

## SPECIAL MEETING MINUTES

### TOWN COUNCIL/BOARD OF EDUCATION JOINT MEETING

### HICKS MEMORIAL MUNICIPAL CENTER 6<sup>TH</sup> FLOOR COUNCIL CHAMBERS

SEPTEMBER 19, 2017 - 7:00 P.M.

RECEIVED FOR RECORD  
TOLLAND, CT

2017 SEP 21 AM 9:43

Shirley M. Bailey

**MEMBERS PRESENT:** Rick Field, Chair; William Eccles, Vice-Chair; Robert Green; Paul Krasusky; Kristen Morgan; Joe Sce and David Skoczulek

**MEMBERS ABSENT:** None.

**BOARD OF EDUCATION MEMBERS PRESENT:** Colleen Yudichak, Vice-Chair; Michelle Harrold; Karen Moran and Jeff Schroeder

**BOARD OF EDUCATION MEMBERS ABSENT:** Sam Adlerstein, Chairman; Kathy Gorsky; Robert Pagoni; Susan Seaver and Cliff Vachon

**OTHERS PRESENT:** Steven Werbner, Town Manager; Walter Willett, Superintendent; Lisa Hancock, Director of Finance and Records; Mike Wilkinson, Director of Administrative Services

1. **Call to Order:** Rick Field called the meeting to order at 7:00 p.m.

#### 2. **Budget Discussion:**

Mr. Werbner advised that the Governor came out with a third budget, which was a compromised budget. The Council called off the September 19<sup>th</sup> Referendum scheduled for Tolland. At that time, Mr. Werbner recommended that the new compromised budget be the new floor in terms of revenue estimates for Tolland, because he didn't believe whatever came out would be worse than what he had recommended. Since that time, things have continued to change on a daily basis. That compromised budget is no longer very good in its entirety. The Republican budget was adopted and is before the Governor for a possible veto sometime between now and nine days from now. He has given every indication that he is going to veto it, and he will try to get another compromised budget out. This time, he will involve the Republicans, the Democrats, and his administration. Regardless of what happens Tolland needs to move forward. Some key legislature will be gone for the rest of the month, so there may not be a budget until sometime in October.

Mr. Werbner prepared different scenarios prior to the meeting and reviewed same:

### BUDGET SCENARIOS

#### 1. **Assumptions**

- Used Governor's compromise budget figures (ECS reduced to \$8,810,173 in FY 17/18 and to \$7,398,969 in FY 18/19)
- BOE assessed cost of Teacher Pensions (\$435,915) in FY 17/18

- BOE budget reduced by \$993,340 in FY 17/18
- Town budget reduced by \$343,291 in FY 17/18
- For FY 18/19, BOE FY 17/18 expenditure level reduced by \$464,250 (increased cost of Teacher Pensions in Year Two)
- For FY 18/19 Town expenditures at 17/18 levels
- Fund Balance contribution is \$750,000 in each fiscal year
- No cap on car taxes

FY 17/18	FY 18/19
Mill rate increase – .10 mills	Mill rate increase – 1.33 mills
Percentage increase – .292%	Percentage increase – 3.879%
Two Year Average – 2.08% increase	

## 2. Assumptions

- Same as #1 except Teacher Pension Cost assigned as an increase to the mill rate rather than to BOE

FY 17/18	FY 18/19
Mill rate increase – .45 mills	Mill rate increase – 1.69 mills
Percentage increase – 1.316%	Percentage increase – 4.879%
Two Year Average – 3.09% increase	

## 3. Assumptions

- Same as #1 above except full cost of Teacher Pension (\$900,165) be phased in as a BOE expense over five years with the remainder assessed as a mill rate increase
- BOE Budget is reduced by \$1,173,373 in FY 17/18 for a total of \$38,160,575

FY 17/18	FY 18/19
Mill rate increase – .30 mills	Mill rate increase – 1.55 mills
Percentage increase – .877%	Percentage increase – 4.49%
Two Year Average – 2.68% increase	

- For FY 18/19 BOE FY 17/18 expenditure level reduced by \$180,033 for second year of phased in Teacher Pension cost for a total of \$37,980,542

## 4. Assumptions

- An analysis based off the Republican budget
- They break out an additional Special Education Grant from ECS (no details on the grant itself other than amount)
- Assumed expenditures for Town and BOE would be equal to amount in 16/17 for both FY 17/18 and FY 18/19
- In FY 17/18 BOE budget would be reduced by the increased amount of the Special Education Grant or \$2,286,897 for an amount of \$37,047,051
- ECS is reduced from \$10,784,974 to \$8,412,280

- I am told by CCM that in terms of the Special Education Grant, BOE would be reimbursed on the total cost of Special Education from the previous year

FY 17/18
Mill rate increase – .23 mills
Percentage increase – .673%

- In FY 18/19 the Special Education Grant is reduced to \$1,263,597 but the ECS Grant remains flat. Based on the fact that the Governor indicated he will veto this budget, I am not showing a FY 18/19 impact

**On-Going Concerns related to the Budget, and why Mr. Werbner believes the Referendum should move forward on October 30, 2017:**

- Impact of reduced expenditures on Town and BOE programs
- If no budget by October 1<sup>st</sup>, first quarterly payment of ECS will be off the drastically reduced ECS amount
- Unknown as to what happens if a subsequent budget is approved with higher ECS amounts. Will we ever get reimbursed?
- Cash flow remains a concern – Tax payments are significantly below where they were a year ago at this time due to the half year bills sent out in July
- We need to send out a tax bill for January 1<sup>st</sup> payments and to print bills and need a mill rate no later than December 1<sup>st</sup>
- Growth of Grand List is stagnate and impacted by loss of revenue due to crumbling foundations
- Economic Development if it is to occur will be a multi-year project not impacting the fiscal years in question
- Real Estate market for upper end homes in Tolland is slow
- We need to plan our budget for at least two fiscal years
- The State may not have a budget at this point until at least mid-October

Discussion commenced:

Mr. Eccles said they have two big challenges: 1) making sure they have a budget that will pass, and 2) they need something that the BOE can support. The BOE's input is important. He is uncomfortable with Assumption #4, because there are too many unknowns.

Mr. Field asked Dr. Willett if he wanted to make some comments. Dr. Willett said he has made a lot of comments prior regarding the impact on the Board. Each of the scenarios shows a reduction from the Hope & a Prayer ("H&P") budget. He thinks the discussion needs to be what impact the town will choose for their BOE. Ideally, they would be looking to recover items. The H&P Budget is what they used to do their planning. Anything other than that would have a further effect. Further reductions will push this organization to lose some real talent, which they already have.

Mr. Sce asked Dr. Willett how other towns are making up for their losses. Dr. Willett said that he has spoken to other Superintendents and they don't seem to be in the same situation he is in. There are some districts that were deeply affected like Tolland, and there are other towns that do not have the same level of concern that he has. He can't tell the Council what to do in this situation. As a Council and a BOE, they need to look at all the different areas of impact, and decide what combination of those things they are going to consider to move the town forward.

Mr. Skoczulek confirmed with Mr. Werbner that Assumption #2 would essentially be the H&P Budget. Dr. Willett said he doesn't know how they could keep the services that everyone would like, if there were further reductions.

Karen Moran commented on Scientific Research Based Intervention ("SRBI"). It is not an opinion, it is fact, and it is scientific. It is something that they need in the schools for the children. She keeps hearing, 'don't plan on State funds to help us in the future. We need to take care of ourselves.' SRBI does that, but they need the staff to support it. She thinks we can help ourselves in the future by investing in it. If the budget is reduced even more, they can't do that. She added that Dr. Willett is our Superintendent, our Curriculum Director, the webmaster, and he has taken on additional teacher evaluations. They can't ask him to do anymore.

Mr. Eccles commented that Assumption #2 keeps them at \$38,340 for year one. Assumption #3 gives them some time to accommodate the increase of teacher pension costs spread out over five (5) years, but it brings them below the \$38,340 on year one. He would be willing to keep them at \$38,340 for year, but then phase in the additional teacher pension costs over the next few years. It is not going to go away, but there is no way they can absorb it over two (2) years. The town and the BOE are going to have to start sharing resources with other towns, although there is no time to do that right now. He would like to start now, but they can't. He understands the importance of the programs needed for preventative measures, and he gets the importance of having a more workable town garage, but some things may need to be scaled back and held off. It is very difficult to go out for steak when all you can afford is hamburger.

*Mr. Werbner said one of the reasons why we are different from some of the other municipalities, is because we are already the 154<sup>th</sup> school district in terms of per pupil spending. With regard to what we spend, we don't even compare to what other towns our size spend on municipal services. So, when we look to adjust and reduce, we are cutting off basic services. We are starting on a different base. We are scaling back from being scaled back. We were within the top 10 towns in terms of dollars lost for ECS. We've been able to cut back and still provide the services people expect, but it may be time for expectations to change.*

Discussion occurred about the four (4) different Assumptions.

The Council members were concerned with the increases in the mill rate and percentage increase for FY18/19. The first year's numbers are low, but the second years increase. It was suggested that the numbers be equaled out more.

Mr. Werbner confirmed that the scenario they will try to create is as follows: For FY 17/18, they would use Assumption #2. The cost of \$430,000 for the increase pension in year one will be picked up as part of the mill rate, and they will look at different levels of Fund Balance to get the mill rate increase somewhere in the 2's. For year 2, they will use Assumption #3 (FY 18/19), when they will start to phase in the costs of the pensions at \$180,000 over five years. They will try to come out with a two year average somewhere close to the high two's, and they will try to balance it with the use of Fund Balance.

Colleen Yudichak asked for clarification on the numbers for the teacher pension phase in. She was glad they had this joint meeting.

Michelle Harrold said any reduction in our budget, even in the coming years, is going to be difficult and painful. These numbers are big numbers to absorb. It's like they are planning to reduce their budget.

*Mr. Werbner said the decision is not final regarding the transfer of the teacher's pensions from the State to the municipalities. So, he suggested getting out cards and letters to the State.*

Mr. Field thanked Mr. Werbner, Ms. Hancock and their whole team for their hard work and dedication. Ms. Moran said ditto for Dr. Willett and his Business Manager. Everyone agreed.

### 3. Public Participation

**Tammy Nuccio of 71 Webber Road** - She wanted confirmation of the numbers discussed. She asked if they are pushing the Unions more, or are they just waiting to see what we pass and then deciding.

*Dr. Willett said Tolland has had a couple of freezes over the years, and that makes it very difficult to hire new people. The Tolland teachers are not paid at the highest or the lowest ends of the scale. He advised that he has mentioned this to the bargaining units. They have not given him an answer.*

Ms. Nuccio said she hopes those conversations continue. She knows the salaries are always brought up. When you look at other town's budgets, we may pay less in salaries, but we do offer more in benefits. So, a fully loaded salary is something to consider rather than throwing out the one number. Even if they gave partial concessions and not the full amount, it would offset the \$435,000. We are in a time of turmoil, so anything they can give back would be helpful.

**Bob Rubino of 296 Weigold Road** – He has heard that they are considering a hybrid of Assumption #2. He is happy to hear the discussion about being creative with the use of the Fund Balance. We are lucky that we have good fiscal stewards represented by our Town Manager and Superintendent, but all stewards need time to absorb a lot of these changes. The question is how do you communicate this to the public? He suggests they outline what they have done as fiscal stewards in terms of reducing expenditures. This would inform the residents that the fault doesn't lie with the Council and the BOE, the fault lies 25 miles down the road. They are responding to the reduction they are receiving.

**Jackie Kolb of 34 Susan Drive** – The town has been handed a problem from the State that needs to be dealt with over the next few years. Educating the public and letting them know is important. She suggested that a write up be put into the Patch explaining all this to the residents. Mr. Eccles had done this in a previous year, and it was very helpful. They need to ask themselves what level of services they want to maintain and preserve for this town and its variables. We are all expected to do more with less. We need to utilize the fund balance to give the town and the school the ability to come up with revenue generators.

**Brenda Falusi of 4 Laurel Ridge** – She agreed with the last two speakers. She thanked them for crunching the numbers and taking time away from their families to work on the budget. We need to start preserving. She is looking forward to planning ahead and the ideas to do so. She looks forward to how this budget is focusing on cost savings. She believes the hybrid scenario will preserve our town, and will help keep us vibrant. She is committed to the town and knows that the Council and Board are too, along with the people sitting in the audience.

**Jane Pasini of 11 Cortland Drive** - She asked if the town could vote on a two year budget, since the State is doing that. She asked that they think of that for the future.

Mr. Field thanked everyone for working together. The Council, along with the Board, will put the word out as much as they can. Somehow, they need to get the community involved.

**4. Adjournment:** Mr. Eccles moved to adjourned the meeting at 8:36 p.m.; Seconded by Robert Green. All in favor. None opposed.

---

Steven R. Werbner, Town Manager

Michelle A. Finnegan  
Town Council Clerk