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**Draft Minutes of the
Litchfield Budget Committee Meeting
Held on Thursday, November 1, 2018**

The Litchfield Budget Committee held a meeting on Thursday, November 1, 2018 at Litchfield Town Hall, 2 Liberty Way, Litchfield, NH 03052.

PRESENT: C Couture (Chair), K Douglas (Vice Chair), J Bourque, J Martin, N Fordey, B Hodgkins, R Meyers (School Board Representative), J Brunelle (Selectmen Representative), M Jette (Superintendent), C Izbicki (Business Administrator)

Absent: J Whitnell

1. CALL TO ORDER

Mrs. Couture called the meeting to order at 7:00 p.m.

• PLEDGE OF ALLEGIANCE

2. PUBLIC INPUT

There was no public input.

3. REVIEW / ACCEPTANCE OF MINUTES

- **October 11, 2018**
- **October 25, 2018**

MOTION: by Mrs. Douglas

Move to approve the minutes of October 11, 2018

SECOND: by Mr. Hodgkins

VOTE: 8-0-0

The motion carried.

MOTION: by Mrs. Douglas

Move to approve the minutes of October 25, 2018 as amended

SECOND: by Mrs. Martin

VOTE: 7-0-1

The motion carried.

4. CORRESPONDENCE

There was no correspondence.

5. NEW BUSINESS

Mrs. Couture made the following statements with regard to the budget presentations and preparation. When the Committee makes decisions about the budgets, we must keep in mind that presenters are looking a year or two ahead and making their best judgments. We have to look at the finances and delve into what is going on. When we make our changes our focus has to be on the dollars and not because we support or do not support the town or the school district.

47 The school district budget can be overwhelming because it is so big. One of the tools we can use
48 is the function summary and object summary as it breaks everything down by department and
49 object so you can see what is grouped together. When we talk to department heads they point
50 out the drivers and things on which they want to focus. Mrs. Couture indicated that she will
51 share history, as well.

52

53 **6. SCHOOL BUDGET PRESENTATIONS**

54

55 **• Superintendent Overview**

56 Dr. Jette provided a budget overview for the Budget Committee. He noted there is a new
57 leadership team in district. He reported the team has been reviewing the past budget and going
58 through the budget process building a new budget. With the assistance of a new curriculum
59 director, we put direction on the curriculum budget that was put together by two former
60 directors. In many cases proper budget lines were identified for items and there were many
61 questions asked by the team while preparing the budget.

62

63 Key Components include a revenue plan, an expenditure framework, and a long term educational
64 strategy plan that motivates our team on how to improve performance. Dr. Jette believes any
65 responsible educator will ensure that curriculum, instruction and assessment is aligned.

66

67 Goals include bringing forth a budget taxpayers can support, two union contracts that are
68 currently in negotiations and a capital plan development. Dr. Jette commented the bottom line is
69 that people are at the heart of our organization.

70

71 **Eye on Enrollments**

72 Dr. Jette reported the School Board will get enrollment projections on November 14 and they
73 will be shared with the Budget Committee immediately following. He indicated the district is in
74 a downward enrollment track, although the elementary level is increasing. He noted that smaller
75 classes will move through the upper levels.

76

77 Dr. Jette commented that when preparing the district is dealing with the unexpected. He
78 indicated the budget is prepared 20 months in advance and implemented in July of the following
79 year. He noted that there are many things that can occur that are not expected, such as the LMS
80 road washout; or enrollment in grade 1 exceeding projections to the point an additional teacher
81 was necessary.

82

83 Dr. Jette commented that the default budget legislation has changed, but it was pointed out that it
84 could come in lower or higher than the proposed budget. With regard to the unassigned fund
85 balance, he indicated the auditors recommend the district has a balance. He noted if we cut it too
86 close that could impact credit or lending opportunities in the future.

87

88 Dr. Jette commented the entire budget process has been evolving as numbers are received
89 literally every day. He indicated that the expectation is that the district is following a transparent
90 process and not hiding anything in the budget.

91

92

- **Business Administrators Review**

93

94 **FY20 General Fund Recommended Budget**

95 Mr. Izbicki provided an overview of the FY20 budget process. He indicated that the FY20
96 Recommended budget represents an increase of 2.73% over the FY19 budget. He reported the
97 district has received three notices of retirement and those severances have to be included in the
98 budget under the contract. Mr. Izbicki indicated the main increase in the budget is salaries and
99 benefits. He noted we are going into July 1 assuming we will have the same staff that we have
100 today and the current amount the staff is making has been budgeted. He reported a large portion
101 of the increase is health insurance, which is being budgeted at an estimated increase of 9%;
102 however, we have just received word today that number will be lower.

103

104 **FY20 Default Budget**

105 Mr. Izbicki reported the State has changed the legislation requiring a presentation of a detailed
106 report representing the default calculation, and also revising what is allowable in the default
107 calculation. The default calculation does not allow for increases not driven by contract or
108 statute.

109

110 Mr. Izbicki noted that with no transportation contract in place currently, the increase in
111 transportation costs has not been included in the default budget. He added that he used the same
112 approach with salaries and benefits and included only current salaries in the default budget. He
113 indicated that he did include the increase in health insurance in the default budget as that is
114 contractual. With regard to transportation, the district has received only two bids, which are
115 under evaluation and will be brought to the School Board in November.

116

117 Mrs. Douglas commented that it is her hope people understand there are only two options for
118 transportation and that it is very challenging for the district.

119

120 **Appropriation Growth**

121 Mr. Izbicki commented that local property taxes are not solely a function of district spending as
122 there is a portion from the State that is adequacy aid (\$3,600 per student) and contribution from
123 the Stabilization grant. He indicated that in 2016, the State began reducing the Stabilization
124 grant each year and will continue to do so until it is gone. Mr. Izbicki explained the grant
125 amount for Litchfield began at \$2.1M and is reducing each year, and the amount of reduction is
126 shifted to the taxpayers. He noted that there will be growth in some spending; however, revenue
127 will decrease, which is a greater impact. Mr. Izbicki commented that he calculated a level
128 funded budget with estimated revenues that will go into the budget and concluded even if all
129 items in the budget were level funded with the revenues that are projected, taxes would still
130 increase.

131

132 **Year End Fund Balance**

133 Mr. Izbicki reported based on calculations, 2.1% of the 2017 fund balance was returned to the
134 town and 2.5% of the 2018 fund balance was returned. He indicated that the fund balance is a
135 sign of financial health. He noted that banks look at the fund balance as a credit rating. He
136 commented that fund balance history and unassigned fund balances would be reviewed to
137 determine if the district is eligible and able to handle lending.

138

139 Mr. Izbicki commented last year the district took a \$250,000 attrition reduction to salaries and
140 benefits. He cautioned that he does not see where the district can sustain another reduction like
141 that going forward. He indicated if that account is reduced, the money comes from areas in the
142 budget that may impact facilities and students. Mr. Izbicki added that the FY18 budget was
143 prepared by the prior administration.

144

145 Mrs. Bourque commented that the fund balance explanation makes sense. She asked why we
146 have to have so much left over.

147

148 Mr. Izbicki commented that the remaining amount was surprising, but that budget was developed
149 under a different administration. He indicated he would be surprised to see a fund balance of
150 that amount again. He noted there are no guarantees as it is too early to project.

151

152 Mrs. Bourque wondered how the change in State revenues is communicated to the public.

153

154 Mr. Izbicki indicated it starts here and continues through the Annual Meeting. He mentioned
155 that the attorneys at the law conference provide presentations on state funding.

156

157 Mrs. Douglas suggested submitting information to the newspaper and using as many outlets as
158 possible to communicate. Mr. Izbicki indicated that is the district's intent.

159

160 Mrs. Couture requested year to date updates in expenditures. Mr. Izbicki will provide the
161 updates.

162

163 **• Special Services**

164 Mrs. Bandurski presented the FY20 Special Services Recommended budget with a bottom line of
165 \$1,243,367, which is decrease of \$168,762 from FY19. She reported that the budget focuses on
166 funds needed to educate students with disabilities. She noted there are 15 areas of disabilities
167 recognized by the State and the district has to consider the needs of the students we currently
168 have when preparing the budget, as well as try to project what students we might receive. Ms.
169 Bandurski reported the number of identified students seem to have leveled off as there are
170 currently 229 students for whom we provide services.

171

172 Budget Drivers include tuition, transportation and professional services. Mrs. Bandurski
173 reported tuition has decreased by \$83,427 over last fiscal year; transportation reflects a 5%
174 increase with limited transportation options and is driven by IEP requirements; professional
175 services are contracted services required per IEP and/or policy to meet the needs of the students
176 who require services.

177 Increases:

- 178 • Travel \$6,500 due to costs for support staff to assist special education students
179 who participate in the NYC trip, the Washington DC trip and the Senior Class trip
- 180 • Equipment Additional \$1,913 which is for classroom furniture for the S3 program
181 at LMS
- 182 • Equipment Additional \$2,771 for Chromebooks which will provide access to
183 Google Classroom, MSB and email communications for CHS paraprofessionals

- 184 • Psychology Services Testing Protocols \$1,766 needed to complete psycho-
185 educational evaluations
- 186 • DW Equipment Additional \$2,995 for interactive whiteboard for use in OT
187 therapy sessions.

188

189 Mrs. Couture commented on the increase in the travel costs for support staff going on special
190 trips. She asked if the increase is a result of not budgeting for it in the prior budget or different
191 students participating.

192

193 Mrs. Bandurski indicated that we have to budget for support for students who go on trips.

194

195 Mrs. Couture commented that she noticed technology is still being included in the special
196 education budget.

197

198 Mr. Izbicki indicated that the number in technology has been reduced, but \$15,000 was left in
199 special services.

200

201 Mrs. Couture commented there are 5% increases in some areas and asked if they are
202 placeholders.

203

204 Mrs. Bandurski indicated that in transportation, for example, the private provider has a rate
205 increase.

206

207 Mrs. Bourque commented at this time last year we knew there were a few students who would be
208 coming into the district. She asked if there will be any for FY20.

209

210 Mrs. Bandurski indicated at this time there is only one we are aware of and is reflected in the
211 budget.

212

213 • **Curriculum Development**

214 Ms. Widman presented the FY20 Curriculum Development Recommended budget to the Budget
215 Committee, with a bottom line of \$173,356, which is an increase of \$1,100 over FY19. She
216 explained that since arriving in the district she has been trying to understand where we are and
217 where we want to go. She reported that a five year plan was developed when she first met with
218 the teachers that includes where we will be in five years in competency based education. She
219 indicated that vertical alignment in PK-12 curriculum, instruction, assessment and reporting is
220 the focus over the next five years.

221

222 Ms. Widman reported that district teams need to spend time working together to complete the
223 shift to a full competency based educational system. We have narrowed our focus this year on
224 Math and Computer Science due to data analysis and changes at the State level. She noted as
225 with any curriculum change, realignment or programmatic shifts there will be a need for
226 increased support and professional development to ensure we are doing what is best for the
227 students.

228

229 Ms. Widman reported that budget drivers include course/workshop reimbursement, software,
230 textbooks and contract services.

231 Increases include:

- 232 • \$13,900 Conference / Workshop reimbursement which consists of bringing a
233 district-wide team to the Education Design Studio (competency based education
234 implementation), Project Lead the Way training for two teachers, updated AP
235 course training for two teachers;
- 236 • \$2,000 Contracted Services to provide more focused and sustainable professional
237 learning opportunities for staff.

238

239 Decrease include:

- 240 • \$8,348 Textbooks – although there is a need for additional resources due to the
241 change in State requirements and the revision of our Math, Computer Science,
242 Business and FCS curricula.

243

244 Mrs. Couture asked if the Education Design Studio something new.

245

246 Ms. Widman indicated it began five years ago and grew. She commented that some teachers
247 from each building will attend and bring the information back to the faculty. She noted that she
248 would like to ensure the district is aligned with State requirements. She added that the
249 elementary and middle schools need to report out on the same competencies.

250

251 Ms. Widman commented the PLTW (Project Lead the Way) is a science/technical program. She
252 indicated it is required by PLTW that we have at least one teacher trained next summer. With
253 reference to AP training, Ms. Widman explained any time the college system changes
254 requirements for a course we have a small window to get someone trained. In regard to

255

256 Mrs. Couture asked if, with the exception of the competency design studio, the other trainings
257 are local.

258

259 Ms. Widman indicated that PLTW training will be local and AP training is in St. Johnsbury.

260

261 Mrs. Couture asked what happened to the curriculum cycle that was in place.

262

263 Ms. Widman explained that cycle had not been used in the last few years. She indicated that a
264 new cycle was created and accounts for budgeting materials, implementation, etc.

265

266 Mrs. Couture requested a copy of the new curriculum cycle for the Budget Committee.

267

268 Mrs. Bourque commented it seems that not much has been spent in the textbooks line, but a lot is
269 budgeted.

270

271 Ms. Widman explained the funds were kept in the textbook line knowing that some will have to
272 be transferred into technology.

273

274 Mrs. Bourque commented she would rather see that budgeted under technology.

- **Technology**

275
276 Mr. Pelletier presented the FY20 Recommended Budget to the Budget Committee, with a bottom
277 line of \$382,899, which is a decrease of \$38,702. He reported the IT budget has been reduced
278 from last year and looking forward we are focusing on fiber connectivity between the school
279 buildings. He explained this type of connectivity will be quicker and there will be less need for
280 switches and servers. He reported that the TenMarks math software has been eliminated. Mr.
281 Pelletier informed the Budget Committee that the district will be addressing data privacy and
282 network security as mandated by HB1612, which is an unfunded mandate. He indicated that the
283 district will have to contract for a network security audit and there is a possibility it may be an
284 annual expense, but that is not confirmed at this time.

285
286 Mrs. Couture asked if the network security audit is an exact bid.

287
288 Mr. Pelletier indicated it is the cost of the contract with the vendor.

289
290 Dr. Jette commented this was an unanticipated item and funds have been identified for the audit.

291
292 Mr. Pelletier highlighted increases and decreases in the FY20 IT budget. Increases include:
293

- \$5,975 for an additional \$25 per Chromebook due to loss of the bulk discount as
294 the district is not ordering as many devices, as well as a slight increase in the cost
295 of the Chromebooks due to popularity;

296
297 Mrs. Couture asked to whom the Chromebooks are being provided.

298
299 Mr. Pelletier indicated that there has to be a reclassification as 29 Chromebooks were reduced by
300 the School Board.

301
302 Mrs. Couture noted that the budget notes reflect the Chromebooks are for incoming freshmen.

303
304 Mr. Pelletier indicated that incoming freshmen will bring their Chromebooks with them from
305 LMS and the new Chromebooks will be provided to the incoming grade 5 students.

306
307 Increases continued:

- 308 • \$5,000 Network Security Audit, mandated by HB1612
- 309 • \$1,976, Enterprise Cloud backup and disaster recovery procedures for mission
310 critical files;
- 311 • No Increase to Telephone (531), but restructured representation of actual cost per
312 school in the budget;
- 313 • \$2,000 Upgrade network switches that have become outgrown.

314
315 Decreases include:

- 316 • \$5,000 TenMarks software discontinued;
- 317 • \$6m088 eliminated School Dude IT ticketing system and now using Google forms;
- 318 • \$3,400 5 Year Replacement Plan has less items to replace;
- 319 • Various amounts for Object 532, Data Communications due to savings from fiber
320 connectivity upgrade.

321
322 Mrs. Bourque commented this is the first year she has seen a technology reduction. She asked if
323 the Smartboards replacement is an annual plan.

324
325 Mr. Pelletier explained that at one time there was more cost for CHS, but the other schools need
326 more help and we broke the funds out and are addressing GMS and LMS.

327
328 Mrs. Douglas requested a copy of the updated 5 Year IT Plan.

329
330 Mr. Pelletier indicated that he will provide it for the Committee and noted that the number
331 fluctuates. He added a breakdown will be included.

332
333 Mrs. Couture advised Committee members to provide follow up questions for next week ahead
334 of the meeting.

335
336 **7. REPORTS**

- 337 **• Town Business**
338 **○ General Update**

339 Mr. Brunelle reported warrant articles will be finalized and negotiations with the union are still
340 underway.

341
342 Mrs. Couture announced to Committee members that the 2019 Town budget spreadsheet now
343 shows reductions. She noted the tax rate increase is \$0.07.

344
345 **8. MEMBER INPUT/ NEW BUSINESS**

346 There was no member input.

347
348 **9. PUBLIC INPUT**

349 There was no public input.

350
351 **10. ADJOURN**

352 **MOTION:** by Mrs. Douglas
353 ***Move to adjourn the meeting.***

354 **SECOND:** by Mrs. Bourque

355 **VOTE: 8-0-0**

356 **The motion carried.**

357
358 **Next meeting: November 8, 2018**

359
360 The meeting was adjourned at 8:35 p.m.

361
362 **Recorded by: Michele E. Flynn, Recording Secretary**

363
364 **Approved:**