

BUDGET MEETING MINUTES

TOLLAND TOWN COUNCIL ZOOM REMOTE MEETING March 23, 2021 – 6:00 P.M.

MEMBERS PRESENT: Tammy Nuccio, Chair; Steve Jones, Vice Chair; Brenda Falusi, Cassandra Forsythe, Lou Luba, John Reagan, Kurt Schenher

MEMBERS ABSENT: none

OTHERS PRESENT: Michael Rosen, Town Manager; Lisa Hancock, Director, Finance & Records/Treasurer; Mike Wilkinson, Director of Administrative Services; Scott Lappen, Director, Public Works; Dr. Walter Willett, Superintendent

1. **Call to Order:** Ms. Nuccio called the meeting to order at 6:00 p.m.
2. **Pledge of Allegiance** - recited
3. **Moment of Silence**
4. **Consideration of the Town Council's Proposed FY 2021-2022 Budget**
Mr. Rosen introduced this item.

Mr. Rosen reviewed the numbers proposed in the Town Manager's budget: Town Government, \$12,655,147; Board of Education, \$41,000,289; Debt Service \$4,650,000; Capital \$167,946. The total was \$58,473,382 which would require a mill rate of 37.31 to support or 1.26 mills increase or a 3.5% mill rate increase.

It is now up to the Council to deliberate on this and/or make any amendments.

Mr. Luba asked if the Council has information on the Board of Education budget as far as the increases over the past 10 years. He noted that he has the figures but would like to verify the information. Ms. Nuccio responded that the operational costs are in the budget book for 2009-2022.

Mr. Jones commented that he is strongly in favor of moving forward with the Town Manager's proposed budget. He believes a solid budget was provided that the Town Manager reasonably believes will pass at referendum and maintains the town's sense of solvency. Mr. Jones added that he respects and would be willing to consider the 3.19% for the Board of Education. He has spoken to a number of Board members and they stand by their vote even with the changing federal guidelines. In terms seeking a compromise, he supports the Town Manager's proposed budget.

Ms. Falusi commented that she fully supports the proposed Board of Education budget. She reviewed months' worth of meeting minutes and meetings as well as the work of the Superintendent, staff, and the Board of Education. She explained that she cannot, in good conscience, go below what they proposed. She added that the school system is in the midst of a pandemic and needs a proper response and recovery and the proposed budget will get them through it. Ms. Falusi commented that she spoke to a number of residents and many e-mails have been received in support of the budget. She believes the Council needs to listen and go with the budget proposed by the Board.

Mr. Luba commented that he reviewed the information in the budget book. He explained that he is basing today's decisions on many items including his discussions with Dr. Willett, the e-mails in which Dr. Willett responded to Mr. Luba's questions, and the information provided in the FAQs. Mr. Luba added that he spoke with Chief Littell regarding his needs and those of the Fire Department and the Department of Public Safety. Further, Mr. Luba noted that he spoke with Mr. Rosen regarding the issues and needs facing the town. Mr. Luba commented that while he understands the significant work put in by Mr. Rosen, Dr. Willett, and the Board of Education, he cannot support the budget that has been put forward by Mr. Rosen. Mr. Luba explained that with the increase put forward, it is in excess of a 3.2% increase which he cannot support at this time. He added that there are many factors that should be considered including that any increases made on a yearly basis to the Board of Education budget, unlike other town departments, becomes the starting point for the following year. The Town Council has already set aside a COVID fund to address the needs of the Board of Education and it is a discretionary fund. Further, the town has a savings fund so if there is a specific

need/emergency within the town, money can be pulled from it. Further, a number of federal funds are coming in related to COVID expenses and the response. Mr. Luba added that they need to look at long term planning for both the town and the Board of Education. While they are trying to look long term and anticipate items for capital spending, they need to look at planning for long term normal expenses. He cited the example of not replacing items all in one year that could be staggered over a period of time. Mr. Luba commented that the greatest concern, looking over the past 10 years, is that any budget that has gone over 3% has never made it through referendum on the first try. The average budget passed by referendum is usually 2.5% or 2.6%. He does not want to put forth a budget, not have it pass referendum, and then have to start the process again delaying funding to departments. He added that the town has repeatedly spoken that it will not pass a budget over 3% and this budget as presented is over 3%. Mr. Luba explained that he would like the Council to work to come up with a budget under 3% that can be put forward in good faith to the town showing it has done its due diligence. He noted that the Board of Education and the Town Manager have done their due diligence and the Council needs to see if this is something it can support and moreover that the town will support.

Mr. Schenher inquired about the Capital Budget. In regard to Public Works, they discussed moving 2 of the lawn mowers into next year's Capital Budget and he asked if this is the plan. Mr. Rosen responded that there are 4 mowers in the Capital Budget for next year in the amount of \$55K. They are all being replaced next year via borrowing. Mr. Rosen added that if there are funds remaining in June, they would be willing to buy 1 or 2 out of this year's money.

Mr. Reagan commented that from his perspective, the last year has been defined by the pandemic. They have all had struggles and everyone has suffered to a certain degree from the pandemic. While they are starting to come out of it and things are starting to get back to normal, they are not out of the pandemic yet. Thus, he believes people are still struggling and there is federal assistance available for people, districts, and towns. Mr. Reagan would like to take this into consideration and see if the Council can sharpen its pencils and drive this budget below 3%. He added that he feels he owes it to the people who voted for him over the last 2 elections. He does not feel he was elected to pass a budget that would be one of the highest in years.

Ms. Forsythe commented that she agrees with Mr. Luba and Mr. Reagan and noted that she likes the points made by Mr. Schenher. She believes they should try to stay below a 3% increase based on past referendums.

Ms. Falusi commented that they keep speaking about the recently approved federal funds. She asked if they have any indication what they will be, the requirements for spending, and if the funds would be only for COVID-related items. Would the funds be for responding to COVID or recovery? She explained that she does not know the amount or what they would be allowed to spend them on, and it is hard to tell people in the schools that they will need to deal with cuts to services. Ms. Falusi commented that they need to provide for people whose services will be cut. She commented that to pit the mill rate against needed services is terrible in her book and does not do justice to the community. She added that it hurts the most vulnerable population. Mr. Rosen responded that they have not budgeted to use the American Rescue Plan in next year's budget because it is not yet tangible. They have not yet received official guidance, and nothing has been finalized. He noted that he has seen some numbers for Tolland, but they have fluctuated. Mr. Rosen explained that they have budgeted conservatively to ensure funding for items such as cleaning and overtime costs. These are still included as town expenses; however, if it materializes, they will program those expenditures to that money. He noted that he does not know the nuances of what is eligible but believes they are for COVID and revenue replenishment on the town side. Ms. Falusi commented that she is not comfortable looking at historically what the town has voted for for a budget and pitting the mill rate against the needs of the most vulnerable populations. They need to provide services to residents. She commented that services have been shrinking and the ask for the town staff has been increasing over the years when budgeting does not fulfill the needs of the town. Thus, she will not vote for anything below what was requested by the Board of Education and what the Town Manager has presented on the municipal side.

Mr. Luba commented that he believes they have provided for the needs of the most vulnerable. Further, Mr. Rosen and Dr. Willett have said that they have provided for those needs. While they, and every town, can always do better, they are providing for the needs and providing exceptional services to both students and town residents. Additionally, based on the projected budget of the Board of Education, there are still dollars available for needs. Money has been set aside in the COVID fund that the Council can use. Specific restrictions were not put in place. As long as it is something that is tangentially related, the Council can provide the funds if needed by the Board of Education. Approximately \$1.2M is available and even if they do not take into account the \$1M still left in the Board of Education budget, there is still

\$200K or more that has been set aside by the Council that would offset any cuts. Mr. Luba commented that in regard to the town budget, there is always room to see where operations could be streamlined and ensure the most efficiency. Further, there are enough savings available so if there is a significant need, not included in the town's budget, the Council can appropriate funds to offset it. This was done last year by using \$600K to offset a tax/mill rate increase. Lastly, based on Department of Labor statistics released this week, unemployment in Tolland is twice what it was last year. Even though they are on the road to recovery, they still have twice as many people in Tolland who are unemployed and may not be able to afford even the most minimal increase. Those people also need to be considered and may not be able to afford a minimal \$40 increase.

Mr. Jones made a point of clarification. He believes a budget of 3% did pass. Second, in regard to supporting the Town Manager's budget, they did not pass a mill rate increase last year so they should consider what is being presented is over the past 2 years recovery, recouping, and reclaiming what they tried to do for those in need last year. The 3.5% is really 1.75% over a 2-year period that is being proposed that provides for short-term and long-term impacts. Mr. Jones asked Dr. Willett if the budget is further decreased what impacts can be expected and if it structurally changes staffing and programming. Dr. Willett responded. He cautioned that they are receiving the ESSER II and III funds, but they come with strings and this is a 3- or 4-year thing for the Rescue Plan Act. He understands that the Council has as difficult thing to do, and the Board of Education has worked hard to put the 3.19% together. At this point, it is the Council's burden on how to move forward. Dr. Willett explained that he cannot comment on what would be reduced unless he knows exactly where the reduction line is set. Everything has an impact, but he respects the process and while they hope for the 3.19%, they are listening to where the Council lands this evening. Mr. Jones asked Mr. Rosen if they budget for 2 referendums. Mr. Rosen responded that they do budget for 2 and they cost about \$6K each.

Ms. Falusi commented that there are limits on some of the buckets of money. She cited the example of the 1% fund. While she appreciates the feeling that there is money that can be used, this is not what is happening or the money would have been put in the budget and been used. She commented that there is no changing minds here and that she sees where it is going. She recognizes the unprecedented way the town staff performs duties – they go above and beyond and sacrifice personal time to provide exceptional attention to the town and residents. Ms. Falusi commented that she believes it is time they start to provide the fiscal means for the town staff to address the services that are needed.

Ms. Nuccio commented that she has had many conversations with people including those on her side, the Vice Chair, Mr. Rosen, and Dr. Willett and looked at different options and scenarios as well as the information provided by Mr. Rosen on the mill rates. Further, she has looked at unemployment, spoken to many people in town – some who support and some who do not. She respects all the work that went into the budget and understands what a budget document is, what it is built on, and understands the revenue side. Given the review, she would like to see the budget right underneath 3%. Ms. Nuccio explained that it is not an arbitrary selection. She has reviewed where she believes there is money in the budget that has not typically been spent in those areas and dollars left at the end of the year. After looking at the analysis, she is comfortable with the Council going with a 2.95% budget if possible. From the perspective of the capital side, they discussed the lawn mowers and if there is money left at the end of the year, they may purchase some so the expense may be staggered and so it is not a hit to replace them every so many years at the same time. She noted that the fire station is also in the Capital Budget. Ms. Nuccio commented that she has numbers if they would be useful to anyone or she can explain how she arrived at the number but overall, at least from the majority side of the Council, this is where the members are comfortable with the number. The 3.5% is too big of an ask when they know dollars are coming from the federal level. The numbers have stabilized over the past couple of weeks and Ms. Nuccio believes they know about what the school and municipal sides will be receiving. They have seen the preliminary language on what the funds can be used for. Ms. Nuccio commented that they would be doing a disservice to the town by not utilizing the money that the town will receive from the federal government in the best way possible. She believes that with a 2.95% they will still be able to achieve everything the budget needs. They will utilize the money from the federal government to offset some increases and if there is money remaining at the end of the year on the school side, she is in favor of looking at putting some into a COVID fund to offset expenses for next year. If there is money left on the town side, they can look to do things such as purchasing lawn mowers and things to alleviate pressure from the budget. A 2.95% would be approximately a 2% increase on the Board of Education side and approximately a 1.6% increase on the town side. After a review, she believes they can get to this and keep the new position of the grant writer and the money for the library. She has spoken with Dr. Willett who has been understanding and forthcoming regarding the 2% increase. Ms. Nuccio commented that she is fairly confident that the schools will get

everything they need, or close to it with this and by utilizing the money left at the end of the year, hopefully create another savings for COVID.

Ms. Falusi commented that Ms. Nuccio has looked at what the professionals – the town staff- have come up with and she decided what the town needs and that there were more cuts to be made and that they could achieve all of the needs with less support. Ms. Falusi commented that before voting for this, she would need to see a breakdown of what Ms. Nuccio feels could be cut and how it would impact the services to the town and if it would negatively impact the response and recovery to the pandemic. Ms. Nuccio responded that she can sit down and review it with Ms. Falusi. Ms. Nuccio explained that she looked at the numbers, the different contingencies, the actual trend over the last few years where dollars were not spent, and asked questions. Given this, she feels there is money that can be removed and if there is an emergent issue, there is an opportunity for the town to ask for funds rather than building in contingency that she does not feel is fair to ask town residents to pay for without a direct need. Ms. Nuccio noted that she is confident in her number and feels they will be able to provide for the needs of the town with a 2.95% increase. Ms. Falusi commented that Ms. Nuccio offered to show the numbers and asked her to do so. They saw everyone else's line-by-line budget and if there are cuts Ms. Nuccio would like to make, Ms. Falusi would like to see what services are being impacted before making an informed decision on the budget. She added that others would like to see it as well. Ms. Nuccio presented the data for the town side. This included \$50K of cuts that do not impact a single service. Based on actuals, there were dollars that have not been historically spent when looking at the last 3-year trend. Further, she looked at contingencies across the board and the opportunity to bring someone in with COVID funds and reductions in overtime as well as other contingencies. Ms. Nuccio noted that for details, one would need to look at the Budget Book. Ms. Nuccio commented that she is asking Ms. Falusi to vote based on the meetings that have taken place and questions she has asked. Ms. Nuccio explained that this is her reasoning on how she is voting and that she is asking Ms. Falusi to vote how she wants. Ms. Nuccio explained that this is her opinion based on her professional review and coming up with what she believes is logical. Ms. Nuccio commented that Ms. Falusi can vote her conscience. Ms. Falusi commented that Ms. Nuccio offered to show them the information so they could come to an informed decision and she is giving her the opportunity to do so. Ms. Nuccio responded that in 20 minutes she cannot review a 380-page document which has been reviewed in multiple meetings.

Mr. Rosen asked that if the town side is reduced, he would like the number. He appreciates the line-by-line done by the Chair but it would be helpful to have the final number so he can discuss it with the department heads. Ms. Nuccio explained that she would not ask them to go off her analysis which was used to arrive at the number where she is comfortable. She is not asking them to make adjustments based on this.

Mr. Luba commented that in looking at the budget they may see some areas that can be cut but that is their assessment. How it is spent by Mr. Rosen and Dr. Willett is in their purview based on their discussions with department heads and staff. Mr. Luba explained that they have identified issues that can be cut but ultimately it is up to the department heads, Dr. Willett, and Mr. Rosen how they do so.

Mr. Jones clarified that whatever is passed, if lower than requested by the Town Manager, staff has the ultimate say of how they will go through the process. He requested that if the budget is passed at referendum, that at a future meeting a summary be provided of what was done by the town to reach that number versus what was proposed. It would be appreciated if the Board would do something similar. Ms. Nuccio explained that usually an amended budget is done but ultimately it is up to the Town Manager and the Board to decide what to do with the money once it is assigned by the Town Council.

Mr. Rosen noted that the 2 draft resolutions will need to be amended since it sounds like the numbers will be different. He requested verification so they could start running the numbers. Mr. Rosen commented that his understanding is that the mowers are bonded and would not impact capital. Ms. Nuccio confirmed that this is correct. Ms. Hancock commented that she believes Ms. Nuccio is around \$80K. Ms. Nuccio confirmed this is correct. Ms. Hancock explained that with the WPCA they planned on phasing in some money this year so it would not hit taxpayers as hard as time went by. Next year, they planned to phase in some money and then \$30K. Thus, Ms. Hancock explained that her thought is to use the \$30K from the WPCA budget, cut the general fund portion that is put into capital by \$30K, and then either look at settlement money or other funding and phase in the impact on the taxpayers. The rest would have to come out of the general fund budgets and the Town Manager would work on where to cut it. Mr. Rosen explained that they would reduce the town government proposed number by \$50K and the reduce the capital budget by \$30K. Ms. Nuccio explained that it would be \$170K on the Board side which would get it to a 2% increase. Ms. Hancock

explained that a 2% increase on the Board side would be approximately \$181K. Ms. Hancock noted that \$2,500 was to be added back to the library. Based on her numbers, Ms. Hancock calculated that this results in a 2.94% with a 1.06 mills increase. The mill rate would be about 37.11. Ms. Nuccio confirmed that the Board of Education would be at 2% and the Board operating budget would be at 1.9% and the capital would be minus 28.36% and debt would be 1.09%. The total overall budget increase of spending would be 1.81%.

Mr. Luba verified that the 2% for the Board is higher than it has been for the past several years.

Mr. Rosen addressed agenda item 5.

Ms. Hancock provided the following information: town operating budget, \$12,607,647, 1.9% increase; education operating budget, \$40,819,289, 2% increase; debt service, \$4,650,000, 1.09% increase; capital improvements, \$137,946, 28.36% decrease. Total budget: \$58,214,882, 1.81% overall spending increase, a mill rate of 37.11 which is a 1.06 mill increase or 2.94%.

Mr. Luba motioned to adopt the budget as set forth by Ms. Hancock in the summary just presented.

Mr. Schenher seconded the motion.

Discussion: Mr. Rosen clarified that the motion in the packet has a "further resolved" section as well that talks about the public meeting on April 19th. Mr. Rosen requested that the motion capture both halves.

Mr. Luba withdrew the motion.

Mr. Luba motioned to adopt the budget as set forth by Ms. Hancock and to set it down for a public meeting on April 19th at 7PM.

Mr. Schenher seconded the motion.

Discussion:

Mr. Jones commented that he cannot support this budget as proposed. He would have rather gone ahead with the Town Manager's proposed budget to go to the public at referendum. That said, when it comes to May 4th, he will vote in favor of the budget knowing that if it does not pass that he has concerns that it will continue to be cut impacting hiring prospects and long-term planning for both the Board and the town. He added that he will willingly work in a bipartisan manner with any Council members if they want to advocate for this budget and he will go to task on social media and in social circles explaining why people should vote "yes".

Ms. Falusi commented that she cannot support this budget. She believes it does a disservice to the most vulnerable in the community. She thinks it means the school will have a harder time recovering from the pandemic. Some students have at least 9 months before they can be vaccinated and those will be the youngest populations. It is a long process and is nowhere near completion. Ms. Falusi explained that to not provide the town with the revenue it needs to be able to address services is unconscionable to her. She apologized to everyone who will be negatively impacted by the budget and appreciated everyone who has reached out to her.

A roll call vote was taken.

	Yay	Nay	Abstain
Falusi		x	
Forsythe	x		
Jones		x	
Reagan	x		
Luba	x		
Schenher	x		
Nuccio	x		

Motion passed 5:2.

5. **Approval of Budget Resolution**

WHEREAS, the Town Council has reviewed the Town Manager's proposed budget and has made certain modifications to estimated revenues and expenditures, the details of which will be properly incorporated into the total budgetary document by the Town Manager and Director of Finance and Records;

NOW, THEREFORE, BE IT RESOLVED, by the Tolland Town Council that it hereby adopts a FY 2021-22 Town Operating and Capital Budget in the amount of \$58,214,882 to be appropriated as follows:

CATEGORY		TOWN COUNCIL AMOUNT
Town Government		\$12,607,647
Board of Education		\$40,819,289
Debt Service		\$4,650,000
Capital		\$137,946
TOTAL		\$58,214,882

Said appropriations shall require an increase of 1.06 mills for a mill rate of 37.11.

BE IT FURTHER RESOLVED, that the Town Manager, pursuant to the requirements of the Town Charter, is authorized to advertise this budgetary outlay as part of the April 19, 2021, Annual Budget Presentation Meeting held remotely at 7:00 p.m.

6. **Approval of a resolution authorizing the form of the ballot for the May 4, 2021 budget referendum and any subsequent budget referendum; the time and place for the budget referendum; authorizing the Town Manager or his designee to place the required legal notices in the local newspapers; and authorizing the preparation and printing of an explanatory text and the mailing of same to local residents and in addition sent out via the Town's Tolland Notification system and included with absentee ballots in accordance with the provisions of CT General Statutes 9-369b explaining the budget referendum question.**

Mr. Jones motioned:

WHEREAS, the Tolland Town Council has adopted a proposed FY 2021-2022 Town Operating and Capital Budget to be considered by the Tolland electorate at a May 4, 2021 budget referendum; and

WHEREAS, the Council must now establish the appropriate ballot language for this referendum and the date, time and place of said referendum;

NOW, THEREFORE, BE IT RESOLVED by the Tolland Town Council the following:

1. The ballot question for the May 4th referendum shall be worded as follows:

"Shall the Town of Tolland's proposed 2021-2022 budget of \$58,214,882, reflecting a spending increase of \$1,032,385 or 1.81% which requires a tax rate of 37.11 mills for an increase of 1.06 mills or 2.94% be adopted? Yes/No."
2. The time and place for the referendum shall be between the hours of 6:00 a.m. and 8:00 p.m. on May 4, 2021 at the Recreation Center.
3. The Town Manager or his designee is hereby authorized to place the required legal notices in the Journal Inquirer and other places as conditions permit, advertising the May 4, 2021 Referendum and the April 19, 2021 Remote Annual Budget Presentation Meeting.
4. The Town Manager or his designee is authorized to prepare and print an explanatory text and the mailing of the same to local residents; to be included with absentee ballots and documented via the Town's Tolland

Notification system in accordance with the provisions of CT General Statutes 9-369b explaining the budget referendum question.

Mr. Schenher seconded the motion.

Discussion: none

A roll call vote was taken.

Motion passed unanimously.

4. **Adjournment**

Mr. Jones motioned to adjourn the meeting at 7:01 PM

Mr. Schenher seconded the motion.

A roll call vote was taken.

Motion passed unanimously.

Respectfully submitted by,



Lisa Pascuzzi
Town Council Clerk

Town Council Chair