

**Town of Auburn  
Budget Committee  
April 14, 2014**

**Members Present:** Peter Miles, Don Delande, Bert Ouellette, David Wesche, Paula Marzloff, Mary Beth Lufkin, Alan Villeneuve and Jim Headd.

**Others Present:** Town Clerk Joanne Linxweiler and Town Administrator Bill Herman

Meeting called to order at 6:00 pm

**Members Re-Appointed**

Town Clerk Joanne Linxweiler was present with appointment documents from the Town Moderator that re-appointed Don Delande and Bert Ouellette to new three year terms of office on the Budget Committee. Mrs. Linxweiler administered the oath of office and had the individuals signed the documents.

**Auburn School District Budget**

Alan Villeneuve thanked the Budget Committee member for meeting on short notice. He reported that on April 8<sup>th</sup>, the Superintendent of Schools let the School Board know that the school district was not in a good position with the current year's budget and, at this point, did not have enough funds to complete the year. He indicated there were a number of issues or causes, chief among them being unexpected Special Education expenses and eight more students enrolled at Pinkerton Academy than had been anticipated.

Mr. Villeneuve indicated this will be the first time ever in his experience the School District has been this stressed and won't have money to turn back at year's end.

He indicated the School Board is seeking to take emergency actions by seeking approval from the Commissioner of the NH Department of Education, with the endorsement of the Budget Committee, to be able to spend unanticipated revenues and to exceed the budget level as approved by the voters.

Mr. Villeneuve provided the committee with the following budget items the School Board is looking at:

Budgets Items over budget:

Public Academy Tuition	\$ 72,587
Special Ed Paras at Pinkerton	7,459
Private Elementary Tuition	48,998
Diagnostic Testing	8,001
Contracted OT Services	13,572
Health Insurance (Office Staff)	8,700
Propane	16,255
Special Ed Transportation	<u>18,109</u>
Sub - Total	\$193,681



Maternity Leaves to Cover	<u>61,000</u>
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Total:	\$254,681
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Accounts with money remaining include:

Course and Workshop Reimbursement	\$ 24,760
Various Supply Accounts	9,000
Nursing Ctd Services for Elementary	17,900
Legal Fees	12,390
Reg Ed Transportation	<u>7,774</u>
	\$ 71,914

Unanticipated Revenues include:

Refund of Prior Year Expense	\$ 3,880
Catastrophic Aid	4,173
Medicaid Reimbursement	<u>20,000</u>
	\$28,053

Expenses:	\$254,681
Budget Savings	- 71,914
Unanticipated Revenues	<u>- 28,053</u>
Anticipated Shortfall:	\$154,714

Mr. Villeneuve reported there is \$77,000 remaining in the Special Education Trust Fund, and the School Board has a public hearing scheduled for Tuesday, April 22<sup>nd</sup> with the Trustees of Trust Funds to consider tapping those funds for this purpose. But that would still leave a balance of at least \$78,000 that would need to be found.

Mary Beth Lufkin asked how the Superintendent of Schools could allow the School District to get to mid-April without any real advance indication or warning that this serious of a problem was developing? Mr. Villeneuve felt that was a good question, but at present he was working on seven day news and information, and does not know much more than he has reported to the Committee. He did indicate that in September or October of last year, the Business Administrator did warn the School Board that they may need all of the Special Education Trust Fund before the end of the year.

Mr. Villeneuve indicated the School Board is trying to take steps that are available to them to do what we should to meet the obligations of the School District. Several Budget Committee members suggested that should include withholdings funds from the SAU.

Mr. Villeneuve again noted the School Board is seeking the endorsement of the Budget Committee to over expend its budget for the current school year to enable the School Board to approach the Commission of the NH Department of Education for that purpose.

Don Delande felt the School District should borrow funds from the Town's fund balance for the difference. Mr. Villeneuve that couldn't happen legally as the School District does not have the legal capacity to borrow money.



Bert Ouellette asked if the School Board has frozen all expenditures except for absolute necessities in order to try and retain funds within the budget? Mr. Villeneuve indicated he felt the Board has taken that step.

Paula Marzloff felt that if something had been raised by the administration at the half-way point of the school year, the Budget Committee was still involved in the budget process and possibly some adjustments could have been made at that point or some planning done to possibly avoid the current situation. Mr. Villeneuve indicated he felt he had been warning the Budget Committee of trouble coming during the budgeting process, but did not know that things were as dire as they turn out to be.

Mr. Ouellette asked what guarantees does the Budget Committee have that this gap won't keep growing until the end of the budget year? Mr. Villeneuve felt they couldn't have a guarantee, but the School Board was committed to minimizing the impact.

Mrs. Marzloff asked what the drop dead date was for this process? Mr. Villeneuve indicated he did not know how long the Department of Education process was, but the School Board had been anticipating Budget Committee approval this evening in order to commence the Department of Education process.

Mr. Villeneuve reported the next meeting of the School Board is on April 22<sup>nd</sup>, during which they anticipated being able to access the \$77,000 from the Special Education Trust Fund. However, he indicated without the approval to overspend their budget, those funds will not help address the issue at hand and he would be reluctant to proceed with the public hearing.

Mrs. Marzloff asked if the Budget Committee approved this authority, what motivations are there to ensure that spending is not kept in check. Where is the stop gap?

Mrs. Lufkin asked if there has been another school district where this has happened and how did they address the issue? Mr. Villeneuve indicated he did not know the answer to those questions, but would try to find out the information and report back.

Mr. Ouellette reiterated the belief that is the SAU is responsible for the budget and spending, then they need to be held accountable for an issue such as this.

Mrs. Marzloff felt the Budget Committee really needed more detailed information on the entire school budget and not just the handful of budget accounts with have been provided to the School Board Chair. She made a motion to table the issue until April 28, 2014 at 6:00 PM to allow additional information to be forthcoming. Don Delande seconded.

David Wesche said he was surprised and disappointed that we have arrived at this location at this point in time, and did not disagree with the general sentiments that have been expressed so far.

Mr. Villeneuve indicated he felt tabling the issue for two weeks would hamstring the process, and he would prefer a No vote instead of a motion to table.

Mrs. Marzloff stressed that the Budget Committee wants more information and they don't see any accountability from the SAU. After further discussion, ***Mrs. Marzloff moved to amend her***



***original motion to table the issue until April 21<sup>st</sup> at 6 PM. Don Delande seconded. A vote was taken, all were in favor; the motion passed unanimously.***

## **Adjourn**

***Paula Marzloff moved to adjourn the meeting at 6:58 PM. Seconded by Jim Headd. A vote was taken; all were in agreement, the motion carried unanimously.***

The meeting adjourned at 6:58 PM.