

**New Hartford Board of Finance
Special Meeting
March 22, 2024 @ 6:00 pm**

Present Chairperson Kerry Guilfoyle, Members: Dan Charest, Lou Helt, Paul LeClair, Charlie Neale, Ben Witte; Alternates: Ryan Bingham (on Zoom), Steve Seltzer, First Selectman Dan Jerram, NH Supt. of Schools Jeff Sousa, BOE Chair Tim Klepps, Tom Buzzi, John Burdick, Trooper Josh Wedge and Recording Secretary Penny Miller

Absent Camille Buford

Call to Order Chairperson Guilfoyle opened the meeting at 6:06 pm

Seating of Alternates None

Communications and Other Items Presented to Board

Chairperson Guilfoyle said she has been in touch with King & King on where to put all Board of Education items. This change can be discussed as part of the 2024/2025 Budget process.

Public Comment None

2024/2025 Budget-Discuss and take action on budgets as presented during the budget workshops

Chairperson Guilfoyle said that in the past a letter has been sent to Region 7 regarding their budget increases and asking for reductions. These letters have had very little impact. The increase in budget over 2023-2024 expenditure is 3.47%. Our assessment is high because proportionately we have more children there. Mr. Jerram said out of the 3.47% they picked up mid-year 3 special ed outplacements. They will be getting 2 new ones. Special education counts for 2% of their 3.47%. Everything else is the healthcare care and salaries. Their net increase to New Hartford is \$702,737 for a total of \$11,425,613. Mr. Witte said the ADM is costing us but there isn't much we can do. There are ways to mitigate it. We have a \$400,000 increase in surplus this year over last year. He suggested we take \$250,000 to support revenue for the budget. He didn't know if we could take the \$750,000 that is in there and make it a million. Mr. Neale said he agrees but doesn't see much to cut. Ms. Helt said they did reduce some teaching positions. Maybe it should have been more. They cut 4 and added back 2.5 at base step. Mr. LeClair said that next year might be a tough year as our 6th grade class has 76 students that will be moving up to Regional. After that the numbers start going down.

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Ms. Helt said that in Supt. Sousa's presentation there was one slide that showed staffing. There were certain positions that were being funded by grants and no longer are, but we are keeping the positions. She feels that 5.48% is way too high. Looking at the other 2 budgets and with CAPEX, it's way too high. The bottom line is all that we can adjust. There were a couple of lines that stood out. The Administrative Assistant to the Supt. of Schools has an increase of 7.3%. This puts the salary as substantial as an administrative assistant. There must be other cuts that

can be made to this budget. Mr. Neale also agrees that the 5.48% increase is way too high. We can take some money out of CAPEX. Based on the discussion of the 3 grants, we can live with primarily the federal grant funded at 75%. The town could fund a smaller amount than the \$157,000 over the 3 years. This year their CAPEX is high because of the various projects including the \$157,000 security grant. Mr. Neale said he wants to support Supt. Sousa with the security but doesn't feel we need the full \$1.3 million.

Ms. Guilfoyle said the Federal grant is for \$669,000, 72% funded and our contribution would be approximately \$187,000.

Mr. Witte said we need to make significant changes to this budget to get it down to a reasonable number. He would recommend taking school security out of the capital budget and funding it out of surplus.

Ms. Guilfoyle said we have ARPA funds that were designated for the roof replacement. These funds will not cover the entire roof. She asked if those funds could be used for security. Mr. Jerram said they can be used for whatever the Board of Finance designates. If you have budget challenges, you could bond the roof with other projects. You still need to fix the roof. Ms. Helt said between ARPA and excess funds we have money to cover our portion of the grants. Ms. Guilfoyle said the portion of the grant we need now is \$77,000. Mr. Neale said it's not a bad move to take some money out of the General Fund because the fund balance is high. We should really give it back to the taxpayers. The fund balance is at 17% and the auditors have recommended 12-15%.

Mr. Neale said in looking at the budget he calculated 66% are items over which the superintendent doesn't have control. These include contractual salary increases, health insurance, special ed costs, employee benefits, pupil transportation which accounts for \$6.5 million out of a \$9.9 million budget. I think we should be careful when asking for further cuts.

Mr. Witte said we added some people because we were able to hire them with grant money we received. In cutting \$130,000 you shouldn't be taking money out of several accounts but should go after recurring costs. Ms. Helt said when there is a grant to hire someone, and the grant runs out and you then add that person to your bottom line and now the employee benefit and salary lines goes up. They also become part of the bargaining unit. Ms. Guilfoyle said this board was very specific that when they were hired, they wouldn't become a permanent line item within the budget.

Mr. Witte said on the expenditure side if we take out \$130,000, He would encourage them not to take it out of accounts where you will feel the pain. Every year supplies are cut because they don't want to cut people involved in education. When Mr. Witte asked how many total employees are in the schools? Supt. Sousa said there are approximately 101 total – certified and non-certified. He continued saying for clarity the grant monies from COVID, people were hired prior to my tenure, those points made are very well taken and understood.

Mr. Witte said he didn't know what the ratio is, but we have 438 students and 101 people that are working there. Region 7 has 765 students, and they are showing 135 people. It looks like theirs' is a much lower ratio.

Motion by Mr. Witte that we cut \$130,000 out of the Board of Education Expenditures Budget for fiscal year 24/25. Second by Ms. Helt.

Discussion followed. Mr. Neale would support \$100,000. That was the total of the grant received. Mr. LeClair said if you look at the overall budget the special education went up by \$217,000. Supt. Sousa said student need for Special Ed is unknown regarding outplacements. Those people hired with grant monies but just because the grant money disappeared the need didn't disappear. Ms. Helt said we will be dealing with the repercussions of COVID for years. But she doesn't think we can afford to keep the staffing at this level. She would support a reduction of \$100,000.

Mr. Charest asked about the Oak Hill rent. Supt. Sousa said they are currently paying \$137,000 and he has proposed a 4.5-5% increase which would bring them up to \$143,000 for a 3-year contract.

Mr. Neale amended the motion to change the cut of \$130,000 to \$100,000 out of Board of Education Expenditures Budget for the Fiscal Year 2024/2025. Second by Ms. Helt.

Discussion followed. Ms. Guilfoyle said removing the \$157,000 from Capital and the \$100,000 from Operations, the increase will be \$389,480.27 – 4.1% increase.

Both the amended motion, motion and seconds were withdrawn.

Ms. Guilfoyle said we have been taxing at 0.98. The reason we have a surplus is because our collection rate exceeds what we get. If you look at the past 10 years, we have exceeded 0.985 and we have always budgeted at 0.98. We have been too conservative. Mr. Neale feels this is too close. He thinks it is better to take money out of the General Fund. Ms. Guilfoyle would rather tax less and not save more. We keep overtaxing. She would rather the town keep that 0.5 and not keep building the surplus. The 10-year average has been over 0.985. Mr. Jerram said the Emergency Services tax abatement could cost \$100,000 in revenue.

Mr. Jerram said he was thinking he heard the Board of Finance suggest 5 changes. From BOE a \$100,000 cut, \$157,000 from BOE Capital, \$40,000 from the Town Capital, plus \$250,000 in revenue and a collection rate going to 98.5. If all those are factored in the increase would be 3.77%. The premise is that you are supposed to be close to reality. Ms. Helt said that many people saw their revaluations go up over 30%. You want to keep the percentage of increase down during a reval. year because people will be checking out the budget when they get their tax bills.

Mr. LeClair asked Supt. Sousa if he really thought there would be 60 children coming into the fall Kindergarten class. Supt. Sousa said looking at birth rates, pre-k children he feels this is a good number.

Mr. Neale said he noticed that quite a few Town Hall salary increases are higher than the current inflation rate. The First Selectman is at 6%, Bookkeeper's Assistant at 11%, Executive Assistant at 7%, Assessor at 10.66%, Assistant Town Clerk at 14.99% and 18.57% for the Zoning Enforcement Officer. He understands the reason behind some of these raises and that is because of the competition from other towns for these employees. From the research he has

done many of these salaries are at the top level for comparable positions in Connecticut. The Assessor and Asst. Town Clerk saw significant raises in 2022 and 2023. He doesn't have any recommended specific changes but he asks that in a challenging budget year that some of these increases be reconsidered. Mr. Jerram said he doesn't agree. A couple of those which he calls equity adjustments are mature women who are working for \$50,000. There are college students graduating that are making far more than that. If you don't pay your Assessor, you will be training a new one because you have lost her. You can't hire one for under \$70,000. Mr. Jerram said he is the 24th highest paid employee in the town. You have people here that are not making that much. Planning and Zoning is a 40-hour position and is the same pay as the Building Inspector. Mr. Neale said in Bridgeport the assessor is making less than what ours does. Mr. Jerram countered by saying they probably have 6 people in that office compared to the one person our town has. Mr. Jerram commented to Mr. Neale that he would welcome any full evaluation of all town employees – Board of Education, Region 7 and local government. He stated he would welcome "placing all the W2s on the table for review." Ms. Helt said you need to compare our salaries to our surrounding towns because that is where we lose our employees to.

Motion by Mr. Neale to cut \$100,000 out of the Board of Education expenditure budget for the Fiscal Year 2024 – 2025. Second by Ms. Helt.

Discussion followed. Mr. LeClair would like the number to be lower.

Unanimous

Motion by Mr. Witte to cut \$157,000 out of Board of Education Capital Expenditures intending to fund up to \$157,000 the security projects either funded by ARPA and/or the General Fund. Second by Ms. Helt.

Unanimous

Motion by Mr. Witte to Increase the revenue from surplus from \$750,000 to \$1 million to mitigate Region 7's shift in ADM. Second by Ms. Helt.

Unanimous

Motion by Mr. Charest to reduce the General Government capital budget by \$40,000. Second by Mr. Witte.

Mr. Neale said that the CAPEX budget is higher than in previous years. He asked if the front loader and chipper is equipment that needs to be replaced this year or can it be deferred. Mr. Jerram said the chipper has a blown clutch and it is a 1997. The front loader is a 1999. We had 2 front loaders and we replaced one of them 3 years ago. Last year a plow truck was purchased with ARPA money. Mr. Neale said there are some big-ticket items in future years and he

doesn't want the town to get behind. He wants to make sure we need those big-ticket items. Mr. Jerram said that \$400,000 isn't buying what it once did. Six or seven years ago the plow trucks were about \$170,000 and now you are paying \$250,000. The machines that are replaced are sold at auction and revenue is returned to the town.

Mr. LeClair asked about the Recreation Capital. Mr. Jerram responded some ARPA money was used to do the Brown's Corner basketball & pickleball courts. Also, there are 2 cabins at Brodie Park that need some rebuilding and roof replacement.

Unanimous

Motion by Ms. Helt to change the tax collection rate from 98% to 98.5%. Second by Mr. LeClair.

Ms. Helt said during COVID the tax rate was reduced to 97.5% because of the uncertainty of people being able to pay their taxes. When asked about the EMS abatement, Mr. Jerram said the limits allowed by statute are up to \$2,000 per year for fire, ambulance or police. There are also revenue calculations where you can cap the amount of money you put into it. He stated that the expense of an abatement could cost in excess of \$100,000 in lost tax revenue.

Unanimous

The projected percent increase is 3.77%.

Motion by Ms. Helt to adjourn at 7:48 pm. Second by Mr. Charest.

Unanimous

Other business None

Respectfully submitted, Penny Miller, Recording Secretary