

## **Town of Plymouth**

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## **Board of Finance**

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Chairman Ralph Zovich, Plymouth Board of Finance, called the Public Hearing to order at **7:00 p.m. on Tuesday, April 23, 2012** in the Community Room, Plymouth Town Hall, Terryville, CT.

Pledge of Allegiance

Chairman Zovich read the Legal Notice into record and reviewed process for the public hearing stating after the budget presentation for the fiscal year beginning July 1, 2013 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.

Introduction of Board of Finance members in attendance: Vicky Carey, Vice Chairman; Pat Budnick, Peter Cook, Mike Drozdick, Dan Murray, Ralph Zovich; David Bertnagel, Director of Finance; Ted Scheidel, Administrative Assistant to the Mayor; Eleanor Cruz, Superintendent of Schools; Mayor Vincent Festa and members of the Town Council and Board of Education.

Slide Presentation held noting Critical Factors, Revenues & Expenditures, Budget Development Process

\*Revenues & Expenditures: State Grant Funding: Losing approx. \$175,000 in bonded project reimbursements; \$12,640 in Fee & Permit income; Education Cost Sharing is not supposed to go down this year, School Transportation funding; do have new "Misc State Grant" which we just found out could be in jeopardy. Analysis of Tax Delinquencies, FY2006-2012 graph reviewed. We are at about \$3 million in delinquent taxpayers. Top 2 delinquent taxpayers owe over \$1million, both in litigation.

\*Consolidated General Fund Summary – Total current taxes need to balance budget which goes up yearly, actuals reviewed; anticipating extra collection of delinquent taxes, interest and lien fees, motor vehicle supplement; with total increase in tax revenue of \$460,000. Grand total 39,138,265 revenues.

\*Summary of Expenditures by Department – General Government Admin, up slightly of \$133,103 due to increase health care and insurance costs; public safety up \$92,405 (police, fire, ambulance) and majority of this is police department noting last year Town Council approved canine officer and this year money for third shift officer which carries into new year; public works down \$130,555 from elimination of 3 vacant positions in highway and small reduction in snowplow removal budget; Health & Social Services down \$1295; Libraries up \$3,930; Parks

& Rec up 1700; Land Use board \$1615 increase; debt service (remains level) at \$3,100,000; Cemetery Misc Expenses no increase; Capital Outlays and NRE down; utilities down \$900; Board of Education up \$123,115. Grand total expenditures \$39,138,265 or \$217,770 increase or 0.56%.

\*Capital Outlays/Requests had originally totaled \$6 million. Requests reviewed noting \$644,600 will be paid for out of General Fund; \$204,000 from Grants; \$100,000 LoCIP and finance \$770,000 in lease purchase agreements.

\*School budget – summary of issues and factors affecting education costs reviewed; Summary by department with proposed increase/decrease reviewed; Analysis of expenses reviewed.

Calculation of Tax Rate: .56% budget increase; net grand list \$757,866,722; 1 mil represents \$757,866; 34.45 mils.

Impact of Tax Increase – graph reviewed

Mayor Vincent Festa – thanked the Board of Education, members of education department, members of the Board of Finance, Dave Bertnagel and anyone else who went through task of putting this budget together for tonight.

Eleanor Cruz, thanked everyone for attending; complimented the Chairman for his presentation and the Board of Finance for their hard work and volunteering on behalf of the community; the Board of Education, administrators, support staff, parents and Mike as this was a difficult task and huge sacrifices in balancing declining enrollment and needs for the district. She did try to be responsible, do have teachers losing jobs; positions not replacing when retire and have taken measures to respond to declining budget; need to balance about children leaving schools and have asked questions and one issue is we look at expectations and services providing students.

#### Public Comment

\*Mike Kennedy, 11 Overlook Terrace Road, thanked the Board of Finance members for time they take out of lives to do what is right for the town; he sat in a good percentage of process for budget and found interesting and learning experience; do not think they took enough time to figure out ways to cut spending and came up with creative ways to increase spending. Living in different times and people seem to forget; as taxpayers taking what money he has to manage his responsibility and taking from him to manage theirs; live within means of budget; know all governments have plenty of money and do not need more

money and need to live within means. Taxes will keep going up and no doubt about it; Mr. Chair said 2 years in a row, no tax increases. Moved here in 2002 and seen taxes up 40-45% and every year since lived here. Will end up paying more in taxes in coming years as government keep growing and need to downsize.

Employed at same company for 11 years and does not get salary increase because tight but you have obligations with contracts and need leadership willing to stand up and take things back because you will squeeze the private sector where there is no money and where will government go to get revenue; his energy bill is up, mortgage up, grocery bill is up but where can he go to get that money, can he come to chairman to get money. The town needs to live within means of budget. When leave tonight will go into community and will encourage residents to vote no. Need to send message that enough is enough.

\*Jennifer Steinman, 25 Lake Plymouth Boulevard – (a) Thanked members for their time stating primary question, if stated the enrollment in schools keeps decreasing why does budget keep increasing, that does not make sense; her child chooses to go out of district and the town still gets her tax dollars and you are still making money. If enrollment of students decrease because people are not having children, the school budget should decrease. As previous gentlemen said, she will pay more for gas tank, oil, grocery shop and inflation is real and there is inflation and we all feel it; her pay does not go up and 6 years without increase. Dismayed and disheartened at reassessment of home value; home is being taxed \$30,000 more than fair market value and fought it and declined; her taxes went up \$100 per month or \$1200. Value on market is \$130,000 and assessment at \$180,000; that is assessment. Shame on the Board of Education for not being able to reduce spending; reduced enrollment you reduce spending. Chairman Zovich addressed Ms. Steinman noting the State only allows us to reduce budget by \$3000 per pupil; functional cost, we have 2.5 million in operating costs to maintain 4 buildings which need to be maintained whether 1500 students or 1800 students. Fixed operating costs and cutting the budget because of decline is not the answer. Her tax assessment, on high end and hopefully fair market value will grow; per pupil expenditure is approximately 15,000; would need tax assessment on house of \$400,000-\$500,000 to generate that much in taxes. Everyone is hoping to subsidize education because it is the future. (b) her property taxes are \$6200 per year; Chairman Zovich noted that is half of what it costs to educate a child. (c) working in private sector she pays 75% of healthcare costs and is there anyone who pays 75% of their healthcare but does what she needs to do to keep her family healthy. Go back to contracts you have and reassess them and bring back

to bargaining table; if not find another department to consolidate and close. Ms. Cruz stated good points have been made and why refers to teaching positions removed from budget and how they took a look at declining enrollment; not only did they cut ESOL teacher but also part of a math teacher and did not replace 2 retirees in elementary and made effort to match declining enrollment with needs of district and being responsible in terms of budget. Also cut a science teacher in the middle school. Increases are beyond their control; the Board has been aggressive at contract negotiations. There are certain things that go up and no control over.

\*Melanie Church, 328 Main Street, Board of Education budget; it came out by a board member that originally the budget was to be zero and then they went back, looked and added things and went to extreme of 1.5 and then lowered to .5 because it was said the administration said we could afford it; don't agree with that. As of July she will be on social security and her earning power down, not up. It is not going up. Agree with person who spoke about cost of everything goes up; cost of gas, oil, food and it goes up and she needs to live within means; can't just go out and take loan from the bank because she cannot pay it back. We are not a wealthy town and thinks this Board of Finance knows that. We are a hurting town and everything on backs of taxpayers. Heard some things tonight on contracts; last year you ended with 123,000 more than wanted for Board of Education because the governor said you had to have it. Actually, the taxes are going up 250,000 for the Board of Ed budget and it is not a modest increase. That is what is aggravating and where being hit and where consistently pay pay pay. Bottom line, dollar goes up; it means our budget is up and how much more. \$123,000 or 127,000 from Governor Malloy last year we are paying in taxes and lower the budget by that amount. They already got an increase because it is out of the taxpayer's pocket. Last night of budget and transfers, we are not living within budget but playing a shell game; taking from here and transfer to here to cover over expenditures and not living within budgets. Looked at last years and actuals, expenditures (page 8), Mayor 11/12 reviewed, original reviewed and request 61 again not that; meeting secretary in 11/12 for 15,357; budget 8000 and for next year budget is 13 - 14 is 8500. Board of Finance recommend 10,000 and when look and see high amounts, then down and up you question. This is not actual and we are not planning a budget on actuals; last year at second public hearing the Mayor stated this is a bare bones budget and does not think any are bare bones; after we approved a budget there was a special expenditure for a police officer and they found the money; then ended up with second police officer and in

minutes it says will take out of overtime budget and put back. We can't keep increasing. We have lost students consistently and unfortunately it does come down to layoffs; you are shifting people and came down to be 1.5 positions and what is that \$100,000 and this is how we are being abused as taxpayers; no one is against educating a child but live within budget. The town needs to live within budget and not come in with increase; for once come in with decrease. Chairman Zovich responded, stated 2000 to mayor secretary is below actual expenditure last year because all secretary's brought up to same pay rate. Going up in municipal budget is insurance and other is police; collectively as town we decided to do this. Line item 3 under police budget for full time current \$1,025,000 to 1,141,000 increase of 116,500; and part of that is police union was first to settle contract and they are getting a modest cost of living increase; we added two police officers is partially correct; current year's budget went up from 937,000 because added a half year cop to third shift at the request of the Police Commission and explained clearly last year; if we added a cop to third shift we could cut overtime and took money from overtime and put money in for half year; this year the Police Commission decided to keep third shift officer and last August our Town Council voted to hire a canine officer. When you request a supplemental appropriation the Charter leaves it to the Board of Finance to spend/transfer up to 50,000 and 10 months' salary was 48,000. The Board of Finance made a decision not to increase and the bottom line stayed the same and this year will keep canine officer and third shift officer and there is a complete staff listing in budget and change in personnel ; second to last page in budget, staffing levels reviewed. We are cutting 3 open positions in town employment which is dropping to 130. For average taxpayer, it will cost \$7 per month.

\*Mike Santogatta, 351 Spindle Hill Road and 77 Main Street, Board of Education, spent time talking about expenditures and revenues and behooves the Board of Education as they should also be recognized for what they returned to the town over the past 4 years. Correct, increased budget but equally the Board of Ed returned 214,000 to the town; 192,000 more and previous year took zero and returned 197,000 to the town; look deeper and am sure the Comptroller will agree he liquidated purchase orders favorable to the town by 50,000-70,000 and put numbers together. The Board of Ed and these 9 people who care who live here and pay taxes and watch every penny spent, have turned back whatever they can; effectively turned back last year \$260,000 and that is something we lose sight of. Last 4 years of Board of Ed budget and net out 122,000 that the State gave; net cost to taxpayers for 4 years was \$42,000.

\*Jennifer Steinman, 25 Lake Plymouth Boulevard, kudos to highway and transportation department for doing a fabulous job this past winter as we were hit with a lot of snow in short time and on behalf of residents like to have someone pass along they did wonderful job and appreciate hard work.

\*Dan Gentile, 269 Mt. Tobe Road – like to add and thanked Mike for all those cost savings due to electricity, oil and a lot went in for the board to give money back. Thank administrators and Business Manager for what they did for the town.

\*Melanie Church, 328 Main Street, one other thing in budget, got 6 cruisers last year and there is no need to add 2 this year and maybe just add one because they are all going to wear out at the same time because no rotation; if did 2-2-2 that would equal 6 and why need 8 is beyond her. Think vehicles aren't all worn out to extreme and look at price and notice with fire department there is truck for 30,000 and think we could lower price of cruisers down because a truck and cruiser do not cost the same. Would like to see cut there. If look at tighten up more, you can do a zero increase which would help the people in this town.

\*Ted Scheidel, Administrative Assistant to the Mayor, 232 Munns Road, Burlington – Ralph eluded to they were able with help of Tony and staff and through CCRPA, received a \$108,000 grant for fuel efficient cars that cannot be used for police department but for zoning, mayor, building inspector and public works and price of cars is 21,600; fuel efficient cars.

\*Vicky Carey, Vice Chair, Board of Finance, stated the police cars, 2 cruisers and fire truck will be off state bids as they usually do and cruisers will cost 30,000 each. We have 7 cars replaced out of 11 and these 2 are replacing the two Crown Vics currently using and have 2 more after that to make fleet complete; currently using gas guzzlers and parts are obsolete.

\*Pattie DeHuff, 20 Lynn Avenue, the Chair used phrase an unsustainable trend on amount of taxes able to collect is getting lower and lower and asked why happening and why people can't or won't pay taxes and why don't people want to use public school system and why choosing other options. The Board of Education has adopted the common core and phrase used about you want to have high standards, common core doesn't mean standards are high but relatively low and because the Board of Ed adopted common core they are setting a lower bar that is where one size fits all and parents are choosing other options and her opinion and comes from being a former teacher in public school, and in private school and home schooling mom. Argument made that roads are deteriorating because we cut money in public works budget for roads and argue roads are

deteriorating because any roads built by public works should not have been built by them because they are not qualified to do that and do not exceed in building roads; unfunded mandates are dictates from the state or federal government imposed on towns and at our own peril we accept money from the state or federal government because they do then become unfunded mandates. Idea of looking for state or federal grants in long term beneficial to community is discussion to have at some point. Rough calculation, the Chair said the largest growing segment are 55 and older and we know how many students the Board of Ed lost over last year's; teaching our children, as percentage of population, nearly 60% of budget when know seniors are on fixed income and on social security and you can't keep asking people to pay without the whole idea of asking for more and more money from people who don't get or have any more money is wrong and we need to teach children that is wrong and there are limits to what they can have. Everyone in community is important; teach children that seniors are important and have value even if old and may have more needs than younger children as young children can move unless disabled; as you get older there are so many people who have trouble walking or sitting or with joints. Appreciate Mr. Santogatta forthrightness until tonight when he made a statement about 122,000 and argue that state dollars is tax dollars. Common sense tells us that with a drop of 229 students that there is room for cutting in Board of Ed. She works in the private sector and has not had an increase in 7 years. Rate if inflation is higher than chart. We need to cut this budget, cut the Board of Ed and maybe cut people at town hall, not close town hall.

\*Linda Kazmierski, 20 Joseph Street, she is supporting the budget 100%. Goes along with Board of Education, laying off teachers and that is taxpayers in our town and there is your tax money. Lived in town all her life and will soon be on fixed income; struggling for groceries and medical bills and ashamed of the way the town looks and every time keep Terryville Trust on payroll and now what does it look like because everyone voted no years ago. When we wanted a high school in 78 town voted no and in 1998 voted no, too expensive; our gym in THS is smaller than one at ETJMS; common sense, this is a new century. There are other things. Library in 80's wanted to fix roof, people said put a band aid on, it will hold and every time we did that; it broke to a point where water was dripping inside and when first put to vote it was 5-10,000 for roof and too expensive, we can't afford it, and then it got worse and a few years ago when Mr. Lorenzetti and Board of Finance were asked and they figured out how to fix and now it was 100,000. Wake up; costing more now than 20 years ago. Do not want to see

taxes go up and when on fixed income and working part time but tired of way town looks and don't pick on the Board of Education. She is from inside out and have worked for Boards of Ed and they are not perfect but if layoff teachers and people you are also laying off people who pay taxes in this town. Chairman Zovich noted talked about demographics and aging population and other issue is education cost sharing grant has a complicated formula , reviewed. Noting extra money to school was education cost sharing money and we are below the per capita wealth. If we are to grow and prosper we must educate the workers of the future.

\*Gerry Bourbonniere, 6 Fairmount Avenue, clarification that the Board of Education had to adopt common core and unfunded mandate by the state; there are two meetings at elementary schools on common core, one is tomorrow at Fisher Elementary at 5:30; meeting at Plymouth Center on May 14<sup>th</sup> at 7 pm; overview given on common core. He is one when budget came for zero increase and at end of meeting he increased; graduation rate in town is 72% and look at those numbers, you have 100 kids in first grade and by the time they get to be seniors, approximately 28 of those kids you will not see and unacceptable. State average is 76%. Need to put resources in areas needed. In order for us to get where we need to go, we need to start in elementary schools and get kids reading at level; need reading coach and math coach. We have 14 kids coming out of 8<sup>th</sup> grade that will not get a high school diploma and is that right for the kids in this town. Education is the foundation of any community. He asked for increase in education budget because he thinks we need that in this town. Down the road they will maybe come back with zero percent. The Board of Education tries to save money in this town and invited people to their budget meetings.

\*Pattie DeHuff, 20 Lynn Avenue, not in presented budget, but in audit says there is a line item called undesignated fund and in that is 1.85 million of taxpayers' dollars; is it fair to be holding on to that money if indeed a need, is it fair to ask taxpayers who are saying we can't afford it and should we utilize the tax dollars we already provided for you. Chairman Zovich noted handout on revenues and on back says other financing sources, appropriation of fund balance and we are planning to use \$250,000 from fund balance. We also budgeted 250,000 in this year's fund balance. Our finance director has given tutorial on need to maintain a minimum emergency reserve.

\*Patrick Perugino, 82 Allen Street, stated he is in favor of this budget and clarified, people talk about negotiations and apparently they have not been in negotiations with unions; today he spent 2.5 hours and got nowhere; the Board of

Education does not get paid; when have contract and everyone signs, you need to live up to that. Unions come in and demand and you counter demand and you keep going back and forth. This will go on; they have their wants and the Board of Ed has their wants. Chairman Zovich asked if there is a hard freeze in current budget. Mike Santogatta stated in next year's budget the administrators took hard freeze.

\*Melissa Kremmel, 28 School Street, stated she is for the budget and have a 20 year old who went to school and dropped out and has seen effects. Likes what she has heard of what they are doing to keep kids here. Has a 2 and 3 year old and wants to see the budget pass as she likes what Ms. Cruz wants to do.

No further public comment.

Chairman Zovich noted tentative date of referendum for May 3rd. A joint meeting of the Town Council, Board of Education and Board of Finance will be held. He thanked Mr. Trudeau and his team for tonight's' assistance and coverage.

Public hearing adjourned at 9:05 p.m.

Respectfully submitted,

Robin Gudczauskas  
Recording Secretary