

SPECIAL MEETING MINUTES

TOLLAND TOWN COUNCIL TOLLAND HIGH SCHOOL - AUDITORIUM MARCH 26, 2014 - 7:30 P.M.

MEMBERS PRESENT: Jack Scavone, Chairman; George Baker, Vice-Chair; William Eccles; Richard Field; Paul Krasusky; Jan Rubino and Ben Stanford

MEMBERS ABSENT: None.

OTHERS PRESENT: Steven Werbner, Town Manager

1. Call to Order: Steven Werbner called the meeting to order at 7:30 p.m.

2. Public Hearing Item:

2.1 2014-2015 Budget Proposed by the Town Manager

Town Government	\$11,247,511
Capital Improvement Reserve Fund	\$ 86,456
Board of Education	\$37,299,689
Debt Service	<u>\$ 4,542,176</u>
Total Proposed Budget	\$53,175,832

Mr. Werbner began by thanking everyone who has given him input during this budget process. He thanked the BOE and Council for all their work and the hours invested. The budget he is recommending reflects what he feels is absolutely needed for the next fiscal year.

He said we are approaching a new age. What is he talking about? It is a method of budgeting that looks at the needs of the town and the BOE, a review of the most cost effective method of delivery, the establishment of combined accounts that are centrally managed (particularly in the areas of utility and health insurance expenses), and the establishment of appropriate reserve accounts to address future needs and rate fluctuations. A more detailed understanding of such things as open dialogue, a realization that tax payers deserve value for the investment that they make in governmental services, that short and long term planning is essential at all levels of government, and the continuation of building trust levels between the BOE and town so that information vital to the decision making process of both entities can be readily available and the realization that not all priorities can be addressed in any one fiscal year.

He pointed out that this budget provides expenditures within town accounts for the maintenance of BOE property, including the artificial turf field, as well as town and BOE HVAC systems. It allows for combined health and utility funds, continues combined purchasing of fuel, gasoline and electricity, continues to combine planning and implementation of security improvements, and provides funds for a comprehensive behavioral improvement program featured by the reinstatement of the School Resource Officer position through the Connecticut State Police. In addition, the debt service and capital improvement portions of the budget includes costs for both the town and BOE. His point is that costs for our total services are not found just within the individual budgets of either the town or the BOE. For that reason and many others, we need to continue to work on transparent budgeting that builds trust, not only in the numbers, but the needs.

He feels strongly that in order to convince tax payers of the need to increase the taxes to a level that he is recommending, they must see value added for which there is a demonstrated need. The needs are many, and cannot fully be addressed this fiscal year. In his opinion, the two needs that can be addressed immediately by this budget are all-day kindergarten to meet the common core requirements and a School Resource Officer.

He did not speak to all-day kindergarten, because that is being discussed by the BOE. He did, however, talk about the Resource Officer. Why is one needed now, when we have other educational needs such as computers, curriculum, etc.? Tolland used to have a resource officer, which was shared with the town of Mansfield. The State Police eliminated the position several years ago, and a federal grant was no longer available. He went on to explain the importance of having a School Resource Officer present. It can improve the educational climate and decrease the number of arrests occurring on school property. Most schools today have the implementation of a school resource program at the top of their agenda. The Superintendent is in agreement with Mr. Werbner on the need to implement the program now. In his opinion, the expenditures of dollars for this purpose are of the greatest importance to the town.

He had cut the funding from the town's budget, assuming that the school system would pick up the cost for the Resource Officer. As this point, while this is one of the BOE's priorities, they are not prepared to commit to funding the position. If we were wait to create the position now and want it at a future date, it could be several years before it would be our turn for an additional officer based upon the State of Connecticut's manpower concerns. As part of his revised budget, he is recommending to the Council that when they adopt their budget, they reduce the BOE budget expenditure request by \$110,000.00 and add that to the town budget to be able to fund this position for use by the BOE. In doing this, it should in no way impact the base budget of the BOE or its two additional priorities of all-day kindergarten or reducing pay for play costs. It is his understanding that the BOE has identified funds for this position within savings in their budget, savings such as reduced costs for insurance and fuel.

We need to encourage the community to endorse this budget so that we can continue to meet the immediate needs of the town and our BOE.

His presentation was given with the use of a PowerPoint. The first few slides outlined the FY 2013-2014 Achievements. The achievements include, but are not limited to: Receiving from Standard & Poors Financial Rating Institution the designation of "AAA", which is the highest municipal rating possible; the town and BOE are proceeding with the construction phase of the performance contracting to upgrade the HVAC systems at school and town facilities through energy cost savings; work is being done on the HVAC system at town hall; and there will be the installation of an elevator for handicap accessibility.

The budget process was reviewed. **The Referendum this year will be on May 6, 2014.** If the budget is defeated, votes will be every two weeks until a budget is passed. A list of meetings to come was shown.

What is a budget? It is the financial and operating plan for the community for the next fiscal year. With regard to the BOE, the Town Manager and Council can only determine a bottom line number by state law. The allocation of resources is the sole prerogative of the BOE.

The manager's budget goal, which has been the same for a number of years, is to produce a budget that takes into consideration the expenses of all town departments and available revenues and is realistic in light of the economic times and can be sustainable in the future. Sustainability is an important part. No one wants to put a program in place and then find out that the program is not sustainable in a subsequent year.

He showed a slide that compared Tolland to the state average with populations 10,000 - 30,000. With regard to expenditures, Tolland is at approximately \$13m, while the statewide average is about \$23m. He believes we are at the top in terms of the results we produce, with the resources that we have available to us. He credits our employees who are doing the job.

He outlined how he arrived at the financial plan that he is proposing. A lot of his review is on the revenue side. He needs to balance both the revenue and expenditure sides.

Looking at concerns going forward include: discussion on property taxes; the level of state aid to municipalities is insufficient to meet the growing cost to towns and cities, and places an unacceptable burden on local property tax. We cannot continue to provide the same or an improved level of service unless property taxes increase for a sustained period of time.

Mr. Werbner said the revenues for the first time in a number of years are not showing a decrease, they are showing a slight increase (+/- \$135,000). He won't complain, as long as it is going in the right direction. A lot of time and energy is being put into economic development. The percentage of tax increase that he is recommending to the Council is 2.849%.

A chart showing the grand list growth was shown and the new dwelling start chart. In 2003/2004, we were the fastest community in the state. In 2000, we had 113 new homes, and in 2013 we had 11.

With regard to fund balance, we have been protective of our reserves. This helps with our financial credit rating. In the past, we have had to use some fund balance as revenue, but it is recommended that we get away from that practice. He would like to continue to grow it in future years, so that we can maintain a good credit rating. If we maintain our credit rating, when we borrow money it will come at a better interest rate.

With regard to expenditures, the percentage increase recommended is 2.57%. Right now, we are all meshed together in terms of operations that we are doing now. This is the first year that we have exceeded the expenses since 2009. In terms of where the money goes, 70% goes to BOE purposes, 21% goes to the town, and the rest is divided between debt services and capital improvements.

On the town side the expenditure drivers are insurances, salaries, fuel and fire/ambulance. Mr. Werbner needed to reallocate some resources and perform things differently. He recommends the following:

- ~eliminate contractual street sweeping. The town owns one sweeper, and the job will be performed by the town staff;
- ~The solid waste contract has been extended for four years;
- ~Perform revaluation in-house;
- ~transfer one state trooper to BOE for the school resource program; and
- ~reduce the amount budgeted for health insurance by 2%, or approximately \$127,000, by using health insurance reserves.

A possible expenditure revision suggestion is to have the residents pay the cost for monthly bulky waste pickup. The cost to residents would be \$32.00 per pickup. It would save the town \$117,000. A study was done, and a vast majority of residents use bulky waste twice a year. Another suggestion would be for the town to pay for pickup twice a year, while the residents pay for any additional pickups. This would save the town \$70,000. The two pickups would cost the town \$40,000.

The BOE's request is for a 3.44% increase, or \$1,240,439. The manager originally recommended that it be fully funded, but has since revised his recommendation. He is now recommending that it

be reduced to 3.13% or an increase of \$1,140,331. The \$100,000 difference would be transferred to the State Trooper's Budget to fund the school resource officer position for the BOE.

The town has a strong ongoing commitment to education. Almost 70% of every tax dollar spent goes toward funding education. The town manager's recommendations to the BOE: use the recommended increase to fund top priority improvements such as all-day kindergarten and the school resource officer. Use designated capital funds to address some facility improvements along with volunteer efforts. Mr. Werbner reminded that these are only recommendations, and that the Town Manager has no say on how the BOE uses their money.

The significant capital projects, which are funded by the general fund, total \$86,456. Those include phase II of the WPCA state mandated facility plan, pollution abatement funding for work previously performed at highway garage and continued phase in of funds necessary to pay for the town's share of pollution abatement costs at the highway garage.

The debt service for the budget year is \$4,474,584, which breakdowns as 66% school and 34% town. The mill rate equals 31.05, which is an increase of 0.86 mills compared to the current mill rate of 30.19. He described the tax impact on the average tax payer by showing three assessments. There is a tax calculation form on the town's website for residents to use to figure out their own assessment.

In conclusion, sustainability, proper planning and being prepared for opportunities are the key to any financial plan.

3. Public Participation:

Sam Adlerstein of 164 Pine Hill Road – Chair of BOE. He supports this budget. He feels both sides have worked together and thanked the Council and BOE. The things that they decide to take on, they just need to make sure they do it really well.

Rebecca Risley of 103 Mountain Spring Road – A small tax increase is essential to prevent the town from getting so far behind. She liked to thank the BOE for their transparency, clarity and inclusion of the town's residents in crafting this budget. She commended the Town Manager and Council on their open-minded, unbiased and respective approach to the budget process this year.

Dale Kasai of 32 Marbella Lane - He thanked all for their work and patience with the public. It is time to raise taxes to meet basic levels and other priorities. He broke down the tax impact on three assessment examples by month. If we can't find a way to support this increase for our town, then shame on us.

Ken Kittredge of 37 Farm Brook Drive – He thanked everyone on the town side and BOE side. The process was different this time than in the past. He thinks we have a good product here. We have a budget that all of us agree on. If all our leaders say this is what we need, then we should agree and vote for it. Let's move from the survival budget to one that is thriving. He says yes to this budget tonight and hopes residents come out to vote

Susan Lotreck of 12 Holly Road – She thanked the BOE and Council. She supports the budget. She asked if the manager and Council could think of ways to reach out to the community, and suggested using the e-blast system to send messages to engage all tax payers in seeing the value of supporting the budget for this year.

Mr. Werbner said by state law, once the Council adopts their budget and sets the referendum; they cannot encourage one way or another. He encouraged others to do so though.

Michelle Peterson of 44 Wonderview Drive – She fully supports this budget. It is right to move our community forward.

David Garrett of 23 Rudansky Lane – You have a brilliant executive running this town. He’s gotten us an “AAA” rating. Adopt his budget.

Joe Sce of Usher Ridge – The BOE budget as presented to the Town Manager did not contain money for all-day kindergarten, nor for a resource officer. That money will need to come from somewhere else. Since the Town Manager is recommendation is to pull \$110,000 from the budget, means we need to give up something else in order to make up for this loss. A lot of computers could be bought for \$110,000, which is needed. He asked the Town Manager to look elsewhere to help fund the position of resource officer. Regarding bulky waste, it was used approximately 3,600 times over the past year. If you pull that away from them, you are not going to find it will be a true savings. People will still get rid of their bulky waste. They will chop it up and stick it in the blue carts. He doesn’t believe now is the time to take this away.

Jackie Kolb of 34 Susan Drive – She thanked the BOE and Council for working together and making a plan. Our manager has great insight as to where we can go. It is great to have a unified budget presentation. It speaks volumes to the community. She supports the budget.

Kathy Gorsky of 211 Gehring Road – She believes they are being strong armed into hiring the Resource Officer. She has been told that upgrades to technology are important. The accreditation people told her daughter that better technology was more important than a resource officer.

Michelle Harrold of 256 Mountain Spring Road - She thanked the Council and BOE. They have done a good job, and encouraged them to keep it going.

Patrick Doyle of 8 Lakeview Drive Ext. – He thanked everyone. The partnership was very important to them. The BOE is doing their due diligence, and they are still doing their due diligence. After the budget process is over, they will still be doing their due diligence. He supports this budget. It’s not just about getting the budget passed; it is about using it well.

Mr. Scavone thanked everyone for attending and their comments.

4. Adjournment: George Baker moved to adjourn the meeting; Seconded by Ben Stanford at 8:35 p.m. All were in favor.

Jack Scavone, Council Chair

Michelle A. Finnegan
Town Council Clerk