

## MINUTES

### TOWN COUNCIL/BOARD OF EDUCATION JOINT BUDGET MINUTES HYBRID MEETING February 23, 2023 – 7:00 P.M.

**TOWN COUNCIL MEMBERS PRESENT:** Steve Jones, Chair; John Reagan, Vice Chair; Sami Khan, Lou Luba, Katie Murray, Tammy Nuccio, Colleen Yudichak

**BOE MEMBERS PRESENT:** Ashley Lundgren, Chair; Sophia Shaikh, Vice Chair; Jacob Marie, Secretary; Jennifer Gallichant, Christine Griffin, Dana Philbin (Zoom); Christina Plourd, Jayden Regisford, Tony Holt

**TOWN COUNCIL MEMBERS ABSENT:** Tammy Nuccio

**BOE MEMBERS ABSENT:** None

**OTHERS PRESENT:** Brian Foley, Town Manager, Dr. Walter Willett, Superintendent; Lisa Hancock, Director, Finance & Records; Mike Wilkinson, Director of Administrative Services

1. Call to Order – Pursuant to Section § C9-4 of the Town Charter the Town Manager is required to call and attend a joint meeting of the Town Council and Board of Education for the purpose of discussing the appropriation request of the Board of Education – Explanation of the budget process by the Town Manager

Mr. Foley provided information on his personal connection to Tolland and his professional experience in terms of budgets.

Mr. Foley called the meeting to order at 7:10PM.  
He reviewed the budget process and the Budget Schedule 2023/24.

2. Board of Education Budget Presentation

Dr. Willett reviewed the following document:  
FY23 BOEB Budget (approved at referendum) to Proposed (BOE 2/8/23 Adopted) FY24 BOEB Budget  
– Summary of Changes (available at [www.tolland.k12.ct.us](http://www.tolland.k12.ct.us) under Budget>Budget Documents>Waterfall Graph).

Dr. Willett explained that the major budget/cost drivers are salaries, benefits, transportation, tuition, and utilities. He noted that these are items over which they have little control. Additionally, there are number of areas this year which are in a state of overspending and the FY23 budget has been frozen to ensure a responsible landing.

Dr. Willett noted that the budget the Board has put forward maintains crucial positions, including 2 that were previously funded by an ESSER grant. These positions, important for sustaining the quality of education, were transferred to the operating budget (.6 FTE K teacher, 1.0 FTE social worker). He noted that the Board would like to utilize the ERF to acquire the educational technology initiatives for grades 6 & 9 and has removed this from the budget request. This is a responsible use of the ERF and is allowed under the applicable ordinance. The BOEB maintains pathways which ensure the district is competitive against money going to magnets and charters. Students have a follow-up plan of study, engage in activities and courses with respect to the course of study, and graduate with a mark of distinction on their transcripts. All of these make them more competitive when applying to certain schools with an emphasis on the pathway. Currently, the district offers pathways in business and engineering. It does not cost a lot and avoids attrition. Dr. Willett noted that the budget also maintains crucial cost avoidance programming – LEAP, Tolland Transition Academy, ABA Program. Students have the opportunity to be educated in their own district with their peers. The average outplacement cost is \$98K/student and LEAP has 30+ students so in terms of cost avoidance, this is an extremely important program. Dr. Willett noted that personnel reductions include the following: 1.5 FTE paraprofessionals, 1.0 FTE educational technology teacher, 1.0 FTE TMS interventionist, 1.0 FTE financial accountant, .27 speech language pathologist. He highlighted additional reductions as well including OPEB, legal services, and furniture/fixtures.

Dr. Willett noted that the budget has been done responsibly and was deeply impacted by circumstances beyond the control of the Board this year. The BOEB shows that the competitive bargaining unit agreements were below the averages for the state and teachers, in terms of compensation, are modestly and fairly compensated. It is a fair deal for teachers and the district. Further, the Board has worked hard to ensure that despite the pandemic class sizes are manageable, reasonable, and allow for a productive education. Due to the insurance, and other impacts, the Board is working hard to ensure students receive the appropriate level of service.

3. Recommendations and suggestions to BOE regarding consolidation of non-education services and cost savings (per State Statutes (Public Act 13-60))

Mr. Jones noted that last year they discussed potentially combining financial services and asked if there is an update on the cost or feasibility of doing so. Ms. Hancock explained that they applied for a grant, but it was put on hold. Thus, funding was not received, and they did not move forward on this. She noted that she researched this and it showed that to bring the Board and town systems together would be over \$4M. Often, additional staff needs to be hired and does not result in savings.

4. Questions from the public (2-minute limit) specific to the Board of Education budget with questions being directed by the Town Council Chair to the appropriate body for response

Renie Besaw, 230 Grant Hill Road, commented that this evening has been challenging. When people were speaking, they could barely be heard. Ms. Besaw commented that the BOE increases being proposed are unrealistic. She would never support something like this – it is way too expensive for taxpayers. It is too expensive to live in Tolland already and they need to find ways to make it less.

Heather McCann, 62 Crossen Drive, commented that her family is one of many who moved to Tolland for the schools. The town's biggest asset is its school system including its teachers, special education services, sports and administration. Years ago, the school system offered more programs and services and some of the senior elected officials' children benefited. The cuts in recent years have resulted in underfunding the schools and budgets have not kept up with inflation. They help the entire community by supporting the biggest asset and are not helping the single income families by underfunding this asset. The single working mom is now regretting her decision to live in Tolland because her children are not receiving the education she moved to town for and are now statistically more likely to struggle in school due to a lack of services and resources. In fact, they are hurting these children more. Taking care of lower income or fixed income families, including seniors, means advocating and encouraging the use of programs offered in the community designed for this reason. Proposing, supporting, and voting at all levels of government for better social programs is how you take care of these folks. She asked that tonight people base their decisions on real numbers, not arbitrary feel-good ones.

Mary Rose Duberek, 37 Ryan Road, asked if a BOE budget increase of 5.94% means people's taxes are going up that high. She noted that supports this budget, children, and education in Tolland.

*Ms. Hancock responded that the calculated impact is not yet available; however, taxes will go up yet it may not be as much as what has been presented based on other revenues. When the Council begins deliberations on the budget, she will present scenarios that will show the different impacts on the mill rate. Ms. Hancock noted that it could have a very high impact.*

5. Petitions and/or questions to the Board of Education from Town Council members specific to the BOE Budget

Mr. Luba asked what percent the BOE budget constitutes the town's overall budget. Ms. Hancock responded that it is about 70%. The other 30% is the town, debt, and capital projects.

Mr. Luba commented that his understanding is that Dr. Willett made a budget request of 5.94% and the BOE came back at a higher 5.96%. He would like the reasoning as far as why the BOE is going above what was requested. Ms. Lundgren responded that after reviewing the Superintendent's Proposed Budget (SPB), they were giving up an interventionist and a THS course for learning about children (would become an internship), and she did not want to see more programs being cut. Mr. Luba commented that the mantra has been to trust Dr. Willett and that he is making the best budget possible. In terms of the overall budget, there were positions recommended for elimination and he would like to know the impact. He added that when faced with a budget issue, cuts have been in positions rather than looking for savings in other areas. In terms of the budget, the Council determines what it is, and it is up to the Board, and moreover Dr.

Willett, to decide how it is spent. He asked why other savings were not found in the budget. Ms. Lundgren explained that after reviewing what was being sacrificed to meet the recommendations, the majority of the Board decided it was not worth sacrificing staff and courses to have what they wanted for students' needs. She noted that there were cuts in the SPB that she did not like including losing the interventionist. At Birch Grove 32% of students have IEPs or 504s so staff that interacts with students should not be cut. Mr. Luba agreed. He asked if there are other areas where they can find savings and noted that 97% of what is being presented is already under contractual obligations for raises, insurance, and other items. He asked if there are nonrecurring expenses that can be cut to accommodate the other positions. Ms. Lundgren explained that the majority of the increase is due to insurance. The Council needs to have a discussion – if it could assist the Board and provide assistance, it would help a lot. Mr. Luba responded that they cannot go back and renegotiate. When they addressed teacher/employee contracts, it is almost a non-negotiable item. Rather than finding nonrecurring cost savings, they are incurring more reoccurring expenses. Dr. Willett clarified that the 5.92% is slightly higher than the Board's adopted budget because between the time the SBP was proposed, and the Board's adoption, audit, Medicare, and unemployment costs increased. Additionally, a staff member had a change in degree status. The Board added these into the budget request. Further, a retirement differential was put toward the child development program. Dr. Willett added that almost \$1M in reductions were made and most was not from staff as noted earlier and that he can provide a list of all of the cuts. If they go further, they will be underfunded next year and be in a deficit position. He cautioned against taking out anything that needs to be in place – it will become a negative next year and staff will be cut. Mr. Luba asked what line 560, Tuition Education Agency, encompasses (28% increase). Dr. Willett responded that it is mostly out of district tuition placements. They are looking at potentially being overbudget this year by \$400K and the 28% adjusted the budget accordingly for next year. He noted that lines 560, 561, and 564 all cover this item. Dr. Willett explained that COVID left some significant impacts, and they have a 32% identification rate for prek-2. Traditionally, it has been around 12% and the average outplacement cost is \$98K. He expects \$1.3M to be spent and to receive reimbursement of \$700K-\$900K so they are looking at a potential \$400K deficit. The increase in the Board's budget is to address this.

Ms. Gallichant commented that page 12 of the budget books shows the 5-year and 10-year budget averages. They are partly in this position because of the percentage increases – they were not healthy for an education budget.

Mr. Holt commented that there is nearly a month between the SPB and the BOEB and during that time there were many conversations where they looked to Dr. Willett and asked what would happen if numbers were trimmed and adjustments made. They are not looking to reduce staff but also at what point do facilities begin having health and safety issues. The Board's budget is its attempt to look through the lens of prioritization.

Ms. Yudichak asked why the insurance line item is so high and if this will be similar on the town side as well. Mr. Wilkinson explained that they have had large claims over the past year. These drive what the expected rates need to be to meet the claims next year if the trend continues. They have been very good in past years, but this is a bad year. The town, including the BOE, is part of ECHIP, a health insurance cooperative – the town is self-insured. In turn, it needs to pay all of its claims. A consultant assists the town as does ECHIP. The current increase is 16.42% and it does not appear that it will decrease during this budget season. Mr. Wilkinson noted that the town has stop-loss insurance as well. He added that the increase may be due in part to the COVID effect where people did not have health items addressed but they cannot predict what will happen in future years.

Ms. Griffin asked if the Council and Board could get a roll forward from February 28<sup>th</sup> with a projection for June 30<sup>th</sup>. Ms. Hancock responded that they do not have a projection but could put together the financials based on the claims through the end of January. Ms. Griffin requested a schedule as of the June 30, 2022 audited financials (exhibit C-2) rolled forward to provide a better understanding.

Ms. Plourd asked about the fund's balance. Mr. Wilkinson explained that the fund's balance is not a reserve – it is allocated for claims. Ms. Plourd noted that she would like to see the actuals and if the increase is a one-time blip, she would like to work with the town to get money from elsewhere to get the budget down. She explained that she voted "no" because of the \$1M, which is possibly a 1-time blip, being added to the Board's operating budget. Ms. Yudichak asked if there are other funds they could look to. Mr. Wilkinson explained that they have been very lucky the past couple of years – at or below 0% and millions of dollars have been saved.

Ms. Murray asked who makes the decision about people's taxes increasing. Mr. Foley explained that Ms. Hancock presents the numbers to the Council, and it goes to referendum for the voters to decide. Ms. Murray confirmed with

Mr. Foley that as of right now, no decisions have been made regarding anyone's taxes increasing in Tolland. Ms. Murray asked if the Board's budget provides the same level of education services in the upcoming school year as they are receiving in this one. Dr. Willett responded that because there are some reductions, there will not be the exact same level of service. Ms. Murray asked why this budget costs more than the current budget. Dr. Willett explained that 97% of the driver consists of items they cannot control. Spending on these items takes away from spending on others. Ms. Murray confirmed that the contracted pay raises are the contracts that came before the Council and were not rejected. Ms. Murray asked what a level services budget would cost. Dr. Willett responded that it would be about another \$1M. He noted the average settlement for teachers in CT for 58 districts was 4.21% and the settlement for Tolland teachers was 3.6%. The average settlement for administrators (3-year duration) for 37 districts was 8.71% while Tolland's was 7.4%. Ms. Murray confirmed that the budget will continue to fund cost avoidance measures. She asked if they are adequately funded and staffed to help prevent expense spikes in future years. Dr. Willett responded that he believes the programs are reasonably staffed and funded but with the caveat of not reducing any lines – they are trying to fill positions. Ms. Murray asked how the budget impacts classroom sizes. Dr. Willett referred to and reviewed the enrollment report and trends. He noted they need to look at how they will invest in prek-5 over the next few years to ensure class sizes are reasonable for education purposes. Ms. Murray asked if they anticipate larger class sizes in the next fiscal year. Dr. Willett referred to the enrollment report. He noted that the bubble came in K and expects it to carry through the grades and added that if they can maintain the budget, they can have class sizes they can work. Reductions have already been made and he does not want any impact on classrooms, interventionists etc. Ms. Murray referred to page 12, the 5-year/10-year average and asked if service levels changed for each of the years indicated. Dr. Willett noted the value of the dollar has decreased – inflation and a number of items have impacted the district. A maintenance budget is typically 2.5% so for each year of 2-3% there has likely been a modification reduction paradigm over the past 7-10 years. That said, things have changed in the state and cost avoidance programs are needed to survive – over the past 10 years about \$3M-\$5M in resources have been lost overall. Given inflation and the value of the dollar, there have been impacts and examples were provided. Dr. Willett noted that Tolland is not alone, has held its own, and is an excellent education district to the credit of the staff.

Ms. Griffin asked that Dr. Willett not only present the cuts over the last decade but also all of the adds. Her family started in the school system in 2005 and has seen programs added including all-day kindergarten. While people note what has been lost, a lot has been added. She noted that she does not recall any of her children having an opportunity for intervention in the younger grades – she hired private tutors because the service was not available. Ms. Griffin noted that the district has had to change – some things have become more important like all-day kindergarten and intervention – and are better to have. She asked that adds such as the academies, UConn classes, AP classes, and one-to-one technology be included in the list. Dr. Willett noted that since 2011 they are likely funding at a lower level with a greater numerical number of dollars, but the value of the dollar is less and thus has less spending power. He highlighted the unfunded mandates as well. Tactical moves have had to be made to prevent having even more special education designations which mean almost immediate resource allocation. Thus, if there are going to be reductions, they need to be very careful where they fall and seek the least of the evils. If they were to lose interventionists, there will be reverberating negative effects that would be costly.

Mr. Reagan commented that he has concerns that the Board's vote was divided 5/4 and in regard to statements made by Dr. Willett at the February 8<sup>th</sup> BOE meeting about the referendum failing multiple times or activating a group that will always vote zero. Mr. Reagan's concern is that a budget at this level is heading toward a failed referendum at which time the Board will be forced to make cuts. He believes it would be easier to do this before it goes to referendum and believes the number is too high to pass at referendum. Mr. Reagan asked if there is a plan for where they will go to reduce the budget if the referendum fails or other areas they can look to make reductions. Ms. Lundgren responded that a large driver of the budget is the insurance. If they can find a way to get assistance with this so they are not taking away student services, it would be highly beneficial. The insurance blip needs to be addressed – with the insurance in the budget, the MBR increases. Mr. Reagan responded that he does not believe this can happen prior to the referendum and asked where they would go to make the reduction and if it would strictly be a head count. Ms. Gallichant commented that the 5.96% does not mean this is what goes to referendum – they are not there yet and many hope the town will assist before this happens. Further, as a Board member, her job is to decide what she believes to be students' needs and not about the number. It is unfortunate that it is a number the people consider to be high, but 97% is out of their control. They are being put in a position to ask for help or make cuts that would be detrimental to education. It is not about the number but what is needed. Mr. Reagan noted that everyone wants students to have what they need but he does not believe that what was presented will pass referendum and the Board will be forced to make cuts. He understands why they arrived at the number they did but is concerned that the referendum will fail and

would like to know if there is a plan or if it has been discussed. Dr. Willett explained that in a context such as this one, the trepidation is if one says there is a plan, they will be asked to made the reductions. It is his job to do his best with what the process yields. Mr. Marie spoke in terms of looking for alternatives to cuts. If this were to happen, the Board discussed on February 1<sup>st</sup> and February 8<sup>th</sup> a menu of items for possible reduction. They would likely revisit the list. He added that it would be great if they could look into receiving assistance with the insurance, yet they need to be careful about getting into trouble in this regard. Mr. Reagan noted that Mr. Marie commented at a meeting that the budget was DOA and believes he is right. Mr. Marie noted that he still holds the same opinion. Mr. Holt recommended not looking at the budget in a vacuum as a 1-year event. They have grants that will go away in the next budget cycle, and they do not know how the insurance number may deviate. His concern is if they do not start positioning now, there will be similar, if not more painful, conversations in a year when they have already spent down accounts/reserves. He is tied to the district and its excellent education for years and is focused on it still being so in 5 years. By ensuring that money and resources are put where they need to be now, they stabilize what is needed. In terms of a plan, they do not have one, but this is why they had these conversations. Mr. Reagan commented that Ms. Gallichant mentioned that it is not about the number but the need. He believes people understand there is a community who does not get it and that it is about the number. This is why he is concerned this will fail. Many people do not vote at the referendum, but this number may wake some people up who believe the number is too high – and they will stay awake at following referendums. Mr. Regisford commented that at the February 1<sup>st</sup> meeting they received a list of reductions that would get them to a 3.69% budget. He reviewed the positions noted. He asked Dr. Willett how many stipends would be affected in the team and curriculum liaison positions. Dr. Willett responded \$200K over about 40-60 people.

Mr. Jones asked if the ERF is still adequate long term to help mitigate one-time costs. Dr. Willett responded that it is and is a crucial tool. Mr. Jones asked about the rate of students leaving the district to attend CREC, magnet, and charter schools. Dr. Willett responded that it is about \$200K in terms of dollars. Mr. Jones asked if the budget has any mechanisms to promote the district. Dr. Willett responded that the pathways programs are some of the most important. They present information about the pathway programs to 8<sup>th</sup> grade students to mitigate students wanting to attend other schools where they believe they will receive something they could not get in the district. Additionally, information and videos are posted on Facebook to promote the programs. Ms. Lundgren noted that a THS business teacher is on the list referred to by Mr. Regisford, so they are chipping away. Mr. Jones asked what the BOE has done, and what can the Council do, to be better partners in regard to ECS funding. Dr. Willett noted that the Board is very active with CABE that has lobbying efforts with the state regarding a more fair ECS distribution of funds. CAPSS, a superintendent organization is also very active. Further, the Council has a state representative and he is sure advocacy is taking place. Dr. Willett noted that communities could collaborate and make a visit to the legislature.

Mr. Khan commented that he likes the budget and that they want to give almost everything to students. In regard to the \$1M in insurance, he asked what happens if it increases next year and if they can shop around for another insurance company or look at other options. Mr. Wilkinson explained that there are always other options. They are self-funded and it has saved millions over the years. Even if they left the cooperative, they would have to go fully insured and would have the same claims but with more associated fees. Dr. Willett noted that they benefit massively by having self-insurance. Mr. Khan asked why when discussing cuts, they do not start by looking at the top of the list at administrators rather than teachers. Dr. Willett explained that the district is not overstaffed with administration. Each is crucial to the district, and it is better off financially by having them; otherwise, there would be program lapses and collapses. Mr. Khan commented that he does not believe what anyone says will make any difference at the polls – the decision will be made by 15% of residents. He asked if the Board has a plan b for this year and next year. Dr. Willett responded that there is always a plan b. The question is what sacrifices will be made to get to plan b and this is the nature of the conversation this evening.

Ms. Yudichak asked if the town could help with the insurance number, if Ms. Plourd would have changed her mind on her vote. Ms. Plourd responded that potentially she would have. She asked for the financials of the fund to understand the number and it was more around a lack of faith in the number. Ms. Yudichak asked Ms. Griffin why she did not vote in the affirmative. Ms. Griffin explained that she felt that as a Board they did not do their due diligence. They did not request more information. They only looked at proposed cuts presented by Dr. Willett and did not really discuss possibilities that would not impact students. She felt they rubber stamped the SPB. Dr. Willett noted that Ms. Griffin has done a good job as Chair of the FFC. He noted the 60+ questions in the Q&A and from the standpoint of rubber stamping, many questions went deeply into anything and everything. He believes the Board asked a lot of questions and did a good job with due diligence. Mr. Holt commented that the insurance number is high, is an issue, and was the focus. Negotiations resulted in modest and reasonable increases, but they are increases. Transportation and fuel were

increases as well. He does not feel they looked at the other side of the ledger – where could they look a reducing without having significant negative effects? A budget has to be a balancing act – if they continue to add on one side, at some point they need to take away on the other side; otherwise, they will be forced to make decisions they do not want to make. The need to keep the budget reasonable and maintain programs and he does not believe the number put forward does this. Mr. Marie commented that he did not support the budget. He asked Dr. Willett to propose reductions and favored some of them. Multiple referendums are not something anyone wants. Not only it is a lot of work for staff, but the uncertainty is also bad for the town and school employees. It is better to start reducing the number in January and February rather than on June 30<sup>th</sup>. In terms of the insurance number, if they could sustainably reduce it, he would rather do so than use anything on the list of reductions presented by Dr. Willett. If there is a chance the insurance number could be higher next year, he cannot be in favor of borrowing money today as they will be in the same position in the future. Ms. Yudichak commented that administrators are necessary for the schools and asked how they communicate this to the public. While the budget vote was split, she asked if it would be supported going forward. Last year the BOE put a budget forth and she feels that the Council did all of the work for the referendum. She asked if they would help support the budget and go out to the community to explain why they are asking for it as well as how it would be done. Ms. Lundgren explained that she is not comfortable sleeping at night with the cuts that were proposed when they are opportunities for students and staff. She voted her conscious of what is appropriate for the school system. If the insurance number is a blip, she asked if there is a reserve that could be used to bring it to the typical trend to make the numbers work. Ms. Gallichant commented that her first step is asking the Council for help. She is hoping the Council will help offset the insurance – she does not feel they should let a 1-year blip in insurance hurt students. They should watch the trend and figure out another way. She will support any number that does not take away from what she believes students need and has asked people to share their thoughts with the Town Manager and the Council. The Council is the next step in the process. Ms. Gallichant added that she hears the backlash from the other side – parents asking why the town does not support education. If they do not give the community a chance to weigh in, they will get the backlash. She will continue to support not eroding students' education. Ms. Shaikh commented that 97% of the increase is attributed to cost factors out of their control and have already been agreed upon. It is not that the Board has not done its work. It needs to be conveyed to the public that the increases are not negotiable. The rest of the percentage is what they need to focus on for students. She supports the budget and will do whatever is asked of her to support it. Mr. Regisford noted that yesterday, at the curriculum meeting, they discussed creating more pathways for competition sake. The discrepancy between 5.9% and 5.1% was not enough and created an inability to compete with other towns and districts. Ms. Philbin commented that a constituent once advised the Board members that they are the guardians of education. The Board's budget process was done to facilitate and execute students' needs. While they cannot change some items, they can look forward to what can be done to maintain and sustain. Programs have been cut and added over the years. Part of the 97% of the budget increase is contractually obligated. It went through the processes and was approved. The need to be cognizant of the impression they are making on community members by saying they are scared. They need to think realistically and be forward-thinking. There are people who can speak intelligently about the processes that are in place. They need to educate the community that it is a 5.97% budget for the BOE, not a 5.97% mill rate or tax increase. The school system is the largest asset in the community. If they cannot fund this, then other parts of the community are eroded as well. They need to spend the time and money on aspects of the community that will help it flourish. Ms. Philbin added that they did their due diligence and the budget process started in September. She highlighted the meetings and discussions. They need to educate the community on what it means to students, staff, and others. She supports the budget and noted that she understands that the number is high and they got to this place because the pendulum swung. It is the right thing to do by the educators, students, and staff.

Mr. Luba commented on the discussion regarding ECS. Based on information provided by Dr. Willett, Tolland ranks 30<sup>th</sup> out of 169 towns in CT in terms of median income. All of the legislators could vote for an increase, but Tolland would not receive one with its median income and this should not be relied upon. It would be very difficult to convince the state to provide more ECS funding. He commented on people saying that 97% is from costs that cannot be avoided. He asked that that this be remembered when doing contract negotiations. They agreed to the increases that went through the negotiation process and were approved but they were told either to approve them or go to mediation where it could possibly cost more. He explained that they need to find a way, to make sure when these come due, that there is a way to account for them in the budget. The Board is voting their conscious and promoting what they believe is best in their roles as members. As a Council member, he has to also look at what is best for the town. The town is being asked to help with the costs. Mr. Luba explained that the town makes up 30% of the overall budget so by trying to find additional ways to save money is saying that the town receives 1/3<sup>rd</sup> and it needs to find savings in the 1/3<sup>rd</sup> to help offset the other 70%. They cannot do this because doing so mean cutting services that effect not only students but also

the town overall. The overall issue is they need to look historically – they have never had a referendum over 3% approved and Tolland is now in a much different position. Ten years ago, Tolland was flush and the country was in a great financial position overall. They are not there today – everyone is hurting with inflation and the cost of living. While they need to support their educators, realistically they will not get a budget above 3%. Mr. Luba added that it is disingenuous to come in with almost a 6% budget and he cannot support it. He asked that this be kept in mind when going through negotiations in the future. Ms. Gallichant commented that regarding contracts and negotiations, they would have been in the same situation and ended up in mediation because they were below the state average and referenced page 13 of the budget book. She asked how they can expect to keep their good teachers if they are not paid fairly and competitively and how they can attract new talent. She does not believe they should go into meetings with the thought that if they provide fair and competitive compensation that they are cutting librarians the following year. She added that “fairly” is less than the state average for all of the negotiations thus far. Ms. Gallichant asked how other towns do it. Mr. Luba commented that Tolland’s tax base is 95% residential property tax. Other towns have businesses and other taxes. He understands but the issue is historical data; over 2% does not pass. They would either need to reduce town costs and services (30% of the overall budget) to offset the BOE expenses or go with a budget that he does not believe anyone thinks will pass. Additionally, if it passes, it is the starting point for next year and they need to start planning ahead. In the past 4 years, the BOE budget has increased 10-12%. Because of the tax base, the town is not willing to go over 3% and he does not see that changing. Ms. Gallichant responded that she respects this but the town will have a problem if they continue to erode education. She has volunteered for a decade in the schools and is coming from a place of experience with students and staff. Her network consists of parents, and they are concerned about education and the budget. The Council has not yet decided on the referendum number, and she is happy with them not passing the 6% if they are willing to help the BOE so they do not have to take away services for students’ education. Dr. Willett noted that out of 58 districts, the teacher settlement was lower than the average and complimented the logical choices on the approval of contracts. When doing negotiations, they are under the advisement of many groups which provide information about arbitration and that it would end up costing more. The decisions are not an abdication of due diligence but an indication of due diligence. Ms. Plourd clarified that she was not asking for assistance with the insurance from the town’s operating budget but if they are replacing reserves, she would like to take from another fund. In terms of Ms. Yudichak’s question, Ms. Plourd noted that she likes low budgets and will leave it up to Ms. Hancock and the Town Manager to make it work but it will depend on the final number. She believes she advocates for other parents with expenses such as daycare and added that she wants her kids to be well-educated and they have a great school system and a lot to be grateful for. Many teachers made a good salary when compared to those in other DRGs.

Ms. Murray asked if they have previously seen insurance spikes that last multiple years. Dr. Willett explained that every 3 years there tends to be a bad blip. Ms. Murray commented that a year ago they discussed social emotional health in regard to the BOE budget. She asked for highlights in advances in this area and how it will continue into the next fiscal year. Ms. Gallichant responded that the SEL committee is putting together a curriculum and working on the charter. Dr. Willett explained that during the first part of the year they have had teacher teams developing lessons and plans for the district charter as well as Meta-Moment lessons – part of the Yale program. Teachers are now doing training and the program will be rolled out to all students next year. Ms. Murray asked if the budget would allow the efforts to continue. Dr. Willett explained that this is an example of the district spending money on curriculum development. If there were significant cuts, they would have difficulty executing SEL. Ms. Murray confirmed that the district is putting effort into ensuring the SEL curriculum is available in a cost effective way by leveraging opportunities. Ms. Murray asked if money becomes available in the unpaid salary line if they use the substitute line item to cover vacancies. Dr. Willett explained that some line items will be negative or flat at year end while others will have a positive balance that will be expended, and the year will end tight. He believes learning impacts due to COVID will be seen for at least a few years. Ms. Lundgren added that they do not have the staff needed for IEPs and 504s. The unfilled positions are needed for students and in terms of legalities. She has been a substitute, and this has been an issue for years. Ms. Murray asked what happens if the district does not meet the needs. Dr. Willett responded that the district will be brought to a hearing and could be ordered to offer the service at a much higher cost with an outside agency than sustaining the district’s program. Worst case, they would show that the district cannot adequately cover the needs of the student and which would result in an outplacement (average cost of \$97K). Currently, the district is spending over \$2M on outplacement. Ms. Lundgren added that the district has to have wages that make it a desirable place to work.

Mr. Jones asked on average, how much is taken from the fund balance annually and put toward the budget. He asked what Ms. Hancock believes is a reasonable amount to maintain a AAA bond rating. Ms. Hancock responded that the average is \$200K. This year she expects it to be about \$200K plus \$68K from a restricted fund balance for debt

management that they planned to cover. Several years ago, money was taken from the debt service fund and placed into the general fund to address the expected tax impact. Ms. Hancock noted that an affluent community started draining their fund balance and increasing debt and was downgraded from its AAA rating. Once one dips into reserves, there is risk, and a downgrade will cost a lot more when debt needs to be issued. Mr. Jones asked for the balance of the tax stabilization fund. Ms. Hancock responded that at the end of last year there was approximately \$142K. This year there the fund will receive a contribution due to the receipt of unexpected state revenue (approximately \$200K). Ms. Griffin asked if they could consider having an insurance stabilization fund. Ms. Hancock explained that a self-insurance fund should be structured in a way to have funds reserved.

Mr. Khan commented that every year they have an argument about the budget. He requested that Ms. Hancock and Mr. Foley start planning for the future. This problem will not go away – everything is going up and residents are affected as well.

6. Adjournment

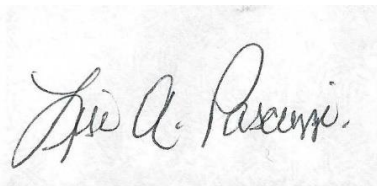
Mr. Luba motioned to adjourn the meeting at 10:12PM

Ms. Murray seconded the motion.

A roll call vote was taken.

Motion passed unanimously.

Respectfully submitted by,

A handwritten signature in cursive script, reading "Lisa A. Pascuzzi", is written on a light-colored, textured background.

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Lisa Pascuzzi  
Town Council Clerk

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Town Council Chair