

**Minutes of the
Litchfield Budget Committee Meeting
Held on November 7, 2019**

The Litchfield Budget Committee held a meeting on Thursday, November 7, 2019 at Litchfield Town Hall, 2 Liberty Way, Litchfield, NH 03052.

PRESENT: K Douglas (Chair), J Bourque, J Martin, N Fordey, B Hodgkins, W Hayes, R Leary (Selectmen's Representative), R Meyers (School Board Representative)

Absent: A Cutter (Vice Chair)

1. CALL TO ORDER

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

- **PLEDGE OF ALLEGIANCE**

2. PUBLIC INPUT

3. REVIEW / ACCEPTANCE OF MINUTES

- **October 24, 2019**
- **October 30, 2019**

Minutes from October 24 and 30 were tabled until the next meeting.

4. CORRESPONDENCE

Mrs. Douglas announced that she received an email from Steve Webber, Select Board Chair, regarding including a Budget Committee member on the Town Capital Improvement Plan Committee.

5. NEW BUSINESS

- **Budget Committee Member Position on Town Capital Improvement Plan Committee**

Mrs. Douglas read the letter from Select Board Chair, Steve Webber, regarding having a Budget Committee member serve on the Town Capital Improvement Plan Committee. She noted that the Committee had a similar discussion regarding the School District Capital Planning Committee and the Budget Committee declined sending a member there.

Mrs. Bourque commented the logic of the rationale from the town makes sense, but if we send a Budget Committee member to the Town Capital Plan Committee, we should do it for the School District.

Mrs. Douglas commented she understands the point of view, but the concern is committee members do not always have the same opinion and were not elected to be on that committee.

Mrs. Fordey felt it would be valuable to have a member in that process. She commented we can discuss that member being a voting member or not, but she is thinking of the flow of information either way. She indicated with Mr. Cutter's call to action there needs to be a broader plan as to where the town is going. She noted there needs to be a flow of information to the Budget Committee so we can be involved in the information that comes from those committees. Mrs. Fordey believes there should be more transparency and collaboration and she supports any measures to increase communication to the Budget Committee.

Mrs. Bourque commented she would be comfortable to have a member on both committees, but does not support that they should be voting members.

Mr. Hodgkins was concerned that Mr. Cutter is not present to vote and felt he may be interested.

Mrs. Douglas indicated Mr. Cutter emailed his support to have a member serve on the Capital Plan Committee.

MOTION: by Mrs. Bourque

Move for the Budget Committee to nominate a member to be a non-voting member of the Town Capital Improvement Plan Committee

SECOND: by Mrs. Fordey

VOTE: 7-1-0

The motion carried.

Mrs. Douglas indicated the Budget Committee will nominate a member to serve on the Town Capital Improvement Plan Committee at the next meeting.

- **Additional School Budget Review Dates**

Mrs. Douglas indicated that the Budget Committee considered adding two meetings to the budget schedule for the school district: December 3 and December 10.

6. SCHOOL BUDGET PRESENTATIONS

- **Superintendent Overview**

Dr. Jette explained the budget delivery was delayed due to issues with the upgrade of the finance software, which resulted in lost information and set the SAU Office back one month. He noted even delivery of the budget to the School Board was delayed and we are still having issues we are struggling with. He indicated the FY21 Recommended budget is accurate and complete and was revisited by the School Board last night so they could make adjustments and approve the budget.

Budget Process: Dr. Jette spoke to the process of the preparation of the budget. The budget is discussed with the Administrative Team in August; the Superintendent and Business Administrator meet with each administrator to go through the budget line by line; the SAU receives enrollment data in the fall that is used toward projections to use in the budgeting process; many hours are spent going through the budget before presented to the School Board.

The School Board works through the budget during an 8 hour work session on a Saturday. A second 4 hour session was added this year and an additional 2 hours was spent on the budget by the School Board last night. Dr. Jette indicated that the district is looking for some guidance and support from the Budget Committee.

Budget Components: Dr. Jette commented that there are other components to the budget, such as a revenue plan that goes with the spending plan. He explained with additional funding from the state this year we will decide what we want to do with it. It is important for the Committee to remember this budget meets the needs of the students and all individuals involved, and helps our team get better.

Major Goals: 1) the budget will allow us to fulfill our mission; 2) the teachers' contract was approved and we have a support staff contract that we are negotiating and hope to bring to the voters this year. He noted that the deadline for the support staff agreement is January, but understands that it has to be ratified sooner.

Mrs. Douglas commented that the Budget Committee typically gets the agreement in December. She indicated if we do not get the agreement on the deadline, people do not have a chance to review it and it will not be recommended. She added the Committee votes on school warrant articles in December.

Mrs. Bourque was concerned with Mrs. Douglas' statement that if the agreement is not received by the deadline it will not be recommended and feels it is not fair to make that statement.

Mrs. Douglas commented if this committee receives the agreement closer to the deadline members will not have an opportunity to buy into it. Mrs. Bourque indicated it is unfair to say it will not be recommended on behalf of the whole Committee.

Mrs. Douglas encouraged the district to try to deliver the agreement before Christmas. She stated she will not vote to recommend it if it is received in January. Mrs. Bourque feels that is a shortsighted statement.

Dr. Jette indicated he will bring that to the negotiating table. He assured the negotiating team will do their best to get the agreement ratified as early as possible. He asked the Committee to understand that this process represents several hours of hard work and the agreement impacts custodians, school secretaries, food service employees, paraprofessionals - basically people we depend on in the operation of our district. He noted these are also people who live in Litchfield and pay taxes.

Goals continued: 3) District Capital Plan: the committee has had several meetings and pieces are starting to come together. The goal is to have the information passed forward to the Town and to work in collaboration with the Town. This will be a comprehensive plan that addresses the needs of the district. There are facility needs that have been delayed and have to be addressed as employees are manually operating systems that are not working well; and finally, 4) People in our Organization: this budget is also about people and can easily be caught up in numbers and percentages. Dr. Jette commented we are not applying that to machinery, but to human beings.

Enrollment Overview: Dr. Jette indicated that enrollment is closely monitored. Class sizes have been examined and the policy amended for Kindergarten enrollment. For many of our students it is their first time in school. The class size number for Kindergarten was reduced from 20 to 18 and the numbers in the other grades did not change. The School Board incorporated the budgeting procedures that reflect trigger numbers to increase staffing in the policy.

Enrollment Projections: These numbers reflect projected enrollment for this year as well as actual October 1 numbers. The projections are based on a three year average and include a predictor number under the totals of each school. The predictor numbers show that GMS enrollment is projected to increase, LMS and CHS enrollment are projected to decrease. The projections do not take into account families that move into the town and there are many unknowns.

Mrs. Bourque noted there is an increase in Grade 7, but it is projected to decline over the next three years. She asked if that is a historical trend or does that reflect children that opt go to private schools.

Dr. Jette indicated it is based on historical data and how the numbers trend. He commented that we do not know for sure why the increase occurred and could be based on multiple factors that cannot be predicted. Dr. Jette explained when you see a decreasing predictor, it does not necessarily have an impact on staffing as it depends on programming. He assured that the enrollment will be monitored carefully at CHS.

Dr. Jette reminded the Committee the budget that is being developed has to work for 20 months from now. He indicated that the district does the best it can to try to determine how to budget for special education and children's needs. He noted it is an evolving process and an absolutely transparent process. He commented that we welcome the opportunity for the Budget Committee to help us do that.

- **Business Administrator's Review**

Mr. Izbicki explained that many of the financials are estimates and for discussion in terms of the tax rate, which has not yet been set. He indicated after the teachers' contract was approved the data had to be added into the budget. The certified financials and data will be sent to the Department of Revenue Administration to set the tax rate. Mr. Izbicki explained that there has been a delay at the DRA with many other towns and Litchfield will not see a supplemental tax bill.

Mr. Izbicki explained that the grants fund and the food service fund are not funded by taxes. He noted that Food Services was subsidized last year because of much needed equipment replacement and staffing improvements. He indicated that this is a bottom line budget that will go into effect in 8 months. Reductions made by the Budget Committee are applied where we feel they fit to best serve the students in the district. Health insurance and similar items are budgeted based on an estimated increase percentage until we receive the rates and make the adjustments. The budget process begins in August and was delayed because of issues caused in the budgeting module during the eFinance upgrade.

Mr. Izbicki provided additional information regarding the FY21 Recommended budget. Attachment 1 is a summary of the budget and where we ended up and represents a 3.6% increase over the FY20 budget, resulting in a spike in the percentage when the CBA was approved.

Attachment 2 is a reconciliation of budgets by department impacted by encumbrances in FY19. Those encumbrances impact prior year actuals as well.

Attachment 3 is a department by department comparison of the FY20 Approved budget to the FY21 Requested budget. There is an increase in Special Services based on students coming into the district that require services.

Attachment 4 is Revenue and Tax Rate estimates. The revenue that will impact this year's budget (FY20) is the additional funding of adequacy aid from state.

Attachment 5 is a tax rate comparison that reflects spikes in years with CBAs.

Attachment 6 is tax impact estimates on assessed values.

Mr. Izbicki noted the default budget is being developed and is a bit more complex than in previous years. He mentioned we have the FY21 Recommended budget in Excel format at Committee members' requests.

- **Special Services**

Mrs. Bandurski explained that she is not only the Director of Special Services, but oversees Special Services and special education, has a caseload of 12 students, is responsible for: ELL, 504's, Home School Students, Homeless Students, Foster Students, Out of District placements, and is the District Truant Officer. She indicated that there were 235 students with services when she started to put the FY21 budget together and now there are 242. She noted there is an additional out of district placement added to the budget as well.

Mr. Izbicki commented there have been discussions regarding too much underspend in this budget. He informed the Budget Committee that there is currently a \$44,000 overspend in the special education budget this year and they will be putting amounts together to withdraw from the Special Services Capital Reserve Fund. He was unsure if there is enough money in the reserve fund as one student with critical needs can impact the budget.

Dr. Jette explained he asked Mrs. Bandurski to "list the hats she wears" because there are many components of special needs. He indicated that she makes sure we are providing services to all students with special or particular needs. He noted that some families that move into town bring needs we may not have serviced before.

Dr. Jette commented homeless students are serviced and under the law we cannot deny these services or education. He added there are now 8 students that are in transition and we have students that need English Language Learner services this year, for which more interpreter services are required.

Mr. Izbicki reported some rules changed for Medicaid reimbursement for special needs students and there are new restrictions.

Mrs. Bandurski explained the new rule changed who can order services for Medicaid in schools - particularly a physician, a physician assistant or licensed nurse can order the services, but the district does not have any of those individuals on staff. She indicated the State is still looking at how to work through this and we will get further clarification on this as we go forward.

Mrs Bandurski presented the FY21 Special Services Requested budget to the Board with a total of \$1,361,807, which is an increase of \$160,748 over FY20. She indicated the budget was created with the needs of the student currently being serviced in mind. She noted everything included in the budget is there to meet a need required by an IEP. She presented budget drivers to the Budget Committee:

- Increase of \$92,674 in Special Education Tuition due to a change in student need and increased tuition rates, which includes an anticipated placement
- Increase of \$1,059 in LMS Special Education Software for Reading Plus licenses for students with disabilities
- Increase of \$3,709 in CHS Special Education Furniture Replacement for a conference room table and chairs
- Increase of \$55,437 in Psychological Professional Services for contracted school psychology services
- Increase of \$25,385 in Transportation costs for options when the current provider is unable to cover a run
- Decrease of \$3,161 in Special Services Travel for staff
- Decrease of \$3,58 in Speech Services for a change in need.

Professional Services

Mrs. Bandurski explained the School Psychologist resigned and we did not have any applicants when we advertised the position. She indicated a mental health clinician was hired, but a school psychologist is still needed. She noted that psychology services are contracted out and she does not foresee the capability to fill the school psychologist position at this time.

- **Curriculum Development**

Ms. Widman presented the FY21 Curriculum Requested budget to the Board with a total of \$168,993, which is a decrease of \$6,723 from FY20. She indicated that the focus this year will be on vertical alignment and on the Humanities program at the high school. She presented budget drivers to the Budget Committee:

- Increase of \$9,450 in Textbooks as we are seeing that current online textbooks are no longer being supported in Social Studies and pockets in ELA. These subjects are being revised this year and want to ensure we have appropriate resources to support the implementation of the new curriculum.
- Increase of \$22,500 in Course Reimbursement, which is the result of moving the In District Professional Development line (320) into the Course Reimbursement line (271) so that there is one pool of funds for reimbursement. The elimination of funds in line 320 actually makes this level funded.

- Decrease of \$22,500 in In District Professional Development (as noted above)
- Decrease of \$5,000 in non-union course reimbursement
- Decrease of \$2,000 in Contracted Services, which will be funded by a grant.

Ms. Widman commented that insofar as Workshops are concerned, this past summer a Competency Design Studio and Live to Learn Academy workshops were held for teachers and building staff. She indicated these workshops were invaluable to the training and professional development of our staff.

Dr. Jette explained that he and Ms. Widman were tasked by the School Board with ensuring teachers get the training they need and the current methodology.

Ms. Widman commented it has been a huge success and the increase in participation of the staff and faculty has been incredible.

- **Technology**

Mr. Pelletier presented the FY21 Technology Requested budget to the Board with a total of \$432,373, which is an increase of \$22,258 over FY20. He indicated budget drivers include Chromebook purchase for the incoming 5th grade and incoming 9th grade; the 5 year replacement plan, which was reduced from \$108,000 to \$87,700. He highlighted budget drivers for the Budget Committee:

- Increase of \$65,971, which is a combination of all data and phone funds out of the school budgets and into a district line in the technology budget (this is a lateral move of funds and decreases to offset this will appear in the school lines)
- Increase of \$9,000, which is a subscription fee for GoGuardian (classroom management tool for 1:1 and computer labs)
- Increase of \$30,750 for the cost of incoming freshmen to be equipped with Chromebooks for their tenure at CHS.

Mr. Pelletier indicated that we shifted some lines into district level lines from school level lines so there will appear to be increases, but they will be offset by reallocation. He noted that because we are not purchasing as many devices, we are not able to get the leverage anymore, so we took advantage of classroom management software, GoGuardian, which is a tool for 1:1 computing and computer labs. He reported that because of a new law, HB 1612 pertaining to student privacy data and digital security, the district had to purchase software to locate vulnerabilities and to mitigate them.

Mrs. Douglas asked what happens to the Chromebooks that are phased out from the upper grades. Mr. Pelletier indicated they get recycled to GMS.

Mrs. Douglas asked if what is budgeted under Equipment Replacement for GMS is based on an inventory or just an allotment.

Mr. Pelletier indicated it is an allotment. He explained that the IT Department does its best to replace or repair the equipment we have. He noted that there is an inventory.

Mrs. Douglas commented that she would rather see the real need addressed in this budget than pay year over year for aging technology.

Mrs. Fordey asked about the amounts budgeted for conferences and workshops.

Mr. Pelletier indicated there are different trainings that are budgeted. He explained that in the case of Infinite Campus, which is the Student Information System, what is budgeted is the training for the Database Coordinator. He noted there is also training budgeted for IT Department employees for the server operating system and test environment training.

Mr. Hodgkins asked how long computer labs last. Mr. Pelletier indicated they are on a five year replacement cycle and we get a warrant and advanced warrant for the monitors and the towers.

Dr. Jette commented we continually look for ways to save costs in technology. He reported that a meeting for the Student Information System was held this afternoon to discuss and determine if we have the best program, if the program is meeting our needs and if the cost is justified. He explained the Student Information System is a database for all students and families. He noted we are always looking to try to do what is better, more efficient and save money.

Future Meetings

Dr. Jette indicated that he and Mr. Izbicki can field questions at the next meeting. He noted that budget reviews for CHS, LMS, GMS and Food Service are scheduled for the next meeting on November 14, 2019. He was concerned about the purpose of additional meetings to review the district budget. He commented we will schedule around the dates on our meeting schedule.

Dr. Jette commented that the budget presentation schedule has been set and includes three meetings in November and two in December. He indicated that the Budget Committee may add meetings on December 3 and 10; however, the Committee should be able to get through the budget over the next four meetings and still have a fifth for additional review/adjustments, including the review of warrant articles. He explained that administrators and directors have to run the operations of the district, which begin early in the morning, and are unable to be at their best if they have to be present at two night meetings during the week. Dr. Jette indicated the district will present the FY21 Recommended budget as scheduled; it is up to the Budget Committee to use the time in the most efficient way. He mentioned that the School Board was able to review the budget during an 8 hour work session and additional time during the week, which is the same if not more time than has been planned for review meetings with the Budget Committee.

Mrs. Douglas commented that the concern with the Town budget was that the Committee went more in depth, line by line. She indicated by adding more time to the school budget we can do a deep dive in these budgets.

Dr. Jette indicated that the district will be present on the five dates that are scheduled, but not for the additional meeting dates. He assured all questions asked by the Committee will be answered. He pointed out that the time allocated to the Budget Committee exceeds the time allotted to the School Board who managed to get through the budget in less time.

School Tour Dates

Dr. Jette asked Budget Committee members who were not able to attend the daytime tours of the schools for their evening availability. He acknowledged that members have work commitments.

Mrs. Douglas indicated a night tour is more conducive to Cable. She recommended scheduling all three buildings in one evening. After polling members who were not able to attend the daytime tours, it was requested that November 13 beginning at 6:00 p.m. be scheduled for the tours.

Dr. Jette indicated he would send out a schedule starting at 6:00 p.m. at CHS.

Capital Planning Committee

Dr. Jette commented it would be helpful to have a Budget Committee member on the District Capital Planning Committee to provide input.

Mr. Izbicki noted that there is funding the district will receive from the State in FY21 that is prioritized by the State to be used for infrastructure. He indicated the School Board needs to decide what to do with those funds.

Dr. Jette commented that we want to be careful with what we are doing on the Capital Planning Committee. He indicated we have to decide what to do in our facilities and facilities to do it in. He noted that the money should be used in a wise and efficient way.

7. REPORTS

- **Town Business**
 - **General Update**

Mr. Leary indicated the Select Board has not met in a while.

Mrs. Douglas asked if the updated budget is ready. Mr. Leary indicated he will keep the Committee updated as to its availability.

8. MEMBER INPUT/ NEW BUSINESS

Mr. Meyers asked why two meetings were added to the budget review schedule.

Mrs. Douglas indicated that the school district budget is much larger than the town budget and may require more time to get through. She commented that the town budget took more time than anticipated, which resulted in late nights. She noted that members were concerned about the lateness of the meetings and adding two meetings will help to alleviate running that late.

Mr. Meyers commented that in his observation, if Committee members would focus more on the budget and stay on topic there would be no need for the process to take as long.

After several minutes of debate, Mrs. Flynn suggested scheduling a meeting on December 12 instead of adding meetings on December 3 and 10 as there is a risk of not having administrators in attendance on those nights.

Mr. Meyers was concerned that the Budget Committee is adding time with a need for it. He commented if we focus on the budget and not talk as much we can get through the process.

Mrs. Douglas indicated the Committee will go through the budget reviews in November and see where it ends up. She is open to a meeting on December 12. She commented scheduling two additional meetings was in response to concerns expressed by Committee members about being here past 9:30 p.m.

Mr. Meyers commented the Committee should concentrate on the budget. Mrs. Douglas commented everything on this agenda was budget related. She expressed appreciation for Mr. Meyers' concern.

Mrs. Fordey indicated she appreciates the concern, but noted that the beginning discussions this evening were a bit long and very detailed.

Mrs. Douglas commented many people feel we are going through the budget too quickly. She indicated there is room for compromise. She noted not everyone has the ability or schedule to stay later in the night. She pointed out that the school district budget is a \$22M budget and a big task.

9. PUBLIC INPUT

There was no public input.

10. ADJOURN

MOTION: by Mr. Hodgkins

Move to adjourn the meeting.

SECOND: by Mr. Hayes

VOTE: 7-0-0 (Mrs. Bourque left the meeting earlier)

The motion carried.

Next meeting: November 14, 2019

The meeting was adjourned at 9:30 p.m.

Recorded by: Michele E. Flynn, Recording Secretary

Approved: