

**New Hartford Board of Finance
Special Meeting – Senior Center
Monday, August 28, 2017 @ 7:00 pm**

Present: Chairman Jim Fitzgerald, Members: Bart Baxter, Dan Charest, Reggie Smith, Jr., Steve Tuxbury, Ben Witte, Alternates: Bob Nilsson, Maria Moore, First Selectman Dan Jerram, Selectman Laura Garay, Barkhamsted First Selectman Don Stein, Members of the Public Aulay Carlson, Regina Wexler, Troy Lamere, David Bombara and others, member of the Press Kathryn Boughton (Republican American and Recording Secretary Penny Miller.

Also present: Barkhamsted Board of Finance: Chairman Richard Winn, Steve Egbertson, Matthew Kelly, David Moulton and George Walsh.

Norfolk Board of Finance: Chairman J. Michael Sconyers, Nina Ritson and Leo Groppo.

Colebrook Board of Finance: Chairman Jim Millar and Matt Klimkosky

Chairman Fitzgerald opened the meeting at 7:02 pm.

Seating of Alternates: None were seated for New Hartford as all members were present. Barkhamsted made a motion to seat George Walsh which passed unanimously.

Chairman Fitzgerald read agenda item #3 – “Discussion and review of the four Town Boards of Finance in the Region 7 School District regarding any impact to each municipalities budget, revenues and expenditures, impact to each based on State cuts, and for each Board of Finance to take any action as each Board of Finance deems appropriate regarding separate Board of Finance, or, a joint Board of Finance strategy, to seek relief from the Regional 7 School District Board of Education to reduce the expenditure liability placed upon each of the four Towns; New Hartford, Barkhamsted, Colebrook and Norfolk as a result of the Regional School District Budget referendum of May 2, 2017, and, for each Board of Finance to discuss and take any action separately, or, as a joint Board of Finance strategy to communicate with our State Representatives and Senators to seek immediate action if a resulting State budget is approved for the 2017-2018, 2018-2019 fiscal year and if the resulting State Budget contains aid reductions that the State provide relief to Municipalities, giving Boards of Finance immediate statutory authority as budget making authorities, to reduce or change appropriations, to all budgets, Town/Municipal Governments, Town Boards of Education and Regional / District School Boards of Education Budgets that passed at referendums, with said statutory authority granted to be retroactive for any budgets passed in municipalities or town referendums after January 1, 2017.”

Mr. Fitzgerald opened the meeting up to the attending boards stating there is no public comment but the boards could reach out to their respective First Selectman in attendance.

He continued starting with New Hartford’s budget according to the last directive from Governor Malloy New Hartford is looking at a 17.79% tax increase which is a 5.251 mill rate increase. He asked the New Hartford board for their comments.

Ben Witte said there are two points in the agenda. The first is relief from Region 7 and the 2nd is to advocate for statutory change to increase the Board of Finance’s authority in regard to budget making in this type of situation. He had asked for this meeting so that all four Region 7 towns could discuss the Region 7 budget and not to talk about changes to the budget making authority. We have all taken

significant hits with the Region 7 budget. We all established a Region 7 budget which the voters voted on knowing there would be a sizeable hit from the state. Since then there has been a couple additional significant cuts where Mr. Witte feels the boards should meet and go back to Region 7 to ask them to look at their budget especially if the additional cuts from the state come to fruition. Mr. Witte doesn't see us voting to go back to Region 7 without knowing what the state budget will be. We need to get ourselves ready to go back to Region 7 and if we take these cuts then we make the Board of Education at Region 7 should reconsider their budget and provide some relief to the towns. In Ms. Sexton-Read's two emails it looks like she agreed with this. (Her email was submitted with the minutes).

Mr. Tuxbury said he fully agrees and would add that as we don't have a budget and the likelihood of having one in the near future, we should encourage Region 7 to have some restraint in their spending until we know where the budget is going.

Mr. Nilsson agrees in the beginning of the year we knew where the state was going and there wasn't very much willingness from Region 7 to work with us.

Ms. Moore is really pleased to have all four boards in one spot. There is a lot of work to be done between the boards and how we do the whole education business within the four towns. Now that Region 7 school has started it will be hard to pull programs that have started. We should look at the infrastructure and are there economies where we can pull together services. We have curriculum specialists and superintendents in each town. Maybe Dr. Palmer should have an Assistant Superintendent who does the work for the other towns. We could share curriculum specialists, superintendents, IT services, special education, etc. We should make real meaningful changes to it.

Mr. Smith feels comfortable with what Mr. Witte said. The state legislature has proposed bills in the queue to give Boards of Finance more authority over the Board of Education budget. He would like to know more about that from the state legislators. He has said for years the increases to New Hartford from Region 7 are not sustainable. He would like to see the legislation pursued. The Region 7 budget increases are very high. At least once a week he thinks about moving to Colebrook and their family home there. He doesn't think the increases to New Hartford from Region 7 are sustainable.

Mr. Charest agrees with Mr. Witte. Ms. Sexton-Read's email stated they were preparing for significant reductions. The expectation is if the substantial reductions take place we need to ask them for relief even if their budget passed initially.

Mr. Baxter agrees with the majority of what has been said and hopes to hear from the rest of the boards and come to a consensus. Looking at Ms. Sexton-Read's email it appears that they are willing to look at their budget. He hopes to come up with an agreement to ask them for a specific number or consensus of where we would like to see them. Pushing it out further, once the school year starts, it is difficult to make changes after the fact. He wants to listen to the other boards and come to a consensus of where we would like Region 7 to make some cuts.

Mr. Fitzgerald commented on Mr. Smith's remark about the legislature granting power to the local Board of Finance to have authority on the other budgets. The regional school districts have been a tough situation. In our case New Hartford voted down the referendum but because of the other Region 7 towns it passed. Colebrook has 100 students in K-6 and Norfolk has 80. We have the majority of students at Region 7. There is no focus on efficiencies and economizing has been a topic of discussion.

Mr. Fitzgerald said when we ask for class sizes up at Region 7 we never seem to get a straight answer. He continued that he doesn't like paying for private education on the backs of taxpayers. What power do we have to ask for money back? We are about 4 million dollars in the hole. It isn't fair to the taxpayers of New Hartford to carry the burden. We need to have the authority to go back to the others and ask for our money back.

Mr. Sconyers, Norfolk BOF, said Region 7 has contracts with their teachers and they need to fulfill them or else they will be sued. Fifteen or twenty years ago we tried to convince the legislators to have a regional board of finance. It isn't realistic to think Ms. Sexton-Read and Dr. Palmer don't have the power or ability to reduce the budget this year. There won't be substantial relief in the short term. In the long term the things he has heard about is re-visiting arbitration and teacher's contracts. We are powerless where it stands now. We need to do a better job of educating our voters not to vote for the budget. Colebrook & Norfolk tried but it is hard to get people to change. It will fall on the respective Boards of Selectmen and Board of Finance to educate our voters. Norfolk has 80 students and we have to appropriate the same amount of money as we did when we had more. We need to come out of this meeting with a commitment. We need to coordinate the best we can and there is strength in numbers. We can't do this anymore.

Mr. Fitzgerald replied when we have problems here we ask our local Board of Ed to stop spending and they do find the money they need. We need to tell Region 7 the same thing.

Ms. Ritson, Norfolk, said the teachers have gotten a 3% raise every year. This is unacceptable – we need to get a handle on how arbitration is done. Teachers get a raise just because they hang around.

Mr. Winn, Barkhamsted, said their town already passed their budget. They tried to project what the state would give them for revenues and if it isn't close to the governor's budget they are in trouble. They could be \$1.6 million in the hole. The regional budgets keeps getting higher and higher and the town budgets are asked to make more cuts. He isn't sure what can be done except to become more involved in the Region 7 budgets.

Mr. Smith asked him how they would cover the \$1.6 million deficit. Mr. Winn said he doesn't know. This is a large tax increase. They can't go back as a board and make cuts. They would have to take it back to the voters for a vote. First Selectman Don Stein said if they had to cover the \$1.6 million deficit it would be a 5 mill rate increase.

Mr. Egbertson, Barkhamsted, said there isn't much more he can add. He spent 12 years on the Region 7 Board of Education. Their hands are tied with contractual problems. We need to find a balance. He agrees with combining services. He served on the first K-12 regionalization board which was shot down. He understands it was looked at a few years ago but it was decided it wasn't worth pursuing. A regional Board of Finance is a good idea. A lot of this problem is structurally up at the state level. The binding arbitration laws, the state mandates and the whole retirement structure with contributory and dedicated pensions. He is a retired state employee and he is enjoying it. It will continue to be this way as long as we keep sending back the same politicians.

Mr. Walsh, Barkhamsted, agrees with a lot that was said. We need to focus on eliminating the referendum. It doesn't work. A couple hundred people from Barkhamsted showed up to vote and that 10% isn't a good representation. A meeting like this once or twice a year is the way to go before all budgets are passed. He said if there is a major tax increase people will not be paying their taxes and this will be a major problem.

Mr. Kelly, Barkhamsted, echoes the majority of what has been said. He asked if anyone has looked at them doing a reduction of their budget. Having surplus funds at the end of this year will not help with this year's budget.

Mr. Fitzgerald said there is nothing yet for reducing Region 7. There was a bill / legislation in Hartford where the local Board of Finance would be able to take and make adjustments to the budgets if they were passed, based on the action that the state was taking on their budget. We are not getting anything for ECS and we are zeroed out for everything except for Adult Ed.

Mr. Witte said if the Boards of Finance – even two boards agree - to push the issue see if we can get our Region 7 Board of Education members to support it.

Mr. Moulton said our board has done a good job. When the public gets a notice and they see the mill rate is negligible – they don't come out. In the past we haven't had a problem. If Governor Malloy has his way and we have this responsibility for the pension the news will get out and the people will be upset. People won't accept a tax increase for the pension liability. The cuts will be the elementary and town budget, the two budgets that get hit all the time. Regional will get away scot-free and until there are statutory changes nothing will happen at Region 7. Our representatives Witkos and Simanski can't do anything they don't have the power. It is all unsustainable at the state level, it isn't changing.

Mr. Klimkosky, Colebrook, said it is impossible to make changes to Region 7 as long as their budget is determined by referendum. He doesn't see statutory changes coming at the state level. Realistically the most probable way to get change is when the Region 7 vote comes up in your town is to rally the troops and realistically it will be hard to do. But if taxes get crazy and it hits people hard – that is when they will show up at the polls at referendum time.

Mr. Millar, Colebrook Chairman, can't speak for the whole board in Colebrook as they haven't discussed this. They do have a budget and built in a 15% reduction in state aid. If they lose everything except for Adult Ed they will need to increase their mill rate. They have a reserve base to absorb this year's outcome one way or the other. Mr. Egbertson and I are probably the only people here tonight that think Region 7 does a good job. It is one of the top 3 Berkshire schools. He has spoken to legislators and if they want to do something for us - they can eliminate arbitration, unfunded mandates. If they are given statutory authority to control expenses it won't happen. Raising revenue – isn't the issue.

Mr. Fitzgerald has received emails about past opportunities for consolidation of not only high school but the K-6. It has come up before and again recently. Ms. Moore spoke about shared resources particularly from an administrative standpoint. Burlington has one superintendent for the whole region. All of our towns each have a superintendent and Region 7 has their own. What are the action items, what topics we can target and what we can work at? The increases at the state are trickling down to the people in our town. Our residents may have a roof over their heads but maybe no food or heat. We are well over 50% of the students at regional. As the other towns student numbers drop at regional our numbers increase. At the last two referendums we voted it down. Those that wanted the budget to pass came out and voted yes –the others stayed at home. Where do we go from here – what efficiencies can we decide on – what opportunities can we agree to work on.

Mr. Tuxbury said we need to be careful and how we are looking to control their spending. He isn't looking to send more money up there by further consolidation. He isn't in support of it.

Mr. Moulton asked can we put a group together to put pressure on the Region 7 BOE. Mr. Witte agreed if there is enough interest to do that. One issue is the timing of it. We will know soon but it would be nice to know if there is enough interest between the Board of Finances to lobby their local Region 7 board members for change. Assuming the budget cuts go through.

Mr. Sconyers said it is a mistake to do this only in the time of crisis. It will take longer than this meeting to say pension and arbitrations to work. Those representing our towns on the region 7 board forget their towns and seem to be very devoted to Region 7. We need commit to the long term and to lobby and do it consistently. We need to go to the Board of Selectmen and Board of Ed. He asked how many people come to the Board of Finance meetings. Zero people come to Colebrook Board of Finance meetings and maybe 1 to Barkhamsted. No one goes to the ones at Region 7. This won't go away it is a chronic problem.

Mr. Moulton said we have a standing committee for capital projects. He suggested that each Board of Finance have a permanent standing committee for regional that acts as our lobbying arm. Mr. Fitzgerald agreed it sounded like a good idea.

Ms. Moore said the towns have been doing too good a job when we have a controlled tax increase each year that is acceptable to people. Why should they show up to the meetings? She thinks people need a wake-up call to hear they may have a 20% tax increase. Many people attend our meetings because they want to keep our 3 school buildings open. They aren't there for anything else. They want their building open even though we have a minimal number of children in each school.

Ms. Ritson said that lobbying is a good thing. If they want to get reelected they will listen to us. They need to work for us.

Mr. Charest said it isn't our system that is broke is there room for improvement in our local communities, yes there is. It is a state increase that is being passed down to us. Many years ago we had a board of chairs and we tried to lobby the state together. We are trying to squeeze money out of our neighbors and ruin the good services that we have here because of something the state is bringing upon us. People don't show up because we do a good job. We do need to lobby. We won't get money back this year from Regional if they make the cuts this year. Mr. Fitzgerald said if the state grants the powers based on this unique situation where we could get the money this year and next year.

Mr. Tuxbury said if we use surplus it will create a hole for next year. If we know the money is coming back from regional it will be a replacement for that surplus. Region 7 is part of the community and they need to be part of the cuts we are seeing from the state.

Mr. Smith said following up on a comment about having a quasi-regional board. If we have another meeting it should be in the fall after the budget has passed. We should invite our state legislators. This budget problem has been around for a long time and we need to talk with them. We are paying their salaries. We need to tell them the financial issues we are faced with. He believes the budget won't come through with Governor Malloy's numbers but somewhere in the middle. We will all need to make more cuts. These increases are not sustainable at Region 7 and the state.

Mr. Fitzgerald proposed that a representative from each Board of Finance come together and come up with a lobbying plan. The other boards present all have meetings in September. At those meetings a representative will be assigned to sit on this new regional board. One of the other visiting board members suggested that there also be alternates assigned to this committee. Mr. Sconyers suggested that we not limit this just to Region 7 as Regions 1 and 6 are also having problems.

MOTION: by Smith, second by Witte to adjourn at 8:19 pm

Unanimous

Respectfully submitted,

Penny Miller
Recording Secretary

Attachment:
Email from Molly Sexton-Read