

Minutes of

Litchfield Budget Committee Meeting

Held on March 27, 2008

Present: B Lemire, R Peeples, G Lambert, (Selectman's Rep.), J Harte, M Falzone, B McCue, P Parker, D. Miller, (School Board Rep.)

Mr. Lemire called the meeting to order at 6:57 p.m. and welcomed returning member Paul Parker, new member Ray Peeples, and George Lambert, Selectman's Representative. He also welcomed Dennis Miller back as School Board Representative.

1. PUBLIC INPUT

There was no public input.

2. APPROVAL OF MINUTES

MOTION: by Mr. Harte

Move to approve the minutes of the meeting on January 3, 2008

SECOND: Mr. McCue

VOTE: 8-0-0

3. ELECTION OF OFFICERS (CHAIRMAN AND VICE CHAIRMAN)

MOTION: by Mr. Falzone

Move to nominate as Chair, Brent Lemire

SECOND: Mr. Harte

VOTE: 7-0-1, with Mr. Lemire abstaining

MOTION: by Mr. McCue

Move to nominate as Vice Chair, John Harte

SECOND: Mr. Falzone, Mr. Peeples

VOTE: 7-0-1, with Mr. Harte abstaining

4. PRESENTATION BY REPRESENTATIVES LYNNE & RUSS OBER ON EDUCATION FUNDING PROPOSALS

Chairman Lemire welcomed State Representatives Lynne and Russ Ober.

There was a query as to the status of a FEMA claim for the Brickyard culvert repair project. Chairman Lemire asked if the paperwork had been completed and filed appropriately. Mr. Dilworth, Administrative Assistant to the Board of Selectmen, responded that he assumed it was filled out and filed appropriately. Mr. Peeples clarified that the paperwork was completed and filed properly. He indicated that the town has not yet received any FEMA funds for the Brickyard culvert.

Action: Selectman Lambert agreed to return with an accounting for Brickyard for next Budget Committee meeting.

Mrs. Ober distributed information on current Legislation for 2008. She gave an overview of several legislative items that could impact the Town of Litchfield, which include: SB 539 Relative to Education Funding; CACR 34, a constitutional amendment relative to Funding an Adequate Education; SB 530 Relative to Kindergarten Aid; HB 1645 Relative to the NH Retirement System; HB 1127 Relative to Collective Bargaining Units; and HB 1436 Relative to the Evergreen Clause. Mrs. Ober indicated that HB 530 extends the kindergarten construction aid program through June 30, 2013. It will allow a school district to elect a construction grant to cover either 75% of the actual cost

of construction of a kindergarten facility or 100% of the actual cost of design and construction of a basic code compliant kindergarten facility. The bill also requires a school district providing a public kindergarten program as of September 2008 or 2009 shall receive an additional adequate education grant amount based on the number of students attending kindergarten in the district at the beginning of that year. Mrs. Ober clarified that the State is mandating public kindergarten and the Warrant Article relative to the proposed new school in Litchfield failed. Although Litchfield cannot construct kindergarten classrooms, the State will fund portables for three years until such time as the town constructs classrooms for kindergarten, which the State will fully fund.

Mr. Harte commented that it appears that this bill does not include funding for equipping, furnishing, core areas, or staffing. Mrs. Ober indicated that there will be a hearing on the current bill next week. Mr. Ober added that this bill will go to the Education Committee and the House Committee, and they can amend it any way they want. When it comes out of committee it could look completely different. Mrs. Ober indicated that Governor Lynch has vowed to veto any additional spending.

Mrs. Ober reported that the Senate has passed their version of adequate education funding. The Senate used State guidelines and frameworks, and reviewed the NH CAFÉ decision. The Senate decided to cost an adequate education at \$3,450 per pupil plus additional differentiated aid for English language learners, students receiving special education services, and students eligible for free/reduced lunch. This bill now goes to the House for further review and consideration. She added that the bill, as passed, would impact Litchfield with a loss of \$1.5M.

Chairman Lemire asked about targeted aid. Mrs. Ober indicated that the Supreme Court ruled that there would be no targeted aid, rather aid would be dispersed on a per pupil basis. She added that because Litchfield, Hudson, and Pelham choose to do more than the formula guidelines they will have to pay the difference. Chairman Lemire clarified that the guidelines are what the NH DOE funds and if a municipality chooses to go above those guidelines, that money is funded by the town.

Mrs. Ober indicated that it is too soon to know if the constitutional amendment will have any impact on education funding. It may add aid, but it will not change adequate aid funding, and any additional aid would be generated by a proposed state income tax.

Mr. Miller mentioned that the School Board is holding a public meeting with NH State Representatives for the Litchfield, Hudson, Pelham areas, as well as Senator DeVries on Education Funding and Kindergarten on April 3, 2008. He extended the invitation to members of the Budget Committee, Board of Selectmen, and residents of Litchfield.

Mrs. Ober reported that the House passed HB 1645 relative to the NH Retirement System. The bill extends the life of the medical subsidy and increases employer contribution rates to cover the subsidy, while also containing the overall cost by removing the automatic 8% annual increase in this benefit. To help offset the increase in employer contribution rates, funds will be transferred from the Special Account to the Pension Fund. Mrs. Ober indicated that the annual employer contributions will be less for towns and districts as employees will be contributing more.

Chairman Lemire observed that employees' contributions have never gone down. In 1991 towns/cities contributions were reduced and never resumed. Mrs. Ober noted that the Pension Board voted to give themselves higher medical subsidies taken out of the retirement system. The State is being fined for illegally using pension funds for medical subsidies. She added that employees currently working up until July 2009 can retire at age 45, however, any employees hired after July 2009 cannot retire at age 45. Mr. Ober indicated that the retirement system was giving out more than it was making and medical subsidies were not funded because towns/cities were not contributing their share, which led to this situation.

Mr. Ober reported that HB 1127 relative to collective bargaining units reduces the number of people needed to form a bargaining unit to less than 10 members (employees with similar jobs). The passage of this bill will lead to districts/towns bargaining with many bargaining units separately-

Mrs. Ober commented on HB 1436 relative to requiring the inclusion of an automatic continuation clause in collectively bargained agreements with public employees. She explained that the bill requires the continuation of contract terms of a collective bargaining agreement if an impasse between public employers and employees is not resolved. Mr. Ober observed that under the evergreen clause the last increase in the last year of a contract is continued without a contract, without negotiations, and voting of the legislative committee.

Chairman Lemire observed that the wording is very vague in HB 1127 and HB 1436.

Mrs. Ober also commented on HB 1472 relative to workforce housing. She indicated that this bill denotes that municipalities with land use ordinances provide reasonable and realistic opportunities for workforce housing. The wording is very vague and difficult to enforce. She added that it was debated a length at the legislative level.

Chairman Lemire thanked Representatives Lynne and Russ Ober for their time and for sharing this information.

5. TOWN BUSINESS

- a. Status of 2008 budget
- b. Final report of 2007 budget

Chairman Lemire indicated that the Budget Committee will receive an in depth report of the status of the town at the April meeting. There is no spreadsheet or final report at this time.

Mr. Lambert reported that the Board of Selectmen will be discussing these issues at their March 31 meeting. Chairman Lemire suggested that Committee members forward any questions to him and he will send them to the Selectman's representative.

Mr. Peeples queried if the audit has been completed. Mr. Lambert responded that it has not been completed as there are recurring issues that we are trying to address and some clarifications need to be made.

Action: Committee members to send agenda items to Chairman Lemire no later than Monday, March 31.

Chairman Lemire polled the Committee on the meeting start time. The consensus of the Committee was to start the meetings at 7:00 p.m.

6. SCHOOL DISTRICT BUSINESS

Mr. Miller distributed copies of the MS-22, January and February Financial Reports, Allocated Budget Cuts for the FY09 Budget, and the NEASC Report to Committee members. Mr. Miller noted that in each section of the NEASC report there are recommendations based on a timeframe of 2-5 years. He indicated that Principal Manseau is confident the District can bet on a schedule and will cost out the items. There are some recommendations with a zero dollar impact. When we have the costs we can establish a plan for the 2-5 year timeframe. Mr. Miller observed that these items will be identified in the budgets over the next five years and that some items have already been completed.

Chairman Lemire indicated that if a high school is not accredited it could adversely affects a senior's chances of getting into college. Mr. Miller noted that the high school staff worked on the accreditation process for two years. He added that we have a Follow Up Committee to continue the process.

Mr. Miller reported that the School Board approved the purchase of laptop computers for LMS teachers for approximately \$27,000 at their March 26 meeting. Currently, the teachers cannot run or use newer software and are unable to access Edline and use it effectively to report student grades and

progress for students and parents or post homework assignments. Edline is used as a tool for a student to be able to access missing work or learn where they are lacking in a subject. This information is broken down by competency level at the high school. Mr. Miller added that in light of a forecasted under spend of \$200,000 the Board felt that this was an appropriate use of funds.

Mr. McCue was concerned with the access of confidential information if a laptop is stolen when a teacher brings it home. Mr. Miller assured Committee members that confidential information is kept at the central office level only and all standard protections will be installed on the laptops.

Chairman Lemire extended an invitation from Dr. Cutler to Committee members to attend the April 3 School Board Legislative meeting, which will be held in the CHS Auditorium at 7:00 p.m.

Mr. Miller indicated that the District intends to ask for a waiver for one year for the implementation of Kindergarten. Mr. McCue queried as to the location of the portables the State would supply to implement Kindergarten. Mr. Miller replied that the portable classrooms would have to be placed on the paved playground and that the fourth graders would be moved out of the building into the portables in order to use classrooms inside GMS for Kindergarten.

7. MEMBER INPUT

There was no member input.

The meeting adjourned at 8:36 p.m.

- Next meeting scheduled for April 24, 2008 at 7:00 PM

Minutes by Ms. Michele Flynn