. He pointed out food service is down slightly from the
2 current year as they have fewer students. There was a major increase in grant
3 funding which was predominantly due to what they are expecting from Stimulus
4 grants. Mr. Martin reported Dr Cutler had issued strict guidelines to the staff,
5 including that there should be nothing new and the district should come in with as
6 conservative a budget as possible. This has meant that some items such as
7 curriculum and technology will not be fully funded for next year. They did
8 reduce some staff and some sixth period classes. He stated he would also give the
9 tax rate impact when he presents revenues. He reported he will use the same
10 percentage growth from 2008/2009, and that electronic versions of the budget for
11 the Budget Committee have not yet been finalized. Mr. Martin then went through
12 the various exhibits, pointing out the following:

13
14 **Exhibit 1** – There were only two areas where the requested budget is higher than
15 this year which is in benefits (health insurance and retirement) and other
16 purchased services (SPED out of district tuition). He reported there have been no
17 adjustments to salaries (which is identical to the default budget).
18

19 **Exhibit 4** – Mr. Martin explained where the Committee will see increases. There
20 is a significant drop in debt service and plant and maintenance.
21

22 **Exhibit 7** – this highlights areas with an impact on the budget of \$10,000 or more.
23 Mr. Martin pointed out the largest impact is in the health insurance rates,
24 explaining they obtained savings due to a decrease in staff but that costs have
25 increased. He reported Special Education out of district tuition is over budget this
26 year, but there may be \$50,000 saved in special services. The other areas where
27 increases could be seen are NHRS, resurfacing of CHS track, SPED
28 transportation, salaries and benefits for non union staff, an addition for GMS for
29 two additional bathrooms, textbook replacements, dental insurance, LEA grade
30 change costs. The total increases amounted to \$1million and they have made \$1.1
31 million in reductions elsewhere to balance out the increases.
32

33 **Exhibit 8** – this summarizes salary increases. The second page shows reductions
34 in staff (one teacher in grade 4 at GMS, 1 part time SPED teacher at GMS, 1 full
35 time SPED teacher at CHS). He explained they had reduced costs in 6th period
36 classes which will probably be mostly in language arts and will result in an
37 increase in class size. The Curriculum Coordinator position has been reduced to
38 60% and the SAU Payroll Coordinator position to 70%. The total of all these cuts
39 amounts to almost \$250,000 in savings.
40

41 Mr. Martin handed over to Dr. Cutler who handed out enrolment projection
42 information. She explained she had been advised not to cut the 2011 budget to
43 the bone as there will be further reductions required the following year. She
44 reported they had tried to minimize the effect on the classrooms.
45

46 Mr. Lambert joined the meeting at 7:25 p.m.

1 Dr Cutler explained what her recommendations were for next year at GMS with
2 regard to teachers and class sizes.

3
4 There followed input from Mr. Spencer who talked about the Litchfield School
5 District policy on class size versus the state recommendation. Responding to a
6 query from Mr. Spencer, Dr. Cutler stated she would check when the Litchfield
7 policy regarding class size for grade 3 changed to 20 students.

8 ***Action: Dr. Cutler***

9 Mr. Spencer pointed out Litchfield is above the state average for class sizes.
10 Responding to Mr. Lambert, Dr. Cutler stated citizens can view school policies on
11 line and the date they were approved by the School Board should also be within
12 the documents. There was a discussion between Mr. Spencer and Dr. Cutler on
13 the state averages, with Dr. Cutler stating she was unsure how the state figures
14 were derived, but that they are published on the state education web site.

15
16 Dr Cutler explained the other information in her handout, stating this should
17 provide the Committee with a sense of how projections have changed over time.
18 There followed a discussion about the overall reduction in enrolment going
19 forward.

20
21 Responding to Mr. Spencer's request for the rationale for not cutting some things
22 until next year, Dr. Cutler reported that cutting too much will affect the
23 educational opportunities of the students. She reported there has been an increase
24 in achievements over the last two years, and she stressed this is due in part to
25 good instruction and reasonable size classes and she would not recommend
26 changing the infrastructure this year if they do not have to. There followed a
27 discussion between Dr. Cutler and Budget Committee members regarding the
28 impact of an increase in the budget on children and families. Mr. Spencer stated
29 he would like to discuss Special Education, and Dr. Cutler confirmed the SPED
30 Director would be attending the meeting on December 10, 2009. Dr. Cutler
31 agreed to make copies of the school policy regarding class sizes for the next
32 meeting.

33 ***Action: Dr. Cutler***

34
35 Mr. Martin handed out the backup information on utilities, stating the consultants
36 had compiled these rates by looking at forward market rates. He also reported the
37 storage shed which they received from the Town of Hudson is now on site.

38
39 **b) Self-funded and Adult Community Programs (1500 series)**

40 Mr. Martin stated the only major increase was in the summer reading program at
41 GMS and LMS which ran this year with grant funding which they will not have
42 next year. He reported that both schools want to charge parents next year and Mr.
43 Guerrette pointed out that if a program is not grant funded it could be opened up
44 to the rest of the community. Clarification was provided for Mr. Harte on the
45 need for gross appropriation. Responding to Mr. Falzone, Mr. Martin clarified
46 these programs also include music lessons and summer camps. Mr. Martin

1 explained the School Board had originally stated they would pick up the
2 administrative costs in the first three years for the adult education program, but
3 the program should become self funding in the fourth year. He also explained
4 that teacher salaries for these programs are offset.
5

6 **c) School Board Budget**

7 Mr. Guerrette presented this budget, reporting an increase of \$7,400 due to
8 increases in salaries and benefits. He also reported an increase in non-SPED legal
9 services. Mr. Spencer suggested the Committee ask questions page by page as
10 they went through the budget.
11

12 Mr. Spencer queried the increase in health insurance, pointing out the actual
13 increase is usually 90 – 95% below what is budgeted, and he would be tempted to
14 reduce every employee by 1 – 2%. He was informed that 23.1% is the guaranteed
15 maximum increase. Mr. Martin explained the figure is based on current staff but
16 there may be a switch from a single to a family policy during the year and the
17 provider has already advised the District will be lucky to see 1-2% below the
18 guaranteed maximum. There followed a discussion in which Mr. Spencer
19 provided the figures for the last three years which indicated the actual is usually
20 lower than the budgeted figure. Mr. Harte confirmed that employees also pick up
21 their share of the increase and Mr. Martin has obtained an alternative quote.
22 There followed a discussion regarding bargaining and non-bargaining rates in
23 which Mr. Martin recommended not treating one group differently, and he
24 confirmed the cost share split is 85/15 with the employee.
25

26 Mr. Martin explained for Mr. Spencer that the SAU level 2 adjustments had been
27 a calculation error as it is budgeted in another place. He clarified for Mr. Lambert
28 that one third of salary costs are attributed to health insurance.
29

30 ***Page 2***

31 In response to a query from Mr. Spencer, Mr. Martin clarified that the town
32 moderator receives payment from both the town and the school and is therefore
33 budgeted in both places.
34

35 ***Page 3***

36 Responding to a query from Mr. Harte, Mr. Martin explained the increase in legal
37 services between 2008 and 2009 was partly due to negotiations. Dr. Cutler
38 explained there has been an increase in legal usage due to non-teacher issues and
39 there was a discussion on specialized legal services.
40

41 *Line 890 Election Services* – It was confirmed for Mr. Spencer that this line
42 covered extra time staff spent on the election, such as custodial and to cover for a
43 police officer for the school deliberative session. There followed a discussion for
44 clarification as to whether money is appropriated twice. Mr. Lemire asked for
45 specific details on what \$2,790 is for, and Mr. Martin said he would forward
46 details on e-mail. ***Action: Mr. Martin***

1 There was a discussion between Messrs. Spencer and Martin regarding actual
2 spending over the last three years. Responding to a query, Mr. Martin reported
3 there is a single audit and revised auditing standards are putting an additional load
4 on the auditors.
5

6 **d) SAU Budget**
7 ***a/c 2320 (Office of Superintendent)***
8 ***Page 1***

9 Responding to a query from Mr. Spencer, Mr. Martin reported a severance
10 payment is required under the contract, and confirmed that around 20 employees
11 have this requirement. There followed a discussion between Messrs. Lambert and
12 Martin on accumulating liability in which Mr. Martin stated they track accrued
13 liabilities by a note in the audit. There was further discussion for clarification,
14 and Mr. Martin explained if notice is not provided by a specific date the District is
15 not required to pay severance that year as it was not budgeted. Dr Cutler
16 explained transition payment and confirmed the new Superintendent's salary is
17 currently budgeted at \$107,000.
18

19 ***Page 2***

20 Responding to a query from Mr. Spencer, Mr. Martin explained that utilities
21 disposal was for shredding and the figure was the same for each school. He
22 explained the schools do their own shredding but it is not charged to the correct
23 object code. There followed a discussion about entering of codes and the
24 checking of these.
25

26 ***Page 3***

27 It was explained for Mr. Spencer that dues and fees increased because of a rate
28 increase for NH School Administrators and that Hudson/Litchfield Rotary is new.
29

30 It was clarified that Miscellaneous (a/c 890) is for an administrative retreat and
31 employee recognition at the beginning of the year which covers all employees.
32

33 ***Page 5***

34 Mr. Martin explained for Mr. Harte that they are required by state law to offer the
35 same health and dental benefits to retirees and they hire an actuarial consultant
36 every other year to look at post employment costs for a GASB-45 required report.
37

38 ***Page 6***

39 Responding to a query from Mr. Spencer about fingerprinting of volunteers, it
40 was explained the figure was based on historical data and there is a high turnover
41 of volunteers. Dr Cutler explained this is for volunteers having the opportunity to
42 spend time alone with students.
43

44 It was explained that the figure under Professional Services are minimum fees and
45 are for advice with HR issues.
46

1 *Page 7*

2 It was confirmed for Mr. Lemire that the Employee Wellness Incentive is not
3 contractual and that these are part of risk management.

4
5 Mr. Lambert asked when he could expect to obtain answers to his previously
6 asked questions, including one on vendor lists, and Mr. Martin confirmed would
7 answer these as soon as he can.

8
9 Mr. Lemire confirmed the agenda for the next meeting and that Mr. Schlichter
10 would attend.

11
12 **4. OUTSTANDING TOWN ITEMS**

13 Mr. Lemire announced they would defer voting on outstanding town items until the
14 next meeting.

15
16 **5. MEMBER INPUT**

17 Mr. Spencer asked for feedback on the feeling of the Committee on health care costs
18 for the School District. Mr. Lemire deferred to Mr. Guerrette who reported that
19 discussions at the School Board level on this had been minimal. There followed a
20 discussion in which Mr. Spencer explained what his approach would be and a
21 consensus of the Committee agreed with him. There followed a discussion regarding
22 the contract for clarification for Mr. Harte. Mr. Spencer suggested doing all location
23 code budgets in the same way as the Committee had approached the Police budget
24 and it was agreed that he would put something together for the School Board budget.

25 *Action: Mr. Spencer*

26
27 **MOTION:** by Mr. Falzone

28 *Move to adjourn*

29 **SECOND:** Mr. Peeples

30 **VOTE:** 8-0-0

31 There being no further business, the meeting adjourned at 9:25 p.m.

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39 **Minutes by:** *Mrs. Sandra Maxwell (Recording Secretary)*

40 **Date approved:** *December 15, 2009*

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