

**New Hartford Board of Finance
Budget Workshop
Saturday, March 16, 2024
8 am - Town Hall, Sessions Conference Room**

Present Chairwoman Kerry Guilfoyle, Members: Dan Charest, Charlie Neale, Lou Helt, Paul LeClair, Ben Witte, Alternates: Ryan Bingham, Camille Buford, Steve Seltzer, First Selectman Dan Jerram, Selectwomen Mary Beth Greenwood & Alesia Kennerson, Region 7 Supt. of Schools Steve LePage, Region 7 Director of Finance James Gaskins, Region 7 BOE Chair Molly Sexton Read, Region 7 BOE member Rob Jerram, New Hartford Supt. of Schools Jeff Sousa, BOE Vice Chair Tom Buzzi, Republican American reporter Kathryn Boughton and Recording Secretary Panny Miller

NW Regional 7 School Budget – <https://www.nwr7.com/board-of-ed/budget-information>
Supt. LePage spoke on what's driving the Region 7 budget. He said there have been challenges with increased insurance costs, special education outplacement costs, unfunded state mandates and underfunded state grants. The excess cost grant was put in place to fund 100% of the cost over 4-1/2 times of the regular per pupil expenditure for a student who is outplaced. Last year they were promised 88%, they budgeted for 82% and only received 71%. This is a huge driver of Regional's budget.

Of the increase which is 3.47% with an overall assessment of 3.78%, Special Education costs are 23% of the total budget. This represents a 9.37% increase. On the 3.47% increase – 2% is for Special Education. This year there is a couple of staffing reductions. One program that will be discontinued will be the Chinese program. This was based on enrollment and other factors Chinese could no longer be offered. The teacher in that program is retiring. The supply and departmental requests were zeroed out. One of the English teachers is going to Ed Advance. That position will not be continued based on enrollment. The current Library Media / Social Studies is a split position. That teacher has been teaching 3 Social Studies classes this year. Next year she will become a 1.0 teacher in the Library Media specialist. The 3 Social Studies periods she taught will not be replaced. The English department head recently completed a master's degree in Library Media and will be going to Southington High School. All these changes will result in a reduction in the budget of 3.5 teaching positions – 2 English, 1 Chinese and a .5 in Social Studies.

Even with teacher contracts up 3.84% and other bargaining units, the salary line only went up 1.85%. With the medical health insurance renewal increase at 10.95% the benefit line is up 6.2%. Other purchase services are up 10.7%. This is due in part to additional special education outplacements increase in tuition and transportation. The Excess Cost Grant offset for Special Education Transportation is \$53,800. The Excess Cost Grant offset for Outplacement Tuitions is \$420,000.

When you look at the New Hartford assessment, the assessment for 22-23 was 1.20%, 23-24 it was 3.69%, and for 24-25 it is proposed to be 6.55%.

Ms. Guilfoyle asked for clarification of budget vs assessment and explain student enrollment and how it affects New Hartford's larger increase vs the assessed increased overall.

Mr. LePage said it is based on the increase or decrease compared to the whole. We are down 42 students from the four sending towns. The state collects the enrollment on October 1st of each year. Barkhamsted went down 29 students, New Hartford went down 11 students, Colebrook went down 8 students and Norfolk went up 6 students.

Ms. Sexton Read said they take the population of the students from each of the 4 sending towns on October 1st and that generates a percentage overall the whole student body. That percentage is what is applied to the budget number. If New Hartford has 50% of the children, then New Hartford will get 50% of the budget number. It's not whether your individual town numbers are up or down it is how it connects to the other feeder towns. Sometimes a town can have an increase in membership but a reduction in their percentage because the other towns went up more. The differential between the budgeted number and the assessment number is affected by the assessment offset. At the end of the year whatever money hasn't been spent it has been Region 7's practice and it is directed by statute that the money gets returned back to the towns in the next budget season as a budget offset. Mr. Bingham asked if they could have a fund balance. Ms. Sexton Read there is a non-lapsing account that you can have. It hasn't been the practice at Region 7 over the last 50 years to have one.

Ms. Guilfoyle asked about the Athletic Trainer. Mr. LePage said there is a former student who graduated a couple of years ago and is now state & nationally certified as a Physical Therapist. She will not need a Master's Degree because she currently works at another school district (Litchfield). The school had contracted with Advance Physical Therapy for a ½ year. Next year they were going to charge \$78,000 for 25-30 hours/week. The school had budgeted \$70,000. The school has made an offer to the former student and if she accepts, she will be at the school 40 hours/week.

Ms. Guilfoyle asked about the SRO. Ms. Sexton Read said there was a gap but the position has now been filled. This person is a constable out of Barkhamsted and is supervised by the state trooper. Barkhamsted pays his salary and the town is reimbursed by Region 7.

Mr. Neale asked about class size and enrollment projections for the future. Mr. LePage said it depends on the class. In some there are 20 students and others are smaller. The challenge becomes wanting to offer all the advancement placement college level courses that earn college credits while in high school. They are expanding the UConn early college experience courses. The students are getting UConn credits while in high school. Those classes are smaller usually 10-12 students. Ms. Sexton Read said as the number of students is declining the school is making adjustments as needed.

Town Government Budget -

https://www.newhartfordct.gov/sites/g/files/vyhlf961/f/news/budget_for_public_hearing_april_3_2024.pdf

First Selectman Jerram informed the Board of Finance that his budget proposal did not reflect the most recent budget adjustments from either of the Boards of Education due to their adjustments being made after this was developed. The budget figure shows a \$1,902,836 spending increase which reflects a 8% tax increase. Revenues earned from short-term interest has been high, which is a good thing. The water & sewer systems were sold and the debt paid off – but the debt service number has been left in the budget which would allow some flexibility with spending in other areas. There are other long-term initiatives in process that aren't

reflected in this budget. The largest is the proposed Emergency Service tax abatement. It's a reduction in revenue, rather than an expense. The members of the New Hartford Fire Department, South End Fire Department and Ambulance Association are asking the Selectmen to call a town meeting to consider offering a tax abatement to their volunteer membership. Over the last 5 years since COVID volunteerism in these services has been reduced. In the Ambulance Association 70% of their responses are now covered by paid personnel. This abatement is currently being drafted by the Town Attorney.

Jerram continued discussing the budget. In the budget is funding for early voting at \$10,000. There is also \$50,000 toward more paving. Healthcare increases account for \$70,000. If you take the \$70,000 for healthcare, \$10,000 for early voting, \$50,000 for paving, these 3 lines total \$130,000 of the \$215,000 proposed increase in the budget. The rest is salaries for Town Hall personnel and the increased cost of the audit. Of the 150 lines in the budget more than half haven't been changed and remain flat. The budget shows a 3.6% increase. General Administration is going up \$80,000 due to increased health insurance costs and early voting. The contractual obligation for salaries is 3.75%. There are a couple of people who will also be getting equity adjustments. These are employees who have been employed for several years and should be earning more. In the Highway Department any new hires are paid as trainees until they move up. This year, there will be a trainee who will "move up" from that trainee pay scale to a maintainer scale. Ms. Helt asked about the increase for the Zoning Enforcement Officer. Mr. Jerram replied it's the same hourly rate as the Building Inspector but it is for more hours. The Zoning Officer works 40 hours a week due to night meetings; not the 35 that others work. Mr. Witte noticed that the Pension line decreased. Mr. Jerram said you have retirees who are currently collecting, former employees who are no longer working for the town or Board of Ed, but they are not yet collecting and active employees who still qualify for the plan, but you don't know how long they will continue to work for the town or what their salaries will be. All of these are factors in determining what the liability of future payments is. There is only one pension plan for the town employees and the school employees. There are only 17 left who are accruing additional time. The decline will continue as additional people retire. The rest of the employees are covered under defined contributions. Under Police & Public Safety – last year we were coming off a deal for \$0.07/kwh for electricity. We were overly cautious and there are now savings. With the police accountability bill we are moving towards having state troopers, rather than local constables. We hired a new night trooper – Josh Wedge from Hartland. We have Rob Janco during the day plus 3 part-time constables. These constables are retired state troopers. There are 3 other state troopers - Patrol #4 – which canvasses our town. They also cover Barkhamsted and Colebrook. The Highway Department had a good winter. Seventy percent of the snowfall came in off-shift.

During last year's RRDD#1 budget-time, the Administrator and their Chairman of the Board, who both worked on the budget, both passed away and RRDD#1 didn't ask for any increase because no one was familiar with the process. This year the request is for 9.5%. We asked RRDD#1 to look into food waste diversion. New Hartford generates 3,000 tons of trash per year, Barkhamsted – 2,000 tons and Winsted – 5,000 tons. A significant of the heavy weight is food waste that people don't divert or compost. Blue Earth Composting was hired. Trash is getting very expensive.

In Debt Service – there are 3 expenditures; A 2017 bond of 4 million which was 85% renovation work at Antolini School and the other 15% was Carpenter Road Bridge. The 2nd one – 2016 Obligation Bond expires in a few years. It consists of Town Hall, New Hartford Elementary and Open Space Parcels. The remainder is the Wastewater Treatment Plant. We just paid the debt off in October. It is being left in because of an initiative the Selectmen are considering. This might provide extra funding for paving and other projects.

Mr. Witte said both the town and the school Capital requests are up significantly along with the regular expenditures being up also. We just had all the ARPA money available to us. Are there unexpended funds that could be allocated towards any of the proposals or if not have you looked at drawing from a non-lapsing capital reserve to help get the number down to a more reasonable number?

Mr. Neale said given the pressures on the budget this year one option might be to consider bonding to do some paving or to pay for some of the Capital projects. If this was done, how would it work. And would it bring some tax relief this year. Mr. Jerram asked Mr. Neale what specifically in the Capital proposals he thought could be bonded. Jerram didn't think there was anything there that would warrant a 30-year life. Mr. Neale thinks that paving is one area. Mr. Jerram said he doesn't think the Board of Selectmen would decline that conversation. Ms. Helt asked about the New Hartford Elementary roof. Mr. Jerram replied they are ready to put out the RFP out now. We have about \$175,000 in ARPA and think that the total will be \$700,000 - \$800,000. If you look at the fees for a \$600,000 bond it doesn't move the needle. Mr. Neale said you talked about the threshold amount sufficient for bonding. What is that amount – what type of amounts are necessary in order to make it worthwhile. Ms. Helt asked what would warrant the legal fees for bonding. Mr. Jerram said a bond package of about \$4-5 million would make sense.

New Hartford BOE/School Budget, <https://www.newhtfd.org/fs/resource-manager/view/6d2c0afc-c9c5-4c65-bbc9-1423b256c960>

Superintendent Sousa started his presentation by thanking Tom Buzzi, Vice Chair, who attended the meeting today filling in for Tim Klepps, BOE Chairman. He also thanked his Administrative Team for all their help in preparing the budget.

He spoke about the items that are driving this budget increase of 5.8% are: Employee salaries (contractual increase & step. Negotiations are in progress with the custodians, admin. assistants & paraeducators) \$364,000. He then thanked those serving on the Negotiations Committee – Chair Penny Miller, Frank Rodenberg and Deirdre Tindall. Pupil Services (supporting student needs) \$217,000 and Employee Benefits (Health Insurance increase of 10.95%) \$142,000.

People who were hired using the \$100,000 pandemic relief money are instructional assistants or paraeducators and they are currently supporting students. The pandemic relief of \$100,000 is no longer available. Ms. Helt said we up-hired for pandemic relief because we got that money. Are we keeping those people? Mr. Sousa said we are keeping them as they are necessary for our children. Ms. Helt said we were doing without them before we received the pandemic money. Mr. Sousa said he assumes that we were but he wasn't the Superintendent then. Ms. Helt said because of the pandemic we felt the children needed extra help. Mr. Witte commented that if you are hired because of the pandemic and the pandemic is done you really

need to decide if you need the extra help. Contractual increases are \$364,000 (3.6%) and health insurance \$142,500 (1.5%).

Mr. Sousa said last year in kindergarten a section was removed. We had a spike in enrollment with 62 children in kindergarten, so the 4th section was put back in. Projections were there would only be 30 students.

Employee salaries increases are a 1.0 FTE school counselor. Previously this person was paid for by a grant which expires in September, 2024. This person provides mental health support in all 3 schools. We had about 28 new students since March 2023. Because of the 16 students who moved in over the summer – 12 of those children needed additional help and a 1.0 FTE special education teacher was added. Our caseloads were beyond contractual boundaries. A 0.2 FTE occupational therapist and a 0.2 FTE speech language pathologist are having their time in our schools increased. Special education services have seen an increase of 27% since March 2023 in the number of students receiving their services. There has been a 57% increase in caseload for the speech language pathologist. There are 2 speech language pathologists – one is at Antolini and the other services both Bakerville and New Hartford Elementary. The occupational therapist's caseload has increased 42% since September 2023.

The school counselor, who was hired with a grant, the board is proposing to keep this person on. Some of the data to support this is: they have held 350 student sessions since September. Classroom lessons for all classrooms at Antolini and Bakerville. Five groups completed from the BESS Screener. Five MTSS Groups – before a student is identified as needing special education there are steps and tiers to get through. Minimal intervention is what we want to apply. Checks and balances take place all year long. She has also taken over the Kindness Club and is starting a social skills club.

Plant operations is increasing \$40,000 and Pupil Transportation (bus contracts) is \$86,800. Additional grants will show a decrease of \$430,000 (includes the Excess Cost Grant) and employee benefits decreased \$51,000. The Excess Cost Grant is also included in the Town Budget. Ms. Guilfoyle said that all the grants except for the Excess Cost Grant are reflected in the BOE budget. The Excess Cost Grant has been calculated in the Town's budget. She said it is up to the Board of Finance as to how they want to see it reflected. She said that Supt. Sousa feels he can calculate it accurately and handle it every year in the BOE office. Supt. Sousa said they handle all of the other grants. Ms. Guilfoyle said it should be shown as an offset to the true cost. So special education is going up it and we have more money to that increase it should be reflected in the same budget instead of in the Town side. All the grants that the BOE receives are shown in red in their budget.

Supt. Sousa there is a decrease in Technology. This is reflective of taking technology and making it more finite. In Legal Fees \$10,000 was cut because there are no negotiations next year. In Emergency Repairs \$20,000 was cut.

Supt. Sousa reviewed the Capital Expenditures. District-Wide: Technology (48 port network switches, outdated staff laptops) \$15,000, Security Grants local match \$157,000, 11 Desktop Computers \$11,000, Yearly Indoor Air Quality \$15,675, Heating, Ventilation and Air Conditioning (every 5 years) \$28,440. For Antolini School purchasing a Presentation System for PPT meetings and 2 more Promethean Boards \$8,400, Painting \$10,000, Paving a walkway \$20,000. For Bakerville School Painting & Exterior Trim Replacement \$10,000. For New Hartford Elementary Painting \$10,000. For a grand total of \$285,515.

Mr. Witte said that the capital for both the town and schools has gone up significantly. He asked Mr. Sousa if he knew how much he had in unexpended capital reserves. Mr. Sousa said he didn't know that he had that line. Mr. Jerram said last year when Mr. Sousa talked about the expenditure for the grant, he said he needed \$150,000 over 3 years for the grants. The BOE made a motion to re-allocate Capital of \$110,000 in the current budget. Some other line items were also reallocated. Of the approximately \$170,000 in this year's capital, \$110,000 was designated for the security grant match leaving about \$60,000 for other items in the Capital budget.

Some of the district highlights are: there is mental health collaboration with Connecticut Junior Republic and Winchester Youth Service Bureau. There is mental health support staff in every building every school day. A new ELA program in grades K-6 for all teachers and paraeducators. Implementation of new math (grades 1-6_ and reading screener (grades 3-6). Implementation of Flex Block to support the needs of all students. Time has been carved out in the day to make sure students who might miss something that day or were absent. If a child doesn't understand what was just taught in a lesson, they have the opportunity to have that re-taught the same day.

Security upgrades continue at all 3 schools. Breakfast is now served at all 3 schools. At New Hartford 75% of the students still take advantage of the free breakfast program with 50% at Bakerville participating. Collaboration continues with the Parks & Recreation department to provide enrichment opportunities for all students.

Mr. Witte said he didn't see the school security office in the budget. Mr. Sousa said it is not in this budget. Money was set aside from the current fiscal year and the BOE charge was to hire someone utilizing those funds set aside. Mr. Witte asked if he was hiring someone in the next school year from this year's budget. Mr. Sousa said yes and it would be a one-year contract. Mr. Witte said he didn't think it would be legitimate with our auditors to do it this way. Mr. Jerram said you use this year's money for this year, the exception is Capital. That money could be placed in the non-lapsing account.

Ms. Guilfoyle asked about the kindergarten estimate. Mr. Sousa replied probably in a month he would have a better estimate. Last year the projection was 40 students and it ended at 62, the projection now is at 60. It will get more finite after kindergarten visitation and screener day. There is also legislation this year in regards to the date a child is born as to when they can enter kindergarten.

Motion by Ms. Helt to go into Executive Session at 12:50 pm and invite Supt. Sousa, BOE Vice Chair Tom Buzzzi, BOE Board Secretary Penny Miller, First Selectman Dan Jerram, Selectwoman Mary Beth Greenwood to discuss the security grants and security at the 3 schools. Second by Mr. Neale.

Unanimous

Meeting ended at 1:30 pm

Respectfully submitted, Penny Miller, Recording Secretary