



Regular Meeting Board of Finance (BOF) April 21st 2026 Meeting Minutes

The meeting was called to order at 7:00 PM

Present: Kip Finch, Mark Johnson, Scott Pottbecker and Michael Gacek. In addition, Tom Weik and Rick Nicoletti. Presenters were Jeffrey Villar (RSD 20 Superintendent) and Julia Cardillo (RSD 20 CFO).

Agenda:

1. Call to Order
2. Seat Alternates (None)
3. Review RSD 20 Budget – Jeffrey A. Villar, Ph D.
4. Budget Review
5. Selectman's Update
6. Approve Minutes
7. Public Comment
8. Adjourn

Motions:

- Motion by Michael Gacek to approve the March 24th 2026 Board of Finance Meeting Minutes, seconded by Mark Johnson and passed unanimously.

There were three member of the public in attendance.

The meeting was motioned to adjourn at 8:50 PM by Kip Finch, seconded by Scott Pottbecker and passed unanimously.

A summary of the meeting is below.

Key Points for RSD 20 Budget Discussion:

- **Budget Overview and Process**
 - The fiscal year 2027 budget was first proposed to the Board of Education on January 30th, following an extensive preparation process that began well before that date.
 - A public district meeting is scheduled for May 4th, with the possibility of pivoting to a referendum if a petition with 200 or more verified signatures is submitted.
 - A referendum outcome would be decided by a simple majority of total votes across all towns, with no weighted town-by-town requirement.
 - The budget process was revamped under Julia Cardillo's leadership, involving structured requests from teachers and principals that were funneled to building heads and department chairs, weighted by priority, and reviewed before a final number was determined.

- **Superintendent Reductions and Cost-Cutting Measures**
 - Reductions totaling just under one million dollars were identified by reviewing requests and finding ways to bring the budget below the initial projected figure.
 - A significant saving of \$440,000 was achieved by redistributing capital expenditures across existing maintenance lines throughout the budget rather than concentrating them in a single capital line, while still meeting the educational plan's requirement of over one million dollars in capital investment.
 - Smart board purchases were deferred as a non-essential technology investment, with a note that a teacher committee should first be formed to evaluate the district's long-term technology direction.
 - A \$40,000 access control system upgrade was cut because the existing system, while outdated, remains functional.
 - Camera upgrades were reduced by half, with only end-of-life units being replaced and the remainder placed on a replacement cycle.
 - Continuous benchmark assessments costing \$15,000 and consuming significant instructional time were eliminated as unnecessary.
 - Coding robots, certain software packages, and athletic editing software requests were denied as non-priority items.

- A vacant educational assistant position, a vacant custodial position at the middle school, and low-priority business software were eliminated.
- Teacher duty stipends were reduced by \$51,000 after a thorough review of all stipend expenditures.
- These combined reductions brought the initial budget proposal to a 4.88% increase.

- **Board of Education Adjustments to Reach 4.24 Percent**

- The Board of Education accepted a recommendation to remove an additional \$275,000 from the capital reserve, supported by a projected surplus trending toward \$425,000 and an additional \$117,000 in increased revenues.
- This action reduced the budget increase from 4.88% to 4.24%.
- The board further directed that two educational assistants be added to a new intervention program while maintaining the 4.24% bottom line.
- Additional reductions to offset the cost of the two educational assistants included eliminating a clerical position at Litchfield Center School, restructuring the lacrosse co-op agreement so the district only pays for its own players rather than bearing costs for all cooperating towns, and removing an extra day of transportation costs worth \$10,000.

- **Staff Position Eliminations and Additions**

- A custodial position at Plum Hill Middle School that had been vacant for half the year was eliminated.
- An elementary teacher position was cut in accordance with class size guidelines, with the freed FTE repurposed to create an elementary intervention instruction coordinator role.
- A full-time choral position was reduced by splitting one choral instructor across both the high school and middle school, allowing choral programming to continue at both buildings while freeing an FTE to fund a new science teacher at Lakeview High School.
- Three vacant special education educational assistant positions were reduced, with two to be funded through Title I federal funding and two retained on the general budget.

- A part-time van driver position was made full-time due to operational need, and a school security personnel position was increased from 0.8 to full-time after difficulty finding part-time candidates.
- Net result across all changes is a reduction of just over one FTE district-wide, while adding an intervention coordinator, a science teacher, and intervention educational assistants.

- **Six-Course Assignment Costs and Science Teacher Rationale**

- Staff reductions in prior years led to a significant increase in teachers being assigned a sixth course, costing between \$8,000 and \$10,000 per teacher depending on salary level, totaling \$140,000 annually.
- Adding a science teacher is projected to reduce six-course assignment costs by approximately \$40,000 by allowing those classes to be absorbed into a standard teaching load.
- The science position was identified by the high school principal as the single most impactful hire for addressing the six-course burden.

- **Multi-Tiered System of Support and Intervention Program**

- A multi-tiered system of support is being implemented district-wide, focusing first on strengthening core classroom instruction as the foundation, then identifying students not progressing as expected through ongoing assessment.
- Intervention is primarily targeted at grades K through 3 and up to grade 5, with a focus on literacy deficiencies.
- Educational assistants funded through this initiative will be distributed across buildings based on assessment data rather than permanently assigned to individual schools.
- The district currently achieves approximately 70% student proficiency, which is 20 percentage points above the state average, but the program aims to close remaining gaps and raise that figure further.
- Using educational assistants rather than certified teachers for this role is a deliberate cost-management decision, as a fully certified intervention teaching staff would be significantly more expensive.

- **Major Budget Drivers**

- Certified salary increases, including step and lane changes calculated for every employee, represent the largest cost driver.

- Health care premiums are increasing by just under 25%, adding \$334,000 to the budget.
 - Classified salaries increased by \$274,000.
 - Special education out-of-district tuition increased by \$350,000, driven by a specific case the district is legally mandated to fund.
 - Legal fees of \$44,000 are included to support simultaneous contract negotiations covering teachers, administrators, ASME, nurses, custodians, educational assistants, and other staff.
 - Salary and benefits together represent approximately 80% of the total budget, consistent with typical school district cost structures.
- **Savings from Prior Year Staff Reductions**
 - Last year's elimination of 29.5 positions and \$1.7 million in costs lowered the baseline from which this year's budget was built, meaning those salaries and their associated increases are not carried forward.
 - Severance and longevity payments associated with eliminated positions, including the assistant superintendent, were absorbed in the current fiscal year and will not recur.
 - The absence of severance payments in the upcoming budget represents a one-time saving that will not be available in subsequent years, making next year's budget outlook more challenging.
- **Town-Level Budget Impact and Enrollment Weighting**
 - The district-wide 4.24% increase does not translate equally to each town, as contributions are weighted based on enrollment.
 - Morris is facing a 4.81% increase, equating to a \$282,000 higher assessment, driven in part by a rise in its five-year average enrollment.
 - Morris enrollment has grown from approximately 196 to 222 students over recent years, with the current five-year average at 212.
 - District-wide elementary enrollment is down approximately 19 to 20 students, while high school enrollment has remained relatively stable.
 - The relationship between budget reductions and town-level savings was illustrated by noting that a cut of \$101,000 at the district level would save Morris only \$15,000, underscoring the disproportionate impact of cuts on educational capacity versus taxpayer relief.

- **Health Insurance Costs and Market Strategy**

- An initial premium increase of approximately 35% was quoted by Anthem, which was reduced to 24.2% after going to market and obtaining a competing quote from United Healthcare.
- Exploration of the state health insurance plan was initiated but stalled because contract language requires any plan change to be substantially equivalent to or better than the current plan, and informal discussions with the union indicated agreement was unlikely during an active contract negotiation year.
- The current plan is a high-deductible health plan, while the state plan is a PPO, creating a contractual risk that switching could lock the district into a more expensive baseline for future negotiations.
- Other districts in Connecticut are on a range of plans including the state plan, self-insured arrangements, and regional consortiums, with no clear dominant solution emerging.
- Concerns were raised about whether the district's current insurance consultants are providing sufficiently aggressive market analysis, and a review of that relationship was indicated.
- Health insurance was identified as a recurring and escalating cost pressure with no clear resolution in sight.

- **Education Cost Sharing Grant and State Funding Formula**

- The education cost sharing formula has not had its base number updated since 2013, meaning towns like those in Region 20 are held harmless but receive no meaningful increase despite inflation.
- Litchfield received a \$375,000 increase in education cost sharing this year, attributed in part to a recent property revaluation that affects the formula's calculation.
- Morris and other Region 20 towns have seen their education cost sharing grants remain essentially flat, with Morris dropping from \$657,000 in 2015 to approximately \$100,000 in recent years.
- Advocacy efforts are underway with local state representatives to support legislation that would adjust the base number in the formula, providing broader tax relief to towns rather than directing funds solely to urban centers.

- **Contract Negotiations and Future Budget Outlook**

- Teacher contract negotiations are the single largest variable affecting next year's budget, with both sides anticipating a lengthy and complex process.
- Teachers currently hold one of the richest contracts in the state, and the district must balance fair compensation with fiscal sustainability following significant staff reductions.
- All major union contracts are currently on the same three-year cycle, and consideration is being given to staggering future contract cycles to reduce the burden of simultaneous negotiations.
- Health insurance trajectory and the outcome of contract negotiations are the two primary unknowns that will shape the fiscal year 2028 budget.
- The one-time savings from severance and position eliminations will not recur, meaning next year's budget will face a higher baseline without those offsets.

- **Surplus Funds, Reserve Policy, and Capital Planning**

- The Board of Education moved \$275,000 from the capital reserve into a contingency reserve account, supported by the strong surplus trend.
- Reserve accounts are capped at 2% of the current budget, and any use of surplus funds must be approved through a public board vote.
- A building condition study estimated at approximately \$250,000 was discussed as a potential use of surplus funds, which would produce a comprehensive assessment of all district buildings and inform long-term capital investment decisions.
- State reimbursement of approximately 35% is available for major school building projects when conducted under state regulation, rising to nearly 80% for ASTE-related expenditures, making a coordinated capital plan financially advantageous compared to piecemeal repairs.
- The board is expected to take up the question of the building study in May following resolution of the budget.
- Long-term structural questions about whether the district has too many buildings for its current and projected enrollment were acknowledged, with voluntary redistricting or transportation incentives floated as potential approaches rather than school closures.

Key Points for Town Budget Discussion:

- **Town Budget Review and Line Item Discussion**

- Post-budget adjustments were reviewed including an increase in postage costs driven by a rise in stamp prices and additional mailing volume.
- The tax collector's budget was adjusted upward to reflect anticipated increases in postage rates.
- Beach and recreation cleaning costs increased by \$600 due to an extended cleaning season now running from April through November rather than only the Memorial Day to Labor Day period, driven by increased use of the facility for car shows, softball, and field rentals.
- A building inspector revenue line was discussed with consideration of raising the estimate to \$120,000 and the expense line to \$36,000 to reflect increased construction activity.
- Transfer station costs have been reduced through improved recycling management.
- Highway department chip seal costs were partially shifted to the town aid road funding line to reduce the direct budget line while maintaining the same level of work.
- Contingency salary increases were held flat in the budget with the expectation that any overages would be covered by contingency funds.
- A \$8,000 allocation was discussed for the town's 150th anniversary celebration covering fireworks contributions, a band, flags, banners, and incidental expenses, to be funded from available contingency or year-end savings.

- **Capital Improvement Planning**

- Looking Glass Road has \$63,000 accumulated toward a \$175,000 project, with a grant application pending for the third time through the TRIP program.
- John Weik Road is fully funded with \$200,000 set aside, and the state will reimburse an additional \$500,000 once the local share is expended, with work anticipated to begin in May.
- West Morris Road bridge requires approximately \$225,000 in work planned to begin in approximately two and a half years.

- A boom tractor replacement is on a five-year savings timeline.
- A 2008 international dump truck replacement is being considered using town aid road and chip seal funds rather than capital reserves.
- Fire Engine 3 fire replacement is identified as a long-term capital need with costs expected to reach approximately \$1.4 million.
- Municipal building capital maintenance is funded for unexpected large repair expenses.

Action Items

- A decision on whether to proceed with a district meeting on May 4th for the RSD 20 budget or pivot to a referendum depends on the outcome of the petition process, which must be resolved in the days prior.
- The Board of Finance plans to meet the following Tuesday to finalize the town budget, after which a public hearing will be scheduled with a vote to follow two weeks later.
- Contract negotiations with all major unions are ongoing and will be a central focus in preparing the fiscal year 2027 budget.

Meeting Minutes were prepared by Michael Gacek.