

Chairman Ralph Zovich, **Board of Finance**, called the **Public Hearing** to order at **7:03 p.m. on Tuesday, April 20, 2010** in the Auditorium at Terryville High School, 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, 2010 will be public comment and 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; Dan Murray; 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. He noted the excused absence of BOF Member Peter Cook. Slide presentation given with review of:

*Budget Development Process

*Budget Goals

*Critical Factors

*Revenues & Expenditures noting 68% of revenues from property taxes and 29% intergovernmental, financing sources 2%, charges for services 1%. Expenditures noting 58% to Education; General Administration, 11%; Public Works, 9%; Debt Service, 9%; Public Safety, 6% and remainder of departments at 1% including Utilities, Public Health, Libraries, Recreation and Land Use.

*Consolidated General Fund Summary - Total Revenues reviewed noting we need 24,482,440 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. Intergovernmental, school education and ECS funding with anticipation of receiving \$198,080 less in state and federal grants. With the consolidation of bank and checking funds into high interest accounts will result in additional investment income of \$100,000. Appropriation of fund balance is our savings and surplus of general fund and in past years we would allocate what is needed to balance the budget and propose using \$200,000, an increase of \$27,540. Total increase in revenue projected at \$367,398 which is less than 1%. Expenditure side, we cannot increase expenditures more than \$367,398. Totals for each of the major departments in town included in slide for comparison of this year vs. last; reviewed. General Administration which includes the Mayor, Town Clerk, Tax Collector, Tax Assessor, town hall departments and scheduled to go up by \$53,414 with 1.25% increase; Public Safety is up \$11,441; Public Works up \$4,137; Public Health Services is down \$2,041; Library up \$6,484; Parks and Recreation down \$7741; Land Use down \$4158; Debt Service is something we cannot control but need to limit and trimming \$119,194; Misc Expense down \$2732; Capital Outlays is up \$320,290 as we are putting \$100,000 into non recurring capital expenditures and only money we have to fix holes in roads, bridges, sidewalks, drainage system, buy vehicles and all comes out of capital outlays. For years we kept cutting and you know what happens in households when skimp on maintenance. Board of Education, not number in handouts and after the trim was made by BOF, the original request was \$526,000 and we have \$320,290 increase. Utilities have remained flat and cutting out cell phones issued to town employees so increase of \$7500. Overall increase is \$367,400 or .96% increase. Surplus of \$236,000 was put into appropriation as shown. If budget approved and \$200,000 taken out of fund balance we will have \$2,291,000 remaining.

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

Administration, pages 5-8: Town Council voted not to give increase; Board of Finance up \$18,550 due to reserve into contingency account in case unforeseen overtime, repairs, bad winter and need salt/sand and strictly contingency. If not used simply rolls over into surplus at end of year; Legal Services down \$5000 as all town employee contracts settled and have self funded legal account to settle foreclosures; employee benefits is up \$57,900 and low number and includes health insurance.

Public Safety, pages 9-11 – Police Department up \$38,190 and reducing \$29,800 in part time animal control salary because Police Chief and Commission consolidated position and have full time animal control/certified police officer and serve in both capacities; overall up 11,441 and .47%

Public Works – lion's share of equipment and infrastructure they need to maintain. Snow removal up \$34,000 and price of salt up again and we ran over current budget and therefore put in additional amount; highway department are contractual increases; public buildings down because we will be selling old Prospect Street School; transfer station down 34,610 due to need to trim discretionary spending and this location may be closed one day a week with overall increase of \$4137.

Libraries – increase in book purchase, up \$6950.

Parks & Recreation – down \$7741.

Debt Service in long term interest paid off bonds and refinanced some at lower interest rate with 17% reduction long term interest payments or down \$168,462.

Land Use – down \$4158.

Cemetery – we contribute to some operating costs but cut by \$2732.

Capital Outlay - \$630,000 is what taxpayers will put out. We also get grants and have financing in capital outlays to leverage more services and equipment and up \$100,000.

Capital Outlays/NRE – last page in town budget is where all projects listed by department and notes original request, reviewed on taxpayer funded, grant money, Locip and lease purchases; schedule of lease payments; proposal to spend \$1,300,700 in capital improvements next year noting \$400,000 is in roads.

Stimulus money - when congress passed Connecticut received over \$3 billion and used it to plug hole in budget instead of increase jobs, infrastructure, etc and used to supplant existing monies. There is \$9,700,000 coming to us in ECS money and about \$1,200,000 is from stimulus money. This is only a 2 year plan and what do we do next year when it runs out.

Salary Freezes – no layoffs in budget but salary freezes, reviewed.

BOE Budget Summary: Main Street School down\$ 6200; Plymouth Center School up \$50,262; Prospect Street School closed and down \$2742; HS Fisher Elementary up \$66,924; Eli Terry Middle up \$30,643; THS up \$104,391; School Facilities up \$322; Student Services up \$192,114; ESOL down \$13,378; Health Services up \$11,380; System wide Services up \$66,137; System wide Technologies up \$11,990; System wide Library up\$ 4201; Central Office up \$9455; Board of Ed down \$1750 for a total of \$23,098,296 with

an increase of \$526,471 or 2.33%. In a normal year where tax revenues were not falling this would be an increase to the Board of Education of \$320,000.

Student Enrollments – The state no longer keeps tally of student enrollment projections noting this year lost 57 students.

BOE Summary of Expenses: Salaries up \$363,236; employee benefits down \$33,723; instruction costs down \$14,586; operational costs up \$30,533; Out of District expenses up \$168,650; athletics up \$4900. All other programs and miscellaneous account for increase of \$7400. Issue the Superintendent brought up to the BOF and that is the General Assembly needs to reverse Special Education burden of proof and the public needs to contact their state representative and legislators with this request.

BOE Budget Analays – cost savings activities reviewed noting net savings of \$319,672 and this is amount that can be saved every year.

Calculation of tax rate noting net grand list as of October 1, 2009 was \$822,190,738 which means 1 mil of taxation produces \$822,191 in revenue. Amount of current taxes in budget is \$24,482,440 based on 97% collection rate. Gross collections on 100% is \$25,178,646 is what we could collect if everyone paid their taxes; and total taxation required is \$25,241,256. Proposed tax mills will be 30.7; noting for past 3 years it was 30.1; history reviewed noting this will result in 2010-2011 with a net tax increase of \$150 per year on an assessment of \$250,000; \$150,000 assessment up \$90 per year; \$200,000 assessment up \$120 per year.

Commentary and Observations:

Mayor Festa: information presented is very clear; experience in last few years has shown a decline in the ability for people to pay taxes, rents, food for children, and a need for clothing and food; have had people coming requesting assistance. People who have jobs and insurance are lucky. Through efforts of many have kept budget as close to chest as possible and as much as pocketbook can afford. The Board is presenting a budget that keeps on straight and narrow. The BOF has sat with the Director of Finance and BOE Business Manager and we will propose a bonding package to the community that takes projects in period of 10-12 years and keeps debt serve at level providing no emergencies; this will be presented through Capital Improvement and Facilities Committee. He thanked the Board of Finance and Board of Education members relative to the work they have done and Council as well to keep you and your interests protected and provide for as much as we can with what we have. He thanked everyone for understanding and support and continued growth of the community. Good news reported to have a few companies interested into coming to the industrial park with deposits on lots and commitment from the State department to move the Waterwheel project forward and a few other projects coming forward with grant applications. The Town has the opportunity to pick up open space and depending on how willing to support, the water company land with purchase of 75% from State of CT and with federal monies it could give us 100% and will provide 170 acres of passive recreation. There are things moving forward and he is keeping abreast of information and picking up every grant possible.

Dr. Distasio: On behalf of the BOE he thanked Mr. Zovich and the BOF for a wonderful job in putting the budget together and knows countless hours were spent in meetings on not only BOE but all departments. He thanked his own board for their hard work in developing the budget and only one part of what they do and develop budget and programs for our kids. He thanked the best staff that anyone can be blessed to have which is teachers, administrators and support staff for children in town. In difficult budget times ask more of people and provide with fewer resources. Highlight from budget is conservative effort to save money and highlighted energy as those costs going through roof and

solicited Energy Educators and brought our own energy educator on board, Marty, to work to realize savings. Also new cafeteria program with Chartwells is \$150,000 savings as no longer pay for workers comp and health insurance costs and number of savings incurred.

BOF Members: Chairman Zovich thanked everyone and looks for support of the budget. Each member of the BOF voluntarily studied certain sections of the budget. Vicky Carey: This is a very fair budget and everyone worked hard; thank you for taking time to listen tonight. Dan Murray: listening to the presentation Chairman Zovich did a great job and to those here and came, thank you. There are a lot of people in town and some ones year in and out come and know they care. The BOF works hard making it work for you. Thank you for being here. Pat Budnick: agree with Vicky and we appreciate your coming tonight and hope you support this budget as the BOF made every effort to keep under one mil, did try to be fair to all departments and were in agreement to all cuts and changes. Mike Drozdick: as new guy on the board he was impressed by working with the BOF but first by knowledge and experience and hard work put into getting budget together, very impressed and learned a lot.

Dave Bertnagel, Director of Finance: budget is .6 mil increase or 1.99% tax increase; community fortunate in past for zero increase. This budget is frugal, effective and commends the Board for the job done.

Public Comment – ground rules reviewed:

Gerry Bourbonniere, 6 Fairmount Avenue, here as taxpayer and referenced slide on increases in mil rate noting as a kid Fram oil filter, as a mechanic it cost him \$4.23, maintenance issue and motor is 2000. Look at chart in 2007 we don't spend \$4.23 on oil filter year after year. Pat mentioned zero percent increases that we did have to go up this year because we don't want to spend \$4.23 on oil filter. Next year does everyone understand the state legislature is looking at ECS grant which utilizes both education and town looking at 10-15% decrease. In layman's terminology \$10 million and cut 10% means lost approx 1 mill and if cut 15% lose 1.5 million. Look at increases, public safety .42% and that is for police and fire; public works has a tenth of a percent and health and social service decrease and BOE looking at small increase. As a taxpayer he is not happy with that number and know working hard and have compassion for those who cannot pay taxes and now what he use to bring home and does now and feed family of 4; understand problems but sooner or later everyone else's problems will be on taxpayer and sooner or later \$4.23 or 2 grand. That mill increase of .6% will be 3 and might be higher than that and know will not go 3 and because of naysayers. As a taxpayer he is personally getting tired and we do not move forward as stays status quo or back. Education thing on outplacement, out of district, as a BOE member his son is going out and not to HS and going to Oliver Wolcott and as a BOE member asking why going to Oliver Wolcott because Terryville does not offer me anything. Had to cut \$268,000 because the BOF has given them 320,000. Where is what to cut, extracurricular activity because teachers are guaranteed and out of district guaranteed and not leaving them too much room. Also looking at instructional costs for students and why kids are going to Oliver Wolcott is \$14,000 less in instruction costs. Personally would like to give terminology cannot give publicly and not happy. We stayed status quo and have stagnated the town and Mayor has great points. Do not want to seem facetious and do not want to see short end of stick and this is short and cannot get shorter. Sense of urgency in town and we need to get there. We built the house and the foundation is crumbling. He is voting no because not enough and think utilizing crutch of economic conditions. We have reval coming and what does housing market look like, not as good as housing market was at reval and will not be as high in next reval. Know for fact that reval will be less.

Ernest Picard, aka Jay Picard, think both the BOF and BOE have done a very good job and add compliments to Chairman of BOF for presentation, not too long and very clear and have better understanding of budget this year than past. Tax increase am surprised it is so low, glad it is so low. (a) What would have been increase had all department and BOE requests been left unchanged. Chairman Zovich responded, original on revenue summary the request in original budget \$38,912,000 and proposed 38,489,000 and additional \$500,000 or close to another six tenths of a mil or 1.2 mil increase if had agreed to every request. (b) Had decided to stick with request we would have been looking in order of 2.5 or 3% increase which would not have been high compared to many towns around and not suggesting you go back to it. (c) Are there any big holes that this budget will not address in other words is there something going to happen, bad that will happen as a result of this budget as presented other than Bemis Street hill which one day will become impassable; but positive side it keeps speed down. Chairman Zovich, what is unknown to us in future and we cannot plan for is the 2011-2012 general assembly budget; right now looking at losing gap of \$700 million in next budget for July 1st and keeping fingers crossed and some indication from legislature they will not cut. When stimulus runs out, the next governor and assembly need to plug that hole and fear they will pass costs to us and we need to make up with taxes. Mr. Picard, is there anything that's not accomplished under this budget that will result in, forget reimbursement, require big increase in following year's budget. Chairman Zovich noted on last page of capital expenditures, highlights columns out of 1.3 million in capital expenditures we are funding \$630,000 and most of those can be in jeopardy and committing to 4 years of lease payments. Mr. Picard, are there any other library roof holes not repairing under this budget that should be repaired so it does not go. Vicky Carey, debt serve left even; finance board committed to that we do have surplus and refinancing of debt service that in upcoming years we can plug in school roofs or road projects without having to place burden on taxpayer. There is a lot to get done, some of schools have roofs to be done, roads to be done, Eli Terry has roof to be done within year. Capital Improvement has been committee with 5 year plan and 10 year plan on things that need to be done and replaced and trying to move forward and working with us. There is a lot needing to be done in town and we have not done improvements to the town and trying to do with capital improvements. Chairman Zovich, we did not go through each project in line item details of interest and principal, but have added debt service reserve of \$61,065 used to keep debt service level and do anticipate based on what school tells us that we will have to repair approximately 14,000 sq ft of flat roof on Eli Terry. Mr. Picard, overall we don't have too much in short term to worry about as result of the budget. Based on reading in paper this town for a town of size and demographics and financial situation appears to be in remarkable shape compared to other towns especially to education budget. Understand no bells and whistles but by and large still going to get a good quality education and that is great. Also, in rules you said comments are not to be personal or political but give you credit for what did up here.

*DiAnna Schenkel, 4 East Orchard Street and Council member and speaking as citizen. So refreshing to have honesty in auditorium. Can't think of more transparent budget and wonderful auditors. Ten years ago had ordinary people who cared and wanted to make different but did not have experience and did the best they could and did not understand red tape of applying for grants, etc. and we have learned the past few years to navigate. Little by little people have a common goal to make the town better which has started wonderful cooperation between departments and government. At transfer station will see people with \$30-40,000 trucks bringing trash to transfer station and have champagne tastes with a beer budget. We can blame as to why buying \$4 filter. This building is the whole auto we invested in our youth and look at wonderful as compared to high school before and our staff is talented. If you don't find what you want here as a student that is not because there are not opportunities available but not what you want and a choice. There used to not be a choice. She explained the option of her husband going to Thomaston school all day and then to Oliver Wolcott from 2 – 7 pm. We have a different world

and program to try to direct students, save them and advance in education even if not college bound. Another thing it is our own fault to be dependent on ECS grant and True Value store is closing because we do go Wal-Mart, Home Depot and take our money outside. As a town we commit together and invest in our people and draw more business which will generate more income, increase business in town and it takes burden off taxpayer. It is an earthquake and whether here or in California and there will be buildings that will collapse and families and teachers and administrators and will be fallout and how bad cannot tell. So the person who is a taxpayer fortunately has the opportunity to make income and her husband doesn't and people on limited income such as social security or people with illness or prescription or single mothers struggling and those are people, as a person who is paying taxes I think of them to. I will do my best to continue to support business in town and will bring another person with me next year to get more involved and will continue to volunteer at high school for kids and if we all do that we can make a difference. Do we need things, absolutely and stagnant in town. We can make our town beautiful and down the road people will look at and say these people have a balanced budget and have good fiscal responsibility. That is what we need to take chance on us, as we are awesome community. While comments at the BOF seem harsh, understand and empathize and understand each of us needs to take responsibility for it. This is my third year and know how hard and time put in and thank you, Dave, for all you do and way to make things work and applaud all of us. Chairman Zovich, you do bring up a good point on grand list, 80% is residential and personal property and only 20% commercial and industrial and we would like to change and keeping tax rate low is incentive to bring businesses in to town.

Pat Perugino, 82 Allen Street, when administration came in 2.6% and reduced to 2.3% and you folks dropped us off another \$200,000 and did good job but remiss if didn't congratulate their board. Point to restore \$206,000 to original budget as not fat or nothing new and maintain what we have. If cut \$206,000 it will be blood bath. Again, just don't think fair to us and you have asked for years to cut, sharpen pencil and we did. Marty Sandshaw is doing a fabulous job, cafeteria picking up. Again I ask you to restore \$206,181 back to the BOE budget.

Marty Sandshaw, 7 Richmond Drive, wise man said many years ago when you live in a small town there is two areas to be concerned and one is roads to move about safely and other is education as youth is our future. Ask to look at public works and BOE budget. Thank you. Chairman Zovich (a) you have dual role in town as elected councilman and also about energy audit and can you give insights into energy conservation efforts. Marty Sandshaw, that is exciting area and learning how to let the buildings work for us and finding out how use of buildings being occupied and when not being used and adjust energy usage based on that. During the heating season reduce temperature demand on high school so when students left they told the system that did not want the temperature to not go on unless building below 55. We were able to save energy and result in 8 or 9 hours of savings. (b) Can this be carried to other buildings. Marty Sandshaw, has name and will ask question and getting advice on what can be shared with the town.

Roxanne Perugino, 82 Allen Street, asking to restore the BOE budget because people do not realize what might fall. Asking to cut budget and cut off so many times and nobody else has laid off staff, cut café and have done everything and comes down to programs for kids like sports. We are responsible for education not sports and understand we can only do so much with so much money. How will 50 kids in a classroom learn. Kids need hands on and disappointed parents are not here. The PTA should be here supporting this. I take pride in our teachers and staff because our teachers especially at Eli Terry they paint hallways for free and how much money have we saved there. I have been on the board for 8 years and asked for roof and now so bad it is collapsing and can't use rooms. How much longer do we go and you are fearful of what will happen next year. So what is left, nothing. We have given and given and

give other departments room in our schools and buildings and we pay for heat and oil and out of our budgets. Removal of snow we weren't supposed to do it at all and promised to us last year and we paid out of our budget. We give and give and we have saved almost \$400,000 and getting penalized for it. I will vote no for this budget. Chairman Zovich, snow plowing was long over and money allocated of \$37,000 has been transferred to public works to do the job and they are responsible to plow and provide snow removal and have to manage it with same funds. That is in the public works budget, line item detail snow removal which is Dept 40, page 12, Contract services exclusive for school system.

Jay Picard, after listening to comments from the BOE, humbled and apologize for interjecting humor but could not miss opportunity; however, if the BOF and wisdom and Town Council restore the BOE request I think it would be the right thing to do and have had enough discussions with the Superintendent to know they work very hard to get where they are in budget and if possible; we are not talking 3% but another .25 mill increase and not intolerable. General comment talk about us being small town and in the State of CT there are about half towns larger than this and about half in state are smaller than this town and nationwide you find probably more towns smaller than we are than are larger than we are. We are not a small town and a lot of credit to the Mayor to recognize need for professional management for our town. This is not a small town and we have to pull away from that thought.

Chairman Zovich stated this is the conclusion of the public hearing. A joint meeting of Town Council, BOE and BOF will be held in the cafeteria immediately following this hearing. The referendum is tentatively set for May 4th. He thanked Mr. Trudeau and the video production students.

Public Hearing adjourned at 9:16 pm

Respectfully submitted,

Robin Gudeczauskas
Recording Secretary