

Budget Committee Minutes 05/17/11

Contributed by Lisa Fellows-Weaver
Wednesday, 10 August 2011

Budget Committee

Minutes

May 17, 2011

Official as of July 27, 2011

Chairman Daniel McNally calls the meeting to order at 6:58 p.m.

PRESENT: Chairman Daniel McNally, Vice-Chairman Jim Vaillancourt, Selectmen Representative Robert Holden, School Board Representative Chris Andrews, Betsy Colburn, Tim Jandebour, Mark Boucher, Ginger Dole, Nona Holmes, Kate McNally, John Difeo, Herb Johnson, Board Administrator Linda Smith.

ABSENT: Excused Muriel Johnson; Water District Representative John Jacobsmeyer, and Robert Bailey.

Meeting Business

Third Quarter School District Report

Mr. Vaillancourt asks if there is a line item budget for next year yet. Mr. Andrews replies yes; approved last night. Ms. Colburn requests that this information be mailed out to the committee members.

Mr. Vaillancourt states that the budget is \$10,000 more than what was approved at school district meeting. Mr. Andrews replies that is correct because Article 1 from 2009, collective bargaining agreement for educational support personnel, for \$10,536 is added. Ms. Colburn states that this was a math error. Mr. Vaillancourt states he does not understand how the school board can deal with a report that does not show the actual operating budget. He does not understand why the school board does not request a report from the SAU showing what the bottom line operating budget is.

Regular Education – 1100

Ms. McNally states that there is nothing listed for the aides or para- professionals for longevity, which would have been a contractual agreement. She refers to 5122-000/Special Ed. She states that if there was a contract than there should have been longevity raises included. Mr. Andrews states that this could be due to Evergreen Law but it would have been in last year’s budget. He states that he will check into this for the committee.

Mr. Jandebour asks about health insurance. He states that there is \$830,000 budgeted for health insurance. He states that no new staff has been gained, in fact, some staff has left. He notes that the health insurance was taken away from one food service employee. He states that it appeared three to four months ago that the cost for health insurance would be approximately \$700,000. Mr. Jandebour states that the new report indicates that the cost will be \$890,000 for health insurance. He asks what is causing the increase. Mr. Andrews states that health insurance is very difficult to budget for. He states that employees can change plans and some have. He adds that perhaps the health care amount may have been underestimated.

Ms. Dole states that there is a discrepancy between the February and March statements. She states that there is more indicated as expended in the March statement.

Mr. Jandebour states that one change from one year to the next is that there is a breakdown of more departments. He states that the numbers do not make any sense to him from one week to the next.

Ms. McNally states that the FICA and retirement lines should be reviewed.

Special Education – 1200

Ms. Dole refers to non public schools and states that there is a \$412,000 deficit. She notes that nothing was mentioned at the budget meetings or school district meeting regarding additional students or that there was a funding issue. Mr. Andrews replies that this is due to two additional students moving into town and he is unsure as to why this was not explained.

Ms. Colburn requests a new breakdown of the number of students with costs to make sure the figures are accurate.

Mr. Vaillancourt asks why the committee should ask for this information now; why not wait until July or August when the entire year will be available for review. He states that it is not the committee’s responsibility to run the operations

of the school. He states that the committee needs to understand the numbers in order to prepare a budget recommendation for next year. He suggests waiting until the fiscal year ends and then the committee receives all of the information for the entire year to begin to analyze. He states that he is positive that the health insurance information provided to the committee on January 15 was incorrect. He states that there should be an ongoing statistic report provided along with a breakdown of all students attending both schools.

Mr. Difeo states that the committee should ask the school board now for all information so that the school can be prepared to provide all the necessary information. Mr. Andrews agrees and states that he will ask the SAU for the documents so that they can have the necessary documents available to the committee in a timely manner.

Mr. Andrews states that the school has implemented the New England Children's Autism Program, which will begin next year. He states that one student currently out of district will be coming back and another student will possibly be returning. Hopefully, these two students will be back in the district. In addition, he states that there are two students currently in the school that, based on IEP's, would be placed out of district next year; however, because of this program will not be placed out of district. He hopes that this will help reduce the \$410,000. Ms. McNally asks if this will be an ongoing program and Mr. Andrews replies yes. He explains that the center will manage the program through the principal over the next few years or how ever long it takes for the school to be approved to run the program.

Ms. Dole asks what the start up costs will be. Mr. Andrews states that this year it will probably break even. He adds that the program is set up for 6 students and we have four so there is still room for two more. He states that the thinking is that the other schools in the SAU could also bring students into the school. He states that the cost depends on the number of students.

Mr. Jandebaur states that this issue has been addressed by the school board 4 times. He states that he is very interested in this program. He explains the discussions that have been held regarding this program. He states that this is supposed to be a great program opportunity and it is his opinion that this will end up being very expensive.

Vocational Education & 1310

Ms. Colburn states that there should be a correction with charges for two students. Mr. Andrews states that he believes that this has been corrected and will show on the April report.

Co-Curricular & 1410

Ms. Colburn asks about science camp total costs as the amount indicated appears to be less than what it has been in past years. Mr. Andrews replies that he believes that the amount provided is the total cost. He adds that the only other cost associated with science camp would be transportation, which is in another section of the budget.

Guidance & 2120

Ms. McNally refers to the guidance department and asks about the standardized testing funds that have not been expended to date. Mr. Andrews replies that he believes that testing is currently taking place.

Mr. Boucher asks about the health insurance in this section and if this is new or has it been included elsewhere. Mr. Andrew states that originally this was all included under general education and is now split out per department.

Nurse & 2130

Ms. McNally asks why there is a deficit in the nurse's assistant wages line. Mr. Andrews replies that a new assistant was hired. He adds that the same applies to the nurse.

Improvement of Instruction & 2210

Ms. McNally states that some of the staff development and mentors line is a contractual agreement. She asks why the funds are not encumbered. Mr. Andrews replies that the business administrator has been reviewing all lines that have been encumbered for accuracy. He adds that this may be an oversight.

Computer Instruction Services & 2225

Ms. Dole asks why there is an overage anticipated for the technology director. Ms. McNally states that this would be due to raises given during the year to the 6 employees that are not contractual positions.

School Board Services & 2310

Ms. McNally asks why the school board salaries and expenses are over expended. Ms. Colburn replies that the overage for the school board expense line is due to contracted services for the business manager. Mr. Andrews states that he will review and provide an explanation for these items.

SAU Expenses & 2410

Ms. McNally requests an updated SAU statement. Ms. Dole notes that there is an overage of \$1,400. She states that the SAU cannot bill the town for this. Mr. Andrews states that the SAU budget has been frozen and he believes that this

amount will be made up and the budget remainder will be \$0.

Fiscal Services ‐ 2510

Ms. McNally notes that FICA is over estimated. Mr. Andrews states that this is a software adjustment.

Maintenance and Operations ‐ 2620

Ms. McNally asks why there is an overage of \$11,000 in building maintenance. Ms. Colburn explains that this overage is due to the warrant article for the fields.

Special Ed Transportation ‐ 2722

Ms. Dole states that there are more students being transported to out of district schools. Therefore, she asks why there is \$128,000 anticipated remaining in this line. Ms. Colburn notes that \$50,000 was also cut from this section from what had been requested.

Mr. Jandebour states that there are many numbers there that argue against each other.

Mr. Andrews will check into this issue.

Transfer to Capital Reserve Fund - 5251

Mr. Vaillancourt asks if the tuition funds have been transferred to the capital reserve fund. Mr. Andrews replies that he believes that the special ed has been transferred. Ms. Dole states that the audit needed to be completed prior to the transfer. Ms. Colburn states that the account has not been set up and the funds have not been transferred.

Some members of the committee request a copy of the audit and management letter.

Ms. McNally asks how the school board plans to address issues noted in the audit. Mr. Andrews replies that some items noted in the management letter are already being addressed.

Ms. Dole asks if the committee should plan another meeting in June to review the expenditures. She indicates that at last night's school board meeting, the school board is anticipating a \$90,000 shortfall. Ms. Dole explains that the committee can have the selectmen or school board removed for over expending their approved budget. Mr. Vaillancourt states that the management letter states that the funds were inappropriately used to pay for the overages.

Further discussion ensues regarding getting materials in a timely manner and if it would be beneficial to schedule another meeting. Mr. Vaillancourt states that the budget committee should ask that the school board and SAU provide certain documents through June 30 for the July 27 meeting.

Ms. Colburn states that the town prints out the budget accounts and within a day it is mailed out. She states that the school will not do this. The report should not be two months old when it is received.

Ms. Dole provides an explanation of Health Insurance Portability and Accountability Act (HIPPA). She states that HIPPA means that when a person leaves a job the insurance can go with them and an employee cannot be penalized for pre-existing conditions. In addition, Ms. Dole explains that this is also to insure that your private medical information is private. As far as costs of the plan, the public is entitled to the information. She provides the document that the selectmen provided the budget committee showing all employees and the type of plan they have. She states that this information should be provided to the budget committee for every school employee.

Ms. McNally states that she would like to see an accurate bottom line figure. Discussion continues relative to accurate figures and the need for the committee to verify these figures prior to signing off.

Food Service ‐ 3120

A discussion is held regarding food service. Mr. Andrew explains that the projection of food service is that there is a deficit of \$70,000. Last year it was around \$60,000. He explains that the reason for the overage is because the health insurance is now included in the department and was not previously. He states that an action plan has been created and sent to the Department of Education (DOE), to address the matter. He states that basically the school is not selling enough food.

Mr. Vaillancourt states that he wants to be clear as to what has been stated tonight. He states that the budget committee is not able to have a report until it is reviewed and approved by the school board. Ms. Dole replies correct. Mr. Vaillancourt asks if the school board found the FICA calculation errors. Mr. Andrews replies that he believes the errors, which are a computer calculations error, were noticed back in February. Mr. Vaillancourt states that the school board approved the report with the FICA errors noted, which were found a month prior. Mr. Andrews replies that he agrees.

Warrant Articles ‐ 4610

Ms. Dole asks about the roof warrant article. She states that \$160,000 was not spent only \$97,000, of which \$80,000 came out of taxation. She states that \$17,000 needs to be transferred out of the building capital reserve fund. She adds

that the remaining balance of \$62,353 is not accurate. The full \$80,000 that would have gone back to the general fund had to be paid first and only the amount over \$80,000 could come out of the reserve fund. She states that this is inflating the figures incorrectly in the bottom line. She states that this was determined from the Department of Revenue Administration (DRA).

Ms. Dole states that the school board and selectmen representatives should be prepared and able to answer the committee's questions on their budgets if the questions are not able to be provided prior to the meeting. Mr. Andrews states that when he agreed to be present tonight the only questions he had were the ones received from the vice chair. He states that he tries to know the budget and as the school board representative it is his job to know the budget. He will try to know the budget as best he can. Ms. McNally adds that submitting questions before hand does not prohibit the committee from asking additional questions that may come up. She adds that it solves the problem of waiting for answers until the next meeting. Ms. Colburn thanks Mr. Andrews for coming tonight and states that he has done a great job with only two weeks notice.

Mr. Andrews states that he will provide the committee with the final financial school report for the committee's July meeting.

Internal Business

Letter of Resignation – Robert Bailey

Mr. Holden makes a motion, second by Mr. Johnson, to accept the resignation from Mr. Bailey, with regret. Motion passes unanimously; 12/0.

Minutes

A discussion is held regarding the process of reviewing and approving minutes. Mr. Holden suggests a committee be established to review the outstanding minutes and address them at the July meeting.

Mr. Johnson makes a motion, second by Mr. Vaillancourt, to approve the minutes of April 13, 2011.

Page 2: Add: …by…; Change: review to reviews; Change: begin to begins

Mr. Jandebaur makes a motion, second by Mr. Holden, to approve the minutes of April 13, 2011, as amended. Motion passes unanimously; 12/0.

The January 29, 2011 minutes will be re-distributed.

Mr. McNally states that there was a committee of three that were going to review the outstanding minutes. The members will be Mr. Vaillancourt, Ms. McNally, and Ms. Dole.

Vacancy

Mr. Holden makes a motion, second by Mr. Johnson, to appoint Bonnie Sears, as a member of the committee to fill the remainder of Mr. Bailey's term, through March 2012. Ms. Dole states that she would support this motion due to the fact that Ms. Sears was a part of the budget process with this budget and is familiar with the budget process. Mr. Holden states that Ms. Sears is present and is interested in being a part of the committee.

Discussion ensues and Mr. McNally explains the process of advertising for vacancies. Ms. Dole states that there were not enough people in January signing up to fill the vacancies. Further discussion ensues as to the past practices of the committee as to addressing vacancies. Mr. Holden comments that this is an easy decision to make and one that will not cause a lot of controversy. He adds that there is a volunteer that is willing to serve and has exhibited a prior interest. Ms. Colburn states that this term would be through the March election.

Ms. Dole asks if there are funds available for advertising and the costs involved. Ms. Smith replies that the cost is between \$50-\$60.

Motion passes; 9/3. Ms. McNally, Mr. McNally, and Mr. Difeo are opposed.

INTERNAL BUSINESS

SB2 Calendar

Mr. Vaillancourt asks if an SB2 calendar has been made available yet. Ms. Dole replies that she contacted Local Government Center (LGC) and the calendar would be available in the late summer due to the legislature passing laws that could impact dates.

Information for July Meeting

Mr. Vaillancourt asks who will be communicating with the school relative to the items the budget committee is requesting for the July meeting. Mr. McNally replies that is the job of the school board representative. Mr. Vaillancourt states that he was informed that there was no communication between the budget committee and the school board as to the topics for this meeting. He states that the reports the budget committee will need are the financials, attendance, and special ed.

Ms. Smith states that a letter was sent from the office noting the topics of discussion for this meeting.

Mr. Jandebour makes a motion that Mr. Vaillancourt be responsible to make sure that the budget committee has the required information. Ms. Dole agrees. Mr. McNally explains the duties of the liaisons. No vote is taken.

Outstanding Minutes

A discussion is held relative to the process as to how the minutes will be reviewed and provided. Ms. Smith states that the information should be provided by mid June for the July meeting. Minutes to be sent electronically to the subcommittee.

Mr. Holden notes that the school board reps have left the budget committee meetings when their perspective budget is completed. He requests that out of respect for the volunteers that the school board representative remain through the entire budget process.

Adjournment

Ms. McNally makes a motion, second by Mr. Holden, to adjourn. Motion is unanimously accepted at 8:45 p.m.

Respectfully submitted

Lisa Fellows-Weaver

Board Secretary