

**New Hartford Board of Finance
Special Meeting
March 27, 2018 – 7:00 pm**

Present Chairman Jim Fitzgerald, Members: Reggie Smith, Jr., Steve Tuxbury, Regina Wexler, Ben Witte, Alternates: Kerry Guilfoyle, Paul LeClair and Recording Secretary Penny Miller.

Absent Member Dan Charest, Alternate Bart Baxter

Others Present Supt. of Schools Brian Murphy, BOE Members: Tim Goff, Tom Buzzi, Tim Klepps and Jenn Benaitis, First Selectman Dan Jerram, Selectmen Alesia Kennerson and Eric Claman (all Selectmen in at 7:42 pm), Member of the Press Kathryn Boughton (Republican American), and other member of the public.

Chairman Fitzgerald opened the meeting at 7:02 pm.

Seating of Alternates

There was no Democratic alternate available to seat for Mr. Charest none were seated.

Adoption / Revision of Agenda

No revisions were made to the agenda

Approval of Meeting Minutes

MOTION: by Wexler to approve the Board of Finance Special Meeting Minutes of March 8, 2018 at Region 7. Second by Tuxbury

Unanimous

MOTION: by Wexler to approve the Board of Finance Special Meeting Minutes of March 13, 2018. Second by Smith.

Unanimous

MOTION: by Wexler to approve the Board of Finance Budget Workshop Minutes of March 17, 2018. Second by Tuxbury.

Unanimous

2018-19 New Hartford budget: discussion (all aspects- town, schools, capital, revenue, etc.) and take any action on the proposed 2018-2019 budget, and, to take any action on approval and adoption of the Budget for presentation at the Board of Finance special meeting – Annual Budget / Public Hearing scheduled for April 3, 2018

In commenting on the Region 7 budget, Mr. Smith is not comfortable with us subsidizing the students from towns outside of the district in the Vo-Ag program. Mr. Tuxbury said in the past we have asked them to make cuts and none of the other towns have ever supported us. This year we are the recipients of having fewer students and being assessed less. We need to ask Region 7 to come in at zero percent increase. Ms. Wexler had two concerns. There is somewhat of a benefit to the budget in that some out-placed students have aged out and that savings has been dissipated to other areas of the budget and what happens if new children are identified or move in. She is also concerned about the benefits portion of the budget is where the surplus is placed rather than separate it out which would be a better accounting practice. A comment was made by Region 7 that they don't know how to quantify the

benefits line based on new people getting married or new people being on the insurance plan. If they took a 5 to 10 year average they could better quantify that. She would like to see that happen.

Ms. Guilfoyle said she was fine with the budget as is but has a similar concern about the surplus and it only has to do more with the accounting factor. She understands why they need the surplus and it is in the event that something happens where a referendum would be needed. The surplus gets refunded to the towns every year.

Mr. Fitzgerald said it was recognized at the Budget Workshop that this number has grown every year. This year it is at \$600,000. It's not only this but it is the other purchased services. The running average of where they are building a surplus they are almost at a million in surplus and only half is going back to the towns what happens to the other 50% of the surplus. Are they off by that much every year? If they are doing what they say they are doing with a zero based budget - it is hard to digest. Mr. Fitzgerald said he will ask Region 7 for their year-to-date actuals plus the two previous years. Locally we are tracking that information. A half of million of surplus in benefits and half a million of surplus in purchased services we only see that at budgeting time not month to month.

Mr. Fitzgerald said the local Board of Education is coming in at a 3.54% increase or \$277,357.00. Ms. Witte in an email said an item of concern is Special Education Excess Cost of \$83,000. The local school has only 1 outplacement student which means we will receive under \$10,000 in that line item. Mr. Witte said the proposed year budget is 'soft' at \$83,000. He said he didn't recall if that number excess cost based on the prior year 2016-17 that was put into the 2017-18 budget? Supt. Murphy said that number is for current year. He said this wasn't his projection as the excess money goes directly to the town. Mr. Witte said the BOE should put in their best estimate for Excess Cost.

In her email, Ms. Witte said that Tax Collections are strong at 97.43% thru February.

Returning to the local Board of Education budget, Mr. Leclair asked Supt. Murphy for an update on the contract negotiations. Supt. Murphy said they were ongoing and a 2% increase had been placed in the budget as a placeholder. Teachers are at a 2.9% increase and insurance at 3.5% increase.

Mr. Smith has a concern about the kitchen at Antolini School. He would like to see the renovations started this year instead of waiting till next year. Supt. Murphy felt leaving it in until next year was okay. Mr. Tuxbury commented that some sustainable cuts were asked for and we aren't getting them. He agrees with the Capital requests but he can't support the regular budget with an increase of 3.54%. Mr. Witte agreed stating with declining enrollment and the reinstatements made after being cut last year he can't support it. Mr. Leclair said concerning declining enrollment the school had 17 more students for this year. This increase doesn't include Pre-K students. When Mr. Fitzgerald asked about the Pre-K program, Supt. Murphy said that currently 17 children are special-ed and 17 pay tuition of \$4500 which is very competitive with other Pre-K programs. He said the program was never meant to be self-sufficient.

MOTION: by Tuxbury that the Board of Education be requested to cut \$150,000 from their budget. Second by Smith.

Discussion followed. Various scenarios of decreases in their budget and the resulting percentage increase were discussed. A \$100,000 decrease would result in a 2.62% increase, a decrease of \$50,000 would be an increase of 2.9% and a decrease of \$61,730 would be a 2.75%.

Aye: Tuxbury, Fitzgerald; Opposed: Witte, Smith, Wexler

Motion Fails

MOTION: by Wexler that we request the Board of Education to reduce their budget by \$61,730. Second by Witte.

Aye: Wexler, Witte, Smith; Opposed: Fitzgerald, Tuxbury

Motion Passes

MOTION: by Smith to approve the local Board of Education budget of \$8,118,305, an increase \$215,627. Second by Wexler.

Aye: Witte, Wexler, Smith; Opposed: Fitzgerald, Tuxbury

Motion Passes

Discussion followed with the following amended motion made because of a mathematical error.

MOTION: by Smith to correct the original motion to approve the local Board of Education budget of \$8,056,575, an increase of \$215,627. Second by Wexler.

Aye: Witte, Wexler, Smith; Opposed: Fitzgerald, Tuxbury

Motion Passes

Moving on to the Town Budget, Mr. Fitzgerald asked Mr. Jerram about the Surplus and the number to be used in Revenue. Currently there is \$250,000 in there – should there be more. Mr. Jerram said if you have a proposed loan for the Butler Farm for \$150,000 the surplus for last year was \$400,000 less the \$150,000 that gets you to the \$250,000. Moving the number up and down can create a hole in the budget.

There was a short recess from 8:26 pm to 8:28 pm

MOTION: by Witte to increase the Surplus to finance the 2018/2019 budget from \$250,000 to \$325,000. Second by Tuxbury.

Unanimous

MOTION: by Wexler to add a line titled Legal Notices under the Board of Finance. Second by Smith.

Discussion followed and Mr. Smith withdrew his second.

Motion amended by Ms. Wexler to: Change the name of the Board of Finance Supplies to Board of Finance Supplies & Expenses. Second by Smith.

Unanimous

MOTION: by Tuxbury to add \$10,000 to the Board of Finance Attorney line. Second by Wexler.

Aye: Wexler, Smith, Fitzgerald, Tuxbury; Opposed: Witte.

Motion Passes

MOTION: by Wexler to add \$10,000 Beekley Library budget. Second by Smith.

Aye: Wexler, Smith; Opposed: Witte, Fitzgerald, Tuxbury

Motion Fails

MOTION: by Wexler to add \$10,000 to the West Hill Lake Association Budget. There was no second.

Motion Dies

On Capital, Ms. Wexler said she has an issue with the \$16,000 for the gates to be installed, shown in Capital, at Antolini Sand Shed/DPW Gates. She hopes the cameras recently installed will serve as a deterrent. If it is found that they don't, then this can be looked at again next year.

MOTION: by Wexler to remove from Capital the \$16,000 for the Antolini Sand Shed/DPW Gates. Second by Smith.

Unanimous

MOTION: by Smith to remove the notes at the bottom of the 5-year Capital Plan. Second by Tuxbury.

Discussion followed. A suggestion was made that these notes be placed in a column instead of at the bottom of the page or to add an additional page called Future Bonding Projects.

Aye: Smith, Tuxbury, Wexler and Fitzgerald; Opposed: Witte

Motion Passes

MOTION: by Wexler to add an additional page to the Capital called Future Bonding Projects. Second by Tuxbury.

Aye: Smith, Tuxbury, Wexler and Fitzgerald; Opposed: Witte

Motion Passes

MOTION: by Witte to approve the proposed 2018-2019 Town, School and Capital in the amount of \$24,750,254.94. Second by Smith.

Unanimous

MOTION: by Smith to accept the chairman's revenue sheet as presented. Total revenues \$24,750,254.94 which includes revenues without current taxes of \$4,720,649.00. Second by Tuxbury.

Unanimous

MOTION: by Smith second by Tuxbury to adjourn at 9:41 pm

Unanimous

Respectfully submitted,

Penny Miller
Recording Secretary