

SPECIAL MEETING MINUTES

TOLLAND TOWN COUNCIL TOLLAND HIGH SCHOOL - AUDITORIUM August 29, 2017 – 7:30 P.M.

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TOLLAND, CT

2017 AUG 30 AM 8:42

Shelia M Bailey

MEMBERS PRESENT: Rick Field (Chair); Bill Eccles (Vice Chair); Kristen Morgan, David Skoczulek, Paul Krasusky, Robert Green

MEMBERS ABSENT: Joe Sce

OTHERS PRESENT: Steve Werbner, Town Manager; Mike Wilkinson, Director of Administrative Services; Dr. Walter Willett, Superintendent

CALL TO ORDER: The meeting began at 7:30P.M.

1. ANNUAL BUDGET PRESENTATION

- 1.1** Pursuant to C9-9 of the Tolland Town Charter, the Town Council shall arrange for an annual budget presentation. The annual budget presentation is intended to provide information and encourage public discussion.

The Chair reviewed the presentation. It was posted on the screen and full copies were available for all in attendance. He added on item 2 that there will be a bulky waste pickup in October. He thanked everyone for attending this evening's presentation and noted that it will be repeated tomorrow at the Tolland Senior Center at 12:30PM.

The Chair explained that in regard to the referendum vote, if the State comes up with a budget or other information, the budget process may be stopped before the vote. Once voted upon, the referendum will need to be put out to vote until a budget is passed. Adjustments may then be made once the State provides its budget.

The Budget Referendum is scheduled for September 19, 2017.

2. PUBLIC PARTICIPATION

A resident requested an update of what has been cut from the schools. *Dr. Willett responded that the school system had reduced 13 positions and that number is now 15. The BOE and Town Council have worked together to create a situation where the schools can be opened and the resources that Tolland has benefited from for many years can be maintained. If the budget was to go down at referendum or the State budget was to come out worse, reductions would rise exponentially. He added that a number of non-personnel items were reduced as well such as professional development curriculum.*

In regard to the last question, a resident asked what type of personnel and what cost. *Dr. Willett responded that he would have to get the dollar amount but the positions included: 10 teachers and 3 support staff. Total reductions from the BOE adopted budget of 2.14% to the \$38,340,608 is \$1,835,352.*

A resident inquired if the teachers agreed to give up any part of their raises. *Dr. Willett responded that he expects to have an answer after meeting with the TEA (Tolland Education Association).*

A resident asked Dr. Willett if any wholesale programs have been cut. *Dr. Willett explained that there has been an impact on some course offerings from the standpoint of edging back a bit of the competitiveness. If there are no further reductions they can avoid losing programs.*

Kenny Trice, 53 Doe Run, commented that this is a difficult situation for everyone. He inquired if the worst case scenario is realized and the State takes more money from the Town, what would be the plan and impact. *Dr. Willett responded that the worst case scenario would be the executive orders by Governor Malloy that reduces ECS funding by \$8.2M from \$10.7M. He explained that that scenario, which no one in Tolland wants to consider and why he is encouraging people to contact their legislators, the school system would be decimated. A reduction of \$8.2M would necessitate the elimination of 50-60 staff and essentially a year of schooling would be lost due to the modifications to schedules. Tolland would need to look at regionalization in a very short time span. It would be irresponsible to ask for the reduction of so many staff in a single year.*

Tammy Nuccio, 71 Webber Road, agreed that she did not believe a reduction of \$8.2M would come to fruition this year, she thinks it is coming based on Governor's report of municipality spending over the past 10 years. Further, when looking at the trend of spending over the past 10 years, the State cannot sustain paying such amounts to municipalities without imposing a drastic state tax. She believes the Town will get something. That said she asked what is on the slate, when looking at programs that have been added over the last 10 years that can be eliminated or reduced to get spending down for next year for optimization in savings on both the BOE and Town sides of the equation. *Dr. Willett explained that the MBR, which is reviewed every 2 years, was established to ensure reasonable reductions in spending. A reduction of \$8.2M is just irresponsible. In regard to making adjustments, a consulting group is looking at consolidation of THS and TMS and the State is looking at changing graduation requirements that would allow for more flexibility. He added that one needs to consider that a school system is a valuable piece of the community. The State is pushing for regionalization and there will be winners who will bring tuition into their district and those who lose that tuition along with the spending in the respective towns that comes with having staff and students in town. Looking long term, he believes the district needs to look for as many efficiencies as possible and create programs that provide cost avoidance as well as those that bring in revenue. A robust and dynamic system that brings students to Tolland will support the local economy while not putting as much of a burden on the taxpayers. He added that any recommendation of reducing \$8.2M is abuse but the district could take modest cuts over a span of 3 years. The State thinks some towns have too much money and believes this is because they have received too much ECS funding allowing them to build a fund balance. In turn, it wants to create a situation where that is no longer possible. The only way to offset this is to create new ways to raise revenue and look at how the district can walk its way down to a level that works. Ms. Nuccio, in regard to walking it down, asked if they are looking for the optimizations now and looking at how they can reduce fat and redundancies. Dr. Willett responded that they are doing so. They need to do so without crippling the district's ability to keep its level of service and put into place tuition bearing and cost avoidance programs.*

Liz Costa, 54 Josiah Lane, commented that she hopes that with all the work the Town Council and the BOE have done that the budget will pass. She suggested that the presentation today is extremely

prejudicial to the budget not passing by including anything from the Town Manager's perspective on the fund balance and the recommended practices. The budget being put forth uses the fund balance. She recommends taking that information out of the presentation. She asked what projects will be done and the sources of those funds. Additionally she inquired what portion and how much of a portion is being set aside for administrative changes in public safety. *Mr. Werbner explained that the capital improvement projects are outlined in the capital section of the budget. A number of school projects and others are being bonded while fire equipment is coming from the fire account. None of the funds being used are associated with the general fund. In regard to the administrative changes in the Fire Department, they are very minor in regard to the amount of money. It will allow each of the Public Safety Officers to pick up a small additional administration portion so they can provide assistance to the Fire chief. This is from the savings from the elimination of the Assistant Public Safety Director position.*

A resident asked Dr. Willett if they are seriously looking into closing a school. He added that he hopes this is the case. THS is now operating at 30-40% capacity. Ten years ago there were 3,000 students in the school system and the district is losing 70-100 students per year with 2,250 current students. With 1,700 projected in the next 5-7 years, how can they justify keeping 4 schools open? *Dr. Willett noted that currently there are 2,642 students and this is something they are examining. He explained that a DRA study was done which determined that schools could be effectively combined in 2022 and proposals for options as well as expenditures which would be necessary. This year they are looking to see if they may be able to bring TMS into one of the wings of THS. He added that they have reduced many administrative positions. For information on the DRA study, visit www.tolland.k12.ct.us, click on Superintendent's Corner, click on Budget, and then click on FAQ.* The resident then commented that in regard to a 7% increase there are a lot of seniors in Town. He went to Tolland schools as did his children and he understands. The other extreme is that those who are lucky are getting a 1% increase in social security. The 7% forces more people out of Town. If they had kept a "cute" Town, 99% of the people would not be here. Tolland is a great place and he does not know why route 195 is not built all the way to UConn from the highway – many opportunities were missed and this is why this is happening to the Town. *Dr. Willett understood. The State is going to extract something from Tolland no matter what and it is up to Tolland to decide how deep that will be thus the referendum. They need to think about how to offset the impacts in the school system via cost avoidance and bringing in revenue.*

Deb Goetz, 176 Kate Lane, inquired as to the kindergarten enrollment this year. *Dr. Willett approximates it to be 142 with about 18 students per class. He tried to make the reductions at the higher levels.* Ms. Goetz commented that Dr. Willett has stated that 5 students support the salary of one teacher and asked about the tuition rate. *Dr. Willett responded that the current per pupil expenditure is \$14,495. There is an exponential return when you have a tuition bearing program in the school.* Ms. Goetz asked if he expected to get that much. *Dr. Willett expects to get that amount or more. On the website he has provided scenarios with varying dollar amounts. There is a greater benefit of having tuition bearing programs than an erosion of services.* Ms. Goetz inquired as to how much the district expects to get from the Open Choice Program this year. *Dr. Willett explained that there are 3 kindergarten students coming in at a rate of \$8,000 each for a total of \$24K. The Town will not have to pay for any special education or transportation costs for those students. Additionally, the program will provide the district with resources such as professional development.* Ms. Goetz asked what the savings will be this year from cost avoidance. *Dr. Willett explained that in regard to the LEAP program, the average cost of one outplacement is about \$69K and it can go up to*

\$164K. Further, transportation is \$10K-20K per student. Thus the cost avoidance is about \$60K per child. The purpose of the program is to provide a better program for students and have them stay in Town. Currently Tolland spends \$2M more than similar districts on outplacements. Ms. Goetz commented that she does not believe the Town will lose \$5.4M and it has indicated that once the fund balance is paid off, the Board will receive up to its original 2.14% if there are sufficient funds. She inquired if that is needed since they are avoiding costs with LEAP and other programs. Dr. Willett explained these programs save millions of dollars in the long run. If abandoned, in a few years they will have the same problem/situation.

A resident commented that people want to know the numbers and added that Dr. Willett is providing answers without presenting the numbers. The public wants to know the savings. Dr. Willett has only presented that teachers are being cut making it sound bad and scaring people. He noted that teachers are valuable but no one has heard anything about cutting expenses on maintenance or sports fields. There is discussion regarding combining schools. Could they start by combining sports fields to save on maintenance costs? He has a problem with seeing a 7% tax increase which will equate to an additional \$2K expense for him because the district is not willing to make any cuts other than teachers. He hears that many people do not want to pay more for "pay to play" and asked how many students pay for "pay to play" and the cost. *Dr. Willett responded that it is approximately 600 students, about 400 play more than one sport. The district collects approximately \$195K of the \$400K+. The resident suggested doubling the "pay to play" – it will still be less of a burden on people's pockets than the tax increase on the smallest home in Town. Dr. Willett noted that this is listed on the next level of reductions. People are opposed to this because there are families with multiple children. The district has one of the highest pay to participate fees. By combining the TMS and THS (schools) a couple of hundred thousand dollars would be saved and cited the difficulties in finding a use for the former Parker school. He noted that the Town covers some of the maintenance costs of the sports facilities. The resident asked if it was correct that with tax and mill rate increases even fewer people would be interested in the TMS property if the schools were combined. Dr. Willett replied that he has a point and the Town is facing many challenges. The anger should be directed to the legislators who are taking a vacation while the Town is looking at an \$8.2M hit to ECS funding. The resident asked how people would see Tolland that built 2 new schools because it had too many students and is now looking to close a school. They are closing the schools he attended. It looks like the Town was not looking at the future. Attendance has gone down because taxes have gone up because the housing market is dead because people are moving out. It is a revolving problem and the only solution being provided is cutting teachers to make it sound like it is worse than it is instead of saving money where it can be saved. Dr. Willett responded that he has tried to find ways where it is not put on the shoulders of taxpayers. Enrollment has gone down across the state. The residents stated that currently it is on the shoulders of the taxpayers with a 7%+ increase on the referendum. Today's meeting is about the budget and the only reason taxes are going up is because of the BOE. He explained that he is asking questions on where the BOE can save. Mr. Krasusky commented that what he is saying is not true and asked that the meeting move on.*

Mr. Eccles clarified the question posed by Ms. Goetz. If there have been cost avoidances/savings in the school system, does the district still need the full 2.14% increase? *Dr. Willett explained that they have adjusted downward to get to the number they were asked to reach. The 2.14% had reductions. Is it needed? He could put the reading and math support back and build up RTI and SRBI programs. This was all presented during the BOE budget workshops.*

A resident inquired why the Town and BOE need a tax increase every year. *Dr. Willett responded in regard to the BOE. Contractually there are a large number of personnel and each year there may be increases related to their contracts. If requested, he can provide data on the pay rate for Tolland teachers vs. those in other districts. They do receive a competitive wage. The 1-2% zone is the cost of business for competitive salaries. Mr. Werbner explained that in regard to the Town, it is -2.5% in expenditures and for a number of years it has been at 0% or less. They have tried to economize where possible. The Town has primarily three pockets of money: public safety, public works, and solid waste. For a change to happen it is about how much tolerance there is to lessen services. They have eliminated bulky waste over the years and reduced public safety by 50%. It is not sustainable to present a 5% or 7% tax increase year after year.*

A resident thanked them for the explanation. The Town is asking for an increase and the residents are getting less and that is a big reason people do not want to vote for a 3%, 5%, or 7% increase. Last year we lost services and this year we will as well and there are a lot of things in the works to save money long term but if one keeps raising taxes and losing services they will never save money to get to the long term plans. At some point they need to take a hit and say over the next 3 years we will have a budget of x, y, and z in order to accomplish a specific goal (privatize trash etc.). He added that not to be rude but the BOE needs \$300K in raises and it bothers him. This affects the entire Town and the residents' way of life. They will all win or lose together. In regard to the 2.14%, as soon as the money is available the Board has reasons for why it wants it back and while he understands they are trying to do the right thing, one has to stop and look at living in reality that the money is not there. It is on the Town side as well when you see the Tolland trucks driving around on the weekend which should be parked at Town Hall. It needs to stop at some point if the money is not available. If you are going to raise my taxes, give me something. *Dr. Willett explained that adjustments have been made in the school system since he came to Tolland 9 years ago. Thirty seven staff positions have been reduced. People are trying to make responsible adjustments and he is trying to create tuition bearing programs. The Town needs to be innovative.* The resident commented that Tolland does not have the tax base to keep sustaining tax increases so at some point something has to be lost for 2 years to gain it back in 3 years or they will just keep losing and raising taxes and going in a circle. The Town and the BOE are doing the best they can with what they have but something is not working. *Mr. Werbner explained that what is not working is the entire State of CT. It is in a downward financial spiral and no one has produced a long term plan to show how to pull out of it. There is no way Tolland can react to an \$8M-\$10M loss of revenue over 2 years and be able to come up with pay type programs to offset it without large tax increases. If the State would work with the Town over 5 years it would be a different scenario. It could not be predicted that this would happen this year in this magnitude. When he came to Tolland he wanted to promote diversity of the tax base but even with a home run it will be 90% residential.* The resident commented that if more money comes back everyone seems to want to spend it which does not help the Town's future. *Mr. Field noted that the recommendations for if more money comes back were outlined in the presentation (item 7).*

A resident commented that the BOE's 2.14% budget was never approved by the Town Council. *Mr. Werbner clarified that the 2.14% was approved by the BOE but not by the Town Council. It was brought to the Town Council but the budget process was stopped.*

A resident inquired if the Board still wants more money than it had last year. *Dr. Willett explained that his intention is to ask for less money from the community and to have tuition bearing programs.*

The 2.14% budget was a responsible one in that it included what was needed for the schools. Given the new situation adjustments had to be made. Can he run the same budget for year? The answer is no but he is making plans to run with less. The resident noted that the Town Manager noted that the Town is working with less money but the BOE still wants an increase. Dr. Willett replied that the BOE is getting a 2.5% decrease from 2016/17.

Deb Goetz, 176 Kate Lane, commented that the CT General Assembly is meeting on September 14th and an article said there was going to be a vote. There is pressure to have a budget by September 30th. She asked what it would cost to put the referendum off by 2 weeks. She asked if any of the Town Council members truly believed that the cuts to Tolland's ECS funding would be \$5.4M which the Town's 7% budget increase is based upon. She knows they made the best decision they could when they did but a lot has happened since that time. The House Democrats have a \$1.3M budget cut which is much better than the \$5.4M. She reviewed the Town's charter in regard to sending out tax bills. Why does the Town Council want to commit the residents to something the might not happen? Mr. Eccles explained that they have not had anything to hang their hats on. The timeline was based on the information from the Town Manager in regard to the tax bill. In regard to the \$5.4M, that was the best guess and his crystal ball is no better now than it was then. If something was presented that was much more concrete, then if possible, they should pause and regroup. Mr. Green explained that they are in a situation where they are throwing darts at a wall in the dark with a blindfold on in regard to the budget. Based on his discussions with Sam, he does not believe the meeting on the 14th will produce anything. In regard to the \$5.4M, his crystal ball is murky. If something happens on the 14th he would not be opposed to putting the process on pause if it could be done. The timetable was done so tax bills could be distributed in a timely fashion to avoid a catastrophic cash flow problem. Mr. Krasusky commented that he echoed Mr. Green and the timeframe. In regard to the pressure on the State, they have heard this since spring so he does not feel any credence in what the legislators are doing. He places zero credibility into the September 14th meeting and believes the number may be \$5.4M – they have no other information. Mr. Skoczulek agreed with the others. In regard to rescinding the process, he would need to see something that that Governor would not veto. An actual vote in the House even with the risk of veto might cause the Council to consider putting a pause on the process. The Democratic proposal at least had some town runs. He is not unconvinced they will not end up with the whole \$8.2M. He is hoping for better but the level of dysfunction is absurd. One has to wonder with all the politics being played if the Governor is creating cover for the Legislature so that his budget will pass since he is not running in another election. They have tried to find a middle ground and he hopes and prays something happens before the referendum so they can come up with something that is better for everyone. The next best case is passing the referendum and getting a budget soon thereafter so adjustments can be made. He supports this budget. Ms. Morgan reiterated what has been said. In regard to the \$5.4M figure, she believes it is a possibility and they need to prepare for the worst. They have worked hard to try to make the most responsible decision. This is the information they have to work with. Mr. Field commented that he has no idea if it will be the \$5.4M. In regard to the Democrat's budget, he does not know if the Governor will sign it. He still endorses the budget and doubts that a State budget will be available by September 30th.

A resident commented that BOE budget workshops are coming up. The first one is scheduled for October 18th. These are community participatory workshops that cover short and long term planning. The BOE wants input and she encouraged those who would like to learn more details to participate.

Mr. Werbner addressed the budget in regard to timing. They stopped the budget process based on a Supreme Court decision that said that timetables are discretionary and as long as the process is completed in its entirety the time taken is up to the towns. That said, the Town cannot tweak the current referendum. There are two options. First, they can rescind what they currently have via an emergency meeting and rescind all action and start the process over with a new recommended budget, adoption, public hearing, etc. Second, the community can vote not to pass the budget. If the House adopts the budget on September 14th, the Senate still has to adopt the budget, and then it would have to go to the Governor to be signed. He does not see this happening by the 19th thus they will probably have to have the referendum on the 19th because there will not be any concrete information available. If something happens on the 18th or 19th, he would assume that Tolland voters would reject the budget on the 19th given the new information. The subsequent budget would incorporate the new numbers that would be in sync with the State.

The Chair thanked everyone for coming to the meeting.
He asked that everyone keep Texas in their thoughts and prayers.

ADJOURNMENT: The meeting adjourned at 9:21 PM.

Richard J. Field, Council Chair

Lisa A. Pascuzzi
Substitute Clerk