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**APPROVED**  
**TOWN OF PELHAM**  
**BUDGET COMMITTEE - MEETING MINUTES**  
Monday, November 3, 2014  
APPROVED – November 6, 2014

**CALL TO ORDER** – at approximately 7:30pm

PRESENT: Mr. Daniel Guimond, Mr. David Cate, Mr. Bob Sherman, Ms. Daryle Hillsgrove,  
Mr. Dave Cronin, Mr. Greg Smith, Ms. Amy Spencer, Mr. Michael Bilby, Mr. Leo  
Rush, School Board Representative Megan Larson, Selectmen Representative  
Doug Viger

ABSENT: None.

Also present: School District Superintendent Amanda Lecaroz, School Business Administrator Steve Martin

**PLEDGE OF ALLEGIANCE**

**MEETING MINUTES**

**October 27, 2014**

**MOTION:** (Cate/Sherman) To approve the October 27, 2014 meeting minutes as written.

**VOTE:** (10-0-1) The motion carried. Mr. Smith abstained.  
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**October 30, 2014**

**MOTION:** (Cate/Spencer) To approve the October 30, 2014 meeting minutes as written.

**VOTE:** (9-0-2) The motion carried. Mr. Smith and Mr. Cronin abstained.

**2015 SCHOOL BUDGET REVIEW AND VOTE**

School District Superintendent Amanda Lecaroz, School Business Administrator Steve Martin came forward for budget presentation/review.

Mr. Guimond asked Board members if they had any remaining questions regarding the school budget.

Mr. Cronin had previous requested information regarding how many substitute days had been used. Mr. Martin didn't have a firm number. He said they could take the total substitute number and divided it by the \$65 per day salary; however, not all substitute days were at that rate. Mr. Cronin noted he had done some research to understand how many substitute days had been used and how many were being proposed. (*The following is an approximation*)

FY14 – 1,420 substitute days (approximately 7.88 substitutes per day)

FY15 – 2,285 substitute days were budgeted (approximately 13 per day)

FY16 – 1,572 proposed substitute days (approximately 8.5-9 per day)

Mr. Smith understood the school system was transitioning from NECAP testing to Smarter Balance. He wasn't able to find a call out for mandatory testing costs. Ms. Lecaroz replied the State paid for Smarter Balance. NECAP was also paid by the State.

When reviewing the costs for vocational transportation (price per bus) to Pinkerton, Salem High and Alvirne, Mr. Cronin saw that 43 students attended Pinkerton at a cost of \$358 per day (\$1,790 per week); 9 students attended Salem High at a cost of \$179 per day (\$720 per week); and 3 students attended Alvirne at a cost of \$900 per week. He stated taxpayers were spending a lot of money to put an addition onto the high school and wondered if consideration was given to offering some of the courses at Pelham High. Ms. Lecaroz explained that the courses offered at the other schools were comprehensive technology education programs funded by the State. Pelham was reviewing adding additional engineering classes. Their Family Consumer Science facility will provide them with the ability to offer a wider range of classes. If a student wants to concentrate in a particular area they would still go to the CTE Center. Pelham can't replace the CTE Center because they offer courses such as automotive, JROTC, etc. She believed if Pelham had additional engineering courses it may encourage students to stay. Mr. Cronin summarized the courses offered at the other schools. He stated he was not against vocational education, his concern was the phenomenal amount of money to send three students to a particular school. Ms. Lecaroz told the Board it was the student's choice and they had to allow them to go. She said they agreed the transportation cost was a significant issue, which was part of the existing contract with the bus company. She'd prefer to use a smaller bus; right now they don't have one in their fleet. There are two years remaining with the current transportation contract. They will consider these issues when renegotiating.

There was a brief discussion regarding the amount paid for perfect attendance paid last year. Ms. Lecaroz noted they paid \$31,512 in FY14. The rate paid is based upon the individual's daily rate.

Mr. Sherman spoke of the required testing, which had indirect costs to all local communities. He explained they had to use computers that were upgraded to handle the testing and bandwidth. Ms. Lecaroz told the Board they had been using NWEA, an online adaptive assessment. She said they had the network infrastructure relatively in place and had done enhancements to support classroom education. It was unknown at this time how much bandwidth would be needed to support Smarter Balance; however Pelham was in a much better position than a majority of other school districts when it comes to the infrastructure in place to be able to assess students.

Mr. Guimond asked if all grades took the test at the same time. Ms. Lecaroz answered no. She believed testing was done within a 12-week window. Mr. Smith questioned how many grades were included in the testing. Ms. Lecaroz replied assessing was done for grades 3 – 8 and 11<sup>th</sup> grade, the same grades that were assessed with NECAP. Ms. Spencer wanted to know how many computer stations were needed at one time and if students used laptop computers. Ms. Lecaroz stated they could use laptops, but they primarily used the computer lab area because they preferred to run the programs through hardwire stations. Usually one class (approximately 25 students) in each school building conducted assessments at the same time.

Mr. Guimond summarized the proposed budget increase as follows:

\$1,672,566 total increase was mainly made up of:

\$1,349,775 - debt of new school

\$306,693 - salary and benefits for teachers in PEA that were approved by voters in 2014

\$65,416 – facilities renovations

He pointed out everything else within the budget showed a total decrease of approximately \$49,000.

Mr. Guimond stated the Board could review the budget line by line or they could consider the suggestion (by certain Board members) to reduce a specific percentage from the total budget (excluding salaries, benefits, debt and facilities). He asked the Board how they would like to proceed.

Mr. Cate spoke of his suggestion to make a reduction to the operational budget (excluding salaries, benefits, debt and facilities) from \$30,352,413 to \$30,315,773. The \$36,640 reduction was equal to one half of 1%. He noted the suggested Board reductions (line by line) totaled \$69,616; which was broken out mainly in the area of transportation \$38,898 leaving adjustments to other areas in the amount of \$30,718. Mr. Cate believed his suggested reduction of \$36,640 was a good compromise that would allow the district to adjust their budget where they deemed necessary.

Ms. Larson said when Mr. Cate initially suggested a blanket cut, she wanted to wait and see what areas the Board wanted to cut. Ms. Lecaroz added if the Board gave a blanket figure she could tell them where they felt the cuts would be made by line; however by July 1, 2015 it may be different. She said the Board may spend time cutting lines, but the reductions may not be to those specific lines.

Mr. Viger asked for an explanation for where the cuts were being made, he didn't see that there was a particular area noted. It seemed to him that an arbitrary number was chosen to reduce the budget. Mr. Cate believed it was fair number based on reductions he would have suggested in the areas of grounds keeping, consulting fees, books, unanticipated repairs etc. Mr. Smith would be in favor of reviewing the budget line by line to allow for specific rationalization.

Based on the proposed cuts (by Board members), Ms. Spencer didn't feel the proposed reduction was based on an arbitrary number. She believed the \$36,000 figure would allow the School to make a determination of what areas would actually be cut. She felt the proposed adjustment showed a reasonable calculation that would bend to the discretion of the School Board to choose where the actual reductions would be made.

Mr. Rush commented the School had \$1.4 million dollars that went unspent last year. Mr. Guimond said that was incorrect. The \$1.4 million dollars was mostly due with unanticipated revenues. Mr. Martin stated it was revenues and underspent in a prior year's special warrant article. He noted \$800,000 of that figure was mostly benefits and some in salaries. They've changed how those items were budgeted in FY15 and didn't anticipate having a similar figure in the future. Mr. Rush was agreeable to Mr. Cate's proposal, which would give the voters something to look at.

Mr. Smith commented he was horrified at the \$180 per day cost to transport three students to Hudson (Pinkerton). He also recognized that there was a transportation contract in effect. Ms. Larson also didn't like the transportation cost, but understood the cost couldn't be changed until they were able to negotiate a new contract. She noted if a reduction was made to transportation, the school would need to take funding from other areas in the budget to cover those costs because of the contractual obligation.

It was reiterated that the individual Board member reductions would total \$69,616 (\$38,898 for transportation / \$30,718 other areas); whereas Mr. Cate's suggested reduction was \$36,640. Ms. Larson wasn't in favor of a \$69,000 reduction whether it be blanket or line by line. Mr. Martin pointed out if there was a reduction of \$32,000 in vocational education transportation would cut the line to \$128,000; in FY14 they spent over \$150,000 in that line. He asked that the Board look at the actual expenditure (plus 3% contractual rate increase), rather than the amount the line increased. Mr. Sherman reviewed the budget figures and the proposed adjustments.

Mr. Guimond asked the Board how they would like to proceed. By vote of hand, Mr. Viger, Mr. Smith, Ms. Larson and Mr. Cronin wanted to review the budget line by line; the remainder of the Board preferred a general reduction. The vote was a (7-4-0) to consider a general reduction.

Ms. Larson stated she didn't want the Board to begin the common practice or set a precedent of making general reductions to the School and/or Town budgets. There was a brief discussion regarding the proposed general reduction as compared to the line by line reductions suggested by individual Board members.

Ms. Spencer asked if the School was able to track reductions in their budget similar to how the Town operated. Mr. Martin explained the Town was budgeting for the calendar year 2015. When their budget is approved in March, they're nearly three months into that budget. The difference

for the School was after voter approval, they were still three months ahead of when their budget year commenced. He stated it was hard to manage the Town and School budgets in the same manner.

Ms. Hillsgrove felt it was valid to be concerned how a budget was adjusted so the impacts of such could be tracked. Mr. Guimond found the monthly business and finance reports sent by Mr. Martin to be beneficial. It allowed the Board to follow along and understand where money was being spent. Ms. Larson pointed out the difficulty with trying to predict costs savings/expenditures for a year from now. She was confident that the school could track the amounts that were cut and have a discussion with the Board during the next budget season. Ms. Hillsgrove was looking to have documentation of budget adjustment impacts.

Mr. Viger believed the proposed budget was the best the Board had seen from the School Board and Administration. He felt with having the new layout of the budget, they've recognized some real savings. He suggested that the Board leave the budget as presented and have the School prove they could save money again next year.

Mr. Cate made a motion to adjust the FY16 Operating Budget from \$30,352,413 to \$30,315,773; a reduction of \$36,640. The reduction of one half of 1% was of the total budget except for salaries, benefits, debt and facilities. Mr. Bilby seconded the motion for discussion.

Ms. Spencer reiterated her feeling that the proposed reduction was not being proposed simply for the sake of cutting something. She noted the proposed line item cuts totaled \$69,616; of which \$38,898 was for transportation. She felt the numbers were backed up in excess of the proposed \$36,000 cut, which she believed to be a responsible number. Ms. Larson commented of the proposed line reductions, if the transportation was taken out, the remaining figure that could show justification for reduction was actually \$30,718. So by agreeing to Mr. Cate's \$36,000 figure, the Board was asking for an additional \$6,000 to be reduced without having backup.

Mr. Rush noted with fuel costs reducing, there may be a possible \$40,000 savings in that line alone; without looking at the transportation fuel budget. Mr. Larson commented that the proposed budget wouldn't begin until over a year from now.

Mr. Martin reminded the Board they would be coming back to the Board with reductions/adjustments in January.

**MOTION:** (Cate/Bilby) To adjust the FY16 Operating Budget from \$30,352,413 to \$30,315,773; a reduction of \$36,640. The reduction of one half of 1% was of the total budget except for salaries, benefits, debt and facilities.

**VOTE:** (7-4-0) The motion carried. Mr. Viger, Ms. Larson, Mr. Smith and Mr. Sherman voted no. The remainder of the Board voted in the affirmative.

152 \$30,315,773 is the Budget Committee approved FY!6 School budget.

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154 Mr. Martin confirmed that the proposed adjustment was solely for the General Fund. Mr. Guimond answered yes.

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156 **ADJOURNMENT**

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**MOTION:** (Sherman/Cate) To adjourn the meeting.

**VOTE:** (11-0-0) The motion carried.

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159 The meeting was adjourned at approximately 8:23pm.

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161 Respectfully submitted,  
162 Charity A. Landry  
163 Recording Secretary