

Town of New Hartford
Board of Finance
Regular Meeting – April 13, 2021 @ 7 pm via ZOOM

Present: Chairman Regina Wexler, Members: Dan Charest, Kerry Guilfoyle, Paul LeClair, Ben Witte, Alternates: Ryan Bingham, Lou Helt and Recording Secretary Penny Miller

Also Present: First Selectman Dan Jerram, Selectmen: Alesia Kennerson and Laura Garay, New Hartford Supt. of Schools Brian Murphy, BOE Chairman Tim Goff, Sue Lundin and Kelly Longhi

Chairman Wexler opened the meeting at 7:01 pm

Seating of Alternates: Ryan Bingham was seated for Steve Tuxbury.
Bart Baxter is also out.

Approval of Minutes:

March 23 Special Meeting – there being no changes to these minutes they were adopted by consent.

April 6 Special Meeting – there being no changes to these minutes they were adopted by consent.

Communications to the Board

Attachments received are listed on these minutes and available at the town clerk's office for review.

First Selectman Jerram said he had an update from Region 7 BOE Chair Molly Sexton Read. Colebrook and New Hartford will return to normalcy by having the budget vote on the first Tuesday after the first Monday which will be May 4th. There was an executive order that allowed towns extra time for budget process if they wanted to wait for more information on the American Rescue Plan. The New Hartford Board of Selectmen voted on April 13th to move the budget to referendum in the usual fashion. The town will vote on the budget in the usual polling places and usual times.

The selectmen have some recommendations. First Selectman Jerram, Annie Witte and Ben Witte met with Supt. of Schools Brian Murphy to make changes on how the pass through grants are shown in the budget. Probate has submitted their finalized budget allocation for \$6411.35. At the public hearing the BOE Capital was not identified correctly. The number in the budget had been \$154,000 but the correct number is \$163,000, a 0.05% increase which does not affect it very much.

Lastly, the Board of Selectmen, have two recommendations. In the 2019-2020 budget the Board of Finance had allocated \$25,000 in Capital for the Wash Bay Study. The Board of Selectmen thought it would be better served supporting the Rails to Trails initiative. This wash bay has been dormant for two years and there wasn't clear consensus on that issue. We request that you remove the \$30,000 out of the Capital for the town and reallocate the \$25,000 that was in the 2019/2020 Capital into Rails to Trails. We can save \$30,000 in taxation and get the job done with the \$25,000 that the taxpayers have already paid for.

Chairman Wexler asked if the Rails to Trails will lose the \$5,000. Mr. Jerram replied the board was unanimous in its recommendation to remove it from Capital and use the already appropriated money. In addition, grant money is being received from DEEP.

The second recommendation is the collection rate is still low. The recommendation is to move it up to 97%. We know the surplus to fund balance at \$850,000 and the overall tax collection rate are two

significant factors when dealing with finalizing the budget. Mr. Jerram personally supports Mr. Witte's assessment of the money in surplus to step it down a bit. The town collects at 98.5% and has done so steadily. If we step back up to 97% it will give some relief to the taxpayers. By making these two little changes it will bring the 2.03% tax increase perhaps down to 1.35%. If there was a calamity in terms of a building, park or structure they are all insured. The pandemic showed us that we don't have any problems in collecting taxes.

Chairman Wexler said she feels it sends the wrong message if we cut the \$5,000 that was in the Rails to Trails line. In her opinion she would like to see that line item at \$30,000.

2021-2022 New Hartford Budget, including municipal, local Board of Education and NWR 7 Board of Education

Chairman Wexler said she hasn't received any feedback on the Municipal Budget. She agrees that the collection rate is low and the fund balance is high. She agrees it's a good compromise to bump it up to 97%.

Mr. Jerram went through the changes to the budget. They are: Pass-Through Grants / Reap is \$181,731. In General Government Probate Supplies of \$6411.35 is an assessment not a donation. In Capital the \$25,000 from the 19/20 budget and the \$163,000 for BOE Capital. The Rails to Trails line is zeroed out. The \$5,000 could be left in that line but it was the Selectmen's recommendation that it not. Both Chairman Wexler and Ms. Guilfoyle thought it should be left in. Chairman Wexler asked if there has been any guidance on the designation for monies received from the American Rescue Plan should go. First Selectmen Jerram said he heard on funding issues that have passed an allowance for loss of funds to be collected as a result of Covid. The camp at Brodie lost money last summer from not having a full-day camp. This could be a revenue source that could fall under something like this. He went on to say that the money will be distributed in 2 installments. One is supposed to come in before the end of this fiscal year and the 2nd one a year from now. He thinks projects might have to be done by special appropriation.

Mr. Witte said the Board of Selectman took a \$25,000 reduction in their Capital Expenditures and proposing a ½% increase in the collection rate. If we took \$25,000 out of the Board of Education budget, with the BOE getting over \$100,000 in stimulus money there isn't any doubt in his mind that they could find the \$25,000 so they can apply it to things they would like to have – for instance, 80 Chrome Books. With the \$25,000 from the BOE and take the surplus from \$789,000 to \$850,000 all that together gets you to under a 1% increase. He said this is where we should go with this. There isn't anything we can do about Region 7. Their enrollment is declining along with our fee which is down, so we can't say too much. The Town is reasonable and the school is high and heavily impacted by Special Education costs. This isn't a year to take too much out of the local school but he is concerned about the trend. Removing the \$25,000 isn't a hard thing to do and it won't change anything they need to do too much. He is sure there will be money found to back it up and you will be under 1%.

Ms. Helt said we have no control over the Region 7 budget. She feels that budget could have been cut. Also, she doesn't like taking money away from our Town and local BOE budgets and still support Region 7 for all that they ask for.

Ms. Guilfoyle has concerns about taking money from the local BOE. She asked isn't that basically applying funds we won't see next year. And then it will show another increase next year. Mr. Witte responded he doesn't feel that the local BOE has been challenged anymore than Region 7. We really need to do something about the expenses and we can't do a 3-4% increase every year. He understands about the Special Education costs but there are other options while we have the Covid money without losing a thing. He's not suggesting cutting the playground or the reinstatement of the teaching section it doesn't hurt anyone as we will have revenue to cover the gap. It's not much of a risk at all.

Chairman Wexler said the Chrome Books is what the funding is supposed to cover. Either the extra money could go to doubling up on Chrome Books this year saving us having to replace them next year. It seems like a reasonable plan. During the audit Mr. King said state-wide we should be expecting savings in local school budgets. She said she hates to see that money absorbed.

Chairman Wexler asked Supt. Murphy if he isn't funding \$25,000 worth of Chrome Books out of this extra money exactly what the Covid money is designed for – Distance Learning and shouldn't we take advantage of it. Supt. Murphy replied he doesn't recommend cutting the BOE budget. Some of the money could be applied for that. We would look at bringing back the Interventionist with that money. Mr. Witte said whether you get \$50,000 or \$100,000 you could do both. It won't hurt the local BOE to reduce their budget by \$25,000. You can take it from wherever you choose. BOE Chair Goff said the board cut one interventionist (\$25,000) to help make-up for the 4th grade teaching section. If you ask them to cut another \$25,000 then they might need to cut another interventionist. Chairman Wexler said that Mr. Murphy had said they are likely to get that money back and put them back in. Mr. Goff we are putting a lot of weight that we will be getting that money. Mr. Jerram said no money has been received yet but all indications are that we will be getting it by the end of May 2021.

Mr. Witte said by asking the BOE to cut \$25,000 a message is being sent. The BOE expenses are getting extremely high. When you have high Special Education costs you need to look elsewhere. Thankfully this year we have other sources of revenue to make it up.

Chairman Wexler is concerned that next year New Hartford will see an increase from Region 7. She has asked Region 7 when we can see their budget head in the same direction as their enrollment – down. These current budgets increases aren't sustainable with the student population decreasing. She has worked with the other BOF Chairs and they are equally as frustrated over the increase in Region 7's budget.

Chairman Wexler said if we leave the \$25,000 in the local school board and it comes in from Covid Relief then next year we will be asking them where is it? Has it been absorbed? If we hire interventions and tutors and once that money runs out, is it the expectation, that we will still be funding these positions. Mr. Witte said if the money doesn't come in then he will advocate for putting in double the money to make up for it. He is confident that it will come on. We have gone up more in the last 3 years than in the last 7 or 8 years combined. There is no interest in talking about two schools. There will be no interest unless there are budgetary pressures. He said he is putting an ounce of budgetary pressures on them. Nobody else is putting this pressure on them. Mr. Tuxbury isn't at this meeting so Mr. Witte is. It's not going to change unless there is an ounce of force pushing in a different direction.

Mr. Charest asked Supt. Murphy if he also considered removing the benefits for the Interventionist. Supt. Murphy replied he had not. Only the salary of the interventionist had been removed.

Ms. Guilfoyle said for the past 5 years the Special Education budget has increased over \$600,000. There isn't much that can be done about this.

Mr. Charest asked how many students went to Region 7 this year. Supt. Murphy said this year there are 55 children and next year there will be 75. He didn't recall how many went last year.

Ms. Helt said while she is prejudiced, our local BOE has been responsive to our cuts. Our local board worked to save money last year with Covid. We need to send a message to Region 7 to reduce their budget. We keep hounding our local board and the town to scrimp and save where they can.

Mr. Witte responded that the local board has gone up 12% over the last few years. That's more than the last 8 or 9 years. They had the chance to consolidate schools and they didn't.

Chairman Wexler said she agrees with Mr. Witte and that she has asked for the last 2 or 3 years that a committee be reinstated so that a year or so from now, the feasibility of consolidating schools can be looked at. There has been an increase in population this year but you don't know if it will continue. It's not the population but the projected capital expenses for the 3 schools. Is it feasible to support and maintain the 3 buildings? There are some big CAPEX expenses coming up and she can't support those

expenses unless we have looked at the entire picture. We need to have a real evaluation of the 3-school model in this town. She said it is time to look at it again. She said she hasn't heard anything but resistance. If we have another vote to keep them then so be it. It isn't a new concept. We need to look at the bigger picture. The unwillingness to even a possibility is disconcerting.

Ms. Guilfoyle said on the referendum vote that it didn't go out for a 5-year expiration date. The town did vote and she understands the financial constraints of 3 buildings. It needs to be discussed. There are so many elements to it besides costs savings of consolidation.

Chairman Wexler said these are buildings that we love and have an emotional attachment to. These aren't national landmarks. Is the town going to retrofit any of these schools for other uses?

Mr. Charest said this is the elephant in the closet. It should be looked at.

Chairman Wexler asked about sending a message to Region 7 regarding their budget. She said our townspeople probably expect us to take a position on it. The New Hartford Board of Finance doesn't not support the Regional budget due to the consistent and continued budget increases and the consistent population decreases in relation to that.

First Selectman Jerram said that Regional 7 will have their final meeting on the 19th before they approve their budget. People can still give testimony. This board can still lobby the process.

Ms. Guilfoyle said the Regional 7 budget has gone up 7% in the past five years, an average of 1.8% across all 5 years. Last year and 2017/2018 were the highest. This year was the 2nd lowest in terms of the increase. Mr. Charest said they have lost about 163 students.

MOTION: by Mr. Bingham that we authorize the BOF Chair to send a letter to the Regional School Board offering our sincere concern about the trend line of per pupil expenditures and the potential impact on our budget now and in the future. Second by Ms. Guilfoyle.

Unanimous

New Hartford Board of Education

Mr. Witte recommended that for the next budget year the New Hartford school board show the full expenditure amount minus the grant they are applying to it and the net amount which will go into the budget.

MOTION: by Mr. Bingham to approve the local Board of Education Operating Budget request of \$8,869,070 and the Capital Budget request of \$163,000 and the ability to use the Pass-Through Grants of \$181,731. Second by Ms. Guilfoyle

Unanimous

Town Budget

Motion: by Mr. Bingham to reallocate the Fiscal Year 2019/2020 line of \$25,000 for the Wash Bay to Rails to Trails. To approve the Capital Budget of \$416,000 in total which includes a \$5,000 in the Rails to Trails line. Second by Ms. Guilfoyle.

Unanimous

Motion: by Mr. Witte that a change be made to the Pass-Through Grants/Reap Revenue from \$37,000 to \$181,731 and also change the Pass-Through Grants/Reap Expenditures for the same amount of \$181,731. In addition, change the projected revenue from Surplus to \$850,000 and change the Probate Supplies Expenditure line item to \$6,411.35. Change the collection rate from 96.5% to 97%. Lastly, change the Cares Act revenue line item to read Cares Act (nka ARP funding) for the same amount of \$13,344. Second by Ms. Guilfoyle.

Unanimous

MOTION: by Ms. Guilfoyle to approve the total town budget including Education, Debt Service, Capital Expenditures and Pass-Through Grants of \$26,039,128.67. Second by Mr. Witte

Unanimous

MOTION: by Mr. Witte to authorize the chairman to complete the CGS form 7-344 for the 2021/2022 budget year and send it to the state. Second by Mr. Bingham.

Unanimous

Chairman Wexler adjourned the meeting closed at 8:34 pm

Respectfully submitted, Penny Miller, Recording Secretary

Handouts available in the Town Clerk's office for viewing.

Hillary Schibi – email dated April 6, 2021

Kristen Kosiba – email dated April 7, 2021

Melissa Wilczak – email dated April 7, 2021

Kristen Bakula – email dated April 7, 2021

Jane Allyn – email dated April 7, 2021

Chris Hughes – email dated April 7, 2021

Proposed budgets are available online.