

Town of New Hartford

Board of Finance Special Meeting – Budget Workshop

Town Hall – 530 Main Street

Saturday March 12, 2011 @ 8:30AM

Present:

Board of Finance members: Bill Rieger, Dan Charest, Jim Fitzgerald, Reggie Smith, Jr., Alesia Kennerson, Laura Sundquist, Chairman Ben Witte and Alternate Roy Litchfield.

Also present: from the Region 7 Board: Noel Gauthier, Rob Jerram, Molly Sexton Read, Roger Newberry & Judy Palmer, Superintendent of Schools-Northwestern Regional #7. First Selectman Dan Jerram, Dr. Philip O'Reilly and other Board of Education members, and other members of the public.

The meeting was called by order by BOF Chairman Witte at 8:30.

The Budget Workshop was presented in three segments – Region 7, Board of Education and the Town Government.

A budget sheet was handed out and the bottom line is if all the requests are accepted, the increase in expenditures is 4.5%, resulting in a tax increase of 5.69% and the mil rate increase of 1.37 mils.

Budget presentation for Regional School District No. 7:

Presenters: Molly Sexton Read, Roger Newberry & Judith Palmer.

The big drivers before changes are in staff including special education costs, health insurance and the cost for fuel. These are items you don't have a lot of control over. The middle school team that was part-time will now be full-time. Another shift is the high school guidance counselor went from part-time to full-time. The Career Advisor has been phased out and moved to the 3rd guidance person.

There has been a big increase of 163 students needing a foreign language. They would like to bring these language positions back to full time. Without these changes the children will be left with more study halls. Over the past few years, the high school students have lost electives. They are trying to bring the electives back to where they were.

BOF member Kennerson asked about the Special Education excess costs – there were none for this year. Answer: It was booked differently. Previously it was booked as revenue. Now it is deduced from the actual year it is booked.

BOF Chairman Witte asked if the board had adopted either one of these budgets. Answer: the budget will be adopted at a 3/23 Region & Board of Education meeting.

The benefit from the solar panels is about \$16,000 - \$18,000 per year.

BOF Chairman Witte asked what would it take to get to zero (0) and Supt. of Schools Palmer read a list of potential cuts (no document provided).

BOF Chairman Witte said we can't accept the 5% increase. It looks like you are bringing back the budget to meet state mandates and to where it was before.

Supt. of Schools Palmer remarked there are a couple of things that are pressing. With the addition of 40 students we need to reinstate the middle school teams. With the lack of electives the parents of the 9th graders are calling because their children have too many study halls. The school doesn't have the capacity to offer electives in place of study halls.

Motion:

Board of Finance member Smith made the following motion:

That the New Hartford Board of Finance demands that the Region 7 board lower their 2011/2012 budget to 0% increase over the total assessment to the towns in the current budget year. Seconded by Board of Finance member Fitzgerald.

Discussion followed.

A vote was taken – 3 were in favor and 2 opposed – Motion carries.

BOF Chairman Witte told the group present that with the town government at 0%, an increase of \$491,000 between the schools – 3.5% for Region 7 and 3% increase for the local schools – the tax increase to fund spending would be 5.69% or 1.37 mils.

Budget presentation from the New Hartford Board of Education:

Dr. O'Reilly said they had taken a high level look at each section. A hand-out was provided and filed along with these minutes.

The Education Jobs Fund money (\$100,712.00) has not been spent. It is the intent of the Board of Education to use it to offset some increases in salaries.

The instructional assistants – while it shows increase – they were reinstated after last year's budget. They haven't added any additional people. The job description of the IT person was expanded.

Antolini School principal Rieger has asked to increase the section in grade 5 to 5 sections increase of 4. This is because of the large class of 6th graders moving up to Region #7. This is not a net increase of staff just an increase in sections.

Special Education has been the most challenging in the last year. There has been an increase of students moving into town with these needs. As of March 1st, no student that began as a New Hartford student has been identified as special needs. The increases are those children that have moved into town with these needs. Dr. O'Reilly has increased the staff by 1/2 teacher and tutor requests. Only certain children will get reimbursement from Medicare. We can't go after the insurance companies for reimbursement.

There has been an increase in therapies and they will try to offset this with IDEA grants. Dr. O'Reilly is trying to use federal dollars the best that they can.

The Director of Student Services is going from 5 days down to 3 days. That position will be re-advertised as this person will be retiring.

A sheet was handed out for additional special education costs – shows current year and next year. The special education costs in red were not budgeted for this year but will be needed for next year.

The Oak Hill Out of District Placement will have the greatest impact. This is a family with a child that has significant Spec Ed needs. They recently moved into New Hartford from Torrington. The transfer of expenditures will happen on March 14th. The student needs a full year program – transportation – one-to-one tutor in classroom and on the bus. He needs specialized schooling. We rent space (two rooms) to Oak Hill. This child will cost us \$40,000 by June. This is not in the budget because he is just moving into town. The cost is \$129,000 for 2011/2012 with an estimated reimbursement of \$59,000 for 2011/2012.

Right now Dr. O'Reilly's budget can't absorb this child. All that is shown in black is in the budget – the red is not.

A LPN was hired to replace a RN that retired this year.

Technology support – the gentleman is on a 4 day contract. There are too many pieces of equipment to work on and we feel we need him 5 days a week. Not an additional person but an increase in responsibilities. We pay 4/5 benefit for him and this would be an increase of 1/5. He deals with hardware.

Legal fees increased in anticipation of contracts. If they don't use all of the \$40,000 it would be used elsewhere or returned at the end of the year.

Central office – staff wage increase reflects 4% over the current budget year. This is actually a 2% increase over current wages, as an un-budgeted 2% increase was provided for the current year.

With the retirement of Antolini Principal Kate Rieger, he doesn't see an increase in paying the new person.

BOF member Charest asked if there is any talk of consolidating the principal positions. Dr. O'Reilly is adamant that one principal for 3 schools is not possible. The Board of Education can have this discussion but if we are to maintain our academic achievements – we need to replace a strong leader with another strong leader.

Is it possible to have two asst. principals and one principal? This will be explored.

Heating oil – they will probably be going with a consortium. Usually the schools oil tanks are filled up at the end of the year but this year that will probably not be possible.

There is a new 5 year transportation contract for the 2011/2012 school year. The rates are the same as 2009/2010. There may be an increase in the 2012/2013 school year.

Health costs have risen. Numerous teachers whose life circumstances have changed so do their plan costs. No inflation in this number presented. 1/2% increase in that section.

The following handouts were given:

Capital expenditures

Cost per pupil

Historical budget request

Capital is a moving target. There is an existing situation with the fuel lines & tanks at Antolini. While the oil tanks do not need to be replaced the fill area and lines do. An estimate was received for \$16,000. There are too many unanticipated expenditures and this can't be absorbed in this current year.

The energy grant through ERRA money has been accepted and can be used toward the window/door project. The Bakerville school roof will need replacement. There has been a lower quote of \$28,900 received from DCS Construction. This is lower than the \$31,000 listed on the sheet. If they meet the requirements they will qualify for a 45% reimbursement. If you seek reimbursement It would be at prevailing wage plus an engineered system.

Dr. O'Reilly said the priority is the windows/doors at the Antolini School and then the Bakerville roof.

Motion:

A motion made by Board of Finance member Smith - that the Board of Finance request from the New Hartford Board of Education a list of cuts to reduce the budget to 0% increase (\$223,852.00) and further reduce capital budget to the \$150,000 amount from last year. Net of state reimbursement.

Second by Board of Finance member Fitzgerald.

Discussion – Board of Finance member Kennerson agrees with the 1st part of the motion but not the 2nd part. Suggested that the motion be amended to break it into two parts.

Smith agreed to withdraw his motion and Fitzgerald his second.

Motion:

That the Board of Finance request from the New Hartford Board of Education a list of cuts to reduce the budget to 0% increase (\$223,852.00).

Seconded by Fitzgerald.

BOF member Sundquist will not support the 0% but will support making cuts. BOF member Fitzgerald would like to see 0% but that the new student should be excluded. The capital group should go back to the committee and come back with their priority list.

Dr. O'Reilly has a list of where these cuts can be made if they had to go to 0%.

The list included the salary & benefits (where applicable) for the following:

Spanish teacher, Grade 5 teacher, Curriculum Specialist, Library Media Teacher Reduction, Data Management Specialist Reduction, Information Technology (1 day), Musical Instrument and Technology Equipment.

BOF Chairman Witte asked BOF member Smith to withdraw his motion with the presentation of the list showing where the Board of Education would cut to get to 0%.

BOF member Smith withdrew motion and made a new motion.

Motion:

BOF member Smith made a motion to reduce the budget by \$223,852.00 excluding the high cost of the child with special needs that is not shown in the proposed New Hartford Board of Education budget.

Second by BOF member Fitzgerald.

A vote was taken – 3 were in favor and 2 opposed. The motion carries.

BOF member Smith withdrew his second motion to do with capital.

BOF member Fitzgerald withdrew his second.

Motion:

BOF Smith made a motion to cut New Hartford Board of Education's capital request to \$150,000 exclusive of any grant funding and associated revenue with the expenditure.

There was no second and the motion dies.

Discussion on capital and different scenarios will be played out on 3/22 and we will look at all the different budget numbers.

Budget presentation from the Town government by First Selectman Dan Jerram.

Also present: Selectman Tom Klebart, Bookkeeper Annie Witte and Town Treasurer Gordon Ross.

We are losing our manufacturers revenue which puts a lot of stress on everyone.

Last year we operated on 781 man hours/year. Staffing in this budget year is 13-15% under prior years. We are doing shared services with other towns. Also, there have not been a lot of new homes built.

Pensions – funded to 100%.

Reimbursement for boiler project – more likely the money will come this year – \$30,000 - \$40,000.

Bond funding – strong position if we lowered surplus to 11-13%.

Emergency management – potential revenue – actual application was made at \$83,000 and did not include the schools. There was only a 48 hour window in which you could apply. Materials, overtime cost, machine time included in this. Not straight time.

There is a total general government budget increase of only \$1900.00. This proposal will reduce our staff and promote more team work.

Public safety is taking a hit. In the Police Department we had two state troopers at \$160,000 for both and we saw a savings. When Trooper Tranquillo was promoted the candidate that was awarded to fill his job makes \$20,000 more than the previous trooper. The new trooper has started. Our other state trooper will receive a pay increase of \$10,000 because his grade has changed starting July 1, 2011. In addition to the two state troopers we have 2 full-time constables and one part-time constable. The decrease shown is because the part-time constable is reducing his hours.

In the General Administration there are no raises for elected officials and all existing employees will be penciled in at 2% until a final contract decision is made.

The Highway Department is in the 3rd year of a 4 year deal.

The cost of oil is going up. Selectman Jerram has been talking to the WPCA to get a better rate for electricity.

The salary for the assessor is shown as the full salary. Revenue from Burlington is budgeted at \$20k or less than half of the salary. This is being done in the event the shared services with Burlington cease to exist.

The Probate Court was consolidated to save money but it is actually costing us more. The new Torrington probate system is costing us \$5,792.33 instead of the \$3,850.00 we were paying.

Ambulance association was \$16.00 per capita. First Selectman Jerram has their audit report and it shows a surplus. It was recommended to seek a middle ground at \$10-15 per capita. First Selectman Jerram doesn't want for them to have \$0 surplus but to have them run efficiently.

Highway line item – there may be a reduction in staff. It is not reflected in this budget. First Selectman Jerram really doesn't want to do this but the increase in public safety cost has pushed him toward this. There may be one person leaving and there are contractual payouts for accrued sick time.

The repair budget has been blown out of the water with this past winter.

The Board of Selectman will continue to address the highway budget summary page.

BOF member Sundquist asked will the line item for crack & chip seal continue. First Selectman Jerram said that the crack & chip seal extends the life of the roads for 5-7 years. This line item will continue.

The following items were touched upon:

Planning & Development - some savings & significant changes. The salaries for new/younger employees are less. The Zoning Assistant was removed from the budget last year. There has not been a lot of new development.

Libraries - both libraries would like increases. Circulation is up 19%.

Health, Sanitation, Welfare – RRD1 is keeping their budget tight. \$52,276.36 refunded this year. Their revenue stream from recycling has helped. The Foothills Visiting Nurses & Farmington Valley Health District is doing it also.

Parks & Recreation – trying to make it a self-sustaining entity. They may raise their rates for summer camps. Beach stickers will remain flat for this year.

Debt Service - these numbers are actual.

Commissions & Other Agencies – Water hydrants is an actual bill.

Capital sheet – there is a need for a future conference room on the main floor where the probate judge was. The space there is bigger than the Sessions Conference Room. But with the current economy it is not possible at this time.

Brodie Field House – \$50,000 – at 10-11/square foot. The roof has been covered with a tarp for at least 5 years. Because of the roof's instability, the Highway Department won't go up on the roof to re-tarp it this year. Friends of Brodie have done a fund raiser and have money for

windows & siding. But we need a new roof, well & septic, flooring inside, bathrooms and heat. United Way could come in and do the windows & siding as a weekend project.

Browns Corner is coming along. There are still parking issues and the site plan may have to be modified to improve the parking. Dan is using historical quotes from last year for Brown's and the field house roof. Fencing would need to be done on Route 202 at Brown's Corner at a cost of \$8,000. This is a safety issue and the PZC is requiring this be done.

H O Penn is giving quotes on the road grader.

Septic – Suburban Sanitation has not given a firm number for the park. Dennis is trying to get more information before next Board of Finance meeting.

Park & Rec capital of \$25,000 is for septic. It used to say Brodie Safety Improvements. This capital covers Brown's Corner, Brodie & Callahan Parks.

Phillips Farm – have a payment coming due – open space fund is short and we need \$16,676.00 from the general fund. There has only been one sale. If 2 or 3 more sales are made, this will then be taken care of.

Revenue page – assessor revenue is closer to \$32,000 and not the \$20,000 shown.

Burlington is happy with the arrangement they have with us with Beth Paul.

The WPCA portion of the waste water treatment plant upgrade is \$71,251 and is reflected in budget revenues. Computil will give quarterly breakdowns to First Selectman Jerram.

Capital Reserve Account was handed out by Bookkeeper Annie Witte. It shows capital designations and below that actual expenditures against the designations.

On the bottom of page 2 – the balance in the Capital Account is \$283,000. The difference between the \$283,000 and \$221,000 is \$62,000. The \$62,000 is the designated capital balance that is not allocated to a project and therefore available.

The meeting adjourned at 12:48 p.m.

Respectfully submitted

Penny Miller
Recording Secretary