

**New Hartford Board of Finance  
Special Virtual Meeting via ZOOM  
Wednesday, May 6, 2020**

**Present (virtually):** Chairman Regina Wexler, members: Kerry Guilfoyle, Reggie Smith, Jr., Steve Tuxbury, Ben Witte, Alternates: Bart Baxter, Lou Helt, Paul LeClair and Recording Secretary Penny Miller

**Others Present (virtually):** First Selectman Dan Jerram, Town Treasurer Gordon Ross, Superintendent of Schools Brian Murphy, BOE Chairman Tim Goff, Member of the Press Kathryn Boughton (Republican American), Alesia Kennerson, David Rosengren, and other members of the public.

Chairman Wexler opened the meeting at 7:07 pm. She welcomed the virtual guests listening to this meeting and said as this is a special meeting there would be no public comment.

**Seating of Alternates:** Bart Baxter was seated for Dan Charest.

**Approval of Minutes:**

**MOTION:** by Smith to approve the minutes of the March 14, 2020 Special Meeting. Seconded by Guilfoyle.

*Unanimous*

The minutes of the March 10<sup>th</sup> meeting will be approved at the next BOF regular meeting. First Selectman Jerram said all the information is on the town's website at [newhartfordct.gov](http://newhartfordct.gov) and if anyone wants to send information, as there is no public comment at this meeting, they can send it to [town@newhartfordct.gov](mailto:town@newhartfordct.gov) and in the subject line put Board of Finance.

**New Hartford Board of Education 2020-2021 Budget Discussion: Tim Goff, BOE Chair, Brian Murphy, Superintendent of Schools**

- a. Cost mitigation efforts/results
- b. Possible modification to March 14, 2020 budget presentation.

Ms. Wexler had sent a letter to the BOE as to what mitigation efforts they had taken because of the governor's executive orders which permits them to renegotiate the bus contract and other mitigation efforts.

Mr. Goff said that the BOE had met the previous night on May 5<sup>th</sup>. The BOE recognized \$100,000 in savings through this current fiscal year. \$60,000 is through the bus contract, \$15,000 fuel costs for busing and the remaining \$25,000 is miscellaneous savings for substitute teacher, custodian subs and custodian overtime. In order to mitigate the increase, it will be applied to next year's budget. This was discussed with the board's attorney who said it was okay. Then a 2<sup>nd</sup> opinion was rendered that said it couldn't be done. The 2<sup>nd</sup> item approved was to reduce the Capital Budget from \$145,500 to \$71,500. This was done in response to the BOF request to mitigate some of the increase next year. This is a difficult time for the Town of New Hartford taxpayers and the board is trying to be proactive.

Ms. Wexler said we have collaborated with each other. In listening to your meeting last night there were difficult decisions to the board had to make. We are trying to keep our kids in our minds. We talked specifically about the addition of the Social Worker and how they will be a critical team member next year. She asked if they had seen any problems with the distance learning that they were concerned about? Mr. Goff said there is an uptick in social / emotional needs. The social worker will play a big role in the next school year along with our school psychologist. Our operating budget has a lot of questions marks. What will school look like in the fall. Will we need plexiglass in the lunchroom, go back to standard desks, there are a lot of unknowns. The

fear of the board is that we may have to come back for more money in the fall. Ms. Wexler asked if it was their intention to repost a revised proposed budget on the BOE website for public comments. Tim said that they will repost a new budget for review and comments.

Ms. Wexler said the \$100,000 savings comes back to us and we decide how to reallocate it. She asked if that is how Mr. Goff understood it would happen. Mr. Smith said if they are reducing their budget, we don't have to worry about the \$100,000. The future is uncertain. Ms. Wexler said that Mr. Jerram had sent out a letter asking for the local BOE and Region 7 to go back to the bargaining units and explore the possibility of deferring the contracted pay increases. What was the result of the request? Mr. Goff said there was lots of discussion and a lot of questions asked. Some board members felt that they didn't have enough information to make a educated decision at this time now. There is a request to look for more data on this. After discussions with CABA there isn't a lot of data to go off of. Not a lot of boards have asked for it and no boards have gotten it approved yet by the State of Connecticut. It's very early in the process. No decision was made last night. Mr. Tuxbury said he appreciates all the work done and it's important for us to be leaders. He doesn't know what type of information you lack. Mr. Goff said he is looking for historical data on it so they have some leverage if they decide to go to the unions. But the small town of New Hartford with 400 students to ask this it obviously isn't going to fly. If another city like Torrington makes the ask, then the BOE have more data on their side to make that decision. Mr. Tuxbury asked why wouldn't you ask? Mr. Goff said he couldn't speak for his entire board.

Mr. Witte said first the savings of \$100,000 in the current year budget the way that would flow would be less draws from the General Fund. The BOE would be \$100,000 less on their expenditures. That \$100,000 would go into the General Fund and it would be available as Revenue from Surplus but it wouldn't be available until the budget year after the year we are talking about. His concern is capital, the BOE made a pretty significant cut. On the operating side nothing at all. It is business as usual. Someone needs to step up and say the overall budget will go down because of the situation we are in and we can't put a 3.4% increase burden on our taxpayers. If the BOE makes a real reduction on their operating side that puts more pressure on Region 7 to do the same. Other school districts are making cuts, perhaps unidentified, to their budget. They are doing this without the knowledge that they will have concessions from the unions to back it up. We need to do the same. Mr. Tuxbury said it's important for us to come up with a number that we want them to use. If we tell them we need a 5% cut they have to find it somewhere. It is up to us to come up with a number we should go with. His personal opinion is that you can't have a tax increase in these times.

Ms. Helt asked Mr. Goff if the teachers had been asked to postpone or forego their raises. Does he have the dollar figure associated with it? Mr. Murphy said the total salary increases is \$103,000. He doesn't have the teacher increase separately. Mr. Goff said if this is done then negotiations would need to be opened again and there would be legal costs involved.

Mr. Goff said to answer Mr. Witte and Mr. Tuxbury, we came to you with a reduction of \$175,000. He feels this is an opportunistic approach. Region 7 has cut nothing and we come to you with a substantial amount of savings and you want more. You are asking the BOE to see into the future. You are assuming that the schools will operate the way they did 2 months ago. It is going to change and there is a cost associated with it. The budget was lean - it was mostly Special Ed and some salary increases. Another cut will be detrimental to what we are trying to accomplish. We may need to come back to the BOF at some point for more money. There is a cost associated with installing plexiglass, separating the kids and everything else.

Ms. Wexler said it doesn't do any good to project what social distancing may look like in the fall. There are many crazy assumptions being made for when the kids go back to school. Our local BOE has come to us with identified savings while Region 7 hasn't identified one dollar of savings by being out of school. She continued that Region 7 should have saved more money on their bus contract and utility bills than we have and yet they have come back with nothing. We need to recognize that this is a substantial savings and we are only at the tip of the iceberg as to what is happening economically here. It is smart to put off some non-essential Capital expenses for this year. The budget increase for Special Education is 1.6%. She said that tonight is not the night

to make any change to the budgets but to talk about savings. At subsequent meetings after the budgets are posted, public comment will be taken into account.

Mr. Witte said he doesn't see the \$175,000 reduction; he sees a \$75,000 reduction. The \$100,000 will be a hold for the following year and we will plug the \$100,000 from surplus. We don't know what the future will bring. He feels we should make decisions tonight so we set the stage for what we expect. Have the people see that the town and school have posted minimal increases and it is up to Region 7 step up to do the same instead of us waiting 2-3 weeks before Region 7 votes on their budget.

Ms. Wexler said when entering into that option you hope that the bargaining units will offer something up in good faith. Region 7 they know they are writing their own ticket. There is no town vote. Our local BOE is dependent on us to put their budget together. If we don't have a referendum, we will set the mill rate. Region 7 may be overplaying their hand by refusing to address substantive savings.

Mr. Goff said if there are any additional cuts, they would look at cutting the social worker who hasn't been hired yet which the board doesn't want to do. He feels that would be extremely detrimental to our students.

Ms. Guilfoyle asked if there are any grants or state reimbursement for the technology and security upgrades in the Capital budget. Mr. Murphy said that there are not any available for security upgrades and technology.

Mr. Baxter asked what was cut from the capital expenditures. Ms. Wexler said that a list had been sent to the board. That list is filed with these minutes. The technology left in the Capital is for Chrome books. With distance learning those students who do not have computers borrowed chrome books from the school. The security upgrades were discussed at the March meeting and are needed.

Mr. Smith asked about the ECS money. Mr. Jerram said that it all came in. Ms. Witte has applied for LOSIP and notice has been received that they will release those funds. About \$1.45 million has been deposited.

One thing Mr. Jerram has heard about is the governor required that the towns take action in the taxpayer relief program. It will impact revenue in the fees, fines and past due taxes.

**Motion:** by Tuxbury that the Board of Education cut their budget to a 0% increase for the coming fiscal year. Seconded by Witte.

Discussion followed by Mr. Witte saying that this sounds a little to harsh. He feels we should make some reduction like \$50,000 to \$70,000. You are talking about \$200,000 to get to zero. Mr. Tuxbury said with 13 students in the classrooms we are not spending the taxpayers' dollars the way they should be. Ms. Wexler said at the budget workshop she brought up that maybe it is time to revisit the Bakerville issue. But she won't use this budget crisis that we are in as a time to bring up that issue as that is the wrong approach. This tore the town apart five years ago. A big part of the objection to the way it went down was the part of the lack of transparency and participation. The process was rejected to as much as the possible result. She won't support this financial situation to discuss it now. It will need to be looked at sooner.

Mr. Goff said we don't 13 students – we have an average of 17.5 students in a classroom. Mr. Goff said in one class there are 13 students.

Ms. Wexler said she understands that there is one class with 13 students. The BOE did say in March that they didn't want to combine that class because it would be too disruptive for them. This is the last year at New Hartford Elementary for that class.

Mr. Smith said he is having trouble voting on this budget if we don't know the revenue stream is coming from the government. He feels that this motion should be tabled.

*Aye: Tuxbury; Nay: Witte, Guilfoyle, Wexler, Baxter, Smith*

*Motion fails*

**New Hartford Town Government 2020-2021 Budget Discussion: Dan Jerram, First Selectman, Gordon Ross, Treasurer.**

- a. Cost mitigation efforts result**
- b. Possible modifications to March 14, 2020 budget presentation**

First Selectman Jerram said we get Regional's budget which includes capital and operations together and in New Hartford we do it separately. At the March 14<sup>th</sup> meeting, we projected that our operational expenditures would go up about \$28,000 and reduced our capital request by \$40,000. The proposed plan is to spend less money next year than we are doing now. Our request is \$11,000 lower than last year. We are feeling the uneasiness that the BOE and superintendent is feeling. The BOS will do more. In an email to Ms. Wexler there were some suggested cuts. A list was made but they were not instituted. The BOS is prepared to do more. Some research is being done on the Cares Act and received an email about some possible school funding. It is hard to predict people's ability to pay their taxes with the high unemployment data. Ms. Wexler noticed the March unemployment numbers by town. She asked when the April numbers will come out. She feels those numbers will have an impact on the next BOF meeting. Mr. Jerram said he doesn't know the date. He doesn't know if the unemployment rate is trending upwards or flattening out. He said they are welcome to guidance from the BOF.

Mr. Smith asked does the governor's executive orders dealing with the budgets supersede state statutes. Mr. Jerram responded he believes it has the full power of the law. Ms. Wexler said anything not specifically changed in the executive order remains in full force and effect. Mr. Smith said he would like to postpone the budget process for a few months, operate the town on last year's budget, getting a clear indication of where we stand and hopefully engage more of the townspeople.

Ms. Wexler asked other than pay raises is there a hiring freeze. Mr. Jerram responded that currently there are 3 open spots. There has been 2 retirements and we are in between recreation directors. There is one opening in the Highway Department. There is an accrued payout and they are trying to level out the budget. There was a retirement in the Police Department. Someone has been identified to fill the Recreation Director's position but we don't know if we can run the camp this summer with the executive orders limiting grouping. Last year we returned about \$200,000. This was an easy winter so we should have some savings there. We already have about \$500,000 in revenue from fund balance to fund the budget. We will have to make some adjustment together in our estimates for revenue.

Mr. Tuxbury said he would encourage not to cut more from the Capital or any cuts that have been made. It is a cost we will need to pay. You do return money every year and there is more opportunity. Below zero (0) is possible for you. He would encourage you to do that.

Ms. Wexler said the charging station can wait. The septic system can't wait. She would like to see that put back in. Mr. Jerram replied that they hadn't formalize votes to take them out. They were listed as options for discussion.

Mr. Baxter asked if there are any unexpected savings from now and to the end of the year. Did Mr. Jerram have an idea of how much money would be returned to the general fund. Mr. Jerram stated that regarding COVID expenses to the town, there have been some small expenditures for masks. With regard to applications for Emergency Relief Funding we don't have anything. There have been no significant expenditures. In regards to developing for year-end he would refer to give it to the BOF at their next meeting. He wants to look at both revenue and expenditures. When the budget was developed last year \$42,000 for teacher pension was included. That is a savings that is coming back. With the light winter there are recognized cost savings in salt and sand.

Ms. Wexler asked about cost savings with the bargaining units. Mr. Jerram said he doesn't want to get into negotiations on-line but they do have allocations within their budget. They have temporarily stopped any negotiations because of COVID. They will be getting together with the individual heads of the unions. Mr. Smith asked if there aren't any salary negotiated increases at this time. Mr. Jerram replied there are no agreements with our bargaining units at this time. We are still open.

Ms. Wexler sent out correspondence to Beekley Library, West Hill and Bakerville Library asking them about any additional expenses. She has heard back from Bakerville and Beekley. The board has correspondence and it will be considered and included in the minutes at the next meeting.

**Northwestern Region #7 Board of Education 2020-2021 Budget Discussion: Molly Sexton Read Chair, Judith Palmer, Superintendent of Schools**

- a. **Cost mitigation efforts / results**
- b. **Possible modification to March 14, 2020 budget presentation**

Ms. Wexler had invited them to attend and they said they had no information to share. Mr. Murphy had said that Region 7 will be getting back some money on their bus contract. Region #7 has postponed their budget vote. Mr. Jerram had asked their board member to consider approaching their unions for possible discussions. The New Hartford members were supportive but the other members were not interested in pursuing that. Ms. Wexler said many members of the BOF sent correspondence to Region 7 and they were well aware that many of our members being on the call. This is a huge chunk of our budget this year. Mr. Witte said they are telling us they have nothing to say. Ms. Helt said the meeting was last week and there is no budging on their budget. Region 7 can write their own ticket this year because of the governor. They are using that card. Ms. Helt said it has been that way for many years. We have little control over their budget increases up there. Mr. Witte said that changes once this census wraps up. The weight of our representatives' vote, that changes every 10 years. Mr. Tuxbury doesn't think we can have the majority. Ms. Wexler said we need to educate our taxpayers better. This year we have no leverage. If they overplay their hand the 4 towns can get together and react with one voice. Mr. Tuxbury said we need to ask them to make some cuts and to copy the other town boards.

**Motion:** by Tuxbury to request that Region 7 Board of Education budget as presented and we request that they cut their proposed budget by \$200,000 and we don't support their increase. Seconded by Smith.

Discussion followed. Mr. Jerram said in the modified proposal, dated 3/4/20, the increase in the assessment district wide was \$567,281 and the increase to New Hartford was \$764,999. This is because kids are leaving the district from other towns and New Hartford is going up. Mr. Witte said if you took \$200,000 out of ADM that would bring their ADM to a 1.85% increase over the last year. That is pretty much in line with the local BOE.

*Unanimous*

**Budget Timeline: discussion and Modification of Same.**

Ms. Wexler there was a problem with ZOOM meetings in the beginning but those issues have been fixed by ZOOM. Going forward she would like to have public input on all future meetings as regular meetings. Public comment will only be allowed as listed in the agenda.

Mr. Jerram said that if anyone at home would like to email the board they can do that by sending an email to: [town@newhartfordct.gov](mailto:town@newhartfordct.gov) and put Board of Finance in the subject line. The email address for Region 7 is [publicinput@nwr7.org](mailto:publicinput@nwr7.org)

Ms. Wexler said the next scheduled meeting is May 12<sup>th</sup>. She wondered if they were ready for a public budget hearing. Mr. Smith, Mr. Tuxbury, Ms. Helt all felt we aren't ready. Mr. Jerram said in the original timeline we indicated that we would do a postcard. We probably should postpone printing that card as the BOE has changed their numbers. Ms. Wexler said the governor has postponed the presidential primary to August 11<sup>th</sup>. Presumably the town hall will be open and there will be a presidential primary vote unless they cancel the primaries. Her preference is to have a referendum like we always do and let the townspeople get to decide. The correspondence we are going to get is rarely a positive tone. In these tough times all we will have is public

comment that is one-sided. If we wait until August 11<sup>th</sup>, then the schools won't know what we are doing. We are waiting for as long as possible and we still don't have it.

Mr. Baxter said the last time it turned out better for us. We got more information. Mr. Smith wants to know about the revenue part. If there are some uncertainties there because people can't pay their taxes, he doesn't want to set a budget too high. Waiting a month is reasonable. More than that is unreasonable. Ms. Wexler said this is an odd year for the state budget. The state senators are up for reelection in the fall. The big uncertainty is if there will be a federal bailout to states and municipalities. Mr. Smith said if we hold off that pushes it into August until it is done. The referendum in 2017 was in December.

Ms. Wexler said if we wait Region 7 will have passed their budget. How will we have money to pay them? Mr. Jerram said we have to pay Region 7 \$500,000 in July, \$1.1 million in August and \$1 million in September. In those first few months you are sending out \$2.6 million. Ms. Wexler asked in 2017 was the Region 7 budget relatively flat? Mr. Jerram said there was an increase then. Mr. Baxter said that was the year there was a decrease in state funding.

Mr. Ross said he didn't feel there would be enough information by early August to make budget. You will have some indication from the towns. You will be flush with money for a while. If the people take the option to borrow with the lower interest loan will they pay it back in 90 days. It buys them time not forgiveness.

Mr. Smith suggested that Mr. Jerram and Ms. Wexler put together a document with the budget information and meet again in a ZOOM meeting in a week or two. Mr. Jerram said you could postpone your public hearing and still have a regular meeting on May 12<sup>th</sup>.

#### **Correspondence to Board**

Ms. Wexler would like to have all the correspondence to the board uploaded to the website so there is transparency.

#### **Adjourn:**

**Motion:** by Smith; seconded by Guilfoyle to adjourn at 9:34 pm

*Unanimous*

Respectfully submitted,

Penny Miller  
Recording Secretary

#### **Attachments:**

New Hartford Public Schools Revised Capital Expenditures Request 2020-2021

Dan Jerram email re: possible cuts to the proposed town's budget

Dan Jerram letter to Regional Board of Education dated April 27, 2020

Dan Jerram letter to New Hartford Board of Education dated May 4, 2020

Email correspondence from Molly Sexton Read to Regina Wexler dated April 30, 2020 re: Follow-Up Bus Contracts

Email correspondence from James Hall to Boards of Education and Town dated May 1, 2020 re: Town—and Education —budget

Email correspondence from Molly Sexton Read to Regina Wexler dated May 4, 2020 re: Budget timeline