

SPECIAL MEETING MINUTES

BOARD OF EDUCATION/TOWN COUNCIL JOINT MEETING

HICKS MEMORIAL GYMNASIUM

MARCH 5, 2013 - 7:00 P.M.

MEMBERS PRESENT: Jack Scavone, Chair; Richard Field, Vice-Chair; Sam Belsito; Joshua Freeman; Mark Gill; Jan Rubino and Benjamin Stanford

MEMBERS ABSENT: None.

BOARD OF EDUCATION MEMBERS PRESENT: Andy Powell, Chairman; Robert Pagoni, Vice-Chair; Gayle Block; E. Steve Clark; Thomas Frattaroli; Joseph Sce and Frank Tantillo

BOARD OF EDUCATION MEMBERS ABSENT: Karen Kramer and Christine Riley Vincent

OTHERS PRESENT: Steven Werbner, Town Manager; William Guzman, Superintendent of Schools

- 1. Call to Order – Pursuant to Section § C9-4 of the Town Charter the Town Manager is required to call and attend a joint meeting of the Town Council and Board of Education for the purpose of discussing the appropriation request of the Board of Education – Explanation of the budget process by the Town Manager.** Steven Werbner called the meeting to order at 7:00 p.m.
- 2. Presentation by the Town Manager of anticipated revenue stream for the next fiscal year and potential impacts of the Governor's Budget proposal:**

A handout was provided to the public. Mr. Werbner began the meeting by providing information on where we are on revenues, the Governor's budget proposal and the process followed for preparing the budget. With regard to revenues, our State revenues total \$12,203,668. This number is down: \$120,000 +/- State revenue, \$134,000 +/- total revenue from the prior year. The Governor has eliminated a large number of longstanding grants that municipalities benefit from. Certain key grant programs that will have an impact on Tolland include, but are not limited to: State-Owned Pilot Program, the Mashantucket Pequot & Mohegan Grant, Public School Pupil Transportation, Manufacturing Equipment, and Municipal Revenue Sharing Bonus Pool (\$120,000 +/-). Regarding expenditures, the town has averaged below 1% in increases. The Grand List growth was at a historical low at .2%, which brought in \$78,363 of new revenue. The percentage of tax increases has been modest since 2009/10.

Mr. Werbner advised that we should keep an eye on the Governor's proposal to eliminate the motor vehicle tax. That would be a \$3.6m revenue loss, and would need to be made up through an increase in the property tax to residential and commercial properties. Essentially, that would mean an 8-10% increase in property tax in one year. The ones that will benefit from this proposal will be renters and those with lower valued homes. For Tolland, at least 50-60% of our residents would be negatively impacted by this change. This is being heavily debated at the State level. It would be optional in the next fiscal year, but mandatory in 2014/15.

A chart was shown entitled "Tolland Compared to State Averages for the 66 Towns with Populations Between 10,000 – 30,000." Tolland does not expend a lot of money for the types of operations that we have. Our education expenditures are below the state average; the operating expenditures are significantly below the average; and the total expenditures are significantly below (Tolland = \$50,992,621

v. State = 66,099,127). Mr. Werbner believes the problem lies in terms of the mill rate. We are substantially higher than the state average. He believes that stems from the fact that we were the fastest growing community in the State for 5 – 7 years, with a limited commercial base. This meant that the property tax impacted the residential tax payer the most.

He reviewed a “Trends in General Fund Revenue Sources” chart. The portion of our revenue base which comes from the property tax has increased every year, and the amount from state and federal grants have decreased. There is a growing burden on the property tax system to fund expenditures. A listing of the top ten taxpayers was provided. There is no one taxpayer that pays so much tax that it is so significant. Fieldstone Commons is the number one taxpayer (\$372,000). A chart showing “Actual Net Growth in Grand List” was shown: Oct. 2002 = 3.89% - Oct. 2012 = .2%. There has been a steady drop over the years.

Information from Connecticut Conference of Municipalities, which is our main information and lobbying group, was provided in the handout. It contains information on the State budget, and what is being cut statewide. Educational grants that are being eliminated are listed here as well. They are changing the formula on how the ECS grant is being distributed. Some communities will find that grant held flat or reduced over a period of time. For Tolland, the estimate was for an 8-9% reduction in the ECS allotment that we received. Right now, the State is holding it harmless in terms of not decreasing us, but not increasing us. Back in the good days, towns would see routine increases of \$300,000 - \$400,000 in this particular grant.

Mr. Werbner closed his presentation with explaining the budget process. Everything is spelled out in the Charter. The budget is a plan to give direction for the next year. The first referendum is held the first Tuesday in May. If the first referendum doesn’t pass, referendums are held every other Tuesday. He commented that he has no say on how the BOE spends the funds it receives. He suggested that a change be made with regard to when the BOE finalizes their appropriation request. Mr. Werbner reviewed a proposed change to the deadlines for the next budget session.

3. Questions from the public (2 minute limit) specific to the Board of Education budget with questions being directed by the Town Council Chair to the appropriate body for response:

Mr. Scavone opened the floor for questions from the public regarding the budget process.

Jackie Kolb of 34 Susan Drive: She asked if the Council and BOE are looking at regionalization while they are doing their budget.

Mr. Powell said yes they are. Last year, the health care was regionalized between the town, BOE and other groups. They have also looked at regionalization in terms of Special Ed, and also with technology.

Ms. Kolb asked if grant money for school transportation services has been looked into:

Mr. Guzman said there has been a grant that we have applied for previously. The Governor is proposing to eliminate the reimbursement transportation grant, which will be a hit on the revenue side. He said that Jane Neel has attended sessions with other surrounding towns to look at the possibility of doing a regionalization transportation contract. He spoke about EastConn being our regional education service center. They do group purchasing on supplies and materials, as does CREC.

Ms. Kolb asked if there is an anticipated surplus, and if so, where will it be applied?

Mr. Guzman said if there is a surplus it will be used to impact the budget for next year. He also mentioned the ability to carry over in a special fund up to 1% of the budget. That avenue may be utilized this coming year.

Jim Gifford of 97 Derek Drive: He asked why the BOE is cutting the 4th and 5th grade band program. He would like them to keep this program, because it has made a difference in children’s lives. He suggested they cut another program.

Mr. Powell said they have not made a final decision regarding the programs. The decisions concerning programs will be made in June, after the referendum has been passed. We understand the importance of music. Nothing is set in stone yet.

Katrin Hinrichsen of 192 Goose Lane: She asked if the music at TIS will be cut

Mr. Powell explained that in the beginning of the planning process for the budget, they were looking at priorities, and modeling what the next year would look like. The priorities list has not been finalized.

Ms. Hinrichsen asked if the level of pay to play will be dropped.

Mr. Powell said that when you are dealing with an educational related activity, they cannot be funded by private funding. If it is an extra-curricular activity that is when pay to participate comes into play.

Ed Gervasi of 351 Old Post Road: We have to remember people turn down a budget because of their inability to pay. People don't want to deny people anything; they just don't have the ability to pay. We understand the State is decreasing the money the town will get. All of you are going to have to sharpen your pencils on behalf of all of us.

Mr. Powell said they work hard to try and use tax dollars as efficiently as they can. You will see that against the state averages, Tolland ranks very close to the bottom. We are extremely efficient, but we can do better, which we try to do every day.

Phil Morneault 24 Carriage Drive: He gets the sense here that the tail is wagging the dog. Who is leading? We elect the BOE and Council to do for us. What is the Town Council doing to change this? They need to stand up. What are you doing to bring in industry and commercial? Unless something changes, this will continue to be an issue every year. He believes the BOE should tell the Superintendent what the priorities are, now, not after the referendum. Right now, this is a closed process.

Mr. Scavone said the town is in the process of working with the PZC to change some of the regulations to make it easier to develop in town to increase our tax base.

Mr. Powell said that they have gone through a strategic plan process. They understand what their long term direction is now. They are listening more and are engaged more. If they need to do things better, they need to be told what the public wants.

Ms. Rubino said the Council did pass the plan of Economic Development. The Council sets goals and priorities for the Town Manager. The BOE should and could do the same for the Superintendent.

Mr. Sce suggested that the public send e-mails with their concerns.

Sue Bezzina of 32 Deer Meadow: She is wondering if combining bus routes has been looked into.

Mr. Pagoni said it has, and putting TMS and THS students on the bus at the same time has not been supported.

Ms. Bezzina said this should be discussed more, and maybe parents should get involved. She believes this could be a savings. She also suggested removing a portion of the bulbs from lights in the class rooms.

Mr. Gill said we are currently going through an energy audit, and hopes that will be picked up as part of that project. Mr. Gill said this is a great point, and there are more out there like it.

Mr. Tantillo asked the Superintendent to explain why the bus runs cannot be combined.

Mr. Guzman said the bus contract is structured to do three runs now (3in the a.m. and 3in the p.m.).

Combining THS and TMS was looked into a few years ago, and at that point we started to get concern from parents saying they didn't want TMS kids riding on the bus with THS kids. One more year remains on the contract. Also, a seat needs to be available for every student in the district, whether they ride the bus or not. Each seat needs to be accounted for.

Mr. Tantillo urged her to bring her concern/question to her state reps regarding combining bus routes.

Mr. Guzman said there are towns that do transport middle school and high school kids together.

Jane Neel commented that she will be getting together with the bus company to see how this can be done and to see what the ridership is. They also need to be concerned about the length of the ride. They don't like the students on the bus longer than an hour.

Sam Adlerstein of 164 Pine Hill Road: He asked how many of the members feel they have exhausted all the possibilities of things we might look at that would keep us from cutting things like music and pay for play. *No hands.* He asked how many have ideas for some of those things that they might do that may prevent cutting things. *Some hands (about half – a mix between Council and BOE).* He asked how we can have a process where those ideas come out. It's too late to look at the water bucket after the vote. It needs to be done now.

Bob Rubino of 296 Weigold Road: There is no greater killer of public participation then people in their positions to say and proclaim "there is state law that prohibits." He is thinking about the bus. He thinks he looked at this and the statute says "that it is the town's responsibility to ensure the transportation of students to the school." He asked that legal counsel look into this. Why, because it is \$2m hanging in the balance of the transportation budget. It could be a huge opportunity for savings. Last year, he came before the Council because he saw an under spend in the BOE's budget of \$400,000+. He asked that a designated fund be set up for the BOE to put this money towards future non-recurring expenses. He was told they couldn't do that. It is against State Code. Well, that Code (Sec. 10-248A) says it can be done. The Code says that they can put up to 1% of the BOE's budget into this fund. He demands that the Council put discussion of what the language would look like for the town to allow the BOE to return their money to a special contingency fund for the sole purposes of non-recurring expenses on a future agenda. If this was done last year, he asked how that money would be used in this budget.

Mr. Powell said when looking at non-recurring expenses, the money would go towards things they haven't been able to fund.

Mr. Gill said the contingency fund for the BOE will be looked into.

David Garrett of 23 Rudansky Lane: He thanked them all for serving. The BOE has put together a proposal for 3.78%, based on what they have heard, what is the Council's proposal.

Mr. Scavone said they are not there yet.

Mr. Werbner said he didn't believe the 3.78% would be the number. Nor, did he think anyone here thinks it would be the number.

Mr. Garrett asked for a show of hands from those that thought it would be the number. *No one raised their hand.*

Mr. Gill said he does not know what the final number will look like. What he does know is that everything that gets increased will increase the mill rate or there will be a drop in services. The challenge for the Council is to try to get a referendum to pass the first time. It is a balancing act. There is going to be gap this year.

Mr. Belsito commented that there may not be a bridge, and we need to live within our means.

Steve Browning of 609 Merrow Road: He asked how many classes the THS teachers teach.

Mr. Guzman said they have 4 by 4 blocks.

Mr. Browning asked if the town's budget is above or below the inflation level.

Mr. Werbner said it is much below the inflation level.

Steve Browning asked Mr. Werbner if he is in favor or opposed to the MV tax elimination.

Mr. Werbner said he is opposed to it.

Cheryl of Weigold Road: She asked the BOE if it has an economic conscious. She suggested that they get rid of all text books and supply children with iPads. They are downloading all the information to the device. She thinks it'll be a better idea.

Mr. Powell said they are looking into doing 'bring your own device'. There are issues however. They are looking at ways things can be done better.

Steve Hadge of 8 Timber Trail: He asked why other towns have more money to spend?

Mr. Powell said they have a bigger economic base.

A Resident: He asked that they detail the numbers for educational grants.

Mr. Powell said part of the ECS grant component looks at the median income, the number of students and the free lunch program. In the State's eyes, Tolland's ability to pay is greater than others. Therefore, our ability to get from the State is reduced.

Gary Lotreck of 12 Holly Road: We are all smart people here, how many times can we go round and round? You have to vote what you are willing to accept. We are losing programs. No one wants this. No one is ill intentioned. He asked if the town had an exit interview in place for teachers.

Mr. Powell said there is an exit interview in place.

Deirdre Goldsmith of 21 Marlboro Glade: She said we'd like to see the 3.78% proposed by the BOE.

A Resident: She asked about the process, she is new to town. The number gets decided upon for the BOE and then the people have their say as to what that budget gets used for?

Mr. Powell said when the referendum passes; they then know how much they have to spend.

The resident said it seems backwards. She also advised that she isn't receiving notice of these meetings. She believes the word needs to get out more about when public meetings are being held.

Mr. Pagoni said they have tried everything they can to get the word out about the meetings. Mr. Pagoni suggested that maybe an e-blast could be sent advising of upcoming meetings.

Mr. Werbner said when the town budget is adopted at referendum that is the town budget. If a budget is defeated at referendum, within two weeks they change the town budget. During the course of the year, things happen, but the budget voted on a referendum is the budget that the people know takes effect July 1st. The difference is that the BOE says that the budget that is adopted at the referendum is then molded into a budget on June 1st. That is the fundamental difference in the process in terms of the way it is perceived to the public. They public does not know what they are voting on at the time the budget is proposed at the referendum. For example, parents don't know if music for 4th and 5th graders is going to be in or out. They do know whether the truck in the highway dept. will be bought though, and if they don't like it, they don't vote on the budget. That is the difference in the processes. He has been trying to get the process changed. There is nothing in the Charter that says the BOE budget is going to be adopted on June 1st. The process says it will be adopted sometime before the referendum. If they need to make appropriations after the fact, which the town sometimes has to do, then they can do that. The public should know what the spending plan is that they are voting on.

Mr. Pagoni said Mr. Guzman and the staff come up with their best plan. The BOE sits down over several meetings and discuss it. They then come up with their best shot at that time. That is the plan. Short of things changing, like insurance cost and the diesel price, that is the plan that will be executed in June.

Mr. Tantillo said that is not what happened this year or the year before. He said the Superintendent proposed the budget, the BOE did not vote on the budget as he proposed it. Then numbers got thrown up, until there was a number that got voted on. There were no priorities; no decisions were made at that time. Now, we have teachers going out and telling the students 4th and 5th grade music is going to be cut. That never came out of his mouth, nor did he vote for that. The priorities were not set, they voted on a number and it went to the town.

Karen Moran of 50 Merlot Way: What is the status of the Parker building?

Mr. Werbner said there is a grant pending with the State to secure design funds for converting the 2/3rd's not used by Recreation to elderly housing. It could be several months before we hear.

4. Petitions and/or questions to the Board of Education from Town Council members specific to the BOE Budget:

Mr. Guzman spoke of the BOE's budget process. He said Mr. Werbner's position is that the people should know what they are voting on prior to the referendum. He suggested that the two of them have a

conversation to see how that would work for this year in particular. Mr. Powell said a goal for them could be that when the process is finalized before it goes to referendum, they should tell the residents what the picture looks like at that point in time, knowing full well that priorities could change. The folks need to understand that the budget is a snapshot in time.

Mr. Gill said there are things that can be done prior to cutting programs. He mentioned different buckets: the year-end balance, allocate 1% in a non-recurring fund, forecast line items, review the net adds, infrastructure change and true cuts.

Ms. Rubino said it is not for the Council to make line item adjustments for the BOE. One thing that has frustrated her is when she hears the BOE say they support education, and yet they vote on a budget that cuts programs. She has been to every workshop, and said that Mr. Guzman's initial proposal cut out a position of music. She suggested they prepare an organizational chart with priorities. Personally, as a Town Council person, she can't vote for a budget that will cut programs. It starts with the BOE prioritizing. She added that she believes the meetings are well publicized; they are just not priority for many people to attend. Mr. Pagoni agrees with Ms. Rubino, but he trusts those who work at the schools. If this is what they say they need, he is sure it is what they need. For us to tell these experts how to run these schools is not going to fly.

Mr. Freeman said this puts the Council in a position of not being able to defend a budget when they hear the process described of throwing a number up on the wall to see if it sticks. He supports education, but how can we defend a budget that is just thrown up. What is in this increase? How does he justify the increase? How does he sell it?

Mr. Scavone said if he is going to vote on the BOE budget, he needs to know that they did their due diligence. If he doesn't feel that, he has a tough time.

Discussion continued amongst the Council and BOE members regarding the budget planning process and the setting of priorities.

Jan Rubino asked what the BOE was going to do with Mr. Sce's priority list. Mr. Powell said they have handed it off to Jane Nell to look at questions specific to the priority list. Ms. Rubino asked how the Council is going to sell this. Mr. Pagoni asked that they give them some time. In the next meeting or two, they will have time to look at Mr. Sce's list. He reminded that if anyone has any ideas, send them along.

Mr. Werbner said this community is not going to pass a 3% budget. They need to find a way this year, because of the circumstances that surround us. Unfortunately, the horse is out of the barn for this particular process, and they are going to have to see how they will make it work. Services on the town side are not the same as they were 10 years ago, but nothing is the same. We are still doing the best we can. People still move here for education. He suggested that the BOE try not to justify the 3.78%, because it will be a waste of time.

5. Adjournment: Benjamin Stanford moved to adjourn the meeting; Seconded by Mark Gill at 10:15 p.m. All were in favor.

Steven R. Werbner, Town Manager

Michelle A. Finnegan
Town Council Clerk