

TOWN OF DEERFIELD, NH
MUNICIPAL BUDGET COMMITTEE
George B. White Building
8 Raymond Road, Deerfield, NH 03037
6:30pm Tuesday, 25 October 2016
MINUTES

Call to Order 6:30pm

1. Pledge of Allegiance to the Flag

2. Moment of Silence/Prayer

3. Roll Call

Present: James Spillane, Chairman; Bill von Hassel, Vice Chairman; Ian Scott, Kevin Verville, Troi Hopkins, Steve Giovinelli, David Carbone, Carol Levesque, Karen Cote, Members; Zach Langlois, School Board Rep Member

Excused Absence: Andrew Robertson, Select Board Rep Member

Also Present: Jan Foisy, Town Administrator

4. Citizen's Comments

None seen

5. Approval of Outstanding Minutes

Motion: K. Verville moves to accept the minutes from March 29, 2016 as written.

Second: I. Scott

Vote to approve the minutes from March 29, 2016 as written: Yay: 8, Nay: 0, Abstained: 2- Motion Carries

Motion: K. Verville moves to accept the minutes from September 20, 2016 as written.

Second: I. Scott

Chairman Spillane states that the meeting minutes need to be corrected to reflect that the absences of members K. Cote and C. Levesque were unexcused. Chairman Spillane reminds members to notify the board that they are going to be absent from a meeting so that it can be considered excused.

Z. Langlois points out that the agenda with brief minutes posted on the website was not noted as draft or unapproved. Chairman Spillane states that legally they are not draft minutes because they are the initial set of minutes and the detailed minutes are voted on later. To comply with the law, it is necessary to post minutes that include who was present, absent, major discussions, and decisions made. Once detailed minutes have any corrections, those minutes are not changed they are just amended with changes.

Z. Langlois states that the minutes when K. Verville said that the purpose of the \$25,000 added to the school supplies line was to eliminate the supply lists being sent home at the beginning of the school year need to be corrected because at the December 17, 2015 meeting, K. Verville had said that this (the motion) does not include discontinuing the list, that is an administration/school board decision.

Vote to approve the minutes from September 20, 2016 as corrected: Yay: 7, Nay: 0, Abstained: 3- Motion Carries

K. Verville reminds the committee that the reason it is necessary to tally the excused vs. unexcused absences is because after four unexcused absences, a member is required to be removed from the committee. This is a state RSA. If any member has further questions, they can refer to the Secretary of State Office website.

7. Old Business

K. Verville asks Mr. Langlois to walk everyone through the spreadsheets requested last meeting and provided today by the School Board. Z. Langlois states that the spreadsheet shows school year to October 18, 2016 expenditures from the school supply line item. The total spent so far is \$18,201.40 spent on pens, paper, and other consumables. This is 30.8% of the line budget. The line item is budgeted for \$59,000.

Chairman Spillane asks that in the future to print the spreadsheet to show what item was purchased.

S. Giovinelli asks if these are student supplies. Z. Langlois responds that these are school supplies, staff supplies, computer keyboards, mice, papers, decals, and consumables for the classroom. This does not include janitorial supplies.

I. Scott asks if any of this goes out to bid. Z. Langlois responds that because of the dollar amounts this does not need to go through the formal bid process. However, the staff does research prices to make sure that they get the most for their money.

I. Scott asks what the rule is for needing to put things out to bid. Z. Langlois states that he can bring that policy to the next meeting but that to the best of his recollection, items \$10,000 or greater go out to traditional sealed bid. Items \$5,000-\$10,000 require three bids.

Vice Chairman von Hassel asks how this spending compares to this time last year. Z. Langlois states that he will pull that information.

K. Verville states that the discussion during the last meeting revolved around the fact that there was lengthy discussion during last year's cycle about fully funding student consumables. The intent of the motion was to fully fund consumables so that mandatory or strongly recommended requests for supplies would not go out. At the time, it seemed to be understood by the School Board and the administration that the line was fully funded. In the end, it was the School Board's decision to put the policy into practice. K. Verville asks how it is that some teachers this year chose to not send letters while other teachers still made the request despite the line being fully funded for all consumables. He goes on to say that this year the line item will be reconsidered just like any other line item. He continues that he requested in the last meeting was not for the bottom line; the request was for what is the delta between the previous year's spend vs. this year's. K. Verville asks what products were added this year and in what dollar amounts. K. Verville states that this spreadsheet provides very little of the information we are looking for. He asks what is the additional spend this year over previous years out of the \$25,000 added this year. He comments that the \$25,000 was not put in there to pay for screen cleaner and toner cartridges. K. Verville states that this information is necessary in order to know how to best fund that line item otherwise it is a guess. The School Board, at its discretion, chose not to follow the policy to spend from this line item for student consumables and if the money isn't going to be spent as intended for direct student service consumable items, the line will be decreased.

Z. Langlois states his understanding from the previous conversation was that the information requested was what has been sent out of that line. that the \$34,000 was originally in the line and with the additional \$25,000 that the Budget Committee added to it bringing it to \$59,000. As was indicated in the last meeting, the school has not misspent the money.

K. Verville states that no one has said that the money has been misspent.

Z. Langlois requests that Mr. Verville state specifically what information he is looking for.

T. Hopkins comments that consumables are attached to a multitude of things in the school system. She states that, for example, Handwriting Without Tears is a consumable workbook but she doesn't think that is the type of consumable Mr. Verville is discussing. She suggests that if Mr. Verville were to specify the types items that the School Board should set aside for non-purchasing, that may clarify. She continues, but as the school is addressing what is used every day by teachers, those are also consumables and therefore cannot be related to this money that Mr. Verville is trying to find out about.

Vice Chairman von Hassel states that there is a clear misunderstanding because Mr. Verville believed that the money would be spent on one thing, the school decided to use it for something else. He notes that some teachers sent out notes, some did not. Vice Chairman von Hassel asks if it was made clear to the teachers that there was this fund for student consumables.

Z. Langlois states that the teachers were aware that this line item was increased.

Chairman von Hassel asks if it was communicated to the teachers that the teachers did not need to request consumables from parents or guardians.

Z. Langlois states that he would need to confirm with administration but that he believes that is the case.

K. Verville states that he is not saying that anyone has misspent this line. He states that he is looking for what the difference is in the spend by the school this year on items found on the solicitation lists sent to parents and guardians vs. the spend by the school on those same items last year.

Vice Chairman von Hassel asks for there to be a separate line or sub-line for student consumables as opposed to just general consumables. He states that it would make it easier to track.

Z. Langlois states that this can be looked at when working on the budget.

T. Hopkins states that for this to be achieved there would need to be further clarification what would be included on the list.

K. Verville reiterates that he is requesting from the school the information about what the school has spent on student consumables materials used in the classroom that have been found on the request letters sent home to parents and guardians. He asks for the spend on those items by the school was last year and this year. He requests this because the Board had been told that the school buys some pencils but not all of the pencils, school buys some pens, but not all of the pens.

Z. Langlois asks if Mr. Verville is looking to include tissues, wipes, paper towels.

K. Verville states that it should include anything that is sent on a list. If, for example, paper towels are on the list and the cafeteria also uses some of these paper towels and the cafeteria does not send home a list, estimations could be used to determine what percentage is used in the classroom.

C. Levesque asks what he has seen on a list.

K. Verville responds by requesting that Z. Langlois provide a copy of the lists that were sent home this year.

C. Levesque asks what Mr. Verville has seen on lists in previous years.

K. Verville responds that items on the lists have included pencils, colored pencils, pens, rulers, erasers, etc.

C. Levesque asks Mr. Verville if that is the type of list that he is looking for.

K. Verville responds that last year when coming up with the final number for the increase last year, he took the list he had received with items at an estimated full retail, assumed it to be an average, and multiplied by 500 to come up with the \$25,000 knowing that with the buying power of the school, that would be plenty of money to purchase what was needed for the students. There was discussion if that number was too large or too small but there was no motion made to amend the number.

C. Levesque confirms with Mr. Verville that the information he is looking for is the spend on the items that were sent home on the list by the school.

Z. Langlois states that he will request and work to pull that information from the individual requisitions.

S. Giovinelli and Vice Chairman von Hassel both state that this would be administratively too difficult. K. Verville requests that the request be made to the person at building level who has this information to comment on how easy or difficult it would be to pull out this information. Chairman Spillane suggests that a comprehensive list be made from the lists that were sent home last year (not this year). K. Verville withdraws his previous request and instead would like to request the lists that were sent home last year and this year so they can be compared. Chairman Spillane reiterates that a separate line item with add clarity moving forward. Vice Chairman von Hassel states that this can all be discussed further when the new school budget is presented. He also reiterates that the separate line item for student consumables will be helpful moving forward. K. Verville states that the reason to have this information is because the money was added in for a purpose, it has not been fully spent for this purpose. He believes that once it is known what fraction was spent for its intended purpose, the line can be adjusted for next year. Vice Chairman von Hassel suggests that when the School Board presents the school budget, they present that line item and how much was spent. K. Verville states that this does not accomplish what he is looking for because the line contains more than just direct student consumables. He states that having a sub-line item or separate line item in the proposed budget does not give insight because it wouldn't show what was spent on those items this year. S. Giovinelli states that there isn't anything that can be done about it this year because the School Board is only bound by the bottom line. The MBC is not an enforcement committee. K. Verville responds that he cannot look forward and readjust if he doesn't know what was spent. Chairman Spillane reiterates that Mr. Langlois is requested to bring the historical data of this list at the same time last year as requested by Mr. von Hassel, a new line item or sub-line, and the lists from last year and this year that were sent home as requested by Mr. Verville. He states that these are requests from the committee; no one has objected. T. Hopkins objects to the request for the historical data. She states that if a taxpayer wants that information, they can look it up online. She comments that rather than looking at what has been spent or needs to be spent, it is important to look ahead to next year. Chairman Spillane states that Mr. Langlois had commented that he could easily get the historical information.

Motion: K. Verville moves to formally request from the School Board the historical data of this list at the same time last year, a new line item or sub-line, and the lists from last year and this year that were sent home

Second: Vice Chairman von Hassel

Vote to formally request from the Deerfield Community School Board the historical data of this list at the same time last year, a new line item or sub-line, and the lists from last year and this year that were sent home: Yay: 8, Nay: 2, Abstained: 0- Motion Carries

8. New Business

Chairman Spillane asks Ms. Foisy, Town Administrator, if there is anything that the Board of Select wanted the MBC to know about the budget worksheet received tonight.

J. Foisy responds that it is a draft of the 2017 budget without back-up.

Vice Chairman von Hassel asks if there are expected to be any addendums or adjustments.

J. Foisy responds that there are expected to be addendums/adjustments and the final would be available

the next meeting November 22.

Vice Chairman von Hassel requests that the Town Administrator provide a list of the unintended expenditures that were not originally included in this year's budget- which department and how much, anything over \$5000. He also asks for a list of the interdepartmental transfer of funds; anything over \$5000.

J. Foisy states that the Board of Selectmen does not move money inside of the budget; if a line is over it is covered by another line. She comments that, for example, 690 Misc line item is over expended, part line 111 Part-time employee line will cover that.

J. Foisy states that money is not moved from one line item to another. She continues that if a line item or bottom line for department is over spent, then it is made up from another department but the money does not actually move. J. Foisy states that, for example last year the sand and salt were expended over budget and the Highway Department was directed to not spend from a couple of other lines to cover the money. Vice Chairman von Hassel states that he would like to know not only what is overspent but which line/department the money to cover is spent from. He asks if the reallocation is kept tracked.

J. Foisy responds that she is keeping track of the bottom lines. These over expenditures often occur from unexpected circumstances.

Vice Chairman von Hassel it is important to know that if there is a line that is consistently being underfunded, it is important to know that so that you can make necessary adjustments to the budget.

S. Giovinelli asks Ms. Foisy how far back she could provide budget to actuals in order to better view trends.

Chairman Spillane states that a ten-year historical in an Excel spreadsheet would be helpful.

K. Verville agrees that getting a ten-year history of spending would be very helpful.

J. Foisy points out that if this information is put together in Excel that all totals other than the bottom line would be lost.

Chairman Spillane asks that Ms. Foisy provide to him and the Vice Chair a ten-year historical in an Excel spreadsheet, it will then be sent out to the rest of the committee as received.

J. Foisy points out that there will not be any way to know from the information on the spreadsheet whether it was a default budget or not.

K. Verville states that he has the information about which years were default budgets and which were not for the past ten years.

Chairman Spillane asks that Mr. Verville provide that information to him and the Vice Chair.

J. Foisy tells Vice Chairman von Hassel that if he ever wants to know what is expended through a specific line, that can be provided through a detail.

J. Foisy points out that 2007 was in a deficit due to the floods and 2008 was not much better.

K. Verville asks Ms. Foisy what does the fiscal year run.

J. Foisy responds that the fiscal year runs January through December.

K. Verville points out that the fiscal year is 74% expended and more or less 74% of the way through the year. He states that the budget proposed by the Select Board is 4% increase to the bottom line over 2016. He asks that if this is due to specific projects, he would like the Select Board Representative to speak to that. K. Verville commenst that the budget as currently outlined has a 4.3% increase over the 2015 budget as passed but represents a 17.3% increase over the actual spend of 2015.

Motion: K. Verville moves to request the Excel spreadsheet with the past ten years' history.

Second: S. Giovinelli

Vote to request the Excel spreadsheet with the past ten year historical: Yay: 8, Nay: 0, Abstained: 2- Motion Carries

K. Verville states that since 2009 there have been four default budgets and three MBC passed budgets.

Z. Langlois states that the School Board has not yet started on the school budget. They will be starting at the next meeting and he will be able to provide updates to the Board.

9. Citizen Comments

Harriet Cady comments that in recent years the Town Budget has included raises that have not been approved in the budget. She states that department heads go to Select Board meetings and request, example, that 3% raise be given until the end of the year or \$5000 raise be given until the end of the year. She continues that unless you follow the minutes from the Select Board meeting, you don't know that this has occurred. Ms. Cady states that in her experience on the Budget Committee was that there was always a vote on raises. In her opinion, the Budget Committee should be asking how many people have received raises that were not budgeted for. She comments that \$53,000 was spent to repave the parking lot behind the town hall. She acknowledges that this was excess money but it wasn't budgeted for. She also gives that example that a few years ago \$220,000 to replace the heating system at the school. She acknowledges that this was needed but why wasn't it budgeted for. Ms. Cady states that when money is expended on things that were not approved the Budget Committee should be asking questions. She points out that the NH Municipal Association was ordered to pay back \$53,000,000 reflected in health care of the school employees and dental coverage in the case of town employees and they were then ordered to pay back an addition \$17,000,000. She asks where has that money been taken in to account. Vice Chairman von Hassel states that he hopes that the requests made to the Town Administrator will help in better budgeting for unanticipated expenses by seeing what they were and how they were dealt with.

C. Levesque asks where the excess funds came from for the repaving behind the town hall.

J. Foisy states that the cost for reconstruction Griffin Road cost less than anticipated due to the lower cost of oil and blacktop. The Select Board decided to use the excess funds from this to repave behind the town hall.

K. Verville states that he agrees with Ms. Cady's points about how raises have been handled in recent years compared to how it used to be when they were brought before the town to vote.

10. Adjourn

Motion: K. Verville moves to adjourn

Second: Vice Chairman von Hassel

Vote to adjourn: Yay: 10, Nay: 0, Abstained 0: - Motion Carries

Next Meeting: Tuesday November 22, 2016 at 6:30pm

Addendum: per MBC meeting 11/22/2016 correction: Z. Langlois requests correction of Jan Foisy's name. It should be spelled without an "e".