

**Minutes of the
Litchfield Budget Committee Meeting
Held on November 21, 2019**

The Litchfield Budget Committee held a meeting on Thursday, November 21, 2019 at Litchfield Town Hall, 2 Liberty Way, Litchfield, NH 03052.

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

Absent: J Bourque

1. CALL TO ORDER

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

● **PLEDGE OF ALLEGIANCE**

2. PUBLIC INPUT

There was no public input.

Town: Conservation Committee Discussion of 2020 Budget Proposal

Mrs. Douglas commented that she received an email request for the Conservation Commission to speak about their 2020 Budget proposal. She indicated that the topic is on tonight's agenda and suggested that the topic be moved up in order to accommodate the members of the committee.

Members of the Conservation Commission, Joan McGibbon, Matt Lepore, and Michael Croteau approached the Budget Committee.

Mrs. McGibbon commented that the Conservation Commission is requesting that the \$2,500 reduction from their 2020 budget be added back. She indicated that there are funds in the Land Use Acquisition Fund that come from current use taxes when a property is removed from current use. She explained the Conservation Commission receives 80% of that and the Town receives 20%. She noted the Conservation Commission does not want to withdraw from that fund for maintenance. Mrs. McGibbon commented that land is increasing in value and cost in NH and they have not been able to purchase any development land or easements. She indicated they have a list of management needs for current properties that were acquired.

Mr. Lepore indicated there are concerns about the state of the equipment the Commission owns that they use to fulfill their mission. He noted that much of the equipment that we find or is donated does not work when we go out to manage the land. He added that they have been dumpster diving for equipment.

Mr. Cutter asked if they have spoken with the new highway manager about using the Highway Department equipment as needed.

Mr. Lepore indicated that they have asked, but the town has priority for using the equipment. He noted they were able to use some roadblock horses for a piece of property where a nyperdermic needle was discovered.

Mrs. McGibbon indicated that they were given a trailer by the town, but the lights need repair. She noted that they are in need of personal safety equipment.

Mr. Lepore explained they lack having any form of personal safety equipment. He indicated that they have to alternate using equipment, for example, when one person is mowing another will be using the chainsaw.

Mrs. McGibbon commented they love volunteering, but are in need of equipment to work with.

Mr. Hodgkins asked how much is in the Land Acquisition Fund.

Mrs. McGibbon indicated there is approximately \$500,000 in the fund. She noted the cost of one developed acre of land is \$120,000.

Mr. Hodgkins commented if the Commission took 1% of what is in the fund the budget would be doubled.

Mrs. Douglas explained the Budget Committee will not make any adjustments until January 2020 because they are working through the school budget.

Mr. Meyers asked how much they would need.

Mrs. McGibbon indicated \$1,500 would help.

Mrs. Douglas asked if they could bring back an annual needs plan to support the program.

Mr. Cutter commented that, in his opinion, this is all warranted, but he believes in the spirit of a bottom line there is money in the town budget to allocate funds to the Conservation Commission.

Mrs. Douglas commented if the Budget Committee feels it is warranted we can add it to the budget.

Mrs. McGibbon offered to deliver the needs information to the Budget Committee in December.

3. REVIEW / ACCEPTANCE OF MINUTES

- **November 7, 2019**

MOTION: by Mrs. Fordey

Move to approve the minutes of November 7, 2019 as amended

SECOND: by Mr. Leary

VOTE: 6-0-2

The motion carried.

- **November 14, 2019**

The minutes of November 14, 2019 were tabled until the next meeting.

4. CORRESPONDENCE

Mrs. Douglas announced that she forwarded questions to the school district regarding budget presentations from November 14.

Mrs. Douglas announced that Mrs. Bourque experienced a death in her family and requested to take some time from the meetings for a month.

5. OLD BUSINESS

- **Town: Conservation Committee Discussion of 2020 Budget Proposal**

This topic was moved to follow Public Input.

- **School: Follow up of questions from November 14 Budget Presentation**

Dr. Jette indicated that Committee members' questions were received from the Budget Committee Chair and responses have been provided. He noted that the Budget Committee reviewed the CHS, LMS, GMS and Food Services budgets at the last meeting and asked if there were additional questions.

Mrs. Fordey inquired about the music department notes in the LMS budget.

Mr. Lecklider indicated the top line should be deleted. He noted that a digital piano and amplifier are the only things budgeted.

Dr. Jette explained that Mrs. Fordey pointed out the description in the notes is the same as last year. He indicated this could have been the result of the notes that copied over when we upgraded our budget software.

Mr. Izbicki provided information regarding the FY21 Budget and current tax rate to the Budget Committee. He reported the tax rate has been set for Litchfield and reflect a \$0.20 increase as opposed to a \$0.63 increase projected in March 2019. He indicated the increase includes the Teacher's agreement. He reported that there is no increase in health insurance going into the next year and has made the appropriate adjustments in the FY21 Budget to reflect those reductions.

Dr. Jette noted that the district budgeted a 10% increase in health insurance based on what the district was told by School Care in August. He indicated that once the district received the actual information reductions were made in the proposed budget. He added the district also received a premium holiday that resulted in a -5% increase (actually a decrease) as well.

Mr. Izbicki provided responses to questions that were sent from the Budget Committee.

Disability and Life Insurance Amounts:

He reported that the disability and life insurance amounts did not pull forward into the budget from last year and those amounts were adjusted in the Salaries and Benefits proposed budget.

Severance Payouts:

He explained there were three retirement notifications received prior to November 1 this year and one from last year that was not received by the November 1 deadline.

Long Term Substitutes:

Mr. Izbicki explained that line was over expended over the last three years.

Tutor Raises:

Mr. Izbicki indicated tutors are not part of the bargaining unit and their raises are budgeted in a salary pool to be disbursed at the Superintendent's discretion.

DW Co-Curricular Deficit:

Mr. Izbicki explained that the Budget Committee reduced co-curricular salaries last year that are typically allocated throughout the budget. He indicated these salaries are now budgeted in the district-wide line.

Contracted Services Enrollment Projections:

Mr. Izbicki explained that although enrollment projections are now done in-house, there may be a need for the outside services.

Buildings and Grounds Equipment:

Mr. Izbicki reported the line containing an amount budgeted for snowblowers has been deleted.

Mr. Cutter asked if the general fund appropriation includes food services. Mr. Izbicki indicated that it does not.

Mr. Cutter commented that he tried to pull voter approved budget information from the website and analyze it, but the amounts are not aligned with his analysis.

Mr. Izbicki explained the majority of information provided is from the general fund and does not include grant funds or food services.

Mr. Cutter commented what the voters see is what they actually approved. He pulled the approved budgets and the pass/fail rate, as well as actuals, and is trying to reconcile the budget vs actual expenditures.

Mr. Izbicki indicated the district budgets \$575,000 for grants. He offered to get the food services information for Mr. Cutter.

6. SCHOOL BUDGET PRESENTATIONS

• HR

Ms. Falzone presented the FY21 HR Recommended budget with a bottom line total of \$8,476 which is a \$116 increase over 2020. She indicated there was a decrease in advertising.

• Salaries and Benefits

Ms. Falzone presented the FY21 Salaries and Benefits Recommended budget with a bottom line total of \$17,802,875, which is an increase of \$705,180 over FY20.

She indicated that last year's rates for support staff in the union are contained in the proposed budget because there is no contract yet and we are in negotiations with the LSSA. There is a lump sum budgeted for the increase for the teachers' contract; there is a salary pool budgeted for non-union employees (SAU Office, tutors, psychologists); and a salary pool for Administrator increases.

Increases and Decreases:

- 6th period classes are contractual and budgeted for what we are currently paying;
- Grade changes are budgeted when a faculty or support staff moves up in grade or certification;
- Severances are budgeted for notifications received prior to November 1 and for any notifications from the previous year that did not make the November 1 deadline;
- \$235,586 decrease in health insurance;
- \$28,000 savings for insurance changes from Red and Green to Yello;
- 3.9% increase in dental insurance;
- No increase in retirement until 2022;
- Two expanded positions added: Grade 3 teacher at GMS and DW Custodian.

Mr. Cutter asked why the two positions were not placed on the warrant.

Dr. Jette indicated they are not new positions as we already have those categories of employees. He explained that custodial coverage is based on a square footage analysis and reductions in the past make it necessary to add a position back.

Mr. Cutter presented to the district staff what he presented to the Budget Committee at the last meeting during Member Input.

Mrs. Douglas commented the Committee has a good understanding of what is needed, but the global analysis does not tell us why.

Mrs. Fordey asked where tutor raises come from. She commented she compared this budget to last year's budget and she understands the lump sum pool that is budgeted, but hourly tutor amounts for specific individuals are higher.

Ms. Falzone explained that a survey of the peer group and region was done on hourly tutors and their salaries were adjusted to be in line with the results.

Dr. Jette indicated some tutors were at the rate they should be and some were significantly behind. He noted that it was done to provide standardization.

Mr. Hodgkins asked why the tutor is paid to bring a student up to speed if teachers are teaching in class.

Dr. Jette indicated it could be for a struggling student who needs additional support or if the tutor supports the teacher in the classroom. He commented once a student falls behind in elementary they never catch up as they progress through the grades.

Mrs. Douglas pointed out one of the tutors was a math tutor that was approved on the warrant two years ago.

Mrs. Douglas asked about the fifth kindergarten teacher and about kindergarten enrollment.

Dr. Jette indicated kindergarten enrollment is projected at 81 students next year. The Class Size policy is 18 per class, which makes 76 a critical number and may trigger a fifth teacher. This year kindergarten enrollment was monitored closely. We decided if we did not reach 76 students by August 1 we would not hire an additional teacher, but we are there now.

Mrs. Douglas commented she understands it is School Board policy, but would prefer a warrant article for an additional teacher. She indicated that the Budget Committee agreed to fund kindergarten at a certain ratio and certain number of teachers. She noted now we are changing the original discussion and voters should weigh in on that.

Mr. Meyers explained the School Board looked at schools around us and around the state for class sizes in kindergarten and they are all in line with the smaller numbers.

Matt Lepore commented if you go to the State website they have a series of green pluses, yellow minuses and red exclamation points and Litchfield rates high class sizes. He noted these are actual bodies in classes and even LMS is at the tipping point. He indicated class size does matter. He added what he heard the School Board say was that our kindergarten class sizes are higher than other districts that are out scoring and out performing us. A presentation was made to the School Board on the impact of full day kindergarten in our district and it was found that it has made a remarkable difference. It is important that these early grades are smaller to get our students on the right track. No one has come to the School Board to say they got something wrong.

Mrs. Douglas was concerned that we had a policy we followed for 20 years and even though the class size policy was not approved years ago on the warrant it went forward anyway. She indicated more input from the public and more transparency is needed.

Mr. Meyers indicated that people are invited to all School Board meetings.

Mr. Izbicki commented meetings are open to the public and live streamed; we are all accessible by email. He noted there are a number of ways to get in touch with us.

Mrs. Douglas commented that she understands, but the Budget Committee has a way that we operate and we have to have a discussion on it.

Dr. Jette invited Committee members to watch kindergarten classes. He commented it is challenging when students register late.

Mrs. Douglas asked about the recess monitors and was concerned tutors are being used for that purpose. She asked how the need for more monitors is evaluated and if the district will address it.

Mr. Meyers indicated that is up to the School Board.

Mrs. Douglas commented she would like to see that budget revisited.

Mr. Thompson indicated all paraprofessionals help out and tutors (math, reading and enrichment) are used for only one hour per week.

Mrs. Fordey commented this is not the forum to bring up every issue the Chair has with a school. She noted that the Chair is speaking about school policy and it is not fair to the budget review process.

Mr. Cutter asked why there is a large increase in substitute salaries for CHS.

Ms. Falzone indicated that the salaries are based on three years of actual expenditures.

Dr. Jette pointed out the actual expenditures for last year are \$32,750.

Mrs. Douglas asked if paraprofessional and monitor salaries are based on current employees. Ms. Falzone indicated that was the case.

Mr. Hodgkins asked about the increase in health insurance under salaries for the Special Education program (page 17 of the Salaries and Benefits proposed budget).

Ms. Falzone indicated that increase would be there due to different insurance plans taken by different employees.

Dr. Jette clarified that it is difficult to guess what plan an employee will choose. He noted that it is possible to have a few employees leave who had a single plan and a few hired who opt for a family plan.

Mrs. Fordey asked about the increase in co-curricular salaries for LMS.

Ms. Falzone indicated the Lego Club was added. She explained in the past we would list positions as vacant to keep them in the budget, but we removed the vacant positions and budgeted only for those in the new contract.

Dr. Jette explained typically the Budget Committee will reduce co-curricular salaries, but with the new CBA there are positions that were carried in there for several years that do not exist any longer. He indicated those positions were removed and the savings were used to adjust the salaries in that budget for what is actually running. He cautioned if that line is reduced you will be reducing actual contracted positions.

Mr. Cutter asked about the \$5,000 increase in DW Athletics, but nothing is budgeted.

Mr. Izbicki indicated that is where the reduction was applied last year and now it reflects an increase.

Mrs. Douglas asked about the hourly position budgeted in Athletic Activities salaries.

Ms. Falzone indicated that is the Athletic Administrative Assistant position.

Mrs. Fordey asked what positions are included in the Administrative salary pool.

Ms. Falzone indicated that directors, principals and administrators are included in the salary pool.

Mr. Cutter asked if the position budgeted under Custodial Services for CHS is for an additional custodian.

Ms Falzone indicated that vacant position is an actual vacant custodial position.

- **SAU**

Dr. Jette presented the FY21 SAU Recommended budget with a bottom line total of \$27,466 which is a decrease of \$330 from FY20.

Mrs. Fordey indicated it appears that a conference has been eliminated.

Dr. Jette indicated that he does not typically attend the conferences as he gets more information from local events.

Mr. Hodgkins asked why mileage is budgeted. He commented that \$4,450 was budgeted in 2019 and \$1,644 was spent.

Dr. Jette indicated that many times he does not submit his mileage and the conference he attended was actually in NH.

- **School Board**

Dr. Jette presented the FY21 School Board Recommended budget with a bottom line total of \$83,340, which is an increase of \$10,514 over FY20. Dr. Jette indicated that Dues and Fees increased by \$314; Ballot Printing increased by \$200; and Legal Fees increased \$10,000. He noted the legal line fluctuates and varies by collective bargaining and personnel issues and has been overspent for the past two years.

- **Business**

Mr. Izbicki presented the FY21 Business budget with a bottom line total of \$50,037, which is an increase of \$16,728 over FY20. He indicated that the district has to renew actuarial services next year and there is a slight increase in the software lease.

- **Transportation**

Mr. Izbicki presented the FY21 Transportation budget with a bottom line total of \$574,310, which is an increase of \$2,801 over FY20. He indicated the increase is based on the run rates.

Dr. Jette noted this is year two of a five year contract.

Mr. Cutter asked if the number of buses is the right number and if the district has given any consideration to the number of buses.

Mr. Izbicki indicated that will be subject to the amount of building in the town.

Mr. Cutter asked if the district is relooking at the routes for efficiency.

Dr. Jette indicated the district is constantly monitoring the routes. He commented that there have been conversations about the start and end times of the schools and if we can improve efficiency by relooking at school times.

- **Buildings and Grounds**

Mr. Izbicki presented the FY21 Buildings and Grounds budget with a bottom line total of \$1,277,405, which is a decrease of \$35,776 from FY20. He indicated the drivers any line increase is for required projects.

Mrs. Fordey commented there were some mileage adjustments and asked if some are split between the schools.

Mr. Izbicki indicated that conference mileage would be an impact.

Mrs. Douglas asked if there is a plan to replace auto scrubbers for three years. Mr. Izbicki indicated he will ask Mr. Ross.

Mr. Cutter asked about the \$31,000 increase for flooring replacement at GMS. Dr. Jette indicated this is part of the asbestos replacement plan and next year is the last year.

Mr. Cutter noted that chair lift inspections for CHS are budgeted at \$1,000 and for LMS the amount is \$200. He asked why there is such a large difference.

Dr. Jette indicated it is because these are different types of chair lifts.

Mrs. Douglas asked Mr. Cutter to display the analysis of the budget.

The monitor was not working properly and would not display the file.

Mr. Cutter indicated that he took the original Excel budget file and integrated it into a list of changes that he documented. He broke the information out into a long list of account numbers by function, location and object. He looked at the whole budget for each school. He explained he found that the budget has increased over \$3M since 2017 and the two primary drivers are District Wide and GMS. He commented if we isolate those two budgets, GMS has increased approximately \$993,000 in salaries and benefits. He wanted to know why it has increased.

Dr. Jette indicated much of the increase is the addition of full day kindergarten and programmatic increase. He noted there is more staffing at GMS.

Mr. Cutter commented that in District Wide the majority of the increase is in salaries and benefits, although transportation has increased \$132,000, travel and conferences have increased \$30,000 across the district, as well as increases in handicapped tuition.

Dr. Jette explained when Ms. Widman was hired as the Curriculum Director, she was tasked to make sure teachers are getting the training they need to deliver the curriculum. He noted, for example, if you offer advanced placement courses you have to get the training required by the College Board. He indicated if a teacher that is trained leaves the district, we have to train another teacher. Dr. Jette added she has been bringing people into the district to present professional development and both teachers and paraprofessionals need to be trained.

Mr. Cutter commented at some point a decision needs to be made. He indicated the budget has increased \$1M. He noted the community has heard teachers have been without a contract for a number of years, but continue to see increases in salaries year after year.

Dr. Jette clarified that steps were missed in the FY14 and FY15 budgets and would not be reflected in 2017.

Mrs. Douglas commented teachers still move up a step or receive a grade change.

Mr. Cutter commented that he is struggling with the increase year after year. He indicated that he has broken the total budget out into the cost per student, which in 2017 was over \$14,000 for 1,353 students. He added currently the cost per student is \$17,000 and there are less students.

Dr. Jette indicated that number conflicts with the cost per pupil on the State website as the State excludes things like transportation. He commented not having seen the spreadsheet, there are things that Mr. Izbicki has excluded as well. He noted this would not be an “apples to apples” comparison.

Mr. Cutter indicated he cannot reconcile it and cannot support it. Dr. Jette clarified the district is not asking for a \$3M increase for FY21.

Mr. Cutter commented that the district is asking for a \$1M increase. Dr. Jette indicated that the increase is less due to the reduction and decrease in health insurance.

Dr. Jette commented that there has been much discussion in the community about transparency. He indicated the district publishes the budget on the website and holds an all day budget session open to the public. He took exception that the district is not transparent. He mentioned that in the past there were many competing warrant articles, handshake deals, and gentlemen’s agreements. With reference to Mr. Cutter sharing his analysis with the Budget Committee at the previous meeting, Dr. Jette indicated the meeting was over and the district personnel had left the meeting, then there was more discussion on the district’s budget. He asked why that was not discussed and the analysis presented when the district staff was in attendance.

Mr. Cutter indicated Member Input was not listed on the original agenda.

Dr. Jette indicated that we would not know that. He suggested it would be better if we get that information ahead of time and have an opportunity to provide information instead of guessing. He commented he prefers to have an open dialogue about it. He noted it was disconcerting to have that conversation without the district present.

Mr. Cutter indicated that was the appropriate time to present it among the committee. Dr. Jette commented it was not the appropriate time to present it without the school district present.

Mr. Cutter indicated he would like to present it and discuss it. Mr. Izbicki invited Mr. Cutter to the SAU to review the analysis where he has the resources available to respond to and/or clarify the data.

Mrs. Douglas commented she is supportive of the idea, but does not feel the public would support it.

Dr. Jette indicated we know the numbers the way we present them and if they are adjusted into a different format we need to understand that.

Mrs. Flynn pointed out that in past years Budget Committee members were invited to go the the SAU to review both accountings and had accepted that opportunity and then reported back to the Committee.

Mr. Meyers did not understand why the Committee would be against it. Mrs. Douglas commented she would have to think about it.

MOTION: by Mr. Hodkins

Move to send Mr. Cutter to the SAU to review the budget and Mr. Cutter's calculations

SECOND: by Mr. Meyers

Mr. Meyers commented this is making it official. Mr. Izbicki indicated it is all public information and a motion does not need to be made.

The motion and second were withdrawn.

Mrs. Fordey commented there is always a balance and anyone should be free to ask questions and get more information. She indicated that the district has been more than transparent.

Mr. Cutter believes the district has been very transparent.

Dr. Jette commented last year the Budget Committee completed the district budget review in four meetings. He asked why more meetings are necessary this year.

Mrs. Fordey explained there was concern last year about meetings going very late and it was thought to split it up to end meetings earlier.

Mrs. Douglas indicated it would bring more clarification and the Committee can get more done.

Dr. Jette was concerned that the district staff will have to attend six meetings now.

Mrs. Douglas commented there are new members that are not familiar with the budget and are seeing it for the first time.

Dr. Jette commented he is not suggesting to rush through it, but perhaps to vote on more budgets in one night.

Mr. Hodgkins commented that Tom Schofield spoke to the Committee during public input a few meetings prior and raised concerns about going through the budgets too quickly. He believes it was a valid concern.

Mr. Cutter commented we have reviewed the budget page by page and does not believe that the voting should be done page by page. He indicated the voting should be done by object account or function account, which is much quicker and gets results. He noted it is more efficient to make reductions by account or function, as well as an overall review.

Mrs. Douglas suggested voting the way the MS 27 is reported. Mrs. Flynn indicated that is by function.

Mr. Cutter commented if the budget has to be submitted by function, why not vote by function and balance the concerns of the Committee and the Superintendent.

Mrs. Douglas indicated that the Committee can give it a try.

Mr. Cutter polled Committee members.

Mr. Hayes, Mrs. Fordey, Mrs. Martin, Mr. Hodgkins, Mr. Leary and Mr. Meyers agreed with voting by function.

Mr. Cutter indicated that he will meet with Mr. Izbicki and review the analysis of the budget. He noted that after that he would like to put together a recommendation of what he has seen and heard. He noted it is not intended to sway the Committee. He would like to circulate it in advance..

School Tours

Dr. Jette suggested that the school tours that were scheduled for December 3 will be rescheduled to December 10 as Mr. Ross will be on vacation that week.

Mr. Leary complimented GMS and LMS for their Veterans Day events.

7. REPORTS

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

Mr. Leary reported the Select Board will be meeting Monday and Chief O’Brion gave his retirement notice to the Select Board.

Mr. Cutter thanked Chief O’Brion for his many years of service to the Town and residents of Litchfield.

8. MEMBER INPUT/ NEW BUSINESS

Mrs. Fordey commented that it is important to remember the role of the Budget Committee.

9. PUBLIC INPUT

There was no public input.

10. ADJOURN

MOTION: by Mr. Cutter

Move to adjourn the meeting.

SECOND: by Mr. Hayes

VOTE: 8-0-0

The motion carried.

Next meeting: December 5, 2019

The meeting was adjourned at 9:26 p.m.

Recorded by: Michele E. Flynn, Recording Secretary

Approved: