

**Board of Finance
Public Budget Hearing
Tuesday, April 4, 2017**

MINUTES

Present: Board of Finance Chairman James (Jim) Fitzgerald, Board of Finance Members Reggie Smith, Steve Tuxbury, Ben Witte, Dan Charest, Bart Baxter; Alternate Members Bob Nilsson, Maria Moore.

Others in Attendance: Regional School District #7 Superintendent Dr. Judy Palmer, Director of Finance James Gaskins, Board of Education Chairman Molly Sexton-Read; New Hartford Public Schools Superintendent Brian Murphy, Board of Education Chairman Jen Benaitis; Town of New Hartford First Selectman Dan Jerram, Bookkeeper Annie Witte; Many Members of the Public; Administrative Assistant Christine Hayward, substitute recording secretary.

Call Meeting to order/seating of alternates:

Board of Finance Chairman Jim Fitzgerald called the meeting to order at 7:02 PM. He welcomed all to the meeting and stated that this is a very difficult budget year. The Chairman presented the agenda for the evening and said that since all regular members of the Board of Finance were present, there was no need to seat alternates, but encouraged them to be part of any discussions that occurred with the understanding that they would not participate in any votes taken as they were not seated.

Mr. Fitzgerald stated that the Public Hearing would be followed by a Special Meeting of the Board of Finance as noted on the agenda.

Mr. Fitzgerald read the legal notice that had been published in the Hartford Courant on March 24, 2017, notifying the public of the meeting.

Opening Remarks/Budget Overview:

The Chairman presented his opening remarks in a power point presentation. Facts presented included: The 2017 Grand List shows a slight increase of .45% over the prior year.

There is an anticipated decrease in revenues; current projections show the decrease to be 14.36%.

The total proposed budgets (including Regional, Local BOE and Town Government) show an increase of 5.60%.

Due to forecasted decrease in revenues, a 10% increase in taxes will be required to meet those expenses.

The current proposed general government budget shows a 2.17% increase in expenses.

Debt service is down 4.93%.

Capital Expenditures remain flat.

The Governor's proposed budget shows a 46.37% cut in ECS (Education Cost Share) to New Hartford.

The cuts for Special Education could be \$836,112.

There is a proposal to have Municipalities pick up the expenses associated with the Teachers Retirement Fund. This could be a cost of \$800,000+.

If the Governor's proposed cuts in funding come true and all proposed budgets remain as is, New Hartford could be faced with a mill rate increase somewhere between 3.14 - 4.42 mills.

Examples of tax increases include: a house valued at \$200,000 could have a \$439.63 tax increase; a house valued at \$325,000 could face an increase of \$714.39 and a house valued at \$425,000 could see

taxes raised by \$934.00

The Chairman stated that increases like the ones projected are not something residents can afford.

Presentation of Northwestern Regional School District 7 proposed budget:

At this point, Mr. Fitzgerald introduced Regional School District # 7 Board of Education Chairman Molly Sexton-Read who presented the proposed budget for Region 7.

Ms. Sexton-Read stated that preparation of the budget begins in mid-February and continues through April. The budget is a work in progress with changes and adjustments being made along the way. The final budget hearing will be on April 17 where the final budget that goes to Referendum will be adopted. The current proposed budget shows an increase of 2.4% over the current fiscal year. Ms. Sexton-Read discussed the academic achievements of the students at Regional; showing comparisons between the scores of Regional Students as compared to other students in schools within the Berkshire League. Increased costs of Special Education account for 1.5% of the increase. Salaries and benefits also contribute to a large share of the expenses. Ms. Sexton-Read commented that the loss of \$109,462.00 in revenue to Regional results in higher assessments to area towns. Currently, New Hartford will see an assessment increase of 3.34%. The full proposed budget is available online under the tab "Board of Ed" at www.nwr7.org.

Residents in attendance at the meeting were offered an opportunity to ask questions.

Mrs. Anita Baxter of Steele Road thanked Ms. Sexton-Read for an outstanding presentation.

First Selectman Jerram asked Superintendent Doctor Palmer if she had any updated information from the State as to how reimbursements for Special Education costs would be handled in 2017-2018. Dr. Palmer replied that no one seems to have any answers yet and therefore the proposed budget uses the current methods of reimbursement as budget indicators for next year.

Gina Maroney of Red Clover asked questions regarding tuition for out of district students who choose to attend Regional 7. She asked if the district was losing money on these students. Dr. Palmer replied that was not the case. Ms. Maroney questioned those who participate in the Vocational Agriculture program; wanting to know if that program was losing money on tuitions. Dr. Palmer explained that the Vo-Ag program has two sources of revenue – tuition from the students and grants from the State; stating that it all balances out and there is no loss.

Mike Maloney of Town Hill Road wanted to know why students from other towns are allowed to attend Regional if it results in larger class sizes but does not produce any profit. Ms. Sexton-Read replied that the Charter for the program states that the program must be offered to students from other communities.

Board of Finance alternate member Maria Moore commented that the 5 year plan shows a drop in the number of students that will be at Regional. Ms. Sexton-Read stated that there has not been a significant decrease yet. Board of Finance Chairman Fitzgerald asked what the maximum allowance for class size is. Ms. Sexton-Read replied that there is no cap. To this, Mr. Fitzgerald stated that due to the severe hit to New Hartford and the loss of the ECS revenues, this is the year to start reducing staff. He added that the "pain of the cut in ECS needs to be shared."

Presentation of New Hartford Public Schools Board of Education budget:

Superintendent Brian Murphy and Board of Education Chairman Jen Benaitis were on hand to present and discuss the local New Hartford Board of Education proposed budget. Mr. Murphy began by

thanking the local Board of Education members for their dedication and service.

Mr. Murphy stated that the overall proposed increase in the proposed 2017-2018 budget is 1.86%. He noted that the Education Cost Sharing revenue remains uncertain and stated that unfunded mandates continue to be imposed on the school system. He noted that included in the budget is an increase of one kindergarten teacher, an addition of a .5 Special Education Teacher and a .2 increase in a health teacher. However, there are also some decreases—consisting of 1 grade 4 teacher, 1 full time tutor and a .2 decrease in a music teacher position.

Superintendent Murphy noted that there will be a significant decrease in special education outplacement tuition. However, there are anticipated increases in electricity costs and there is an increase in the nurses salary line item due to having one nurse for each of the 3 school buildings.

Mr. Murphy commented that New Hartford students perform better than the state average in English and Science on standardized tests. He noted that Math is a weak area across the State of Connecticut and there needs to be improvement with New Hartford Math scores, but New Hartford is still ahead of the State average.

Residents in attendance were offered the opportunity to ask questions regarding the proposed budget. Sue Lunden of Town Hill expressed her concern with the small class sizes. She noted that contractually, class size can be at a maximum of 25 students, yet there are classes consisting of 13, 14, and 15 students. She stated that in these budgetary times, these small classes are not affordable. Mr. Murphy defended the small class sizes indicating that there are special education and Section 504 needs where small class size is beneficial to instruction.

Laura Polakow of Cedar Lane commented on the number of administrators employed by the Board of Ed and stated that there should be consideration of a reduction in the number of administrators as cuts in this area would not directly impact student learning.

Kelly O'Dell Longhi of O'Keefe Lane spoke in favor of small class sizes.

Jean Cronauer of Red Clover urged the Board of Education to revisit regionalization of the school system. Sharing a Superintendent should be looked into.

Donna LaPlante of Old Steele Road commented that "we have come to believe that small class size is a necessity, when it is, in fact, a luxury." She also noted that different teachers have different abilities and that optimum class size is dependent on the quality of the teacher; but there is room to make some classes larger in size.

Bill Baxter of Steele Road stated that as a resident of New Hartford for 46 years, he has no question about the quality of education in New Hartford. However, he added, that "we cannot afford to do what we have been doing." He stated that there has to be a comprehensive review of efficiencies. "There are empty classrooms and current conditions at the State make us take a step back and look at things."

Anita Baxter of Steele Road stated that there will be more burden placed on local taxpayers due to reduction in Federal and State funds and commented that potential savings in any area needs to be looked into.

Rob Jerram of West Hill Road stated that he was surprised to not see a significant decrease in special education costs considering that those costs were purported to be shifted to Regional, accounting for the large increase in their special education costs as students transitioned to that school.

Board of Finance member Dan Charest commented that the majority of the budget increase is attributable to the State and urged those in attendance at the meeting to contact their local

representatives and express concerns to them. He noted that little can be done on the local level.

Board of Finance alternate member Maria Moore noted that Region 7 School has 5 administrators for 1000 students and New Hartford has 5 administrators for 400 students. She asked why weren't New Hartford Principals charged with curriculum development. She then went on to ask why New Hartford does not use Shared Services for Special Education services, believing that to be a source for savings. Superintendent Murphy responded by stating that "Shared Services has no desire to take on New Hartford." He added that he would send the letter that stated that directly to Ms. Moore.

Ms. Moore suggested that class sizes increase as the grade level gets higher. She noted that she would not be supportive of large kindergarten class sizes, but felt that as the students get older, the class size can get larger.

Ms. Moore also mentioned the Minimum Budget Requirement stating that the state allows for the Board of Education to reduce their budgets as enrollment declines. She stated that there could be a cut of \$138,000 right now due to pupil reduction.

Member Witte noted that the public addressed the local budget with many concerns and wondered why no one addressed the Regional Budget the same way.

Member Smith stated that he agreed with the comments made by Mr. and Mrs. Baxter and that the budgets need to be cut. He added that he was concerned that the same problems will be faced next year.

Presentation of the Town of New Hartford General Government proposed budget:

First Selectman Dan Jerram presented the proposed 2017-2018 local government budget. He stated that there is still uncertainty with the State Budget, which makes it extremely difficult to prepare a local budget. He summarized that 22 of the 144 lines in the government budget were reduced; with some expenses being transferred to other line items to improve accuracy. Two significant increases in Public Safety and an increase in the Building inspector line item to make the position full time account for the majority of the proposed spending increase. The Resident State Trooper line item is being increased to show that the town will need to fund 100% of the costs of this program, up from its current 80%. Paramedic intercept is an assessment that will increase by \$12,095; this is for services provided by a trained medic who supports Emergency Medical Services. Mr. Jerram reviewed several of the line items and answered questions from the public.

Anita Baxter (Steele Road) questioned if the Building Fees offset the increase needed for a full time building inspector. Mr. Jerram replied that they do, but the revenues cannot be directly applied to that position and are instead listed as a Revenue to offset the entire budget.

Arnie Helt (Birdsview Avenue) asked if the Teachers' Pension costs that may be borne by the Town include pensions for teachers at Regional. Mr. Jerram replied that it does include New Hartford's share of those costs.

Mr. Baxter asked if the pension is an unfunded liability and wondered how much is past due from the State. Board of Finance member Witte replied that they have heard it is funded at 40%. First Selectman Jerram added that "this will be a permanent hit if comes to pass; but the Speaker of the House has indicated that it is politically unpopular initiative."

Mr. Baxter questioned if the budget process timeframe is bound to a set schedule. Chairman Fitzgerald replied that Region 7 is bound by Statute as to when they call for their vote, but New Hartford can be more flexible with the approval of its budget. First Selectman Jerram added that there are options for

slowing down the process. Tax Bills could be issued using the mill rate from the prior year (2016-2017) and then issuing a supplemental bill at a later date. Mr. Jerram commented that it might be best to hold off on approving a budget to bring to a vote in order to avoid draconian cuts caused by “pie in the sky” guesses with revenues.

Linda Goff of Maple Hollow Road asked the Board of Finance to consider setting a reasonable mill rate and then issue supplemental billing. She stated that she “would have a hard time with getting overtaxed.” Several in the audience supported this statement, including Beth Paul of Lair Road.

Ms. Goff then stated that she is disappointed in the low level of funding the highway department receives. She expressed her appreciation to the dedication shown by the crew members to keep the roads clear during the winter and noted that they don’t even have a decent town garage to work out of. She stated that the Board of Education needs to cut administrators so that other areas of the local budget can be better funded.

Polly Pobuda of Church Street in the Pine Meadow section of New Hartford asked what will happen if the mill rate rises above the 32 mill rate cap for Motor Vehicle taxes that has been put in place by the State. Mr. Jerram replied that he would have to look into that as he was not entirely familiar with how that would play out.

Steve Unger of West Hill Road addressed the Board regarding two of his concerns; Beekley Library and the West Hill Lake Association. He was dismayed to learn that the Library’s request for an increase in funds had not been granted. He feels that the library is an important asset to the Town and by not supporting an increase in funding, many in town will be affected. He noted that the staff at the library deserves an increase in wages just like every other town employee.

Regarding the West Hill Lake Association, Mr. Unger noted that the stipend from the Town goes to helping to pay for the preservation of the Lake. He stated that West Hill Lake is one of the cleanest lakes in the state and is an asset for all residents. He urged the Board not to reduce the funding in this line item.

Chris Brooks of West Hill addressed the Board, stating that he serves as a member of the Board of Directors on the Beekley Library. He read a prepared statement asking the Board to consider a 2% increase in funding for the library. He would like to use the funds to increase salaries by 2.5%, which he feels would put the wage levels equal to those who work in grocery stores. Mr. Brooks said that the library provides entertainment and affords opportunities to residents for internet access.

Board of Finance alternate member Maria Moore commented to the First Selectman that she sees that the Town government budget is so small when compared to the Boards of Education and stated that she would be embarrassed to ask for any cuts from his budget.

Having no further items on the agenda, the Board of Finance Chairman called for a motion to adjourn.

MOTION: by Witte to adjourn the Public Hearing at 10:30 PM, seconded by Tuxbury.

Unanimous

Respectfully Submitted,

Christine Hayward, Substitute for Penny Miller, Recording Secretary

There are no attachments to these minutes. All proposed budgets are draft documents and are available online or by request from the offices of the Boards of Education or First Selectman