

**New Hartford Board of Finance
Special Meeting – Budget Workshop
March 14, 2020 – 8:00 am**

Present: Chairman Regina Wexler, Members: Dan Charest, Kerry Guilfoyle, Reggie Smith, Steve Tuxbury, Ben Witte, Alternates: Bart Baxter, Lou Helt, Paul LeClair and Recording Secretary Penny Miller.

Others Present: Region 7 Superintendent of Schools Dr. Judith Palmer, Region 7 Business Manager James Haskins, Region 7 BOE Chair Molly Sexton Read, Region 7 BOE Vice Chair Rob Jerram, New Hartford Superintendent of Schools Brian Murphy, New Hartford BOE Chair Tim Goff, New Hartford BOE Vice Chair Karl Hermonat, New Hartford BOE members: Heather Tomala, Tim Klepps, New Hartford First Selectman Dan Jerram and Selectwoman Alesia Kennerson.

Call to Order: Chairman Wexler opened the meeting using social distancing seating at 8:01 am.

Seating of Alternates: As all board members were present no alternates were seated.

Northwestern Regional #7 Board of Education 2020-2021 Budget Presentation

BOF Chairman Wexler had presented a list of questions to Supt. Palmer and as there wasn't sufficient time to respond to them – those questions & answers are included in these minutes with a copy available in the Town Clerk's Office.

Region 7 BOE Chair Molly Sexton Read started their presentation at 8: 05 am. One of the questions often asked is "When will the budget go down?" There isn't a simple answer of fewer students equals less cost. The building would still need to be maintained even if there were 50 less students attending. There are custodians to pay, heating, air conditioning and lighting bills that need to be paid. The building staff appropriately and justly receive their raises through contract negotiations. Region 7 works hard with the bargaining units to keep the raises low while still being fair to them and the district. The only place where there is more of a direct connection between the level of enrollment and the cost would be in the number of teaching staff. Some of the teaching staff in the middle school is being reduced because of a reduction in enrollment. Those teaching slots will be reallocated to the high school because of the increase in credits necessary to graduate. With the anticipated further reduction in enrollment next year may result in a reduction of staff then. Health insurance is also going up. While maintenance is only going up less than 1% the rest of the overall increase in the budget is due to the increase in costs for Special Education. There are times when the children's needs can't be met in district resulting in them being sent out so that their educational needs can be met.

Dr. Palmer handed out the 2020-21 Proposed Budget Overview. Dr. Palmer said Special Education costs absorb 22% of our budget. This includes a 10% increase for next year. Special education alone is almost 2% of the budget. The Middle School staff has been reduced because of fewer children coming in. That staff will be used to augment the high school where the students now need 25 credits to graduate.

Northwestern Regional High School has again been designated a School of Distinction for the 2nd year in a row. They are one of ten in the state.

Dr. Palmer continued the presentation by talking about the different sections of their budget. In the 100 - *Teaching* - in addition to the contractual raises, a high school math interventionist will be added.

In 200 – *Benefits* – in order to keep the costs down the insurance carriers will be changed next year.

This change will result in a 4% saving on medical insurance. In 300 - *Professional / Technical Services* –

this section is where the special education increases can be found. The increases are in Special Education Professional Technical Services, Audit Services due to GASB requirement, Education assemblies to promote positive school change and a reduction of \$35,000 in Excess Cost Grants. This reduction is due to one student that aged out and the students coming in do not need as many services as this one student did. A reduction of \$65,000 is the anticipated excess costs for students coming in next year. In 400 – *Property Services* – covers refuse collection, annual licensing fees and Software fees with a savings of \$60,000 due to negotiated electric rates. In 500 – *Other Purchased Services* – increases are additional six Special Education Outplacements (2 coming up from elementary school, 1 from a different high school and 3 from Region 7). The Special Education bus contract was renegotiated resulting in a savings of \$105,000. In 600 – *Supplies* – Middle School Spanish and Chinese books. The students are taking a language in 8th grade and if they can pass the Standards they will receive 1 high school credit. The Middle School On-line subscriptions are also included in this section. 700 – *Property* – the agricultural generator necessary to keep the fish tanks running. In 800 – *Other Objects* – there is no real change. In 900 – *Other Use Funds* – there hasn't been any new borrowing since 2012. Dr. Palmer said the enrollment swing for New Hartford has caused a huge increase for the coming year. Region 7 doesn't have any controls over this this is a legislative issue. This is how regional school districts work. You could take the fight to Hartford to see if there was any way to flatten it out. Over the past 3 years the increase has been 3.89%. The average for 3 years is 1.3% and the 5-year average is 1.64%. Region 7 has done the best they can to keep these costs down.

Ms. Wexler asked if there was a way to cap the increase or decrease at 5% to try to even out the curve. Has Region 7 considered this or is it a legislative issue? Dr. Palmer said this is a legislative issue and is designed by statute. She has seen the regional superintendents try to move legislation forward. It always seems to stall somewhere. There is nothing to stop us as a school community to look at how to flatten out this curve. She said she would be in support of this but doesn't know how to go about doing it. When Ms. Wexler asked Dr. Palmer if she would coordinate with the other superintendents in the northwest corner to figure out how they are looking at it. She said no one has the answer. Mr. Jerram said you are paying for the actual service you receive. Some years we are paying more and other years we are not. If you are looking to smooth out the curve you wouldn't have received the reductions received in the past 2 years. He would like to see a 2-year budget cycle.

Dr. Palmer was asked of the total number of students receiving Special Education services at Region 7 is there a breakdown by town. She responded there are 184 Special Education students and once they come to the school, they are Region 7 students and not designated by town.

Mr. Jerram asked with the two-week closing did Dr. Palmer foresee any technical expense to do distance learning. Are they are prepared in their budget if it is longer? Dr. Palmer said the next 10 snow days are counted and they will be made up either at the end of the year or April vacation. The teachers are contracted to work 185 days so they can't be asked to work 195 days. After the 10 days they will be moving to an on-line platform but won't call it distance learning. If it is called distance learning they have to certify to the State of Connecticut that their programs are meeting the needs of all special-needs students. She would need to show that they are providing the education listed in their IEP's. Until the Commission loosens that waiver it can't be called distance learning. It is not possible to send tutors and special ed professionals into the child's home. They are full prepared to move onto the Power School platform at no additional cost.

Mr. Smith asked what was their contingency plan if after the two weeks a student comes back to school and they are contaminated. Dr. Palmer said they don't have an answer yet.

Mr. Tuxbury asked about the salary increase for the Superintendent. Ms. Sexton Read said the increase show reflects 2 years. They had been budgeting retroactively for 2 years. This year they decided to do her review and identify what her raise would be as part of the budget. This is a 2-year increase. They gave the Superintendent a 5% increase last year. Ms. Sexton Read said that each Region 7 BOE member will defend her increase. Ms. Wexler suggested that an explanation be given regarding her raise be included in the budget presentation.

Region 7 completed their budget presentation at 8:50 am

New Hartford Board of Education 2020-2021 Budget Presentation

BOE Chair Goff started the local BOE presentation at 9:02 am. The budget is available for viewing at the Town Clerk's Office.

Mr. Goff said that ECS is always changing. Special Education costs will increase significantly as 18% of the student population is identified as needing special ed. This is slightly above the state average. Salaries accounts will increase due to negotiated employee contracts. Special Ed costs and salary increases are the main drivers of the increase in the school budget. Pupil transportation will continue to be a significant cost in the budget. One (1) bus will be eliminated for the coming school year.

A full-time district Social Worker will be hired to help meet the emotional / social needs of the student population and to help deliver new Social / Emotional program (RULER). Currently there are no social workers on staff. A lot of increase in needs is due to behavioral special ed students. A new math program for grades K-5 will be used to help bring up our math scores. The pre-K program will continue to be funded. Also, according to the state, our pre-k students are included in our student population. Our preschool program allows us the chance to gather data on our incoming kindergarten students. With our preschool program we can properly vet these students so we can properly budget and staff accordingly. Funding will continue for our STEAM program in Media Technology curriculum in grades K-6. The Advanced Manufacturing Program will continue for 6th graders in conjunction with a partnership with Goodwin College. In this program the 6th graders have access to 3-D printers and computer coding. This program teaches our children that there are manufacturing opportunities beyond college. The firewall will be updated to protect against malware attacks. They have partnered with the town in auditing computer networks. We are expanding 1:1 electronic device to Grade 4.

The over-all budget increase is \$237,590 or 2.84%. The two major drivers in an increase in special education costs. There is a part-time student that requires a nurse full-time. He will be transitioning to a full-time student next year and will still require a nurse. The nurse is \$46,000 for a total of \$88,000. The other increases are: social worker is \$50,864. Pupil Services Therapies of \$30,209 / tuition \$15,667 and Sped transportation \$19,780. On Salary Increases - \$103,683 or 1.24%. The teachers received a 2.8% increase while the other bargaining units received 2%.

Mr. Murphy said regular education there is a 3.7% increase. This higher increase is due to an administration position (curriculum coach) being moved to regular education. Special education has a significant increase of 10.5%. If we can't meet the needs of our students in-district we much provide transportation to other towns. This is the final year of our 5-year contract with Dattco and one bus was eliminated for the coming year. This coming year the only increase in personnel with be the addition of a full-time Social Worker for all 3 schools at \$50,864. There will be a reduction of 1 full-time paraprofessional for a savings of \$27,256. This reduction will not affect student learning.

The contractual increases are: Administrators 2.0%, Teachers 2.8%, Tutors 2.0%, Custodians 2.0%, Secretaries 1.0%. Health insurance will increase \$22,626 which is a 6% increase from last year.

Student enrollment is 437 for this year and 430 for next year. However, two positive metric points is last year we had projected 427 for this year. We had 10 more students than originally projected. We have beat the projections submitted by Milone & MacBroom a study done a few years ago.

A majority of the line items in the budget are either 0% or decrease. A subcontract was made with Kelly Services. This was done because we weren't getting enough substitutes. The pay rate was also increased for substitutes. Currently Kelly's fill rate is 65% compared to before when it was 55%. Line 115 – Responsible Teachers – this stipend covers when the school principal is out of the building for meetings etc. This is the 2nd year of having unified sports which now includes the elementary schools. The culmination will be held this spring at the Barkhamsted Elementary Schools. Ms. Wexler asked for an explanation of SRBI and the School Climate Committee. Mr. Murphy said that *SRBI* is the Scientific Research Based Intervention works with non-identified students to give them extra services. This is the pre-referral service before they are referred to Special Education. The Climate Committee meets once a month to look for ways to improve school climate and the learning experience. Each member of that committee receives a stipend.

Currently there are 17 students attending CREC magnet schools. The state has asked the BOE to add 4% to that line item.

In Special Education under Tuitions there are 2 students outplaced that are quite expensive. There needs can not be met in our district.

Next year the health insurance with the consortium will be moving from Connecticare to Anthem for a cost savings.

Questions:

Ms. Wexler asked what is regional trying to do and what is local board trying to do with the curriculum so that our children are prepared when they go to regional. Mr. Murphy said he is co-chair of the Math Vertical Committee with Dr. Palmer. They are trying to be more consistent with the other school regions in Illustrative Math. New Hartford started with 6th grade this year and next year it will be across all of our grades. Some towns are only doing pockets and not all the grades. Most districts have readers workshop we are in our 2nd year of Professional Development doing that. We are trying to have continuity and to be consistent for our students when they move up to regional.

Mr. Charest asked about the Advanced Manufacturing with Goodwin College. Mr. Murphy said we were first 6th grade in the state to work with Goodwin College. Goodwin usually works with older students. Advanced manufacturing is STEAM on steroids. We are ahead of the game.

Mr. Witte asked the special ed excess cost reimbursement for the current year. What has been done for next year. Mr. Murphy responded it should be around \$42,000. They are going back & forth with the state about what is reimbursable. Next year they are projecting about \$80,000. That money goes directly to the town.

Ms. Wexler asked at what point with the continued enrollment projections going down will you revisit the 3-school issue. Mr. Goff said looking at the student enrollment in the budget and the Milone and MacBroom report-presented in November 2016 (can be viewed at the town clerk's office) they based their projections off of the medium numbers. Next year they were projecting for grades K-6, 334 students while we are projecting 430. We are about 100 students ahead for this projection that we paid \$6,000 for. We are blowing our projections out of the water. The Board of Education is watching this. We gained 15 students' mid-year. To answer the question, no further discussions have been held about consolidating schools. There hasn't been enough enrollment change to look at it now. Ms. Wexler asked that they be aware of what is happening. We may be going into an economic downturn and asked that the board look at the numbers over the next twelve months and as you approach the 5-year mark that you keep open minds and consider looking at it again. Mr. Goff agrees that they have a 9-member

board and they have all had conversations. The board will look at it realistically and it will be a very transparent process.

Mr. Tuxbury left at 9:43 am

Mr. Charest said besides the report what else do you have for projections. Mr. Goff said they used to use birth certificates but that hasn't been a good driver. This year there was supposed to be 33 kindergarteners and we had 57 kindergarteners. We don't have any projections except for birth certificates and the Milone & MacBroom report which even on their high side we are blowing it out of the water.

Mr. Tuxbury back at 9:45 am

Ms. Helt asked if home sales and constructions is taken into consideration. Mr. Goff said the board doesn't have a sub-committee to study this. He said any house that is priced reasonably for sale in town is selling quickly.

Mr. Witte asked about the small class size and why it isn't being looked at now. Mr. Goff said there are 2 sections at Bakerville and 2 sections at New Hartford Elementary. If they combined them, they would be moving some students mid-career. If there were 2 sections at New Hartford Elementary and 1 section at Bakerville there would be some students transitioned from one school to the other during their primary school year career. This is something the board is against. It can also cause anxiety in some of the children. Next year these students will be at Antolini and that one teaching section will be eliminated.

Ms. Guilfoyle asked about the payments to CREC. Mr. Murphy said we have to pay the full year as of 10/1 even if they return on 11/1.

Mr. Baxter has anybody looked at consolidating and closing New Hartford Elementary. Could we use that building as a technology building? Ms. Helt said we understand that New Hartford Elementary is a newer building. There may be other uses for those buildings. We need to be more transparent. She said she felt the consolidation was sprung on them. That unless you went to a BOE meeting you didn't know about the consolidation. Most people read about it in the papers. Ms. Wexler said we need to look at the overwhelming issue. People were angry at the process. We need to keep our minds open. Mr. Goff said there wasn't a solid look at New Hartford Elementary because they were money owed on it. He isn't sure we want to reopen those wounds at this time. Mr. Murphy said as far as capacity – we have so many specialized programs currently that if we didn't have them those students using the programs would need to be bused out of town and it would be very costly. Mr. Goff said recently the board walked all 3 schools. It was a public meeting and unfortunately not many people other than the board attended. This walk gave the board a good sense of how we are using our schools for the various services. A lot of the rooms are used as special education rooms. It goes beyond putting 430 students into 3 schools. There were very few empty rooms. Ms. Wexler asked that the next time the board does this the other boards be invited.

Mr. Charest said student population is going down and looking at capital and spending on all 3 schools do you have a contingent plan if one should close? Ms. Wexler said she is having a problem with supporting the capital budget at all 3 schools as they are big expenses. She doesn't know if we should fund at all 3 schools. Mr. Goff said we have to look at these projects as an investment in the buildings and not as an investment in education. If you do close a school you aren't going to close the building. It will be a useful building going forward.

Mr. Smith asked about the schools being closed and what is being done. Mr. Murphy said the schools are closed for the next 2 weeks. During that time the schools will undergo a deep cleaning. Individual packets were handed out to the students before they left. Mr. Murphy has sent out numerous as far as

preparation to parents & staff. A decision will be made regarding the school calendar. They will also be looking at the state as to what is done next.

Presentation over at 10:05 am

New Hartford Town Government 2020-2021 Budget Presentation

First Selectman Jerram started the town's budget presentation at 10:19 am

Mr. Jerram said with the current situation we should try to expedite our processes in coming to a consensus quicker than we normally do. Operations are going up and capital has been cut to offset it. They are spending less money next year. A new truck is being financed. There was a surplus last year. All union contracts are 2.50%. All contracts are up at the end of June. Operational expenses are up roughly \$29,000. Capital expenses are down roughly \$40,000 this year. School expenses are going up. The pension is undecided. We have changed our healthcare by changing to Anthem. This line item went down \$28,000. Anthem bought the town's business at a loss. Worker's Comp is going down 5%. Page 6 of the Town's budget – a new page was submitted. Page 6 – Budget Summary – Education - the request for Region 7 budget was \$810,195 and now it is \$764,999. There were 2 retirements at Region 7 and causing it to go down. Page 7 – Public Safety - the resident state trooper is an actual number for next year. Total cost includes uniforms, meals, gas, car expenses, phones, etc. Litchfield County Dispatch – Winsted has joined and this is why this line is going own. Had they not joined there would have been a 6-7% increase. The paramedic interceptor was bought out and is now run by Trinity Health. Page 8 – Highway – the labor is subject to change. There are a couple of guys coming off of training wage. There is also one vacancy. The labor is out of sync because the older employees have payouts. The trainings will jump. Dave Helt has been used treated salt and not sand on the roads. There isn't a lot of growth in that department. Page 10 – Libraries – these are the actual request. An increase of \$7,200 overall. Page 11 – Health, Sanitation, Welfare – Farmington Valley Health is going through a self-assessment accreditation. Their budgets will be going up 6-8% for the next few years.

Mr. Smith asked about costs because of COVID-19. There may be federal money available for reimbursement. Mr. Jerram said there could be requests made. But it is too early to tell if we can reallocate from other departments. He felt there will be changes over the next few weeks. There could be concerns about voting and primaries. We might have to change the way we do business. Mr. Jerram said we may need to have virtual meetings. He will check with Attorney Rohrbach to see if statutorily a virtual meeting can be held. Mr. Smith suggested having holding a public meeting outside say at Brodie Park. Ms. Guilfoyle said there isn't any change in the Regional Refuse line though we heard there might be an increase in tipping fees. Mr. Jerram said our 3 board reps are handling that request. There are 7 years left on the MRRRA contract. Any increase will be absorbed in the ticket fees not by the town. Page 13 - Total Debt Service – these are all fixed payment schedules. Page 14 - Commissions and Other Agencies - There are a few changes. There used to be a LARC Transportation line which is now our Senior Van, purchased with grants. The transportation & labor was in the Senior Citizen line. The Senior Citizen line shows \$1,100/month for supplies, entertainment, programs, etc. The labor on the van is put at \$15,000 year. The van takes only New Hartford residents to doctor / medical appointments. Other uses for the van include trips to the Thrift Shops, Christmas Tree Shops, Essex Steam Train, etc. If there is room on the van for these social trips then out-of-town people can be included. New Hartford residents get first choice. The Senior Center will be closing down all activities on Monday, March 16th because of COVID-19. Mr. Jerram said he will talk with the other selectmen about the use of the van for doctor appointments during this time.

Capital Expenditures – a truck was financed.

Projected Revenues – We used the state estimates and made some slight adjustments. A couple of things to consider is that for the last 2 years we haven't received any excess cost. Mr. Smith asked for a Year-to-date sheet where we stand with all the revenues. Mr. Jerram will get it for the Board of Finance. The estimate for the Special Ed Excess Cost is \$80,000 for next year. Because nothing has been received for the last 2 years the selectmen decided to leave it at \$45,000. A payment was received for ECS from the state for around \$22,000.

The mill rate with the new numbers from Region 7 is 3.44%.

Ms. Wexler asked if there were any departments that needed to be cut. Mr. Jerram asked all the departments in town hall to keep their spending down. If adjustments would need to be made there are non-profits out of town hall that could be adjusted.

Town of New Hartford presentation completed at 11:20 am

Adjournment

MOTION by Charest to adjourn at 11:20. Seconded by Smith.

Unanimous

Respectfully submitted,

Penny Miller
Recording Secretary

Attachments available for viewing at the Town Clerk's Office
Questions & Answers sent to Region 7
Region 7 Proposed Budget Overview
Region 7 Budget
New Hartford BOE Budget
Milone & MacBroom report
BOE Capital Plan Update List
BOE Capital Savings
Town of New Hartford Budget
Updated Budget Summary Education
Mill Rate Calculation