

**New Hartford Board of Finance
Regular Meeting – April 11, 2017**

Present: Board of Finance Members Steve Tuxbury, Ben Witte, Dan Charest, Reggie Smith, Alternate Members Bob Nilsson, Maria Moore, First Selectman Dan Jerram, Selectman Laura Garay, Town Treasurer Gordon Ross, Bookkeeper Annie Witte, Administrative Assistant Christine Hayward, BOE Chair Jenn Benaitis, Jean Cronauer, Sue Lundin, Bob Moore, Tim Goff, Laura Polakow, Kerry Guilfoyle, Lou & Arnie Helt, Mark Russo and other members of the public, BOF Recording Secretary Penny Miller.

Call Meeting to order / seating of alternates:

Mr. Tuxbury called the meeting to order at 7:00 pm. Mr. Tuxbury said that Chairman Fitzgerald was unable to be present and had asked him to chair the meeting and that Alternate Member Nilsson be seated for him. Alternate Member Moore was seated for Member Bart Baxter.

Adoption / revision of agenda: None

Approval of Minutes:

MOTION by Smith to approve the minutes of March 28, 2017, seconded by Nilsson.

Unanimous

MOTION by Charest to approve the minutes of the Public Budget Hearing on April 4, 2017, seconded by Nilsson.

Unanimous

MOTION by Charest to approve the minutes of the Special Meeting on April 4, 2017, seconded by Smith.

Unanimous

Communications to the board: There are no communications,

2017-18 New Hartford Budget: discuss (all aspects-town, schools, capital, revenue, etc. and take any action on the proposed 2017-2018 budget, and consider input from the Public hearing.

Mr. Charest asked if a response had been received from Region #7. Mr. Tuxbury said nothing had been received. Ms. Moore asked if the board wanted to go through the budget page by page or just suggestions. Mr. Tuxbury responded because we are potentially facing such large cuts we may not be able to make any real good decisions tonight. We can make recommendations to the town and Board of Education as to what they each cut. Mr. Smith asked if we had heard anything from the state. First Selectman Jerram said no decision will be made until April 27th or 28th. Mr. Smith had heard that the decision for the \$800,000 was off the table and now it is back on. It will be difficult to present a solid budget without knowing what the revenue will be. Mr. Witte said based on what he has heard would go with the governor's recommendation on revenues but not put the \$800,000 on the expense side knowing if it came through we would need a special tax assessment. He would prefer not to put it in but

have a supplemental tax bill if we need to. Ms. Moore asked about special education. Mr. Witte heard they took the special education money out of the normal ECS reimbursement and put it into that pot. Ms. Moore said that we have to give them \$800,000 for the teachers, but they have put way too much into the education part. Mr. Witte heard that some of the things that are coming back to us in Special Education were previously in ECS. Ms. Moore feels if you go with what he has and don't put in the \$800,000 you have to mitigate that by not putting in all the Special Education costs which we know are over-inflated. Mr. Tuxbury said he is less leery about not going with it all the way. Mr. Witte replied it is a risk. We need to make it clear that we left it out and if it comes to fruition there will be a supplemental tax billing, as opposed to putting it in and it not happening. Mr. Tuxbury said we need to make a hard attempt at some cuts. Then if it doesn't happen we will be in better shape. If we make a substantial cut to the town and school before we set the mill rate we probably would know what is happening. Mr. Jerram said you would still be guessing. Mr. Tuxbury replied there is no doubt that we are guessing. Mr. Smith said we shouldn't be guessing but instead wait, make cuts and once we see what the revenues are then we approve the budget. He recommended that the town have a separate referendum with Region 7 apart from the town budget. If it is past July 1st the town can send out the tax bill from the previous year's assessment. Then a corrected tax bill will be sent out for the 2nd half. That way we know exactly what numbers we are dealing with. Mr. Tuxbury asked are we good with figuring it out with everything in? Mr. Witte said the town did it with two options - one with everything in including the \$800,000 and one without \$800,000. The obvious thing he heard at the public hearing to cut was the local Board of Education. We need to challenge them to take money out of their budget and make it work. A decision needs to be made to have some larger class sizes and administration cuts. He would take \$120,000 - \$140,000 out of the local Board of Education operating side. The increase is \$148,000 and \$120,000 is a number that doesn't make it flat but it comes close. If a suggestion was made to make it a flat 0% (zero) increase, he wouldn't disagree. Mr. Smith asked why that specific number. Mr. Witte replied there are areas in the budget where they can make changes. Regardless of what the state is doing he would still make this suggestion. He is having a hard time saying we are going to take what the state dealt us and hit the local school and town and maybe Region #7. Mr. Smith said it is time to vote down Region #7. Ms. Moore said we need to get back to the amount you want to cut from the local schools. The \$120,000 brings it close to a 0% (zero) increase. She feels more comfortable that even if the state wasn't cutting, the drop in number of students should be acknowledged. She would go back to the \$147,000 which is half per cost per student by the 18 number of students we are losing. If we need to do more than that we should impose the full MBR which is \$147,000 off last year's budget which then comes out to \$295,000. This is what we should be doing just based on the number of students lost.

MOTION by Smith to cut \$400,000 from the Board of Education Budget, seconded by Nilsson.

Discussion followed. Mr. Witte suggested looking at the numbers before voting. With the \$200,000 of surplus in there it is 3.74% tax increase or 8.35% with the \$800,000 in. He asked what the number was based on. Mr. Smith said he wants to lower the Board of Education budget. They would be given that number and the Board of Ed would figure out where to make the cuts. Mr. Witte asked if that was below the MBR. Mr. Tuxbury said he believes they changed it so you can cut up to the reduction you have in the ECS. Mr. Jerram said it hasn't been approved yet.

BOF Member Bart Baxter arrived at 7:32 pm and was brought up to date on the discussion by Board member Witte. Alternate Member Moore was unseated.

Mr. Witte said without the \$200,000 the rate would be 4.79% increase. Ms. Moore asked Mr. Tuxbury if the \$400,000 is allowed under the MBR, he replied that the First Selectman said no and she agreed saying that \$295,497 is allowed.

Aye: Smith, Nilsson, Tuxbury; Opposed: Witte, Charest, Baxter

Motion failed

MOTION by Smith to cut \$295,497 out of the Board of Education Budget, seconded by Nilsson.

Discussion followed. Mr. Witte said without the \$200,000 and without the \$800,000 it is 5.34% tax increase or 8.9% without the \$200,000 and with the \$800,000 pension recorded as an expense. Ms. Moore said she would put in the \$200,000 as it is too much in one year. Mr. Nilsson commented on the low student enrollment at New Hartford Elementary School and that something would be needed to address this low number. Ms. Moore replied this year they have staff and possibly an administrator to cut. Mr. Nilsson said they are top heavy.

Aye: Smith, Nilsson, Tuxbury; Opposed: Witte, Charest, Baxter

Motion failed

MOTION: by Witte to cut \$148,419 out of the Board of Education Budget, seconded by Charest.

Discussion followed. Mr. Witte said the percentages would be 6.12% with the \$200,000 and 9.67% without the \$200,000.

Aye: Witte, Charest, Baxter; Opposed: Smith, Nilsson, Tuxbury

Motion failed

Mr. Charest asked where the board needs to be and why that number. Mr. Smith said \$250,000 was the number. Mr. Tuxbury said if the goal is take action from the previous meeting the \$148,000 doesn't do that. If the goal is to increase class size then you won't accomplish it by cutting \$148,000 and you aren't addressing administration. That was not on their cut sheet. Mr. Witte asked what number would be supported. Mr. Smith said he would support \$200,000 in cuts from the Board of Ed. Give them that number and ask them to bring back their budget showing what effect it would have.

MOTION: by Smith to cut \$200,000 out of the Board of Education Operating Budget, seconded by Nilsson.

Discussion followed. Mr. Smith said we can come back to the table in a month and look at it again when we have a further grasp on the revenue but we need to start somewhere. Mr. Witte said the numbers are 5.85% without the \$800,000 or 9.4% with the \$800,000.

Aye: Smith, Nilsson; Opposed: Witte, Tuxbury, Charest, Baxter

Motion failed

Mr. Smith suggested they table the Board of Education budget and see where other cuts can be made. He feels we should postpone this discussion for another month. He asked if anyone wanted to make cuts in the General Government Budget. Mr. Witte said he would sign up for a token cut of \$40,000 out of Capital or Operating. Mr. Tuxbury said if we can't come to an agreement we will need to cancel the referendum. Mr. Smith suggested cutting \$200,000 out of the General Government Budget and \$200,000 out of the local Board of Education & General Government Capital budgets. No motion was made regarding this proposal.

Discuss and take any action on approving the 2017-2018 budget, and, sending the budget to the Board of Selectmen for the Town Meeting, where the 2017-2018 Budget will be subject to approval by the legislative body at a referendum

No action was taken.

Discuss and take any action regarding approval of "C.G.S. 7-344, Report on Budget Summary for the Town of New Hartford" for Publication in a local Newspaper in accordance with C.G.S. 7-344

No action was taken.

MOTION by Smith to request that the Board of Finance Chairman and First Selectman work together and report back on the status of the state revenues, seconded by Witte.

Discussion followed. Mr. Witte said we missed the opportunity to put some markers out there. Those are a \$148,000 cut from the Board of Education, \$45,000 from the town and put \$200,000 on the revenue side. Had we done that we would be looking at a 4.83% tax increase without the \$800,000 pension payment or 9.44% with the \$800,000.

Unanimous

MOTION by Smith to adjourn the meeting at 8:10 pm, seconded by Baxter.

Unanimous

Respectfully submitted,

Penny Miller
Recording Secretary