

**TOWN OF EAST HADDAM**  
**Board of Finance**  
Special Meeting—Budget Workshop  
March 18, 2017  
Senior Center

The special meeting of the East Haddam Board of Finance was called to order at 9:00 am by Chairman Raymond Willis. The Pledge of Allegiance was recited.

In attendance:

Board of Finance Members  
Raymond Willis, Chairman  
Robert Bennett, Secretary  
William DiCristofaro  
Bruce Dutch  
Greg Lauria  
Harvey Thomas

Others in attendance:

Debra Denette, Town Clerk and Recording Secretary  
Denise Dill, Tax Collector  
Emmett Lyman, First Selectman  
Bryan Perry, Chairman Board of Education  
Brian Reas, Superintendent of Schools  
Cindy Varricchio, Finance Director  
Approximately 30 members of the public

**APPROVAL OF AGENDA**

**Motion was made by Mr. DiCristofaro to approve the agenda. Mr. Bennett seconded the motion and it was unanimously approved. Motion carried.**

**2017-2018 BUDGET DISCUSSION**

Chairman Willis noted that the Board of Finance received the budget this past Monday evening. He noted that State budget cuts (impacting town revenues) of up to a \$1,800,000 are predicted. Mr. Willis stated that because of the uncertainty of the impact on revenues, the timeline for moving the budget from the Board of Finance to public hearing/referendum is being delayed to allow the Board the opportunity to be responsive

Mr. Willis stated that included in the \$1,800,000 revenue cut to the town, the Governor's budget proposes to pass the burden from the State to the Town to fund the teacher's retirement fund. Mr. Willis further noted that State assumed higher interest rates on its investments than came to fruition. Mr. Willis stated that as the budget is today, there is a 7.4% increase in taxation, which he stated is never going to fly. Mr. Willis stated that the cost of education nationally is seventy-nine billion dollars, added with State spending of 24% of its budget followed by education costs at the local level of nearly \$20,000,000. Mr. Willis stated that \$21,672 per student is spent by the Town of East Haddam, when you factor in the Board of Education's budget coupled with the education share of capital improvement projects, debt service and shared services. He further noted that there are 195.84 staff employed by the district to support education and only 1,053 students. He stated that ratio represents 5.38

students per staff member. 105 of those staff members are certified teachers for a ratio of 10.03. Mr. Willis noted that his comments come with some degree of qualification as he worked in the educational system as a math teacher. He also noted that 55 eligible students leave the district to attend school elsewhere. Some of which the district is required to pay for. Mr. Willis opined that there is a need to be some discipline with regard to costs to provide relief to the taxpayers.

Mr. Willis sought comments from the Board.

Mr. Thomas inquired whether there were updated enrollment projections for future years. Superintendent Reas stated that the information he receives takes into factor, state and national trends, housing markets, etc. He stated that the numbers have been showing considerable decline recently but have started to level off.

Mr. DiCristofaro stated that he was pleased with the audience that had gathered. He stated that without the cuts to State funding impacting town revenues, he felt that both the Board of Education and the Town submitted reasonable budgets. It was noted that social security went up 1/3 of 1% and that salaries are going up 2.5%.

Mr. Thomas stated that once these additional costs get in the budget, all future budgets are built on that and we will be responsible for them for forever and a day.

### **2017-2018 BUDGET CALENDAR**

Mr. Willis stated that a new timetable to move the town's budget forward, to all the opportunity to get greater information regarding the actual state impact to our budget has been established. The following was noted:

- May 1, 2017 Board of Finance budget workshop, final date to recommend a budget to Public Hearing.
- May 10, 2017 Public Hearing on the Budget
- May 24, 2017 Town Budget Meeting
- June 6, 2017 Budget Referendum

### **GUESTS AND AUDIENCE COMMENTS**

Randy Dill stated that declining enrollment has become a major issue and he believed that it is time for serious consideration to be given to becoming a two school district. He noted that \$2,100,000 was just spent on some renovations to the elementary school that only scratched the surface of what is needed in that building.

Bryan Perry stated that the Board of Education has created an ad hoc committee charged with providing an evaluation covering space needs and enrollment. He stated that a professional will work with the Committee that will encompass all three schools. It is anticipated that it will take a couple of months to complete this evaluation.

Joan Dill stated that salary raises of 2.5% are not reasonable. She inquired how people on fixed incomes were supposed to afford that. Mrs. Dill stated that she is very supportive of education but thought that 2.5% salary increases were outrageous.

Terry Dickinson stated that one-quarter of our students need remediation in math when they start college. She stated that we fall short in that area, and she would rather see

improvements made in that area than in large salary increases. She also inquired why we would need to hire people to tell us that we have empty classrooms.

Todd Gelston inquired what percentage of school age children attend school out of town. Mr. Willis responded that 24 students attend magnet schools and 31 attend technical schools for a total of 55 students. A breakdown of the age of those students was not immediately available. It was noted that the majority of those students are high school aged.

Patty Stricker read a letter regarding the fundraising efforts of the parent organizations and that those efforts provide programming that the budget does not allow for. She noted that further cuts would be detrimental. Mrs. Stricker stated that last year, the MPAC group, for example, raised \$26,000 to enhance education. Mrs. Stricker cited examples of items the parent group provided funding. Mr. Willis encouraged Mrs. Stricker to finish her comments. Mrs. Stricker stated that the point is that there are so many items already not covered in the budget that further cuts would be detrimental. Mrs. Stricker stated that weakening the school district would encourage more parents to send their children to magnet schools and other options which will have an adverse community and economic impact.

Charlene Riling inquired how many students were home schooled. Mr. Brian Reas responded that he believed 18 students are home schooled.

There was discussion regarding bussing. Mr. Reas stated that the beauty of East Haddam is how spread out it is. This presents a challenge for East Haddam is keeping costs low while providing bussing to such a large area. It was noted that many students have over an hour ride to and from school.

Trish Haggerty stated that she is the PTO chair at the elementary school and to expand on the point Mrs. Stricker was trying to make, the PTO and other groups fund a lot of items that the school budget cannot. She added that in the ratios noted earlier, to get a clear picture, how many of those involve special education, occupational therapy, speech therapy, etc. that do not benefit the average child. She stated that most classes are at 19, and there are not empty rooms at the elementary school.

Chris Van Valkenburg also spoke representing the parent group at the High School. She stated that kids need to be competitive in the real world upon graduation.

Mr. Willis opined that it is the Town's obligation to provide normal basic education, it is not required to provide for higher learning. He recanted his statement.

Crary Brownell stated that without AP classes many students would find classes way too easy for them. He added that a quality educational system would keep people in town.

Erik Dill inquired what the average tax per household is. Mrs. Varricchio responded that his wife would be able to answer that question. Mrs. Dill stated that it is approximately \$5,000 - \$6,000 per household.

Thomas Dargenio stated that the numbers reported on the State of Connecticut's website for school spending rank East Haddam above average in spending at \$17,869 per student, in the middle (2015-2016 numbers).

Nicole Harold stated that East Haddam is a great community. She encouraged out of the box thinking to keep the school system great. She suggested a Montessori classroom.

Mr. Reas stated that a review has occurred about moving the elementary students to the middle school. He stated that a \$12,000,000 addition at minimum would be required. He added that elementary school standards are different, and the current school was never envisioned for the younger students. Mr. Reas also added that we are on the third state administration that has been talking about a mandate for preschool. He noted concern with losing the flexibility to physically accommodate that mandate when it does arrive.

Mr. Reas noted that enrollment to magnet schools has declined from 37 to 26. He noted that there have been improvements that are not obvious in the numbers presented. He noted that the cost differential between having those numbers reduced is approximately \$90,000. He also noted that efforts to restructure cafeteria services resulted in a \$30,000 to \$50,000 a savings. Costs associated with insurance, and in other areas cannot be understated. Mr. Reas stated that two years ago, the per pupil expenditure of the Lyme/Old Lyme district was higher than East Haddam's.

Charlene Riling noted that as a student in the 1960's enrichment used to be provided within the school, in many situations it is the only enrichment that some students get. She noted that her wife recently purchased a program for the Early Childhood Council to aide in their development. Ms. Riling stated that the 2.5% needs to go to the students and not for raises given the budget environment we are presently in. It was also noted that contracts can be reopened.

Brad Parker stated that he has been reviewing town reports dating back to 1874 and the same issues were in the reports then as were now. Taxpayers need to fund school programs. He noted that we need to not look for the answers, before we know the questions. He stated that we need to wait and see what the state sends forward before everyone gets too emotional.

Alexis Francali noted that the lion's share of educational expenses per student go for special education which are mandated expenses. She noted that it is the average student that keeps being taken away from and in the long run that hurts the district and the child.

Denise Dill questioned what the salary increases are for the entire town. Mrs. Varricchio reported 2.5%. Mrs. Dill questioned what that related to in terms of dollars. Mrs. Varricchio did not have the information available at that time to answer the question.

Mrs. Dill continued that there is a large percentage of people in this town that when dealing with a tax increase cannot cut their cell phone, or eating out, or cable or internet, because they already have. She noted that people are in jeopardy of losing their homes and cannot handle the additional taxes.

Mr. Willis stated that he was ready to close public comment. A member of the audience inquired if there would be additional discussion on the actual numbers. Mr. Willis responded that this meeting provided opportunity to do that.

Mr. Willis noted that in five years he has been on the Board of Finance the school budget has not been cut. He stated that the school has been given increases, even with declining enrollment.

Mr. Thomas inquired if staff could provide a comparable of per student costs of districts of similar size and population

It was again noted that the next budget workshop will be on May 1<sup>st</sup>.

Motion by Mr. Bennett, seconded by Mr. DiCristofaro to adjourn at 10:22 am. Motion carried unanimously.

Respectfully submitted,

Deb Denette