

Town of Plymouth

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Board of Finance

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Chairman Ralph Zovich, Board of Finance, called the Public Hearing to order at 7:03 p.m. on Monday, April 11, 2011 in the Auditorium at Terryville High School, 33 North Harwinton Avenue, Terryville, CT.

Pledge of Allegiance

Chairman Zovich read the Legal Notice into record and reviewed process for the public hearing and stated after the budget presentation for the fiscal year beginning July 1, 2011 will be public comment, questions and answers. Following this will be a joint meeting of the Town Council, Board of Finance and Board of Education in the cafeteria.

Introduction of Board of Finance members in attendance: Vicky Carey, Vice President; Peter Cook; Pat Budnick and Mike Drozdick; David Bertnagel, Director of Finance; Mayor Vincent Festa; Dr Distasio, Superintendent of Schools and members of the Town Council and Board of Education; Tony Lorenzetti, Public Works Director. He noted the excused absence of BOF Member Dan Murray. Slide presentation given with review of:

*Budget Development Process

*Budget Goals

*Critical Factors: Declining revenues, slow economic recovery, increasing tax delinquency, contractual salary adjustments, rising energy costs

*Revenues & Expenditures noting 68% of revenues from property taxes and 29% intergovernmental, financing sources 2 %, charges for services 1%. Expenditures noting 59% to Education; General Administration, 11%; Public Works, 8%; Debt Service, 9%; Public Safety, 6% and remainder of departments including Utilities, Public Health, Libraries, Recreation and Land Use. Overview of Revenue Losses include \$90,000 from Manufacturers PILOT; \$220,000 from Plymouth Center School Bond Reimbursement; \$125,000 from School Transportation Funding; Reduced Collections of property tax including Change in prior year's delinquency \$100,000; Reduction in interest/lien fees \$50,000; and declining investment income \$40,000 for a total Losses of \$625,000.

*Analysis if Tax Delinquencies – Graph reviewed

*Consolidated General Fund Summary - Total Revenues reviewed noting we need \$594,535 in current taxes to balance the budget and this number is used to calculate the mill rate. Prior year's collections noted with need to bring people current. No money from federal stimulus was put into budget last year. Sales and Use Tax is proposed from Governor's budget and we do not have estimate so only \$10,000 was put in this line item. Total of lost federal grants is \$384,105. Bottom line total for this year is \$38,623,305 or increase in budget of \$29,360 or 0.08%. Summary by section of Consolidated General Fund. \$3,419,000 paid in principal and interest in bonded indebtedness and in this year's budge it was froze at 3,300,000 and budgeted again at this for 2011-2012. BOE proposed budget is the same in current budget as in proposed 2011-2012. Need to raise additional \$29,360 in revenues to balance expenditures with 0.08% increase. Undesignated fund balance, have been trying to maintain 5% reserve; history reviewed; noting a special appropriation of \$60,000 for heart and hypertension claim made.

*Summary of Expenditures by Department – reviewed noting all department budgets are in detail; reviewed.

Administration – increase of \$69,810 or 1.61%; within BOF is \$50,000 line item for Contingency as the Board knows that the price of oil is going up. Employee benefits up \$63,200 due to cost of unemployment.

Public Safety down \$5,645 or 0.23%

Public Works – down \$48,805 or 1.47%

Health & Social Services up \$10 or 0.01%

Libraries – up \$12,080 or 2.63%

Parks & Recreation – down \$17,645 or 8.56%

Debt Service – remains the same at \$3,300,000

Land Use – down \$6,445 or 3.10%

Miscellaneous/Cemetery – up \$1,000 or 17.24%.

Capital Outlay – up \$20,000 or 3.17%

Utilities – up \$5,000 or 1.01%

Town Government up \$29,360 or 0.19% for a total of \$15,627,190

*Capital Outlays reviewed totaling \$1,285,695 noted breakdown in General Fund payment (taxpayers), Grant Funded, LoCIP (Local Capital Improvements) and goes into our roads, Financed Purchases and Other Funds. Town aid to roads noted this is only a fraction of what we need to fix our roads.

*Salaries – Non Union Salaries reviewed; BOF is under no legal obligation to raise anyone's salary and if they do it will not be the same across the board and are waiting objective appraisal system.

Board Of Education – highlights noting on March 24th the Superintendent gave presentation to the BOF.

*Student Enrollments – actual number of students enrolled in schools is 1735 and projected to go up.

*BOE Summary of Expenses: proposed budget \$22,996,115 not included one time Federal Jobs Grant of \$570,000. \$110,000 of the \$570,000 is going toward current salaries; reviewed. BOE Office up for heating and repairs; PCS down by \$10,472; HSF up by \$1748; ETJMS down \$14,763; THS down \$390; School Facilities up \$4372; Student services down \$39,921; ESOL down \$8537; Health Services up \$6181; system wide services up \$39,000; System Wide technology up \$8438; System wide libraries up \$86; central office up \$4904; BOE up \$2800.

*BOE Budget Analysis of Expenses– Salaries up \$143,000; Benefits up \$23,000; Instructional Costs up; Operational Costs down \$39,000; Out of District Expenses down \$141,000; Extra Curricular Activities down \$2300; All other misc up \$8600.

Calculation of tax rate noting net grand list as of October 1, 2010 was \$824,029,263.

Amount of current taxes in budget is \$25,180,975 based on 97.0% collection rate. Gross collections on 100% is \$25,897,168 is what we could collect if everyone paid their taxes; add back tax credits/rebates \$62,600 with and total taxation required of \$25,959,768.

Proposed tax mils will be 31.50 mils; net tax increase of \$163 per year on an assessment of \$250,000; \$150,000 assessment or \$98 per year; \$200,000 assessment or \$130 per year.

Commentary and Observations:

Mayor Vincent Festa – thanked the public for being here; thanked the BOF for job they have done this season on budget as well as Dave Bertnagel and the BOE for wonderful job they have done. Budget provides the opportunity to look at services and in coming year have contract negotiations to resolve and continue to consolidate workers; looking at salaries/benefits and moving forward. Please look at budget and need to continue to provide services and thank for support with reminder on meeting tomorrow night noting infrastructure in town has suffered and look for support tonight and tomorrow.

Dr. Distasio, Superintendent – recognized Senator Welch for being here and coming tonight and on behalf of BOE thanked the BOF for hard work they have done on this budget and it takes a tremendous amount of hours and also Mayor Festa and Town Council and the BOE members in developing a budget that is fiscally sound, reviewed savings.

BOF –Vicky Carey, Vice Chair – personally would like to thank the BOE, Dr. Distasio and the entire education staff for this budget.

Mike Drozdick, this is his 2nd year on the BOF and commends his fellow members for fabulous job done in trying to cut corners and looking at everything in cutting costs and the public ought to be very proud of them. Still learning the process and they are very good educators and respect them.

Pat Budnick hand in hand with what Mike said, not just BOF but BOE and the Mayor and his staff who have helped to find deficiencies within school and town hall. Unfortunate is loss of income and we did cut expenses including supplies and overtime and continue to cut to try to get zero percent and have to be realistic about income; hopefully things will level out at state level and eventually federal level and would like to go back to zero percent increase.

Ralph Zovich, on normal year would not look at tax increase but loss of revenues is the story this year and asked Dave Bertnagel to give overview.

Patti DeHuff stated public hearing point of order and the Mayor has already spoken and you have been speaking for an hour and a half.

Ralph Zovich stated the \$750,000 in long term debt does not show up; noted overview and opened hearing up for Public Comment.

Public Comment - ground rules reviewed by Chairman Zovich

Marie MacDermid, 364 Harwinton Avenue, Plymouth – (a) 40 years member of the Plymouth Land Trust and have overseen the donation of properties at Lake Plymouth specifically when people have lots 50x100 and still kept on tax rolls and it is unrealistic addition to what you expect in revenue because these people can never build on properties and have asked previous administration and never addressed to Mayor Festa; requesting pull that up and get those people off the grand list once and for all and abate taxes on what might owe. (b) library fees note 8000 that the town received from Terryville and can go to any big city library, Bristol, Thomaston and other larger cities and do not have late fees and think matter of courtesy and goodwill. Like this winter many senior citizen friends could not get out in snow and books were a day or two late. (c) cemetery did not see Allentown listed and who pays to take care of that. Ralph Zovich, Allentown out of special revenue fund and cemetery trust and special recreation special revenue fund and monies come in and in to special revenue dedicated just for

those purposes and Allentown cemetery is one of those. Properties at lake have been tracked and we know we will take a loss as those properties and should never have gone 15 years delinquent.

Lisa Snyder, 6 Gold Street, address comment from meeting last week and sidewalks and saying looking for students to come into town and need sidewalks fixed; Quail Hollow to Fisher Elementary and children walking in roads and have more students coming in to elementary and hope you address in budgets that need safety for our kids. Ralph Zovich stated Mr. Lorenzetti has project on books, Safe Routes to School. Comment – survey is not in her area at all but not including past Quail Hollow where raised ranches do not have sidewalks and walk in road. Kids in road walking and Superintendent said there is a posted speed limit and people come flying down street. Vicky Carey, need to put request in to Capital Improvements Committee for town and have list of priorities and referendum public hearing tomorrow night on bond packaging and should talk to them with concerns. Ralph Zovich noted there is no money in this particular budget for sidewalks.

*Melanie Church, request to have Mr. Welch come up and address this budget. 328 Main Street.

Mr. Welch – Ralph noted he is coming to town hall on the 19th but as member of public. Mr. Welch, update on what is going on in state is unknown at this time and hope to restore some of the money cut. Personally do not support the budget and supports a budget to fund ECS. Ralph asked for timeline and will we make deadline. Senator Welch, do not know because need to determine where with on concessions.

Pattie DeHuff, 20 Lynn Avenue – (a) to Chairman Zovich apologize for outburst and it is a public hearing and most people would agree with her. Ask you a question, how can you possible ask the taxpayers to support this budget and technically 11.9% according to state department as of February. Salary and benefit table by taxpayers but some do not have jobs let alone benefits and some taxpayers cannot pay taxes and struggle to pay mortgage. Have done research on schools profiles on CT State Department of Education and interested to learn while compilation student enrollment has decreased by more than 271 students in same time frame and we have lost over 115 students in past 3 years. Logic tells when student population decreases we should decrease in number of teachers and the BOE budget has additional Special Ed and Music teacher and have heard that some kindergarten rooms have only 9 students and something is wrong with this picture and the Superintendent has fewer students so he has fewer responsibilities. She provided the BOF with breakdown of the Superintendent's compensation package and am not attacking the superintendent personally but attacking compensation. Reviewed items distributed in letter; read into record. Chairman Zovich stated we have printout and are you addressing question to what we can do; Mrs. DeHuff responded she will get there. Pat Perugino stated point of order, talking town budget and not the Superintendent's contract and we are here for budget; place for contract is the BOE meeting which is posted at town hall and whenever anyone wants to come there it is where it can be talked about. Chairman Zovich stated that Mr. Perugino does have a correct point of order as

only the BOE can make any changes as we control bottom line and have accepted their budget with a zero increase,; and this is not within our prerogative to determine where a cut would be from the bottom line dollar. (b) make it known that the actual amount of salary is over \$177,000 Non union salaries was one of the slides and believe what she has written is for tonight's. Chairman Zovich called for point of order and will take suggestions on BOF budget that we have control of. (c) this is a public hearing and presenting with feelings with tax base. Believe that the BOE budget should be cut by 3% and certainly have that right to do so. Student enrollment figures shown in red at top and need for less teachers and administrators; state reimbursement rate, it has been stated if you don't keep BOE same as last year the state will reduce reimbursement rate to Plymouth and the state would say you are justified in reducing because enrollment continues to decline and solution the Town of Winsted relieved obligation at same level and ask same thing of Senator Welch. These are precarious financial times and think insult to taxpayers and insult when you say Ralph only 98 a year which is a lot of money to someone unemployed. We need to make sure we have money for BOE because it is for the children and ask you to ask them to find how many of their students have unemployed parents and ask them in light of the budget and superintendent's compensation package if the BOE budget is really for the children. And one last time how can you ask the taxpayers of Plymouth to support this budget and urge you to cut the BOE budget by 3% and by your own admission they returned 62,000 for oil so it is padded. Chairman Zovich stated question on BOF cutting BOE budget by 3% and assume not in violation of the state, we do not have consensus on this board and already took vote to accept the BOE budget as presented and it was unanimous. Vicky Carey, for any cutting or additions to any budget when we meet in joint session is when we decide. Chairman Zovich, there is misunderstanding on minimum budget requirement and have chosen not to make any changes in the BOE budget and first time zero increase in many years and voluntary zero increase. Dr. Distasio, lost 200+ students but have lost 16 certified teaching staff and 37 support staff in that time; do not have music teacher in this budget; Special Ed position did add in budget and saving money in budget because now in house program so that we do not have to transport student outside district. His contract is up to the BOE and during session at BOE meeting. Chairman Zovich, entire publication of municipal and government salaries in yesterday Waterbury Republican and can compare to towns our size and will see our Superintendent is comparable to other towns.

Melanie Church, 328 Main Street – talk about public works and start with facilities and each one of departments has 05 overtime and when turned around and looked and compared and see snow removal overtime \$90,000; highway services overtime \$56,650 which is about 2/3 of \$90,000 and then transfer station see \$36,000 which equals more than our snow removal and to her looks like budget with overtime planned in it and most places work at and money stops coming in, revenues, they decrease and why keep overtime so high and realize public works workers get 2.5 hours overtime per week but it doesn't equal 2/3 of snow removal and see where this is spot to be cut. People salaries in paper and superintendent of public works at 85,000 and see here 65,000 in here or 86,000 in there and 68,000 here that is a big amount of overtime. Think that you need to look harder to find more places to cut and when look this is built in overtime and notice they never give back overtime and need to cut. And as Mrs. DeHuff said, unemployment is

high and place I work at no raises for 7 years and less benefits and higher co pay on insurance. You talk about we need to have raises; what about people who do not get raises or work for \$10 per hour and work 2 jobs to pay mortgages. They are not looking at overtime and in this budget too much money in highway, transfer station and vice versa and to her at transfer station on Saturday do not need 3 people and need 2 because that supposedly is what said. Looked in contract and no where does it say superintendent has to be there and these are ways of cutting corners and urge you to go back and look. What will you do if pilot program is put back and you will put in undesignated fund and it won't go to taxes. Chairman Zovich, current expenditure on snow plow overtime 90,000 budget and we expended. Peter Cook noted these are all contractual obligations under current union contract. Chairman Zovich, we have overtime process and situation only highway crew is guaranteed by contract 2.5 hours per week of overtime and the operator at transfer station is guaranteed 8.5 hours and subject to negotiation and we cannot just cut as it is per contract. As of 3/31 of this year we have spent \$124,000 in overtime for snow removal and we are not going to increase that line item in proposed budget because we do not feel we will have another winter like this. Based on schedule we are asking on discretionary overtime to cut back. With no further comments, Chairman Zovich thanked Mr. Trudeau and one man crew for production, Chris Perkins and tentative referendum date is April 26, 2011. All welcome to stay if attending joint meeting with BOE, BOF and Council.

MOTION: To adjourn by Vicky Carey; second by Pat Budnick. Discussion: none.

Vote: unanimous.

Chairman Zovich stated the Public Hearing adjourned at 9:15 p.m.

Respectfully submitted,

Robin Gudeczauskas
Recording Secretary