

SPECIAL MEETING MINUTES

TOLLAND TOWN COUNCIL LIBRARY PROGRAM ROOM MARCH 21, 2019 - 7:00 P.M.

MEMBERS PRESENT: David Skoczulek, Vice-Chair; Brenda Falusi; Tammy Nuccio and John Reagan

MEMBERS ABSENT: William Eccles, Chair; Paul Reynolds; Christine Vincent

OTHERS PRESENT: Steven Werbner, Town Manager; Michael Wilkinson, Director of Administrative Services; Walter Willett, Superintendent

1. **Call to Order:** Steven Werbner called the meeting to order at 7:05 p.m.

2. **PUBLIC HEARING ITEM:**

2.1 2019-2020 Budget Proposed by the Town Manager

Town Government	\$12,153,386
Capital Improvement Reserve Fund	\$ 121,048
Board of Education	\$40,824,106
BOE Teachers' Retirement Contribution	\$ 100,136
Debt Service	<u>\$ 4,550,000</u>
Total Proposed Budget	\$57,748,676

Mr. Werbner gave his presentation with the use of a PowerPoint entitled *Town of Tolland FY 2019-2020 Budget Presentation, March 21, 2019*. He reviewed the budget process, and advised those in attendance that a great deal of planning and review has gone into the makeup of the budget. The BOE reviews what their needs and goals are and puts forth their budget. In terms of the town side, all departments do their reviews and submit them to the town manager. He then assembles those budgets based upon what he feels are the overall priorities of the town's side of the budget. He is then responsible for taking the BOE's budget and all of the individual town budgets and assembles them into one overall budget. He explained the different factors he needs to take into consideration, including the residents' ability to pay and their willingness to pay. He also needs to look at the sustainability. He then provides his recommendation to the Town Council.

He started with a slide showing the Governors 2019-20 revenue vs. Town FY 18-19 Budget. For the last four years, we've had difficulty determining what the town will receive from the state and relying on it. There are three key areas that will affect the municipalities: 1.) **Stabilization Grant** will be at \$322,977. In the future, he warns that the Council should keep an eye on this, as he doesn't believe it will be sustainable at that level. 2.) **Education Cost Sharing Grant (ECS):** the current year is at \$9.7m, which was programmed over the next ten years to go down by \$3m. The money will be reduced from

towns with greater ability to pay, and the money will be shifted to areas in greater need. The current Governor has suggested that the phase out of \$3m occur over three years rather than 10 years. So, he is escalating the shift of money. For Tolland, that means a loss of \$869,962 over the next three fiscal years. The net loss, when you figure in the unexpected amount from the Stabilization Grant, is \$570,437 in state revenue. **3.) Teacher Pensions:** He explained the guidelines, terms and benefits of the program. It has always been funded through the contributions of teachers as well as the State of Connecticut, although the State hasn't put its share into that fund for a number of years. So, it is unsound and billions of dollars in deficit. So, to assist in correcting that deficit, the Governor proposes that the towns share in the normal costs, not the unfunded portion (which is the largest % of that program). This would be phased in over three years, and it would be \$100,000 in the next fiscal year, \$206,000 the second year and \$301,000 the third year. If that program is approved by the legislature, he believes it will keep ratcheting up in the years following.

**The impact of the Governor's budget on the town's mill rate
is a .79 mill increase or 2.26%.**

He reviewed the trends in general fund revenue sources. In FY 10/11, 75.2% came from the property tax (23.5% from the state), and now 82.1% of our revenue is coming from the property tax (16.3% from the state). The trend is that more of a burden is on the property tax system.

He advised that the majority of the Town Council requested that he not address the BOE's request in his budget deliberations, and to let the Council be responsible for any deliberations associated with that. So, he just passed it through and identified what the mill rate would be if there was no adjustment to the BOE with the other line items that he had prepared in terms of the town's budget needs, requests, debt service and capital.

The budget that he presented provided for a tax increase of 1.90 mills, or a 5.429% increase in mill rate. The use of Fund Balance is budgeted at \$200,000. He showed a chart outlining the impact to individual tax payers using three hypothetical assessments.

A slide was shown using his budget as a starting point wherein he provided information to the Council outlining how much they would need to cut the town's budget in order to reduce the budget using various increases (4% - 0%).

He reviewed the current position of a majority of Council members on the recommended changes to the budget presented by the town manager at a meeting on March 19, 2019. At that point in time, they were looking at a .96 mills increase or 2.74%. After that discussion, Mr. Werbner went back and adjusted line items accordingly to get to that figure. For the town, it was a decrease of \$72,304. For the BOE, the operating increase would be \$212,909, or 0.54% increase. The total reduction from his budget is \$968,590. Two reductions known to date are \$91,000 in the Insurance Fund and \$50,000 in the Transportation account. This leaves \$827,590 of additional reductions to be identified.

The town's operating significant expenditure increases:

Salary Increases: \$93,236

FICA, Medicare, Employee Deferred Contribution Plan: \$12,728

Health Insurance: \$48,902 – can be reduced by \$12,000 due to lower premium projections

PZC: \$15,000 (revised POCD)

Recreation: \$9,000 – phase in costs for utilities for the Recreation Center

Engineering Services - Increase the Engineering budget to \$33,000 above that required for contract services. Currently \$20,000 is budgeted for contract services. However, based on need, a minimum of \$60,000 is required.

The average, excluding revaluation years, is a 0.4 mill rate increase or a 1.39% increase in the mill rate.

With regard to the Fund Balance, there are a number of reasons that it is not recommended to use this account. He advised that we do not want to bleed our resources to balance out. The hole will never be made up, just look at the state's situation. It is not sustainable or practical. Potential Use of Fund Balance: The current unassigned fund balance amount of \$7,779,132 assumes that in the last quarter of this fiscal year \$393,340 will be allocated to the BOE 1% reserve fund and \$460,124 allocated to the capital projects for BOE capital projects.

He spoke about the FY19-20 Significant Capital Projects:

Town of Vernon Water Pollution Control Plant Upgrade: The total project cost estimated is \$85,972,000. Tolland's total 20 year share of the project cost is estimated at \$4,146,805 (subject to change). Our share, based on the Inter-Municipal Agreement, is 5.63% of the project cost and loan interest after grant proceeds.

Birch Grove Primary School: The foundation has been impacted by the presence of Pyrrhotite. He reviewed the background information of this problem/project. The State of Connecticut has granted this project emergency status which provides 52% reimbursement of costs, as well as, allows for the waiving of certain bidding requirements to speed up the process. The estimated cost for this project is \$46m. The town would be responsible for 48% of the project cost. There are web pages on both the town and BOE's sites detailing information on Birch Grove's issue. There will be a community town meeting on Wednesday, March 27, 2019 at 7:00 p.m. in the Tolland High School Auditorium.

Where do we go from here? What we know:

- There will be a new Town Manager
- There will be a new Council next November
- We still have the largest number of claims made to the crumbling foundation captive insurance companies (96)
- We are the first community to have known concerns with our public facilities, both Birch Grove and Fire Station 140

- We know that our State funding will continue to decline.
- Tolland's share of the Vernon treatment plant upgrade is being phased in over three years by using some unexpected State funds toward this purpose
- We are currently involved with a revaluation and the early projections of the Assessor are that most homes will remain flat with the upper end homes seeing upwards of a 15% reduction value.

As the outgoing Town Manager, he suggests that the town side look seriously at the potential of regionalizing some additional functions. They have done an excellent job, but two areas he suggests are contracting for police services with a neighboring community, and sharing an animal control facility. The next Town Manager must also continue to make crumbling foundations a major emphasis, as well as, continued involvement in State and Regional entities such as COST, CCM and CRCOG.

The annual budget referendum is May 7, 2019.

3. Public Participation:

William Bode of 338 Shenipsit Lake Road - He complimented Mr. Werbner for his presentation. He has worked for a non-profit, and part of his responsibility was balancing budgets and addressing deficit budgets. It's not easy to balance budgets and he understands that and agrees with it. You don't make friends when you need to balance budgets. His concern is that they cannot continue to raise taxes on property owners or anyone else. You are only chasing people away from Tolland. We are shooting ourselves in the foot.

Frank James of 88 Sherry Circle – The presentation was wonderful. He thanked Mr. Werbner for his years serving our town. We are all in this together, and they all are doing a great job.

Joe Matteas of 124 Browns Bridge Road – He is opposed to any mill rate increase. The hypothetical analogies shown in the presentation don't take into account people with multiple properties, businesses and multiple vehicles. If we need to save 2%, it should be across the board, not singling out one department over the other. Some things concern him. Last year, we spent almost \$100,000 on improvements to Birch Grove, which is now being knocked down. There is a proposal in 2020 to do \$880,000 worth of work on doors and windows at TMS, which will most likely be the first school to get closed when we regionalize or consolidate schools. He saw \$340,000 to upgrade lighting in the schools? Do we need new vehicles? He doesn't believe pinpointing certain things is fair, so go across the board. We need to start saving, getting rid of the wants, and we need to spend according to what is in the budget.

Mr. Werbner commented back with regard to equal distribution amongst every department. There are 20 different town departments of which 15 of them have had no increase in their budget. So, you can't cut each department equally. The town needs to be looked at as a whole. With regard to vehicle replacement, it's more than just the mileage that comes into play.

Karen Moran of 50 Merlot Way (Vice-Chair of the BOE) – She thanked Mr. Werbner for his presentation tonight, and thanked the Council for being there. She thanked the Council for sending a letter to the Legislatures. The BOE, at their meeting last night, drafted a letter to the Legislatures. She encourages the community to draft letters too. She advised that a few of the BOE members went and spoke with Dan Champagne to voice their concerns yesterday. She hopes that everyone here tonight is here to support all of our town services. Our education system is our biggest asset. Families choose Tolland for a quality education. She is still trying to figure out how they got here with this budget, because what is being proposed will do damage. She would like the Council to work with them on a compromise.

Colleen Yudichak of 12 Blueberry Hill Road (Chair of BOE) – She follows what Karen Moran said. She said the BOE has come up with a budget to move forward. The budget cuts would be irresponsible. She asks that the Council reconsider the drastic cut, and asks that they work together.

Jackie Kolb of 34 Susan Drive - She will support the Birch Grove referendum, as it will save the town money in the long run. With regard to the Vernon Sewer, she asked if customers are continuing to get added.

Mr. Werbner said yes.

She supports all the town services. With regard to the BOE decrease, it doesn't allow for the cost saving programs to continue, and she is concerned that by decreasing the funds for the BOE it will effect regionalization. It is a tough decision; people don't want their taxes increased, but look at what is at stake if you don't increase them. She hopes the BOE and Council continue with their discussions.

Sam Adlerstein of 164 Pine Hill Road (BOE member) – He congratulated Mr. Werbner on this being his last year. He commented that he doesn't have children in the school district, but he does follow this closely. He expects wise use of his tax dollars. The BOE spends a lot of time looking at dollar signs. His main point is that things are different. Whatever they decide, his request is that they are frank with the residents. He wants the Council to let folks know what the impact is in the reduction. They will not have the school system that they've had in the past. It will be the beginning of a downward spiral. He thinks they can fight some of these reductions. They've done it before and it was successful. With regard to Birch Grove project, the state is funding 52%, although there is the possibility of federal funding too.

Erin Reed of 28 Willow Creek - She thanked the Council and BOE for their work. People are moving to Tolland for the education system. If we start cutting the budget, people will not move to Tolland. We should be giving the school more money. If our schools start faltering, people are not going to come.

George Eldridge of Fish & Game Road - He is not anti-school, he is anti-spending money that is wasteful. People are not coming to Tolland. We had 3,000 students, now we'll have 2,300. The trend is going down. If a school will be closed in the future because

of the projections, what is the plan? Will the new Birch Grove be too big? Buses are half full, what are we doing about that? Can we eliminate some of the buses?

Mr. Werbner reiterated there is a meeting on March 27th regarding Birch Grove. He knows of no plans to close any school in Tolland at this point in time.

Deirdre Goldsmith of 21 Marlboro Glade - She said we need to keep the school district attractive or the people will choose magnet schools. She begs the Council to set an amount higher, and let the residents be the ones to decide.

Fisher Thompson of 533 Buff Cap Road (Student Representative to the BOE) - With regard to student transport, as a district, they are obligated to provide transportation to every student in the district if necessary. As a student, it is a bit sad when he sees a proposed increase get decreased. He feels dejected. That is showing that his education isn't worth a dollar sign. He believes that the potential decrease of the Board's budget will impact every student in the district that will not be graduating this year.

Maurice Amelotte of 48 Elizabeth Lane - He doesn't have a problem with the cuts to the BOE budget. He heard about the Assistant Superintendent position. Why does a town our size need that? His kids went to Tolland schools, but he feels they did not get the education that he thought they would have. He hasn't done his homework with regard to the budget, but they need to be realistic. Every year he has lived here, his taxes have increased. He understands people want to support the BOE, but enough is enough. If the taxes continue to rise, he won't be able afford to stay in this town.

Chris of Old Kent Road – Her and her husband own property in Manchester, which they rent out and are landlords for. As the taxes go up in Manchester, they need to raise the rent. As taxes rise in Tolland, she can't raise the rent on her own house. They've had a reduction in their salaries, and she is concerned about the rise of taxes. She is living on a fixed budget. Some people are living pay check to pay check with young children. With the less income coming in, what do we pick and chose? It's a difficult decision, but it's one that needs to be made. Maybe a salary freeze is something that can be considered. She does appreciate the schools, and wants to see children succeed. She wants to see education be a priority, but if taxes go up, she'll need to move out. She appreciates Tolland and what it has given them.

Mr. Werbner said there does need to be a plan for the next five years to address people like Chris who are concerned with how they are going to make it, and how to keep the services so that people want to continue to be in Tolland.

Betsy Feury of 144 Cook Road – She is a product of Tolland, she grew up here, her family is still here, and she is a teacher here. She is also the president of the union for the teachers. She needs to defend them, because she believes the teachers here do an amazing job. She is also a department chair for three different departments at the high school. For the last several years, they have had a zero percent increase in their costs for producing and having their classes. She has also been a part of the negotiations for the last three contracts. Teachers have been frozen, they have not had their wage increase or step increase. The burden of this tax should not fall on the education process, nor should this

become a process where it is one department of this town against another. We are all a town. The teachers of this district support public works, public safety, and the library. They should not be teaching their children to pit each other against each other.

Christine Plourd of 101 Metcalf Road (BOE member): She commented that she tends to be an odd man out on the BOE. She tends to come up with some ideas that are not popular. She addressed Chris on Old Kent Road: *“you are the person that I keep in the back of my mind when I am up there, because it’s not an easy table to sit at.”*

Kate Howard-Bender of 103 Goose Lane (BOE member) – She clarified that there will be two separate referendums: one is for Birch Grove Bonding, and one for the budget. The town needs to advocate with the Legislatures. She reviewed census data. With regard to the BOE’s budget, it doesn’t seem like they could have done anything that would have pleased the Council. The decline in the budget will set the schools in a tail spin. They can get past this if they work together. Give the residents a say about the health of their community.

Ryan Niesyn of Sherry Circle - He agrees with the BOE on getting back the ECS funding. He expects them to fight tooth and nail for that money. If the State of Connecticut is going to take money out of his paycheck for education, he wants that money to come back to his town, to educate his kids and his neighbor’s kids. Since this is about compromise, any additional monies over last year’s budget, he is not on board with for the BOE side. With regard to the town side there needs to ways to cut other things from the budget. He spoke about take-home vehicles. He is going to be the voice of the working poor in the State of Connecticut. As an individual he makes good money, as a family of four he doesn’t. He is living pay check to pay check. He can’t do a 5% increase. Tolland does have great schools. We need to make the painful cuts to get by. Then, when the State of Connecticut hopefully turns around and is able to give more money back to the town, we can look to funding the school better and other town programs.

John Crickmore of 31 Cook Road - What is the estimated cost of the fire station?
Mr. Werbner said it wouldn’t be more than \$3m.

He said people who don’t approve of a budget don’t necessarily hate the BOE, dislike the Superintendant, or think the BOE sucks. People vote yes or no for different reasons. He tries to educate himself on things, and he doesn’t agree with the budget. He met with the Superintendant this week, and although he respects some things that he wants to do, they do not agree on some things. He is a taxpayer, he has a child who will attend the schools, and he’s a business owner. He appreciates the Council who is in charge of looking at our current and future problems. He also respects the BOE’s budget process as well, but he doesn’t believe they need to look out as far as the town does. He thinks it’s time to make the tough decisions. He can’t support the 5% increase. He can afford it, but he knows people in this town that can’t. As a community, we should be worried about everyone. He is asking that the Council be the voice for all the residents, and the entire community.

Susan Bezzina 32 Deer Meadow Road – She had previously taught in all of the Tolland schools. She spoke about transporting her art supplies to different rooms in order to have class. When teachers were cut, she was teaching 600-700 students a week. The list of what they have cut is unbelievable. What they have now is not what they had 20 years ago.

Deb Goetz of 176 Kate Lane - She thanked Mr. Werbner and the Council. She supports what they are trying to do, but would like to see a little more go towards the BOE. She wanted to point out that the BOE budget is not being cut. Their requested increase is being reduced, but their budget is not being cut. With regard to the teachers, they are getting 3.46% next year, they received 3.18% this year, and there is \$559,075 in contractual increases in the budget. So, she does believe they are getting their increases. The student population is expected to decrease by 127 (projected). The BOE has had time to negotiate and to compromise. She is glad to hear they now want to compromise. She expected it at the joint meeting, but she was disappointed when there was no talk of compromise. She asked the Council to give them a little more, although she is happy with the 2.75. She is worried about the 5.17%, because she wants to vote yes for Birch Grove, but if she is looking at 5.17%, and \$46m for Birch Grove, she doesn't know what she will do.

Ms. Moran corrected Ms. Goetz's statement. The teacher's are not getting a 3.46% salary increase. That is wrong information.

Dr. Willett said there is a salary increase for next year. Per the contract, which his on-line for viewing, Year one: 2.5%; year two: 3.21%, and year 3: 3.46%. (It is 3.46% over three years).

Betsy Feury explained the process.

Liz Costa of 54 Josiah Lane - The Council and the BOE has spent months on this budget. She asked them to allow this to go to referendum. If it gets voted down, make the cuts then.

Michelle Harrold of 256 Mountain Spring Road (BOE member) - We can't take out our financial problems on the kids. With regard to the ECS funding, they can't depend on that money being in the budget, because if they need to reduce their teachers, they need to tell them now. She spoke about how the programs are benefiting the schools by having fewer students going to magnet schools next year. Also, an \$800,000 cut in the budget is a cut, because they do have contractual increases. She thanked Mr. Werbner for his work.

Caroline Grant of 21 High Ridge Drive - She came to Tolland for the school system. If we allow our school system to be degraded, it is going to affect the home values. She doesn't want to pay more taxes, but it is part of being a community. Although 5% is high, maybe it can be compromised. Bring it to the community to decide.

Joshua Urratia of 72 Pepperwood Road - He didn't move here because of the school system. He does have three children. One is in the school system currently, and another should be entering next year, although he can't guarantee he'll keep them here. It is not the only reason to move into a town though. There are so many factors as to why people move into a town. It is not just about the school system. There are so many things that go into

running a town. They need to see where they can make cuts and plan for the years to come. Let's try to be civil.

4. **Adjournment:** David Skoczulek moved to adjourn the meeting; Seconded by Brenda Falusi at 9:25p.m. All were in favor.

Steven Werbner
Town Manager

Michelle A. Finnegan
Town Council Clerk