

**BOARD OF FINANCE
BUDGET WORKSHOP MINUTES
SATURDAY, MARCH 14, 2015 – 8:30AM
NEW HARTFORD TOWN HALL – 530 MAIN STREET**

PRESENT: Chairman Jim Fitzgerald, Dan Charest, Maria Moore, Reggie Smith, Steve Tuxbury, Ben Witte; Alternate(s) Bill Coates and Steve Roth.

ABSENT: None.

OTHERS PRESENT: First Selectman Dan Jerram, Alesia Kennerson, Gordon Ross, Josh Adams, Sue Lundin, Penny Miller, Brian Murphy, Noel Gauthier, Dr. Judith Palmer, Rich Carmelich, Molly Sexton Read, Bob Moore, Joe Toro, Meg Toro, Kathy Boughton.

Chairman Jim Fitzgerald set guidelines for budget workshop procedure.

1. Seating of Alternates:

Mr. Steve Roth was initially seated for Mr. Ben Witte. Mr. Fitzgerald noted Mr. Witte's arrival at 8:42AM thus relieving Mr. Roth from his seating. The proceedings were recorded digitally and copies are available at Town Hall.

2. 8:30 AM 2015-2016 New Hartford Board of Education budget presentation:

Board of Education Chairman Josh Adams presented board members with a copy of New Hartford Public Schools 2015-2016 BOE Approved Budget March 10, 2015, reflecting a one percent increase from last year. A copy of this document is attached to these Minutes, identified as Addendum A. He reported that feedback received from the Board of Finance from several months ago was noted and that the Board of Education in conjunction with the interim superintendent as well as current superintendent Brian Murphy, made cuts where they deemed appropriate without having significant impacts on education. He noted that the BOE's acknowledgement of declining enrollment played into some of the decisions made.

Superintendent of Schools Brian Murphy then provided an overview of the BOE's budget coming in at \$8,013,369.60, an increase of \$79,426.60 from the 2014-2015 budget. Mr. Murphy highlighted that the following positions have been reduced in next year's budget, a result from declining enrollment, a loss of thirty-three (33) kids: a second grade teaching position at New Hartford Elementary and two special education tutor positions. Additionally, he noted a reduction of a full time special education position from 1.0 to .5 and reduction of speech and language position, .4. Mr. Murphy explained that 75%-80% of the budget is fixed costs in terms of salaries, pupil transportation and special education costs. He also highlighted that the BOE is not adding any positions to the proposed budget. He then referenced enrollment and class size, indicating that while enrollment is shrinking, class size will remain the same.

In the **Regular Education** section of the BOE budget, Mr. Murphy shared that the biggest cost driver is the *Instructional Assistants* line item, a \$21,009.00 variance. He noted that the significant increase is due to a reduction of \$15,000 in the Title I Grant. Additionally, an average salary increase of 2.9% for teachers, as well as an increase of 2.0% for administrators, account for increases in the budget. Mr. Murphy noted that his board is in the process of negotiations with three unions, paraprofessionals, custodians, and administrative assistants, so 2.5% has been used as placeholders for salaries in this regard.

In the **Special Education** section of the BOE budget, Mr. Murphy noted the increase of \$11,000 under the *Tuitions* line item is attributable to an extended school year, summer outplacements and summer school camp. Mr. Steve Roth inquired as to whether other ways to reduce special education costs have been explored pursuant to a request made by the Board of Finance last year. Mr. Murphy noted that this had been discussed by the BOE and that even if the Director of Special Educator position was eliminated, Shared Services would still need to hire a supervisory position as well as an administrative position and this would result in a wash. Mr. Murphy reiterated that two special education tutors were eliminated and that the BOE reduced a special education teacher to a .5 as well as cuts to speech pathologist. Mr. Roth then asked whether investigation into regionalization of special education has occurred. Beyond looking at eliminating the Director of Special

BOF MINUTES 03142015

Education position, there have been no specific deliberations about regionalization, according to Mr. Murphy. Ms. Maria Moore explained that her question last year was not specifically regarding the Director of Special Education position but instead integrating the New Hartford Special Education program with Shared Services. She opined that the savings would be reflected in a per program approach, and that each program should be shopped with Shared Services. Mr. Murphy responded that this has not been done. Mr. Dan Charest questioned whether there was a reason why this had not been pursued. Board of Education member Sue Lundin explained that Director of Student Services Paula Gladu-Morabito had reported that there was really no savings in going to Shared Services because of the extra cost of the man power. Ms. Lundin explained that she had looked into it and as the former Director of Shared Services, she would know. Ms. Moore commented that she would like to know what the specific costs of the increases would be. Mr. Fitzgerald remarked that this has been brought up several times and requested that a written analysis be forwarded to the Board of Finance.

Mr. Murphy then addressed the \$912 increase to the **Adult Education** section referencing an invoice from Education Connection. He noted that under the **Improvement of Instruction** section, there was a decrease of 6%. Regarding the **Library Media Center** section, Mr. Murphy noted the decrease of 16.1% and noted that the plan is to reinstitute a full time media specialist this year as presently, there are two library assistants and an integration technology specialist who handle those duties. Regarding the **Technology** section of the BOE budget, he noted that the *Professional Development* increase of \$3,500 represents the training the data coordinator will be receiving in PowerSchool, the student information software system that will be used in the district. Ms. Moore questioned the *Technical Equipment* line, with a decrease of \$28,000, was now being bumped into capital. Mr. Murphy agreed. She questioned what the \$10,000 covers that remains in this line item. Mr. Murphy explained it will be used to replace access points, where especially at New Hartford Elementary School, wireless is weak.

Mr. Murphy explained that the increases in *Superintendent of Schools* line item within the **Central Office** section as well as the increase in the *Travel* line item were part of the negotiated contract. Ms. Moore commented on her surprise when initially reviewing a 7.3% increase in the *Superintendent of Schools* line item. Mr. Adams addressed this, explaining that these figures do not represent an increase to the town and actually reflects a few dollars decrease. He explained that the former superintendent's contract included a base salary of \$137,963 along with a tax sheltered ±\$10,000 annuity whereas in this superintendent's contract, it has all been moved to salary. Ms. Moore continued, pointing out that the new superintendent was hired at the same level as the previous superintendent. Mr. Adams confirmed. She further commented that there was no step program regarding superintendents, pointing out that the person replaced had an advanced degree, a doctorate in education, and also had a number of years of experience.

Mr. Fitzgerald noted that a new line item has been added, labeled *Bookkeeper*. He noted that it was his understanding that the *Purchased Professional Services* line item was going to be absorbed into other staff in Central Office. Mr. Murphy explained that at the beginning of the year, two days had been budgeted but that Interim Superintendent Dr. Paul Smotas thought it was necessary to include three days. Ms. Moore questioned whether the Bookkeeper and Fiscal Services Assistant positions were very different. Mr. Murphy explained that the Bookkeeper's duties include creating purchase orders, sending out orders, paying invoices on a timely basis, banking for the cafeteria and the Board of Education, reconciling bank statements, participating in preparing financial reports and keeping track of capital expenditures. Mr. Reggie Smith inquired as to whether the purchase orders were electronic or a mix. Mr. Murphy responded that it is a mix.

Mr. Murphy briefly reiterated that the negotiated salary increases is a contributor to the 2.3% increase in the **School Offices** section. Regarding **Plant Operations**, Mr. Murphy explained that the biggest increase in this section is for *Utilities* line item and the *Internet Services Provider* line item. Under the **Employee Benefits** section, Mr. Murphy noted that there was a big increase in *Unemployment Compensation* line item because the BOE is reducing three full time positions so there were additions made to this line item. He explained that the increase in the *District Travel* line item is due to the district going from two curriculum specialists to one who travels from school to school. Under **Pupil Transportation**, Mr. Murphy pointed out that the costs for the

Regular Education Bus Lease line item will be going up as the district enters into the last year of its contract with DATTCO. He noted that **Communications** is flat from the previous year.

Mr. Steve Tuxbury questioned what the BOE was figuring for an increase in the *Medical/Dental Insurance* line item. Mr. Murphy responded that they are at 6.82%, reduced significantly from where they began at 8%. Ms. Moore questioned the Tax Sheltered Annuities figures. Mr. Adams responded that administrators typically receive \$3,500 in an annuity after several years of service to the district but that with the experience Ms. Gladu-Morabito brought, they felt that they would give that to her during her first year. Ms. Moore asked if there was a set policy on the awarding of an annuity. Mr. Murphy stated that he thought it was after two years, a \$2,500 tax sheltered annuity is given. Ms. Moore stated that she would like to see clear policy followed on this. Mr. Charest inquired about the *Heating Oil* line item and the *Propane Fuel* line item within the **Plant Operations** section. Mr. Murphy explained that they do purchase in advance and noted he would have to get the Board of Finance additional information as to how this number was derived. Mr. Roth noted that the Internet line item seemed high, noting that it was twice the cost of the phone service and inquired as to whether it was broad band service. Mr. Smith noted that as a Network Engineer he would like to take a look at this to see if it is reasonable. Mr. Tuxbury questioned when the transportation contract expires. Mr. Murphy responded that there is one more year to it.

Mr. Ben Witte requested a copy of the BOE's current year to date status, with expenditures, through February. Mr. Murphy agreed he could provide one. Mr. Witte asked how many special education students there would be next year. Mr. Murphy responded that there are about fifty students. Mr. Witte followed up asking if the "in house" changed. Mr. Murphy responded that they are looking at some increases in terms of costs for outplacement tuition for this year for a few students. Ms. Moore asked whether a number could be provided of how many outplacement students the local BOE will lose next year and whether a number could be provided as to how many would be coming in. Mr. Murphy responded that he would have to get that information. Mr. Witte sought clarification on the Central Office, in that what was being added was one day per week for one staff member. Mr. Murphy confirmed. Mr. Fitzgerald questioned what is causing the overrun as the work had been being done by one, at less than two days. Mr. Murphy responded that Dr. Smotas did not think there were enough hours but that he would need to take a closer look to see if it needs to continue at three days. Mr. Smith inquired whether the rattling with the boiler that had been occurring was still happening or whether it had been fixed. Mr. Murphy responded that it had been fixed. Mr. Smith asked how it had been fixed. Mr. Murphy responded that he would need to get back to Mr. Smith regarding the specifics. Mr. Smith also inquired whether there are any ADA issues that the town should be concerned about. Mr. Murphy responded that any ADA issues will be addressed as part of the building project at Antolini. Mr. Bill Coates inquired about the job description of the Fiscal Services Assistant. Mr. Murphy noted that this person works on grants, monies that are awarded as grants get spent in the appropriate areas, payroll, and coordinating substitutes. Mr. Fitzgerald commented that this is also the role that does all of the budgets and the human resource work. Mr. Murphy agreed.

Ms. Moore commented that while the overall increase of 1% seems reasonable, her analysis when reviewing it on a cost per student basis reflected a different picture. According to her calculations, the 2014-2015 BOE budget cost per student was \$15,900. Her calculations figure the 2015-2016 BOE budget cost per student to calculate just over \$17,000. Ms. Moore commented that having a third school as an obvious place to look at when considering how to decrease the increase. Mr. Fitzgerald inquired as to whether there has been any discussion on closing one of the facilities. Mr. Adams responded that there had been some discussion at the end of last year. He noted that the town's task force who was provided with the charge of researching this possibility revealed a cost savings of \$47,000. He noted that there were other concerns with turning over a school to the town to be used for non-educational purposes. In the event that it then later needed to be used for educational purposes, it would need to be brought back to code resulting in a significant cost to the town. Mr. Coates inquired as to whether the drop in enrollment New Hartford is seeing is a state wide trend or unique to New Hartford. Mr. Murphy replied that it is indeed a state wide trend.

The group recessed at 9:20AM.

3. 9:30 AM 2015-16 Northwestern Region 7 Board of Education budget presentation:

The Board of Finance reconvened at 9:30AM to review the Regional School District No. 7 Working Budget 2015-2016, a copy of which is attached marked Addendum B. Also discussed and attached is the Regional School District No. 7 Budgetary Comparison Statement General Fund for the Fiscal Year Ended June 30, 2014, marked Addendum C. Director of Finance and Operations Rich Carmelich noted that while such a report was not in their system, in response to a request by Mr. Fitzgerald, he had compiled the data in the second document to provide an analysis from the last three years. Ms. Moore inquired whether they had anything prepared in terms of areas for potential cuts. Northwestern Regional School District #7 Board of Education Chair Molly Sexton Read noted that the board had shared a few ideas, including the following: reduction in capital funding of \$80,000 by not addressing the roof, elimination of freshman coach for savings of \$7,000, school climate training elimination for savings of \$8,000.00, textbook reduction of \$4,500.00, as well as an original proposed cut of \$8,000.00 from the athletic department. Ms. Read noted that the board expressed reservation with that cut and therefore sought input from the athletic department as to the effects a cut such as that would make. A cut of \$3,200 would likely be the scenario but Ms. Read remarked that this had not been discussed at the board level yet. Ms. Moore questioned how state mandates effect special education costs, especially in light of the expanding costs to be incurred next year with the influx of students requiring them. Dr. Palmer explained.

Mr. Fitzgerald noted nearly a 10% increase in per pupil costs and questioned whether it was because of the rise in special education costs. Mr. Carmelich began a review of the proposed figures and referred members to the first two pages, **Salaries**. He noted that in the fall a year or two ago, teacher salary increases were negotiated with a 3.1% increase for this year. This year, when negotiating with the secretaries, according to Mr. Carmelich, it was 1.25%, and paraprofessionals with 1.5%. He noted that negotiations will begin this spring with the custodians so no number is available yet. Mr. Carmelich noted that the administrators were scheduled to increase by about 2.87%. He highlighted the bottom of page one, *Certified Salaries* increasing by 2.68%, which figure includes not only teachers' base salaries but also department head stipends and coaching stipends. He highlighted from page two, that *Non-Certified Salaries* are increasing by 1.0%. Ms. Moore questioned whether there was a change in staff for the *Culinary Arts*, to explain the 25.44% increase. Mr. Carmelich explained that this is attributable to a quirk that can occur when teachers move through the steps, and from column to column that creates large bumps for an individual teacher. Before moving on, he noted that none of the new educational assistants or social worker are included in this section because those will be Shared Services employees. Mr. Carmelich then noted the *Employee Benefits* portion of page three has an overall 2.97% increase. He noted that the rate increase that they are getting from ConnectiCare is 6.5% so the NWR7 BOE is being very aggressive in this figure, and pointed out that the district is taking great care to be very aggressive throughout the budget with their estimates. He noted the difficulty in finding that perfect point between budgeting appropriately but not so conservatively that there is a ton of money at the end of the year. Mr. Carmelich reported that the district has some negotiated changes that he believes will benefit the district. For example, this is the first year that teachers must buy up in their health insurance meaning if they want to stay in their PPO plan, they have to pay that extra difference. Ms. Moore inquired whether NWR7 has the same health insurance as the local school system. Mr. Carmelich confirmed, reporting that each elementary district in the member town, along with NWR7, are together in a consortium.

Mr. Carmelich noted that on page 3, under **Purchased Professional/Technical Services** is where the big increases are evident, under the assessments for *Shared Services*. Mr. Fitzgerald clarified that the four extra para-professionals salaries and benefits are included in line item 326. Mr. Carmelich confirmed, and noted the increase in line item 325 is for the added social worker. Mr. Fitzgerald asked if that was a \$90,000 bump just for social worker. Mr. Carmelich indicated that what was budgeted was \$65,000 but that figure listed also represents the 3% cost increase from Shared Services. Mr. Carmelich also addressed the *Legal Fees* line, noting that it is underfunded every year, while the district continues to be stressed with legal issues whether they be meeting certain mandates or involve student issues. Mr. Carmelich noted that page 4 is the

Purchased Property Services, and highlighted many zero percent increases down the line, with an overall 1.3% increase. He pointed out lines 407 *Grounds/Contracted* and 408 *Buildings/Contracted* have been funded this way for years and years and opined that it is not enough money. He commented that it is something that will need addressing because it's not enough money to upkeep the facilities. Mr. Carmelich also commented that the figure in line item 402 *Electricity* is a very aggressive one, with 3% increase, but that he would be seeking consultation with a more energy efficient program. Mr. Carmelich noted that on page 5, under **Other Purchased Services**, other Special Educations costs are reflected in lines 562, *Summer School*, and *Tuitions-Special Education Private*, as this is the outplacement line. Ms. Moore inquired what the figure is being budgeted per each outplacement. Mr. Carmelich noted it varies widely, with some over six figures. Mr. Tuxbury questioned whether the excess cost sharing grant returns to the towns. Mr. Carmelich explained that it goes to the NWR7 district. He explained that the excess cost sharing grant is a mechanism wherein the state traditionally attempts to assist districts offset high special education costs, particularly if a student moves in to a district in the middle of the year after the budget is completed. In this program, the state will fund special education costs to districts for these high cost students, according to Mr. Carmelich. He explained that the formula for the grant is basically multiplying the normal per pupil expenditure by 4.5 to arrive at a threshold of cost for a special education student and will reimburse for costs beyond that threshold mark. What can occur though is that when the costs for a special education student falls just shy of that threshold mark, no grant money is received. Another recent development with the education cost sharing grant is that only seventy-five cents to eighty cents on the dollar beyond that threshold is actually being funded of that commitment. Mr. Carmelich noted that even with this unreliability of these numbers, NWR7 creates an estimate of what is probable to be received and is reflected in the crediting the expenditures in the budget. Mr. Witte questioned whether this is a practice that has changed beginning this coming budget year. Both Dr. Palmer and Mr. Carmelich responded that no, this practice of reflecting the grant money through the expenditure has been done for a couple of years.

Mr. Carmelich then noted that the **Supplies** account, detailed on pages 6 and 7, routinely takes hits and that these numbers are decreasing by almost 10%. He explained that a year or two ago, a natural gas line was put in along with dual fuel burners so that either oil or natural gas could be burned depending on which is cheaper. It was realized that savings were achieved in this area so the oil account was reduced, reflected in line 636. Mr. Carmelich noted that with a small increase, as shown in the increase on page 8 under the **Property** section, they continue to not fund replacement/capital type items. Mr. Carmelich noted that the -9.83%, decrease, under section **Other Objects**, on page 9, is attributable to a reduction in the interest on bonds. He noted that the district has been carrying two big bond issues from the school construction project years ago as well as two smaller capital loan items. One of the smaller capital loans will be paid off this year. He noted that item 910 will likely be \$80,000 lower than what is indicated presently by the end of the budget process. He concluded this section by indicating that once the adjustments are made as referenced by Ms. Sexton Read, the budget increase will likely be 3.2%.

Mr. Carmelich in his discussion of page 10, **Revenues**, noted that the regular tuitions are primarily from Hartland with a few from Torrington. The *Special Education Revenue* is from the Highlander Transition Academy program. He explained that the *Vocational Agricultural Tuition* is a state set tuition rate. For instance, when Winsted sends students to Northwestern's Vo-Ag program, Winsted is charged \$6,800 per student. Rental income is what Shared Services is charged to rent the building. In response to a question from Mr. Roth, Mr. Carmelich explained that the state sets the rate for out-of-district students for the Vo-Ag program, which is \$6,800. Mr. Roth asked if the district is losing money on allowing out-of-district students to attend Vo-Ag program. Dr. Palmer noted that one of the ways the state has tried to address this is through the Vo-Ag Operating Grant, providing more money for all students in the program, including the Northwestern district students in the program. With 117 students in the program, \$3,190 is received for every student in the program, according to Dr. Palmer. Discussion followed as to whether the district is losing money, educating students from out-of-district. Mr. Carmelich noted that there are four teachers in the program and although he hasn't broken out electricity costs, etc., his guess is that it is a self sustaining program. Ms. Moore inquired how many students in the program are from within the district and how many students in the program are from outside the district. Dr. Palmer estimated it to be about 50/50. Mr. Carmelich referred board members to line

102, *Vocational Agriculture*, under the **Salaries** section, \$272,465, and line 125, under *Secretaries, Agricultural Education*, on page 2, \$47,486. He noted that this is the entirety of the staff to run the program. Mr. Tuxbury noted that the Vo-Ag students are also educated by the other teachers, too, which requires needing more of those teachers. Mr. Roth asked whether the NWR7 Board had ever reviewed the net cost incurred with allowing out-of-district students in the Vo-Ag program. Ms. Sexton Read responded that they had not because they are required to allow out-of-district student admission, in order to even be allowed to have the program. To not do so would mean eliminating the program which is not something the board is interested in doing, according to Ms. Sexton Read. She noted that she would share this question with her board but that she can't imagine that it is something that they would want to consider. Dr. Palmer noted that the building principal, Mr. Ken Chichester, has worked with the department to open up some of those science classes to other students in an effort to capture ways to meet the high school reform mandate without increasing costs.

In final questions, Mr. Smith addressed a clarification he would like to seek through the auditors regarding the \$2.198M unassigned fund balance. Mr. Carmelich explained that when looking at the audit, the numbers were sliced in three different ways: budgetary basis, which is what has been provided in the document reviewed at this workshop and most are familiar with; a GAAP (general accepted accounting principles) basis, which is really a long term view of the numbers and doesn't necessarily fit nicely into fiscal years with the beginning point and end point; and then thirdly, a modified approval basis, which is a shorter term look. He noted that the figure that Mr. Smith is referring to is based on the GAAP type audit. What they do is take a look at all the liabilities and all of the assets, and not just contained in one self-contained fiscal year, Mr. Carmelich explained. Part of what makes up that \$2.198M is the reserve pays, which are bills that at the end of the fiscal year will be incurring but have not paid yet, and receivables (tuitions anticipated, grant money) according to Mr. Carmelich. He noted that the way Mr. Christopher King, CPA, books the receivables is as part of the unassigned fund balance. Mr. Carmelich noted that it is accounted for in the budget though, either in the prior year or in the next year. Mr. Fitzgerald questioned whether the figures used were committed receivables or projected receivables that could go up or down. Mr. Carmelich noted that the audit that ends June 30, 2014 was for 2013-2014 budget year. Mr. Carmelich explained that Mr. King is counting projected receivables anticipated to receive in this fiscal year towards that \$2.198M but noted that those receivables have been accounted for in the budget already for this year used to reduce the assessments. Mr. Fitzgerald noted that he will send an email to Mr. King during the week and ask him for a detailed response on the board's question.

Mr. Charest requested an amortization schedule to reflect where Northwestern is with their debt service. Dr. Palmer indicated that the payment schedule will be forwarded to Mr. Fitzgerald. Ms. Moore noted that she is uncomfortable with the NWR7 Board cutting out any capital in the upcoming year and opined that they should be budgeting a certain amount per year for capital expenditures. Ms. Sexton Read noted that this was a decision made very reluctantly by the board. She noted that because it is a regional district, those capital investments appear as part of the overall budget and that there's not a separate capital budget. Mr. Charest confirmed that this budget will be going to referendum. Dr. Palmer indicated it will be.

The group recessed at 10:37AM.

4. 10:30 AM 2015-16 New Hartford Town budget presentation:

The Board of Finance reconvened at 10:48AM to review the Town of New Hartford, CT 2015/2016 Draft 3/10/15 budget document, a copy of which is attached to these Minutes and marked as Addendum D. First Selectman Dan Jerram explained that the budget document is slightly different this year with the addition of supplemental information at end, which serves to help provide a longer range view in terms of post employment benefits, pension fund, and vehicle inventory. He explained this is in an effort to create more transparency. He noted that the municipal budget has a gross increase of \$233,000, with the summary page reflecting a \$191,000 increase in operations. Mr. Jerram explained that this number is inflated, however, because it includes a \$30,000 cash flow on behalf of the WPCA. He noted that \$30,000 is included in revenue for the WPCA request. He noted that the capital portion is up \$21,000 as opposed to last year of the amount associated with general government and not education. He noted among the drivers of the increase are salaries. An increase of \$8,979.30 is attributed to moving his Administrative Assistant's salary from a 35 hour

BOF MINUTES 03142015

employee to a 40 hour employee, according to Mr. Jerram. He noted that many have called Town Hall after hours, the phone gets picked up, and it is because the Administrative Assistant is working far more than 35 hours. He noted an increase of \$12,000 in Public Safety, \$4,000 in Elections, \$9,000 in Libraries, and net increase in salaries of \$136,000 in Highways. He explained that as part of the capital increase is the West Hill Lake study with an allocation of \$8,000, as a potential to avert future sewer costs in this area. He noted that when a problem occurs with water quality, it is not uncommon for the Department of Energy & Environmental Protection to come in and order a town to sewer the area. He noted that the Selectman had been putting about \$3,000 to \$4,000 per year through administrative expenses, as the town is one of the largest property owners on the lake with the fifty acres through Brodie.

Mr. Jerram noted that the municipality is in the health consortium, using ConnectiCare, and are seeing savings in this year's budget of about \$76,000. Mr. Jerram noted a functional change in the budget as Ms. Laura White has been reclassified into Land Use. Another functional change is that the town no longer has a full time Assessor but has a consultant, paid at \$9,000, and the clerical position which was in the Assessor's office now moves up to Building, according to Mr. Jerram. He noted that Ms. Beth Paul is in on Fridays doing training and charging on an hourly basis, with no benefits. The Assessor Trainee has staggered hours so that she is at Town Hall later on Fridays with 1:1 training and can go out together on home inspections, according to Mr. Jerram. He explained that she has taken all the classes and just needs to take the tests to become certified.

Mr. Jerram noted that under **Highway**, there is no more Chip Seal, but instead Pavement and that everything that goes into maintaining New Hartford's roads is going to be under one line. He noted that with seventy-five miles of road, and factoring a twenty year life cycle, 3¾ miles of road should be replaced or resurfaced per year. If lucky enough to get that at \$125,000 per mile for a two inch overlay, that figure is \$470,000.

Mr. Jerram noted that all of town's contracts are in unison, at 2.75% increases. Ms. Moore questioned whether Mr. Jerram has looked at reassigning some of the Administrative Assistant's responsibilities before moving into more hours. Mr. Jerram responded no, that he has not and that the amount of social services and administrative assistant work that she undertakes is all encompassing. Ms. Moore questioned whether the social services component of the work could be passed along to the Senior Center Director. Ms. Moore opined that there seems as if there are components of the Administrative Assistant's job that are very transferable. Ms. Moore noted that now that there is a full time assistant in the Land Use Office, this position has been increased by fifty percent over what it was before. Mr. Jerram disagreed, explaining that this used to be a full time position, dating back to when Karl had Rista as an assistant. Ms. Moore disagreed stating that the position was part of the Assessor's office. She questioned whether Mr. Jerram has considered using that additional fifty percent as help to the First Selectman's Administrative Assistant. She commented that unless the town hall is moving toward being open forty hours, she recommended looking at shifting some of those responsibilities before granting the request of an increase from 35 to 40 hours for the position.

Mr. Jerram continued explaining significant changes. He noted that on page 5, the reduction is from going to a consultancy. He noted that the new Assessor Trainee taking the Clerk's position but going to see Ms. White's salary jump over on to the Planning and Zoning side. He referred members to the Registrars line and what looks like a \$2,482 increase. Mr. Jerram commented that he receives submitted department budget requests and offered to give members specifics on the breakdowns. There are inclusions of Registrars in every aspect of voting, whether it is an election or referendum, and so the current format is an attempt to extract out the total cost of the Registrars as elected officials salary. He noted that this has been being paid already but listed previously as part of a lump sum of *Election Worker* or *Supplies* lines. These lines have been pulled back to show where the money is really going, Mr. Jerram explained. Mr. Fitzgerald asked if the increase in percent of 5.83% under *Assistant Town Clerk* was correct or a mistake. Mr. Jerram noted that as part of the educational stipend negotiated as part of the effort to get the bargaining unit to switch over to ConnectiCare, improved certifications entitles them to 3% raises. This was the case with this line. Mr. Jerram noted that the *Overtime* line under **Public Safety – Police** now represents the three year rolling average cost calculated by four constables. Mr. Jerram noted that the *Resident State Trooper* line deserves special attention as the governor has sought to cease the reimbursement. He noted that currently the town pays 70% of the pure costs but if the

governor's request is granted, an additional \$35,000 will be required at the last minute and may occur after the budget is approved. He noted that what is listed is what it is based on the pure cost current but noted the Board may want to make an adjustment. He noted that the *Animal Control* change is based on a mandate requiring additional training.

Mr. Jerram noted that what is omitted from the budget draft is a request of the *Ambulance Association* seeking a \$40,000 increase. No explanation was provided to him by them and while a little feedback was received from the treasurer noting difficulty with daytime coverage, it was not thorough enough, Mr. Jerram explained. Mr. Jerram addressed the **Highways** section of the budget, noting that when reviewing the age of vehicles as detailed on the Inventory and then compare them to *Equipment Maintenance & Repair* expenses, maybe something needs to be done with replacing the fleet. He noted that many lines in this section are trending up. Mr. Jerram noted that the fuel purchased is at harbor price, with gas and diesel prices being approximately \$1.91 so there is no advantage in locking in at a price. Mr. Jerram offered that if there are any requests for the three year rolling average on a specific line, he would be happy to email them. Mr. Smith questioned whether New Hartford has a road site survey prioritizing the roads in town. Mr. Jerram confirmed, explaining what he and the highway foreman have done in the last few years, giving roads a value on a one to ten range and review which ones have been chip sealed.

Mr. Jerram noted that Zoning Officers salaries in general are going through the roof and after already losing one, these positions are being advertised in the mid-sixties. Mr. Jerram reported that under the **Libraries** section, Bakerville Library, having just purchased a building next door, requested a 9% increase, and noted that the Board of Selectman capped the increase at 5.8%. Under the **Health, Sanitation & Welfare**, Mr. Jerram reiterated that the WPCA sewer study allocation will actually be returned with a grant. Mr. Fitzgerald questioned whether this is really just a loan and why this wouldn't just be coming out of their budget. Mr. Jerram explained because the WPCA doesn't have it. Mr. Fitzgerald opined that as a loan, he didn't think it should be just stuck in the budget but instead reviewed by the whole town. Mr. Jerram explained that the total cost of the study is \$60,000 but that the WPCA believes it can handle \$30,000 on its own so they are really just asking for cash flow. Mr. Jerram then reviewed under **Parks and Recreation**, that a change has been implemented in terms of maintaining the part time status of the *Recreation Program Director*. Mr. Jerram noted that the \$40,000 listed under *Recreation Contracted Services & Maintenance* is at the three year rolling average. Under **Commissions and Other Agencies**, Mr. Jerram noted that the Board of Selectman are advocating for a \$200 monthly increase in the *Senior Citizens* monthly stipend which would bring it to a monthly allocation of \$900 as reflected in this \$39,664 line. Mr. Fitzgerald questioned what else this line covers beyond the monthly \$900 program amount. Mr. Jerram responded that it also covers the Senior Director's salary. Ms. Moore inquired as to what this figure is. Mr. Jerram explained that the line includes the salary at \$28,800 and the programs at \$10,800. Mr. Jerram explained that the *West Hill Lake Association* line of this section, at \$8,000, includes annual dues to help them with administrative costs. He noted that as trustees the group maintains the dam and the water quality of the lake by doing weed removal, testing, etc. Mr. Fitzgerald noted that the \$8,000 is new for this year and asked where the dues had been coming out of. Mr. Jerram responded that it had come out of administration expenses or contingency and estimated that it has been averaging at \$3,500 to \$4,000 per year. Ms. Moore asked what the dues to the West Hill Lake Association have been. Mr. Jerram responded about \$450. Mr. Jerram noted that this combines the figures to one spot but that it is really not an \$8,000 increase, and instead estimates it to be an increase of \$4,000 to \$4,500 to allow them to do more water testing, as part of a proactive approach. Mr. Charest asked if the study was being split with the association. Mr. Jerram confirmed it was, noting that the association is actually considering spending almost \$20,000.

Mr. Jerram then noted what he characterized as some subtle changes to **Projected Revenues**. He noted that a couple areas have been returning much better than projected so has included some adjustment to those areas, notably *Fees and Fines* as well as *Building Inspector Fees*. Ms. Moore questioned the DEEP Sewer Study Grant for WPCA and clarified what was occurring. Mr. Jerram explained that he was approached with a request for \$30,000 with a promise from these folks that it would get returned by a DEEP grant. He further explained that the town would kick in \$30,000 and that the WPCA is kicking in \$30,000 but that the DEEP grant

would be returned at a rate of \$33,000. He noted that he didn't think it was right to keep the \$3,000 so that amount would pass through back to the WPCA, which would result in a net contribution by the WPCA of \$27,000. Mr. Jerram also discussed the *Municipal Residential Projects/Community Investment Fund*. He noted that part of this is derived from conveyance tax fees levied by the town clerk's office that can only be used for capital projects, such as improving parks. He noted that the Board of Selectman's recommendation is to use this to offset the cost for the proposed downtown pavilion. Mr. Fitzgerald inquired as to whether these available funds are shown in separate audit line items. Mr. Jerram confirmed. Ms. Moore inquired about whether there is revenue for the cell towers. Mrs. Annie Witte, Senior Bookkeeper, confirmed and indicated that it is shown as Telephone Access.

Mr. Jerram explained that it is his plan to now inventory for board review each and every vehicle with four wheels as he has done in providing the ***Town Vehicle Inventory: March 13, 2015***. He then noted that it is important to note trends and how it helps bond rating to be able to readily see what he has laid out in *Post Employment Benefits Analysis*. Ms. Moore praised this analysis as excellent and useful to review but commented that what was missing was information as to how many retirees New Hartford has and how many employees will qualify for a pension. She also noted that she has always asked, and that the answer has always been no, whether or not there are any part time employees who are piecing together hours from several different jobs who are qualifying for pensions. It was noted that town employees without pensions but instead with 457(b) plans have it all contained in their salary line item. He then reviewed the ***Revenue, Expenditure General Fund & Debt Analysis***.

Mr. Smith inquired about the health insurances costs showing a decrease of \$75,000. Mr. Jerram explained that the town is no longer with Anthem Blue Cross/Blue Shield but instead with ConnectiCare and that even though they are in the same consortium, his increase might be different because plans might be different. Mr. Roth asked what year the town hall unions are in of their three year cycle. Mr. Jerram responded that it was the second year of the cycle. Mr. Witte questioned the percentage used in Mr. Jerram's statement regarding the net increase to taxpayers. Ms. Kennerson clarified that the net increase was less than one percent of the total budget. Mr. Coates inquired whether the collection rates were conservative. Mr. Jerram reminded him that this number carried is ultimately set by the Board of Finance. Mr. Charest inquired whether one of the column headers on the ***Mill Rate Calculation*** page was incorrect. Mr. Jerram noted that there is a typo and one of the columns should come out. Ms. Moore questioned why there was no mention of Water on page 4. Mr. Jerram responded that water is included under *Town Hall Maintenance & Utilities, Town Hall Other Utilities*. Ms. Moore was surprised that \$8,000 covers both water and sewer while NWR7's water allocation was \$65,000. She noted that she would like to see this bill. Ms. Moore then commented on the 12.69% increase of the *Land Use Officer* and how it can be justified against the salary of the *Tax Collector* who has been employed by the town for twenty-nine years. She also noted the issue of assistants in Town Hall with the *Assessor's Clerk*, paying her basically the same as what the previous person was paid who had been at Town Hall for more than twenty-five years. Mr. Jerram noted that the *Assessor*, after having already completed all her classes and is only waiting on a test, will step in and provide savings. He noted that there are equity issues across the board and if this was to be looked at, hourly rates would need to be looked at for every single employee in Town Hall. Mr. Charest questioned whether these are contractual rates. Mr. Jerram noted that some are but some aren't and that the rate of growth is contractual. Mr. Charest noted that it does come down to what the market will bear. Ms. Moore then questioned whether the increase for libraries is based on a percentage of their operating budgets. Mr. Jerram responded that it was not. Ms. Moore opined that it should be. Ms. Moore commented that she would like to see the Commission on Aging listed as a commission on this page. She also noted that she would like to see the Senior Center Director salary separated from the operational. Additionally, Ms. Moore commented that she would like to see the West Hill Lake Association \$8,000 go into the Capital Expenditures as it will be a recurring expense. Mr. Fitzgerald questioned whether the Administrative Assistant position is salaried or hourly. Mr. Jerram responded that it is hourly. Mr. Fitzgerald referenced at a Board of Selectman meeting Mr. Jerram had mentioned that he had paid it out of some of the other line items and questioned which line items he was referring to. Mr. Jerram responded that OT/Substitutes was in there to cover unanticipated staff changes and extra to go to meetings. Mr. Roth questioned whether you could change a person from hourly to salary. Mr. Jerram said he would have to check

BOF MINUTES 03142015

with the Department of Labor. Mr. Jerram believed that there had to be a managerial aspect to such a situation which he does not believe is included in her job description. In the **Highways** section, Mr. Fitzgerald noted a \$125,000 increase just between the *Crack Chip and Seal* and *Pavement (new/preservation)* lines. Mr. Fitzgerald noted that it's likely that the *Road Maintenance-Pave, Grind, Re-surface* figure of \$40,000 and had moved it down there. Mr. Jerram confirmed. Mr. Fitzgerald noted that the *Road Maintenance-Engineering, Road Maintenance-Drainage, Road Maintenance – Pave, Grind, Resurface* and *Road Maintenance – Contract Services* Actual listed at \$192,059 but questioned what the real actual was. Mr. Jerram noted that they have always been lumped together, the audit has always lumped them together, and that history will reflect it's impossible to get those numbers. Mr. Fitzgerald questioned the 2.75% increase for a brand new person in the *Recreation Program Director* line. Mr. Jerram commented that union and non-union people across the board are being treated equally. Mr. Fitzgerald questioned what is covered under *Recreation Contracted Services & Maintenance*. Mr. Jerram noted that this covers the expenses of fixing things up there as well as trash pick-up, port-o-potties, utilities, repairs and maintenance of buildings. He noted that it does not include water front director and summer personnel as these are paid through the fee account. Mr. Fitzgerald noted that Recreation is not fully self-funding yet. Mr. Jerram noted that taking Brown's Corner out of the picture, and just focusing on Brodie Park with ten (10) one hundred year old buildings can account for this.

5. 11:30 AM Adjournment:

MOTION: Mr. Smith, Ms. Moore, **to adjourn at 12:42PM; unanimously approved.**

Respectfully submitted,

Pamela A. Colombie
Substitute Recording Secretary