

**Minutes of the
Litchfield Budget Committee Meeting
Held on June 27, 2019**

The Litchfield Budget Committee held a meeting on Thursday, June 27, 2019, at Litchfield Town Hall, Two Liberty Way, Litchfield, NH 03052.

PRESENT: K Douglas (Chair); A Cutter (Vice Chair); J Bourque, B Hodgkins, J Martin, N Fordey, W Hayes, R Meyers (School Board Representative), R Leary (Selectmen Representatives)

Absent:

1. CALL TO ORDER

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

• **PLEDGE OF ALLEGIANCE**

2. REVIEW / ADDITIONS TO THE AGENDA

3. PUBLIC INPUT

There was no public input.

4. NHMA WORKSHOP

Mr. Lemire introduced the Executive Director of the NHMA, Margaret Byrnes, who will be providing a training presentation to the Budget Committee regarding Municipal Budget Law.

Margaret Byrnes introduced Natch Greyes, Municipal Services Counsel for the NHMA, who will be presenting the training as well.

Information presented to the Budget Committee included the following Budgeting Laws:

- RSA Chapter 31: Powers and Duties
- RSA Chapter 39: Town Meeting
- RSA 21-J: DRA Deadlines
- RSA Chapter 32: Municipal Budget Law
- RSA Chapter 33: Bonds
- RSA Chapter 35: Capital Reserve Funds
- No Home Rule: municipalities only have authority if the State grants that authority.

Ms. Byrnes reviewed the following topics:

- Violations of Budget Law
- Key Players
- Official Budget Committee's Role
- No Spending Without Appropriation
- Exceptions to RSA 32:8.

47 Other topics were reviewed and discussed as well by Ms. Byrnes and Mr. Greyes, including:

- 48 • Separate vs Special Warrant Articles
- 49 • Raising and Appropriating
- 50 • Gross Basis Budgeting
- 51 • Procedural Requirements for Valid Appropriations (Budget Creation)
- 52 • Warrant Article Notations
- 53 • Warrant Notice and Amendments
- 54 • Spending Limitations
- 55 • Transfer of Appropriations
- 56 • SB2 and Budgeting
- 57 • Lapse of Appropriations
- 58 • Special Meetings
- 59 • Multi-year Appropriations
- 60 • Municipal Funds
- 61 • Special Revenue Funds
- 62 • Revolving Funds.

63 5. REVIEW / ACCEPTANCE OF MINUTES

- 64 • May 23, 2019

65 **MOTION:** by Mr. Cutter

66 *Move to approve the minutes of May 23, 2019*

67 **SECOND:** by Mr. Leary

68 **VOTE: 5-0-2, with Mrs. Bourque and Mr. Hodgkins abstaining**

69 **The motion carried.**

70 6. CORRESPONDENCE

71 Mrs. Douglas mentioned that correspondence received included annual reports, business reports
72 from the school district, and the updated school district LEA Collective Bargaining Agreement.

73 7. REPORTS

- 74 • **Town Business**
- 75 ○ **General Update**

76 Mr. Leary reported that budget is on track and there are no issues at this time.

- 77 • **School Business**
- 78 ○ **General Update**

79 Mr. Meyers reported GMS fence almost completed, the security for the front entrance of CHS
80 has begun and end of year encumbrances have been approved by the School Board.

- 81 ○ **Teachers Contract Update**

82 Dr. Michael Jette, Superintendent of Schools, presented the renegotiated LEA contract for 2019-
83 2022 to the Budget Committee. He explained that in 2018 the School Board began bargaining
84 with the LEA and the LSSA; however, negotiations with the LSSA ended when there was a
85 disagreement with health insurance. He noted that the situation with the support staff salaries
86

91 and health insurance is status quo at this time. The School Board's intention is to negotiate
92 another contract.

93

94 Dr. Jette made the following statements in his presentation to the Budget Committee regarding
95 the 2019-2022 LEA Collective Bargaining Agreement:

- 96 • In 2018 the School Board negotiated with the LEA
- 97 • A ratified contract was brought forward and the Budget Committee did not
98 support the article
- 99 • The article failed in March 2019
- 100 • 116 voters skipped over that question on the ballot
- 101 • The current health insurance remained in force
- 102 • Renegotiated an agreement with the LEA that contains some compromises
- 103 • Teachers ratified the agreement
- 104 • School Board ratified the agreement this morning and voted to petition the
105 Superior Court to hold a special meeting in the fall
- 106 • The new warrant article will need a recommendation from the Budget Committee
107 by August 9.

108

109 Dr. Jette indicated that there have been concerns there are teachers that want to leave the district
110 because there is no approved contract at this time and some teachers are leaving to take better
111 offers from other districts. He commented that the School District and School Board has listened
112 to this committee and the voters when it came time to renegotiate the agreement. He emphasized
113 that it is imperative to come up with something that is fair as it is impacting the economic
114 situation of our teachers. Dr. Jette noted that the teachers love to teach in our district and we
115 want to retain them.

116

117 Dr. Jette reported that the increases in the Salary Schedule are as follows:

- 118 • Year 1: 1% COLA + Step
- 119 • Year 2: 1.5% COLA + Step
- 120 • Year 3: 1.75% COLA + Step
- 121 • Longevity: Year 3 \$90 increase
- 122 • Health Insurance: moving to Yellow Choice and No Choice plans with deductibles, with
123 the following Premium Contribution splits:
 - 124 ○ Year 1: Green Plan: 82/18 Red Plan: 83/17
 - 125 ○ Year 2: Yellow Choice: 88/12 No Choice: 90/10
 - 126 ○ Year 3: Yellow Choice: 87/13 No Choice: 89/11

127

128 Dr. Jette commented that there will be a shift in thinking and employees' behavior will change
129 with their health care dollars in the second year. School Care structures the plans with incentives
130 built in. He indicated that when making the shift to the Yellow plans, maintaining an 80/20 shift
131 is not feasible. He stated the district will be paying a little less per year/per person by changing
132 from the Green/Red plans to the Yellow plans.

133

134 Dr. Jette reported the contract increase is now \$854,737, which is \$260,377 less than the
135 \$1,115,114 that what was proposed in March. He noted teachers eliminated make up steps for
136 those who may have missed steps in past years.

137
138 Dr. Jette indicated the updated contract and salary grids have been provided for the Budget
139 Committee. He commented other districts in the peer cohort pay much higher portions of the
140 premiums for their employees whose contributions range from 1% - 8%, with one district whose
141 employees contribute 15% and one whose employees contribute 20%.

142
143 **State Budget**

144 Dr. Jette commented the Legislature is trying to do something about education funding. He
145 stated Litchfield potentially will get approximately \$439,000 in additional revenue with the fixes
146 in the state budget, for which some can be invested back into our teachers. He noted we can
147 provide a good contract for the teachers and still help provide some relief to taxpayers.

148
149 Mrs. Bourque commented it is interesting to hear about the additional revenue. She asked if the
150 state funding comes back to us would that money be applied to the contract increases.

151
152 Dr. Jette indicated if the funding is approved, revenue projections will be greater than originally
153 approved. He commented that a copy of the Petition to the Superior Court to grant a special
154 meeting was sent to the DRA today, and the DRA will delay tax rate setting for Litchfield if a
155 special meeting is granted.

156
157 Mr. Cutter commented that it is safe to say the possibility of additional education funding is
158 speculation. Dr. Jette responded that may be true, but it is also safe to say that education is at the
159 forefront in the news. He mentioned there is another lawsuit in which the Legislature is being
160 accused of not meeting education funding obligations.

161
162 Mr. Leary asked for the amount of the deductibles on the new health plan. Dr. Jette indicates
163 that it varies by employee. He commented that for a No Choice individual plan, the deductible is
164 \$1,000, and for the Choice plan the deductible is \$500; for the No Choice family plan the
165 deductible is \$4,000 and for the Choice plan the deductible is \$2,000.

166
167 Mr. Leary asked how the district is making that \$4,000 deductible up to families. Dr. Jette
168 indicated that is being done through cost of living and step increases. He noted the LEA was
169 cognizant that individual members are not harmed in this process.

170
171 Mr. Hodgkins commented there is a tax increase of \$0.28/thousand associated with the contract
172 agreement. He asked if the additional revenue from the State will lower that tax impact. Dr.
173 Jette indicated the tax impact is still there, but the revenue will offset it.

174
175 Mrs. Douglas commented the question we should be asking ourselves is if this contract as
176 proposed is something we feel we can support regardless of what could be coming from the
177 State.

178
179 Mr. Cutter commented that from his observation the proposed COLA's do not match the \$10,409
180 increase in year one. He asked how much this is going to improve teacher morale.

181 Dr. Jette indicated teacher morale can vary by situation. He commented that when there is no
182 increase it dips that morale (failure of the warrant article in March). He believes that the Budget

183 Committee's recommendation sends a signal to the teachers. He noted the teachers felt they did
184 everything they could to get approval for the contract. He pointed out people are not out looking
185 for another job because they are dissatisfied here, but because they are impacted in their own
186 situations.

187
188 Mrs. Douglas asked about the number that ratified the contract agreement. Dr. Jette indicated he
189 could not answer that.

190
191 Mrs. Douglas commented if the vote was close it would be difficult for someone to support the
192 article. Dr. Jette offered to inquire about the vote.

193
194 Mr. Cutter asked how in line with industry or neighboring towns is the longevity increase. Dr.
195 Jette indicated that compared with our cohort some districts calculate subject to the track the
196 teacher is on and start at Year 10, which can equal up to \$1,000 more than Litchfield; other
197 districts start in Year 20; Bedford pays half of what we pay for longevity, but the salaries are
198 considerably higher. He commented that our top steps are a bit lower and our longevity is
199 industry standard coming into 15 years.

200
201 Mr. Cutter asked about the difference in the number of sick days offered to employees (125 vs
202 110 days).

203
204 Dr. Jette indicated that 125 days is the norm in the three districts in which he was employed. He
205 explained sick days were reduced for new hires to 110 days to realize a savings and there is a
206 clause as they near retirement that prohibits them from using all their accrued time, as well as a
207 buyout for unused days.

208
209 Mr. Cutter asked about the process in terms of the court approving a special meeting. Dr. Jette
210 commented he cannot predict what the court will do and that it depends on how busy the dockets
211 are this summer. He indicated the attorney has seen cases where a judge will expect convincing
212 arguments and some will just grant the meeting. He noted that legal counsel confirmed the
213 Budget Committee does not have to wait for the ruling to vote on the warrant article.

214
215 Mr. Cutter commented that it would be prudent of the Budget Committee to wait until there is a
216 special meeting date.

217
218 Mrs. Bourque asked what the downside of not waiting would be.

219
220 Mr. Cutter indicated that would make the work of the Budget Committee null and void.

221
222 Mrs. Bourque believes that the Budget Committee should vote on the merits of the contract and
223 not whether the court will grant a meeting. She indicated that the Budget Committee has an
224 obligation to vote.

225
226 Mrs. Douglas commented if we vote and the court does not grant the meeting it will go to the
227 March vote.

228

229 Dr. Jette indicated the parties will have to renegotiate, but only from a legal standpoint. He
230 noted it will just be delayed because of a legal matter.

231
232 Mrs. Douglas asked if it would be a new three year contract. Dr. Jette indicated it would be a
233 three year contract with some renegotiating.

234
235 Mr. Meyers commented if the Budget Committee and School Board provided their
236 recommendations on the article and the meeting is not granted, the votes are null. He indicated
237 that we would want to vote to help the case for the meeting.

238
239 Mr. Cutter commented we are assuming this committee is going to vote.

240
241 Mr. Meyers indicated it is important to know what the Budget Committee decides prior to going
242 to court.

243
244 Mrs. Douglas commented the bylaws prevent the Committee from voting tonight, but we can
245 vote to hold a meeting to take up the warrant article.

246
247 **MOTION:** by Mrs. Douglas
248 *Move that the Budget Committee schedule a meeting on August 5 to take up the vote on the*
249 *CBA warrant article recommendation with a time TBD*

250 **SECOND:** by Mr. Cutter

251 **VOTE: 9-0-0**

252 **The motion carried.**

253
254 ○ **End of Year Encumbrances**

255 Dr. Jette indicated a list of approved encumbrances from FY19 end of year funds has been
256 provided for the Budget Committee.

257
258 Mr. Cutter read the items from the list:

- 259 ● CHS: Science room electrical drops, egress for second floor office, respray the track, dark
260 room ventilation, conversion of access control (due to entrance construction)
- 261 ● District: replace grounds truck
- 262 ● GMS: replace PK ramps, shed for playground recess storage, intercom system
- 263 ● LMS: exterior door grade 7 wing, clock (bell system) replacement, intercom system,
264 heating repairs.

265
266 Mr. Cutter indicated they appear to be mostly maintenance repairs, which makes sense.

267
268 Mrs. Douglas commented that it seems as if short term planning is costing us more.

269
270 Mr. Meyers pointed out the intercom systems are part of the Homeland Security
271 recommendations.

272

273 Mrs. Douglas asked about enrollment. Mr. Meyers indicated that there are 69 enrolled in
 274 Kindergarten. He noted if enrollment increases the School Board will make a decision in July
 275 about a fifth Kindergarten teacher.

276

277 **7. MEMBER INPUT / NEW BUSINESS**

278 **• Budget Committee Participation on the Capital Planning Committee**

279 Mr. Meyers reported that the Capital Planning Committee met to organize their tasks.

280

281 Mrs. Douglas commented this is an opportunity to bring together a long term plan.

282

283 Mr. Cutter asked for the Committee's position on participation on this committee.

284

285 Mr. Meyers commented that the Budget Committee member would be a voting member.

286

287 Mrs. Douglas asked how that impacts the Budget Committee. Mr. Meyers indicated it should not
 288 as Mr. Leary and he are voting representatives to the Budget Committee.

289

290 Mrs. Douglas commented in the past we have not sent members to these committees.

291

292 Mrs. Bourque commented that if you are acting as a member of the Budget Committee then you
 293 are representing the Budget Committee. She did not agree that it was a good idea.

294

295 Mrs. Martin asked would we not want to bring our voice to that committee.

296

297 Mrs. Bourque commented that she would feel more comfortable with having information
 298 brought to this committee instead of voting on the Capital Planning Committee.

299 Mrs. Douglas agreed.

300

301 **MOTION:** by Mr. Meyers

302 ***Move to assign a Budget Committee member to participate on the District Capital Planning***
 303 ***Committee***

304 **SECOND:** by Mrs. Bourque

305 **VOTE: 2-7-0**

306 **The motion failed.**

307

308 **Member Input**

309 Mrs. Fordey mentioned that the Select Board extended an invitation for the Budget Committee
 310 members to tour the town facilities. She commented she took advantage of the invitation and
 311 found the tour very helpful. She noted it was recorded by the Cable Committee.

312

313 Mr. Cutter asked if it is the ideas that these walkthroughs will lead to articles and justify the
 314 significant expenses from the Highway Department.

315

316 Mrs. Douglas indicated it is from the perspective of understanding their needs more, their
 317 policies and what they go through.

318

319 Mrs. Fordey inquired about the overspend in Library insurance.

320

321 Mrs. Douglas indicated there is an understand between the former Select Board and the Library
322 that if a Library employee who has an individual plan has a life change experience, the town will
323 pay those expenses because the Library does not have those reserves.

324

325 **8. PUBLIC INPUT**

326 Dr. Jette reported that he contacted the LEA leadership and they responded there was strong
327 support by teachers for the contract.

328

329 Tara Hershberger, 3 Naticook Avene, commented that each side has given up things during the
330 negotiations. She indicated that both parties went back and forth often, but wanted to be sure
331 there was a contract ready and available because they deserve it.

332

333 Margaret Norton, 24 Woodhawk Way, commented it is important for the Budget Committee to
334 recommend the contract article. She believes our teachers are amazing and they love this town
335 and our children. She indicated by not recommending the contract we are not supporting our
336 teachers. She noted we have lost many teachers because the contract was not approved in
337 March.

338

339 Janine Anctil, (street name inaudible), commented that Mr. Cutter asked about morale. She
340 believes that morale is good right now and that we are making progress. She indicated that we
341 (teachers) are not teaching in Litchfield to make as much as other towns or have great insurance,
342 but because we love the families. Mrs. Anctil commented when the contract did not get the
343 support of the Budget Committee it impacted teacher morale. She explained that it took a lot of
344 work to negotiate an agreement and reach out to the voters in the town. She expressed that she
345 hopes the contract gets the support from the Budget Committee and realizes that ultimately the
346 voters decide. She noted when the voters saw the Budget Committee did not support the
347 contract, the perception was a negative one.

348

349 Travis Tucker, 1 Highlander Court, commented that it was heartbreaking when the teachers'
350 contract was not approved in March. He stated it has been difficult hearing conversations from
351 teachers regarding whether they are coming back next year. He indicated we are blessed to have
352 great spirit and a great community and it is scary to imagine that could go away. Mr. Tucker was
353 concerned he would fall short on recommendations for college because none of his teachers will
354 be at Campbell when he graduates. He commented that we can preserve our progress and test
355 scores with keeping the teachers we have. He indicated getting a contract will ensure that we
356 preserve what we have here because we should not have to worry about our teachers leaving or
357 staying.

358

359 **9. ADJOURN**

360 **MOTION:** by Mr. Cutter

361 *Move to adjourn the meeting.*

362 **SECOND:** by Mrs. Bourque

363 **VOTE: 9-0-0**

364 **The motion carried.**

365

366 **Next meeting:** **August 22, 2019**

367

368 The meeting was adjourned at 9:50 p.m.

369

370 **Recorded by:** **Michele E. Flynn, Recording Secretary**

371

372 **Approved:**

373

DRAFT