

**Minutes of the Litchfield Budget Committee Meeting
Held on November 20, 2014**

The Litchfield Budget Committee held a meeting on Thursday, November 13, 2014 at Campbell High School, 1 Highlander Court, Litchfield, NH 03052.

PRESENT: C Couture (Chair), W Spencer, R Peeples, C Pascucci, D Vaillancourt, K Douglas, B Bourque (School Board Representative), F Byron (Selectmen's Representative)

Absent: A Cutter (Vice Chair)

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

1. PLEDGE OF ALLEGIANCE

2. PUBLIC INPUT

There was no public input.

3. REVIEW/ADDITIONS TO AGENDA

School Business was moved ahead of Town Business; Solid Waste Discussion was added to Town Business; Budget Hearing Dates was added to Member Input.

4. REVIEW/ACCEPTANCE OF MINUTES

- November 6, 2014
- November 13, 2014

MOTION: by Mr. Spencer

Move to approve the minutes of November 6, 2014 as amended

SECOND: by Mr., Pascucci

VOTE: 7-0-1

The motion passed.

MOTION: by Mr. Pascucci

Move to approve the minutes of November 13, 2014 as amended

SECOND: by Mr. Spencer

VOTE: 8-0-0

The motion passed.

5. CORRESPONDENCE

Mrs. Couture reported that the Budget Committee received the School District Fiscal Year 2014 financials and the Superintendent's Goals and Objectives for the 2015-2016 District Budget. Mrs. Couture announced that correspondence was received from Tyler Matthews, Litchfield resident, regarding questions about the school district budget and health care. Also received was information regarding the town valuation.

The Budget Committee recessed at 7:08 p.m. for a tour of CHS.
The Budget Committee meeting reconvened at 7:48 p.m.

6. SCHOOL BUSINESS

- **Budget Review**

Executive Summary and Superintendent's Strategic Plan

Dr. Cochrane presented his budget priorities for 2015-2016, as well as educational goals and expectations. He commented how much expectations have changed over the last five years. He indicated that the district has higher expectations for their graduates and is focused on success for all students in career and college readiness.

Dr. Cochrane referred to a chart that reflected job loss and growth during the recession and the recovery. During the recession: people with a high school diploma or less lost 5.6 million jobs; people with an Associates degree or some college education lost 1.75 million jobs; people with a Bachelors degree or better gained 187,000 jobs. During the recovery: people with a high school diploma or less lost an additional 230,000 jobs; people with an Associates degree or some college gained 1.6 million jobs; people with a Bachelors degree or better gained an additional 2 million jobs.

Dr. Cochrane commented that increasingly the job market is more of a pyramid and there are fewer jobs that are the sorts of jobs we want our children to aspire to. He noted in the international competition, India and China are producing more students with engineering, math and science degrees than our students and more honors students than we have students.

Funding of Special Education Services and Supports as Identified in IEPs:

Dr. Cochrane commented there is nothing in the special education budget that is not supported by IEPs. The number and percentage of identified students in the district (12.9%) has stabilized below the state average of 14.9%. There was a period when the district was cited for not following policies, which resulted in an influx of identified students. The district is now seeing an increase in the percentage of identified students who require higher levels of support. The district needs more staff who are EH or LD certified, but in spite of advertising for these positions, the district has been unable to find appropriately certified staff. More professional development is necessary to get more staff qualified. It is more expensive to outsource those services than to educate existing staff.

Dr. Cochrane noted that although improvements in staffing have been made, there is a higher count of paraprofessionals than the district would prefer. In speaking with Mrs. Bandurski, Director of Special Services, it was determined that needs in special services are growing and more services are required. Expectations have never been higher for students to be mainstreamed and successful. Our measures show more academic growth and students attaining their IEP goals and in order to reduce paraprofessionals we have to spend more money on special education teachers.

Math Programming:

Dr. Cochrane indicated in the last several years, the district has seen an increased focus in math.

CHS has hit the state average in math results. In 2012-13 CHS offered one section of Geometry that met every day rather than every other day, doubling the instructional time in order to meet the needs of student with weak Algebra skills. Based on that success, CHS offered Algebra 1 Daily in 2013-14 and Pre-Algebra Daily in 2014-15. It is expected that Geometry Daily will not be required for 2015-16. Additional instructional time was provided using 6th block support in math. 6th block classes in other subjects was eliminated to support the focus on math. Advanced math courses (AP Calculus and AP Calculus BC) were added as a double block to address the needs of student who will benefit from advanced math credits. For 2015-16 District Curriculum Development budgeted for textbooks for the introduction of AP Statistics at CHS.

Beginning this year LMS reduced reading instructional time in grade 7 to support double math. Roughly 60% of students are in Math 7 while also getting additional support in math concepts and skills in the second math period of the day. The other roughly 40% take Math 7 for two periods/day for the first half of year and Math 8 for the second half of the year. Those who meet the requirements of Math 7/8 will be recommended for Algebra 1 in Grade 8. This program change had no additional teacher costs, but required a class set of laptops and a subscription to an online adaptive math resource to allow individualized remediation and support. The laptops were reallocated from GMS when the new computer lab was created for 2014-15.

Of those Grade 8 students currently enrolled in Algebra 1, there is a small percentage who are distinguished to such a degree that we will further recommend their acceleration into Geometry as an independent “home” setting option beginning this academic year through VLACS at no cost to parents or the school. The district will bring forward a proposal for a Distinguished and Accelerated Math program at LMS. The goal is to create a pathway for the most advanced 3-5% of students, which will include in class, after school and home options for Grades 5-8 over the next few years. Budgetary requirements for 2015-16 include \$4,200 for stipends for student academic support in grade 5 and grade 8 VLACS acceleration classes.

Textbooks and Learning Resources:

Dr. Cochrane indicated over the last 5-6 years the district inherited a deficit for a six year curriculum cycle which should be supported by an appropriate budget for updated resources. Other than the 2013-14 budget that included significant math resources to support math instruction in grades K-12, the district’s annual spending over the last 4-5 years has not been sufficient to provide students with the text and other resource needs consistent with our current educational standards and expectations. From 2010-2014 CHS averaged \$28,183 in new and replacement textbooks that equates to \$55 per student. New and advanced placement texts cost between \$100 and \$150 per text. As a result of underfunding over time a significant percentage of students’ textbooks are out of date and in many cases do not align with the levels required to prepare students for college and career success. With the expectation of moving to Common Core the district delayed purchasing textbooks until CCSS is implemented. This is the time to

address the necessity of curriculum resources for our students. This year's requested appropriation of \$114,563 reflects the level of funding needed to bring the district back up to date in the next six year cycle.

Instructional Technology:

The district is looking at funding a new Student Information System (SIS) with significantly more functionality than the existing one. This is a crucial step in moving toward the sort of learning environments that we would like to achieve. The existing SIS is essentially failing and support has discontinued for the program. The district pays stipends to teachers to assist in making the existing SIS work and updates are performed manually every two weeks. The new systems have learning management software and automatic updates, greater reporting and data capabilities, and are web-based including integrated gradebooks. The new IT support position on the warrant article will include database expertise and programming ability, and will help support the existing server and thin-client capability as well as support the piloting and eventual rollout of the CHS one-to-one computer initiative to be piloted in 2015-16 and implemented with all incoming freshmen in 2016-17. The NextGen grant funding of \$25,000 should be able to support the purchase of the student technology for 2016-17. Also contributing to the increase in the technology budget is the need to replace the 20 year old phone and PA system at GMS. The telephone systems at all three schools are failing. This fall the system at CHS failed and replacement parts are scarce at best. The repair technician was not successful until the third attempt as the first two attempts resulted in non-working spare parts. The district budgeted replacement systems, but the School Board only approved budget funds for GMS. They recommended replacing the systems at the other schools in subsequent years.

Mrs. Couture commented that the Superintendent is presenting budget expectations in five areas: Special Services, Math Programming, Textbooks and Other Resources, Technology and Buildings & Grounds. She asked which is the number one priority.

Dr. Cochrane indicated that Special Services is a requirement. He commented that his highest priority is technology as the new IT position can be presented on the warrant and the cutover costs can be covered with E-Rate money. He explained that an external consultant to work on the SIS would be more expensive. Dr. Cochrane indicated that the new SIS cost is lower and will yield savings. He noted together with the E-Rate money we can cover the cost of the new position. He commented if the warrant fails, we can still implement the new SIS, but the more advanced functionality of the system would have to wait. Dr. Cochrane conveyed their experience with a demonstration of the SIS in Bow, which is the same size district as Litchfield. He noted they have one Technology Director who works with the database, an Assistant Director who works with networking and three support technicians. Dr. Cochrane commented that the district needs a database person to work with the SIS as we currently only have a Director and one technician.

Mrs. Couture confirmed that Instructional Technology is the Superintendent's priority.

Mr. Spencer commented that the Budget Committee asked for revenues, which were not included in the budget books. Mr. Markiewicz indicated that revenues have not yet been presented to the School Board.

Mrs. Couture indicated that the Budget Committee has historically received projected revenues when the budget is delivered. She noted that Mr. Spencer is concerned with receiving them in a timely fashion.

Mr. Markiewicz commented that he can provide the revenue projections next week, but noted there is not much to the projections at this time.

Mr. Spencer commented that the revenues helps the Committee with their budget review. Mr. Markiewicz commented that we are trying to project a year and a half ahead.

Mr. Spencer commented that the budget books are not set up to be reviewed as they were the previous years – by location with salaries and benefits for each location.

Mrs. Couture commented it is usually set up the way the School Board reviewed it.

Mr. Spencer noted that the salaries and benefits are combined together in one section. He asked how the Committee will review the budget. Mr. Markiewicz commented that is the way the School Board received and reviewed the budget. He noted they reviewed operations separately from salaries/benefits. He indicated it is beneficial to look at salaries/benefits as one group.

Mr. Spencer commented that Salaries and Benefits is not on the Committee's review schedule. Mrs. Couture commented the Committee can review Salaries and Benefits when they review the CHS budget if someone can speak to it. Mr. Markiewicz indicated that he and the Superintendent can speak to it.

Mr. Spencer was concerned that Committee members would have to toggle back and forth between the budget they are reviewing and the salaries/benefits for that budget. Mrs. Couture commented that the Committee would like to review the salaries/benefits by location. She asked if salaries and benefits can be provided by location. Mr. Markiewicz commented that we provided the entire salaries and benefits budget as we did for the School Board review.

Mrs. Couture commented that the Committee would need to add Salaries/Benefits to their review schedule. Mr. Markiewicz indicated that it can be broken out by location. He commented it is important for the Budget Committee to look at operating costs outside of salaries and benefits as it gives a more precise picture of how difficult it is to operate the schools. He noted that it was reviewed by the School Board at the end of the schedule because more current numbers could be provided.

The Budget Committee discussed when they would like to review Salaries and Benefits. It was decided that the Budget Committee will review Salaries and Benefits on December 4.

Mr. Spencer commented that he looked at the budget snapshot broken down by function. He asked if the Committee will be provided the object summary as well. Mr. Markiewicz indicated that it will be provided for the Committee.

Mr. Markiewicz referred to the Fiscal Year 2014 Financial Review and commented it is important to provide some perspective for the Budget Committee for fiscal year 2014. He indicated the fiscal review is broken out by expenditure and revenue to explain how the fund balance resulted. Mr. Markiewicz explained there was over \$340,000 in unanticipated revenue. In Spetember we project out when we set the tax rate what we anticipate we will have for revenues that year. Two areas were over those projections: HealthTrust refunds totaled ovedr \$238,000 (district share), and Medicaid Reimbursement [which is the cost the district incurs for students on IEPs that we are required to provide certain medical services to and if the families are eligible for reimbursement]. Medicaid is a wildcard because we do not know what we will receive from year to year as the number of students is constantly changing. Revenues far exceeded projections for 2014 and we exceeded total appropriations for salaries by less than 1%. Benefits account for 21% of the expenditures and salaries 53%, which is a combined 74% of total expenditures. The district's cost in 2014 health care was almost \$2 million. The budget was under spent by over \$500,000 and the unassigned fund balance is a combination of the under spend and the unanticipated revenues. Special Education was the largest contributor of the under spend with \$486,659 remaining in 2014. Because of the agreement the School Board has with the Budget Committee not to spend or reallocate remaining Special Education funds, we did not reallocate those funds and only \$32,606 was under spent by the district.

Mr. Pascucci commented that we had a conversation about special education. He indicated that it is not known what the district will spend, but special education has to be funded. He noted the agreement was we may over fund special education, but we know it will not be spent or reallocated.

Mr. Spencer commented if the special education default number was a different number you would have had more to spend. Mr. Markiewicz indicated it is difficult because it is unknown when you go into the year when you will move out of district students in-district or need to fund a residential placement.

Mr. Spencer commented that the problem we now have is a major increase in the school budget and taxes because of the repression of this year's tax rate. Mr. Markiewicz indicated that he kept the agreement regarding under spent special education funds and the district returned over \$800,000 to offset this year's operational costs.

Mr. Pascucci commented it is a good discussion because people will understand the situation. He believes we will get further by doing what we do now.

Mr. Spencer does not believe what was put in the default budget for special education are the same numbers that the Budget Committee recommended be used. He believes the original numbers were used.

Mrs. Couture thanked Dr. Cochrane and Mr. Markiewicz for their presentations.

7. TOWN BUSINESS

- **Town Valuation**

Mr. Byron reported we are estimating an increase of \$6.1 million, which would take the town valuation to \$829,785,848.

- **Budget Voting**

4196 Town Insurance

Mr. Byron commented that the Board of Selectmen are expecting health insurance numbers the second week of December. He reported that Line 520, General Liability Insurance, should be \$61,505.

MOTION: by Mr. Byron

Move to increase Line 520, General Liability Insurance, in Account 4196.9, Town Insurance, to \$61,505

SECOND: by Mr. Pascucci

VOTE: 8-0-0

The motion passed.

4210.1 Police Department

Mr. Byron provided a response to Mr. Spencer's question regarding parts for police cruisers that can be transferred from vehicle to vehicle. He indicated that in a memo from Mr. Hoch it was recommended by Chief O'Brien to reduce line 760, Cruiser Purchase, to \$105,711, which would be consistent with information from Chief O'Brien relative to the equipment that can be taken out of the current cruiser and transferred to the new cruiser.

MOTION: by Mr. Bryon

Move to reduce Line 760, Cruiser Purchase, in Account 4210.1, Police Administration, to \$105,711

SECOND: by Mr. Pascucci

Mr. Spencer commented that he was surprised that the reduction is so small. Mr. Byron commented only a few pieces of equipment can be removed. He noted the light package and computerized equipment are not transferred.

VOTE: 7-1-0

The motion passed.

Mrs. Douglas asked for clarification of Lines 110 and 111. She commented that Article 8 from 2014 approved a 2% raise for police officers. She indicated that it appears that some officers are receiving raises in excess of 6% and wanted the rationale.

Mr. Byron commented that he is not aware of raises in excess of 6%. He explained that some officers are upgrading (i.e. master officer). He noted the town is obligated to provide 2% increases.

Mrs. Douglas indicated that the Captain's salary increases from \$74,880 to \$80,621, which is a 7.6% increase. Mr. Byron indicated that the Captain's position is a non-bargaining position and is the result of a promotion from Lieutenant to Captain.

Mrs. Douglas asked if the person being promoted would not have received the Captain's salary from last year. Mr. Spencer indicated there was no Captain last year.

Mrs. Douglas asked about the officer's salary that increased from \$49,000 to \$52,000, which is a 6% increase in Line 111. She asked if that was a similar situation. Mr. Byron indicated that he did not have that answer.

Mrs. Douglas commented that the taxpayers approved a 2% raise and it appears that more has been budgeted. She wanted to know the reason(s).

Mrs. Couture commented the notes state some people got degrees and that would increase them to a different scale. Mr. Byron indicated it is an anticipated increase, but does not go under the salary line. He noted he will get the information for Mrs. Douglas' questions.

Mr. Spencer commented that he has an issue with Line 144, Overtime Court.

MOTION: by Mr. Spencer

Move to reduce Line 144, Overtime Court, in Account 4210.1 Police Administration, to \$4,000, a reduction of \$4,130

SECOND: by Mrs. Douglas

Mr. Spencer commented that there was good discussion regarding this overtime line item. He noted the explanation was that the prosecutor was doing more so the officer does not have to go to court. He believes the overtime is over budgeted in total. He indicated he is comfortable with the overtime of officers and the Captain, but not with this overtime line item. He feels that \$4,000 is a reasonable number.

VOTE: 6-2-0

The motion passed. Bill – overtime issue – motion Line 144 OT Court

Mr. Spencer commented that the Overtime Training line item is over budgeted.

MOTION: by Mr. Spencer

Move to reduce Line 149, Overtime Training, in Account 4210.1 Police Administration, to \$29,000, a reduction of \$5,997

SECOND: by Mr. Pascucci

Mr. Spencer commented that he looked at what was done last year and what was done this year. He indicated that he tried to take a reduction according to what they needed, but still believes the total is overstated.

VOTE: 6-2-0**The motion passed.**

Mr. Pascucci commented that the Committee is not against training for officers. He indicated that we are just looking at what has been used historically and what we think they will use.

Mrs. Couture commented that \$14,000 has been expended in that line to date. She noted there is still some room with the reduction.

MOTION: by Mrs. Douglas

Move to reduce Line 349, Child Advocacy Center, in Account 4210.1 Police Administration, to \$0, a reduction of \$1,900

SECOND: by Mr. Spencer

Mrs. Douglas believes that the Child Advocacy Center is a service that the town uses. She indicated it should be included in the Health Agencies account. She commented that would be a good way for the town to see what services we support outside the budget and is more transparent to taxpayers.

Mr. Spencer commented the problem is the way the other services are presented as a warrant article and if it fails the police will not be able to use their services.

Mr. Byron indicated it is a critical function that the police department uses yearly. He was concerned if it is moved to the warrant and it fails the police will not be able to use that agency at all.

Mrs. Couture commented that when the question was raised about why it is in the police budget the reason is because it is an actual service we receive and use. Mrs. Douglas commented that home health and hospice services are used as well. Mr. Spencer clarified those services are used by individuals and not by the town.

Mrs. Douglas does not believe the Child Advocacy Center line item belongs in the police budget. Mr. Pascucci believes it is a service and not a charity. He does not believe taxpayers should fund charities. He commented that this is a necessity for the town and feels it is safer in the budget because this agency is used when the situation arises.

Mrs. Douglas was concerned that the agency may not feel the amount budgeted is sufficient. Mr. Peeples commented that we have no control over that. Mr. Pascucci commented that this is the amount they requested and they appear to agree with it.

MOTION: by Mr. Byron

Move to amend the motion to increase Line 349, Child Advocacy Center, in Account 4210.1, Police Administration, to \$2,500

SECOND: by Mr. Bourque

Mr. Byron indicated that \$2,500 is the actual amount the Child Advocacy Center requested.

Mr. Pascucci asked about the likelihood that they will not serve the town if we give them \$1,900. Mr. Byron commented that he did not have the answer to that question.

Mrs. Couture commented that the amount budgeted is based on service for 12 children last year. She indicated that the Board of Selectmen, as in any line item, can decide we may use a little less next year. She noted she is comfortable with what is in the budget.

VOTE: 3-5-0

The motion failed.

VOTE on the original motion to reduce Line 349 to \$0: 1-7-0

The motion failed.

Mr. Peebles asked why the SOU rifle in Line 740 is being replaced. Mr. Byron indicated that is a SWAT team rifle and the barrel has been shot out. He noted one of the officers is serving as an armorer and he stated it is no longer repairable.

4210.5 Support Services

Mrs. Douglas asked if the Dispatchers in Line 110 are part of the union. Mr. Byron answered in the affirmative.

Mrs. Douglas commented there is a dispatcher with a 5% raise and asked what would cause that increase. Mr. Byron commented he will get the information for all salaries and ask for a breakout by officer.

4411.2 Mosquito District

There were no motions.

4414.1 Animal Control

There were no motions.

4550.2 Library

Mr. Byron commented that he received information from the Library regarding the question from the last meeting of how much of the budget the Library intends to spend. He noted they intend to spend the whole appropriation.

Mrs. Couture indicated that the Library provided information about oil usage, which should have been included under Correspondence. She noted that a 10 year annual usage and 5 year average usage was provided. She commented the Library has two oil tanks with a capacity of 275 gallons each and they are currently close to empty. She indicated that the delivery schedule (historically) is February, March, October and December.

MOTION: by Mr. Spencer

Move to reduce Line 960, Library Appropriation, in Account 4550, Library, from \$203,689 to \$202,689, a reduction of \$1,000

SECOND: by Mr. Peeples

Mr. Spencer indicated that the motion reflects the difference in oil costs previously discussed. He noted that it is the correct cost.

VOTE: 6-2-0

The motion passed.

4415 Health Agencies

Mr. Pascucci commented that this account goes on the warrant. Mr. Byron indicated that the Board of Selectmen discussed it and it will be proposed to go forward as a warrant.

There were no motions.

4520.1 Parks and Recreation

Mr. Byron commented that he received information that the Recreation Committee has opened the bids, but has not yet accepted any. He noted they will do so at their next meeting.

Mr. Pascucci indicated they meet on November 25. He commented he would be comfortable delaying voting on this budget until we receive information on acceptance of a bid. He asked if the bid was only for mowing or field maintenance.

Mr. Byron indicated he understood the bid was only for mowing.

Mrs. Couture commented that voting is deferred until December 2.

4321 Solid Waste

Mr. Spencer commented that he was not in attendance for the part of the meeting when the Solid Waste budget was discussed and missed the discussion on Demolition and Solid Waste Disposal. He indicated that the notes in Line 693, Demolition Material Disposal, read that wood was moved to recycle via coop and asked what that means.

Mr. Byron explained that Litchfield is a member of a coop, which is a group of towns that get together and try to find the best deals for waste disposal. He indicated that note means that instead of going through the current vendor we will go through the coop to get the price for disposal.

Mr. Spencer commented that \$74,429 is budgeted and we spent \$48,000 to date this year. He asked what the town thinks will actually be spent for the remainder of this year with Line 693 and Line 694, which is also running behind.

Mr. Peeples commented there is usually a large spike at Christmas time.

Mr. Spencer commented that he is looking for a guesstimate for what will be spent in Lines 693 and 694 for the remainder of the year.

Mr. Byron indicated he will ask for the anticipated expenditure for the remainder of the year.

8. MEMBER INPUT/NEW BUSINESS

Hearing Dates

Mr. Spencer asked if dates for Deliberative Session have been set. Mr. Byron responded that Mr. Hoch contacted the school district, but has not yet received a response.

Mr. Spencer asked about budget hearing dates. Mrs. Couture indicated that the dates between which the Budget Committee can hold budget hearings are January 13 and January 20, 2015.

Mrs. Couture recommended the Budget Committee hold their hearings on January 15, 2015. Mr. Spencer agreed.

Mr. Peebles suggested picking an alternate date for the budget hearings.

Mr. Byron was concerned with scheduling budget hearings on January 15 in the event there is inclement weather. He suggested scheduling the hearings on January 13 with an alternate date of January 15.

Mr. Spencer was concerned that the last meeting to vote on the town budget is January 6 and the school budget on January 8. He indicated that if the Budget Committee is not able to do that we will need January 13 to finalize the budget and for the Chair to prepare her presentation.

Mrs. Couture recommended the budget hearings be scheduled for January 15 with an alternate date of January 19.

The Budget Committee was in agreement.

Mr. Spencer asked about the process for the school budget. Mrs. Couture indicated the Budget Committee will proceed the same as they did for the town budgets. She noted there will be budget presentations on one night and a vote to reduce or increase individual lines at the next meeting. She commented that the vote on the bottom line will be held until January 8 as at that point we should have gone through the budget and rationalized our decisions. Mrs. Couture added that on January 8 additional changes and rationale for those changes can be presented before the bottom line is voted.

9. PUBLIC INPUT

There was no public input.

- **Upcoming meetings**

The next meeting of the Budget Committee is scheduled on December 2, 2014.

MOTION: by Mrs. Douglas

Move to adjourn.

SECOND: Mr. Pascucci

VOTE: 8-0-0

The motion passed unanimously.

There being no further business, the meeting adjourned at 9:34 p.m.

Minutes by: *Michele E. Flynn (Recording Secretary)*

Date approved: