

**New Hartford Board of Finance  
Special Meeting  
Wednesday, March 30, 2016 @ 7:00 pm**

**Present** Chairman Jim Fitzgerald, Members Bart Baxter, Ben Witte, Dan Charest, Reggie Smith, Jr., Steve Tuxbury, Alternates Bob Nilsson, Bill Coates, Bookkeeper Annie Witte, First Selectman Dan Jerram, Selectman Alesia Kennerson, Selectman Laura Garay, Supt. of Schools Brian Murphy, BOE Chair Sue Lundin, Region 7 BOE Noel Gauthier, Republican American reporter Kathryn Boughton, Members of the Public, Recording Secretary Penny Miller.

Chairman Fitzgerald called the meeting to order at 7:02 p.m. This evening there is no public comment. He thanked the Bakerville Coalition for the board's name tags.

**Seating of Alternates:** With a full board present no alternates were seated. They can participate in the discussion but can't vote.

**Approval of Minutes: March 12, 2016**

**MOTION** by Tuxbury, second Witte to approve the minutes of the March 12, 2016 meeting.

*Unanimous*

**Approval of Minutes: March 23, 2016**

**MOTION** by Smith, second Witte to approve the minutes of the March 23, 2016 meeting.

*Aye: Smith, Witte, Fitzgerald, Tuxbury, Baxter; Opposed: none; Abstained: Charest*

**Communications to the Board**

Chairman Fitzgerald said he had two letters. One from Tom Palmer of Barkhamsted – his analysis of Region 7 budget and a letter from New Hartford resident Irene Brown re: Region 7 in terms of her advocating for no cuts in the VOAG program (a copy of each letter is filed with the minutes). The 3<sup>rd</sup> communication was dated March 30, 2016 from Troy Lamere re: how the payment of \$100,000 to Dennis Minor and the associated attorney fees will be paid for (copy filed with the minutes). As it is not listed on the agenda there can be no discussion on it. Mr. Fitzgerald did ask the board if they had any information they would like him to request or anything further on this item. First Selectman Jerram did say that he and the other selectman are limited in what they can say. There is a settlement and they are bound by the settlement to only say that it has been resolved. As it is public information anyone who is interested in the settlement can come to his office and obtain a copy of it. Mr. Smith asked that his communication from Rich Carmelich be entered into this meeting. The email is regarding the increase in electricity at Region 7 (copy filed with the minutes). Region 7 has spent \$103,220 so far this fiscal year through mid-March. The estimated total expenditures will be about \$420,000. The figure is significantly higher than 2014-15 due to a much lower rate for much of that year. A new contract was signed increasing the rate from \$0.0746 to \$0.09855. Their contract at \$0.0746 expired when the market was higher and their solar panel rate increased by 4%.

**2016-17 New Hartford Budget discussion (all aspects- town, schools, capital, revenue, etc.) and take any potential action on proposed budget**

Chairman Fitzgerald said that Items 4 and item 5 were somewhat redundant but he had separated them out in

the event they got to Item 5 and the board wanted to reconsider items or take action on Item 4 prior to the public hearing. The New Hartford budget discussions will cover all aspects – town, school, capital. He continued that we can't really take action on Region 7 but if there is a message to be sent to them, we can do that.

**New Hartford Board of Education – budget dated March 28, 2016 filed with minutes**

Mr. Smith asked if Supt. Murphy could explain how the BOE went from -2.97% to 0.73%. Supt. Murphy said that the board approved the addition of a Grade 1 and Grade 5 teacher (approximately \$110,000) in addition they agreed to fund the opening of Bakerville School for \$210,000. That is how we got from a negative -2.8% to 0.7%. Mr. Fitzgerald said the net increase is \$58,572. He was at the Monday night meeting and the board came together and as Madam Chair knows the BOF has been open and willing to listen and work with the BOE and that has never been a question. From a commentary standpoint this is more than what the board expected and he thinks it went a little too far in terms of the increase and in his opinion one of the BOE members took advantage of the situation. We need to satisfy a significant part of this community relative to where the revenue comes from. It comes from the taxpayers and not just the group related to the education system. From what he has read in the paper the municipalities may not be hit as much as we thought or beyond what we have been hit relative to the budget. From a revenue standpoint the numbers may be okay for this year. Mr. Fitzgerald said it could change by June 30th. There was some commentary about excess workers compensation in there. Mr. Murphy said they would address that at the next BOE meeting. There is flexibility in that line item. Right now there is \$60,000 proposed and the recommendation is to reduce it by \$40,000. Mr. Witte asked does the board know that it isn't needed. Mr. Murphy responded yes. Mr. Fitzgerald said if we take it out tonight then your increase would be around \$18,572.

Mr. Charest asked Mr. Murphy to explain why the additional teachers are needed. Mr. Murphy said there has been a great debate on class sizes. The BOE feels it is important to keep the class size down. In the 4<sup>th</sup> grade there is a wonderful group of students but there are also some with specialized needs. The 5 sections in grade 4 have been working this past year and we will carry over the 5 sections into 5<sup>th</sup> grade next year. During this past summer there was discussion about adding an additional Kindergarten section because of class sizes. At that time the board decided not to increase a kindergarten section. They feel that to meet the needs of all the students next year an additional 1<sup>st</sup> grade teacher is needed. Mr. Witte asked what does that do to class sizes. Mr. Murphy responded there are 21 students now in 3 sections and next year there will be 15-16 children per class. Mr. Witte asked with the additional section in grade 5 next year are you keeping the 5 sections in grade 4 next year. Mr. Murphy responded that next year's 4<sup>th</sup> grade class will have 4 sections. The extra class section will only be in grade 5. We also proposed to reduce a grade 3 next year. There will be no loss of teaching positions for next year. Mr. Fitzgerald said next year in grade 5 there are 72 students and with 5 sections that is 14 students/class. Are there that many issues that you need to have the class size that small? Mr. Murphy said it has been working well this year and we feel that we need to keep the classes this small next year.

**MOTION** by Smith, second Charest to approve the New Hartford Board of Education budget of \$8,012,798 which is an increase of \$18,572.40.

Discussion followed. Mr. Tuxbury said originally he came in thinking he wanted to see a 0% budget. Mr. Fitzgerald suggested we capture this number for now and see where we are after the town capital. Mr. Tuxbury said he won't tell the BOE where to spend their money but after the letter that was sent he felt that 0% was attainable. There doesn't seem to be much support for that. Mr. Fitzgerald said it seems troubling that we need to add an additional teacher because of the issues you are having and why it can't be taken care through a disciplinary standpoint and why the rest of the school has to suffer from a budget standpoint. Mr. Murphy said we do work hard at our discipline and do hold our students accountable for their actions but we feel it is very important. Mr. Fitzgerald feels you are setting a precedent. It's not our business but if you had to zero in anywhere that would a number right there. Mr. Witte asked what number you are talking about. Mr. Fitzgerald

said the number attributed to the addition of a 5<sup>th</sup> grade teacher just to solve the disciplinary problems they have. Mr. Murphy said beyond the disciplinary issues there are specific learning needs as well with this cohort of students. Mr. Fitzgerald said we can only go by what we have heard and from some of the BOE members. Mr. Baxter said if we eliminate one teaching position how much would it impact the unemployment compensation. Mr. Murphy said it would impact it slightly. Mr. Witte feels we should leave it as it is now but that we may need to come back to it.

*Unanimous*

**New Hartford Town Budget – Draft WIP budget dated March 29, 2016 filed with minutes**

Mr. Fitzgerald said that Bookkeeper Witte has updated the revenue and probate numbers (filed with minutes). The revenue is based on March 24, 2016. Page 3 – Budget Summary - we are looking at the \$251,574 increase which doesn't include what just happened with the BOE and the \$-40,000 will need to be pulled out. The only change is on C.G.S. Form 7-344 and it is just the dates. Some of the commentary dates have been changed. Mr. Tuxbury said he knows that a consultant did an audit on the town hall – the workforce and duties. Mr. Jerram said they did find there are gaps in services during various times per year. We will be applying duties during certain times of the year, for example, the newsletter. In the tax collector & town clerk's office where there is a team approach we can add in certain things. People are being cross-trained to help out where and when needed. There is no need to add head count but to rearrange and better utilize our time. Mr. Smith with the economy is concerned about the salary increases going up every year for the elected officials. Over the last 4 years it has been 8.5% total with another 2% this year. The Administrative Assistant received 13.8% last year and 2% this year; this is almost a 16% increase. He is very uncomfortable about these increases. Mr. Jerram said a point of clarification that no one in the Town Hall received a 16% raise. The Admin. Asst. has had additional duties and hours added to her week. She is now working a 40 hour week instead of a 35 hour week. Mr. Fitzgerald said in General Administration: First Selectman's office up 3.8%, Town Hall Maintenance up 2.4%, Tax Collector up 1.6%, Assessor down 3.5%, Probate & Election down 8.3%, Board of Finance up 5.3% and Town Clerk up 2.4%. The Board of Education increase is 0.23% - \$18,572. Region 7 is 1.08%. Their next meeting is the evening of our public hearing. They are up first and then they meet right after that. Mr. Fitzgerald believes they may be meeting in the building. Continuing on Public Safety is 3.7%, Highway is 2.1%, Planning & Development negative -1.2%, Library 1%, Health and Sanitation 5.5%, Parks & Recreation negative -0.6%, Debt Service on the interest is -8.5% and on the principal 0.6% for a Total Debt Service of -2.4%.

Mr. Smith said the Ambulance Association is up \$40,000. Mr. Jerram said that all of their ambulances are old with the youngest one being a 2004 they would like a new ambulance. Mr. Fitzgerald said last year 2014/2015 they were approved for \$60,000 and the actual was \$70,000. For this current year they asked for \$100,000 and we approved \$80,000. Mr. Jerram said they had money in their bank account and trying to be fiscally conservative had been drawing down from that. Now they have liabilities with these machines and need to replace one of the ambulances.

**Commissions and Other Agencies.**

Mr. Fitzgerald said he knows that the board has concerns about the 100% increase for West Hill Lake Association. He is concerned about it being called an assessment. Why isn't it being dealt with through Zoning and Regs. Mr. Smith asked Mr. Jerram, the West Hill Lake Association feed what is included in that? He is concerned about the housing density. How often does the Farmington Valley Health look at the septic systems there? What is the plan? He is willing to work with the town and association but would like to see the regulations that keeps the pollution out of the lake. Mr. Jerram said the West Hill Lake Association is asking for \$16,000 and are spending through donations over \$50,000. They are very concerned about the sand & salt on the roads, what fertilizers are being used on the lawns, storm water run-offs, septic systems, etc. The town is one of the 3 top property owners with Brodie Park and the two camps on the other side. The lake is considered

to be one of the cleanest in the state but they are seeing changes in the lake. The selectmen feel some level of funding is needed here. We could do drainage work up there. We have helped with the dam even though it is in Barkhamsted and 90% of the property owners are in New Hartford. Mr. Smith doesn't mind putting money into the lake but at some point we need to see what the regulations are to keep the lake from deteriorating. He needs to see some results.

**Capital Expenditures:**

Mr. Fitzgerald said we are looking at \$89,000 for the Board of Ed and \$405,000 for the town. Downtown Improvements is \$70,000. Mr. Jerram the \$70,000 is for sidewalks. The corner lot is under development and Dunkin Donuts will be moving there. Dunkin Donuts will take the sidewalks around the corner and the town will complete the sidewalk by the library to make a loop. Dunkin Donuts will give the library some extra land for parking. Mr. Fitzgerald continued the Town Jeep for \$35,000, large truck (not financed) \$165,000 and \$20,000 for a 2-phone system for the Town Hall. Mr. Jerram said the Jeep is a 2004 with 136,000 miles. He said both Town Hall vehicles are less than desirable. He will have the mechanic look at them to see what needs to be done. How many miles a year does the Building Department put on the vehicle. Mr. Jerram said there is 80,000 – 90,000 miles on it. Mr. Witte said the Building Department vehicle is still out another year. Does it make sense to lease it and could we look at other options especially if we aren't driving it that much. Mr. Fitzgerald asked if the \$35,000 was a quote from a dealer. Mr. Jerram said they took an historical average of the police cars they have been buying. Over the past few years the police cars have been in the \$41,000 range and they don't need all the equipment / computers on the Town Jeep. He could probably tighten up the quote. He has a question out to Nutmeg International to see if they can tweak the \$165,000 number for the truck. He can check with them for the Explorer or Taurus.

Mr. Smith asked about the Recreation Commission capital for \$35,000. Mr. Jerram said they are looking to do two projects. One is the lake shore front where the boats are at Brodie Park and renovating the fencing and the courts on the far side at Callahan Park. At Brodie Park the town will be doing most of the work pulling out the concrete steps, clearing a path, removing all that material and doing a riff rack bank down to the water front with a cabling system. The engineers estimated \$15,000 to do this with the remainder going to Callahan Park.

Mr. Fitzgerald continued with the Revenue Sheet dated March 24<sup>th</sup>. Shown on the document is the 2015/16 and 2016/17 - the budget approved and the proposed budget for this next fiscal year. Along with what the revenue change is in 2014/2015 vs 2015-2016 and 2015/2016 vs 2016/2017. This is revenue that has to be generated by taxes so it is an increase of \$523,695, last year it was \$902,521. A good portion of that was relative to Region 7 and the 8% increase we received. Right now as of March 24<sup>th</sup> the revenue looks like it is on target. Ms. Witte said we won't realize the Pilot State Owned for \$18,705 from the state this year. Last year we had \$518,000 projected for funding the budget from Surplus and this year the proposed surplus to fund the budget is \$200,000. The total revenue without the current taxes has dropped \$272,000 going from \$5,554,169 to \$5,282,048. Mr. Smith asked where the \$200,000 surplus number came from. The audit said it was around \$40,000. Mr. Jerram said it presumes the money we keep in the bank, our mutual savings account which is about \$3 million this year, that when we don't spend all your tax money in the prior year or our revenue comes in higher there's extra money and this board moves that money into next year's budget to offset how much in taxes they have to collect. With last year's terrible winter we had to purchase more salt & sand our expenditures were tight and our revenues were high. On page 61 of the audit it says *Surplus to Finance Budget* you will see the \$191,504 calculation that they used. In last year's budget we internally calculated a \$275,000 number but then we had an issue because the BOE accrued a liability for the Magnet Schools tuition at \$77,356 that had to be counted as a lien against the general fund. Chris King said the number is solid and he rounded it to \$200,000.

Mr. Fitzgerald took the \$90,000 for Bakerville School maintenance out of the town budget. Currently we are showing a mill rate increase of 0.70 with the \$40,000 coming out it is 0.64, tax increase was 2.41% and now it's 2.19% based on the one change. The tax per 100K is going from \$2,904.38 to \$2,968.14. That is the projected tax increase.

Mr. Charest asked about the revenue coming from the state. Mr. Smith said they approved no increases in municipal revenues in the current year budget. We won't know how solid the revenue numbers are coming from the state. Mr. Witte said we need to get comfortable where our cushion is if we don't want to touch the spending we have to look at where the money will come from. There are two areas – the surplus if it is a small number and the other one is the collection rate.

Mr. Tuxbury said we were pretty tough on the Board of Ed and it sounds like we are just going to go with the way that it is. He asked if everybody good with what we have. Mr. Smith said he wasn't. Mr. Witte said we can trim some of the capital. He thought about making the truck payable over a number of years. But looking at future year capital plans there isn't any room for that. On the town side the big ticket items are the ambulance, RRDD#1, and West Hill Lake. A lot of road items were flat. Mr. Tuxbury said there was a substantial decrease in the cost of the material. He feels there is room for cuts in the asphalt paving. We could cut that line item by \$100,000 and still pave as much. Mr. Fitzgerald said we approved \$460,000 last year and this year you are requesting another \$460,000. Where are we now for actuals on the pavement for this fiscal year? Mr. Jerram said we have about \$20,000 left. Paving is the last item that I would like to touch.

**MOTION** by Smith, second Tuxbury to move the large truck financing in the Capital Budget for \$165,000 out to the 2017/2018 fiscal year.

Discussion followed. Mr. Jerram said the average age of the large plow truck is 12.1 years. Mr. Smith said you just refurbished two of them for \$50,000. Mr. Baxter said if we take out the \$165,000 we are back to 2013/2014 levels for Capital. Mr. Coates said we are getting a big hit from Region 7 next year and by doing this we are just pushing it off. Mr. Fitzgerald said for this year and next year there is \$100,000 for revaluation. The last numbers for revaluation in 2011/2012 was \$40,000 and in 2012/2013 - \$30,000. What is the big difference? Mr. Jerram said the \$70,000 was for statistical. The \$100,000 for 2017 – 2019 is where they go out to each house & property measuring them and inspecting them. The \$75,000 for Stedman Road repairs is because we are interested in reopening that road. Mr. Fitzgerald said if you wanted to come in at 0% the target number is \$211,574. The town is \$110,000 of that number and the rest is between Capital & the Board of Ed.

*Aye: none; Opposed: Witte, Baxter, Fitzgerald, Smith, Charest, Tuxbury; Abstained: none*

*Motion fails*

Mr. Charest said historically we have asked Region 7 to consider some cuts. We haven't talked about it in this budget. Mr. Fitzgerald said right now their increase is \$105,399. They could have taken care of that increase by not replacing the retiring principal. Currently they have a superintendent, two principals and two housemasters all under one roof. We could send them a message before the public hearing as they don't meet until after that hearing. Mr. Tuxbury said the report sent to us where they are breaking down the actuals vs the budget - looking at the salaries and the benefits it is substantial. Mr. Fitzgerald said last year Mr. Palmer did a fantastic job and his report covers the entire district. Mr. Fitzgerald came up with ¾ of a million they overtaxed the budget. Maybe this year it is ½ million. Mr. Fitzgerald will ask Mr. Palmer if they ever responded to his email.

**MOTION** by Smith, second Tuxbury to have the chairman send a polite letter to Region 7 BOE asking them to address the points in Tom Palmer's (resident of Barkhamsted) analysis.

Discussion followed. Mr. Smith would like to know what's fact and what's fiction. Mr. Carmelich had said there was \$160,000 hiding in technology line that they were planning on using in another line item. The reason they didn't put it where it belonged was because they felt the people wouldn't support their budget.

*Unanimous*

**MOTION** by Witte, second Smith to accept the General Government budget as presented, excluding the capital, of \$5,014,785.12.

*Aye: Fitzgerald, Baxter, Witte, Charest, Tuxbury; Opposed: Smith; Abstained: none*

**MOTION** by Smith, second Charest to accept the town capital budget and the Board of Education in the amount of \$494,000 for the 2016/2017 fiscal year.

*Aye: Fitzgerald, Baxter, Witte, Charest, Tuxbury; Opposed: Smith; Abstained: none*

Mr. Fitzgerald said the education on its own has an increase of \$123,971.40 of which \$105,399.00 is Region 7 and \$18,572.40 is the local Board of Ed. We need to bring to the public hearing this combined budget – the town, local Board of Ed, and the projected assessment from Region 7.

**MOTION** by Smith, second Witte to approve and adopt the budget in the amount of \$24,254,608.12.

*Unanimous*

**MOTION** by Charest, second Witte to adjourn at 9:20 p.m.

*Unanimous*

Respectfully submitted,

Penny Miller  
Recording Secretary

Attachments:

Tom Palmer's Analysis

Irene Brown's Letter

Troy Lamere's March 30, 2016 email

Richard Carmelich March 23, 2016 email

NH BOE Budget dated March 28, 2016

NH Town Budget DRAFT WIP March 29, 2016

Revenue Report dated March 24, 2016

Torrington Area Probate Court – Corrected Operating Budget FY 2016/2017