

TOWN OF SOUTH WINDSOR

MINUTES

**TOWN COUNCIL/BOARD OF EDUCATION
ROOM ALT. 6
TIMOTHY EDWARDS MIDDLE SCHOOL**

JOINT BUDGET WORK SESSION

DATE: APRIL 24, 2017

TIME: 7:00 P.M.

1. Call Meeting to Order

Deputy Mayor Snyder called the meeting to order at 7:04 p.m.

2. Roll Call

Town Council

Members Present: Mayor Carolyn Mirek (arrived at 7:06 p.m.)
Deputy Mayor Janice Snyder
Councilor M. Saud Anwar
Councilor Cindy Beaulieu
Councilor William Carroll
Councilor Lisa Maneeley
Councilor Matthew Riley

Members Absent: Councilor Edward Havens
Councilor Liz Pendleton

Also Present: Matthew B. Galligan, Town Manager

Board of Education

Members Present: Chairperson David Joy
Vice Chairperson Beth Esstman
Joseph Durette
Jamie Gamble
Michael Gonzalez
Mary Justine Hockenberry
Philip Koboski
Richard Stahr
Craig Zimmerman

Also Present: Superintendent of Schools Dr. Kate Carter
Asst. Superintendent Colin McNamara
Asst. Superintendent Cheryl Mortensen
Chris Chermerka, Business Manager

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ITEM:

3. Public Participation

Mr. Timothy Carmon, 61 Rainbow Trail came forward and spoke to the members of the Town Council and Board of Education, as shown in attached **Exhibit A**.

4. Items for Discussion

A. Board of Education Proposed Budget for Fiscal Year 2017/2018

B. General Government Proposed Budget for Fiscal Year 2017/2018

Mayor Mirek stated that the State of Connecticut continues to experience serious financial issues. The action proposed by the Governor will severely impact services for both the Board of Education and Town Government operations with a \$4.7 million dollar decrease in funding to South Windsor. At this time, the General Assembly has not finalized the budget. South Windsor's Town Charter mandates that the Town Government finalize and approve a budget on or before May 22nd. It is unclear if the General Assembly will restore any portion of the proposed reductions or have a budget finalized in time for the Town to meet our Charter requirements, therefore South Windsor must move forward with our budget process. The Town and Board of Education must continue to find efficiencies.

Chairman Joy informed the public that the Town Council needs to make a decision regarding the Board of Education budget by May 15th.

Dr. Carter, Superintendent of Schools and Matthew B. Galligan, Town Manager reviewed the 2017-2018 Joint Budget Presentation, as shown in attached **Exhibit B**, as well as the Board of Education's proposed budget reductions, as shown in attached, **Exhibit C**.

Dr. Carter voiced concern about cutting so many FTE's and how it could affect future budgets. Dr. Carter recommended the scenario of \$1 million dollar in decreases rather than \$1.5 million dollars explaining that the reductions will all depend on the amount of funding that is reduced by the State.

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4. Items for Discussion (Continued)

A. Board of Education Proposed Budget for Fiscal Year 2017/2018

B. General Government Proposed Budget for Fiscal Year 2017/2018

Mr. Galligan stated that a reduction in the staff level on the Town side would be devastating because the Town has been working with the same staffing levels for a long period. If the proposed cuts are not as bad as projected at this time, items can be put back into the budget, but there should be some concern about future budgets because reductions in the budget will affect future budgets.

Answering question from the Board of Education and Town Council, Mr. Galligan explained that the increase is proposed at 1.99%. Both sides of the budget have been reviewed. There are a lot of Board of Education items in the Town side of the budget and the Town side of the budget has been impacted in past budgets. Mr. Galligan stated that he and Dr. Carter have worked together with the Board of Education and Town Council to come up with the proposed budget which consists of a 1.99% increase.

Mayor Mirek felt that the Town needs to be careful on how much taxes are increased to residents because they may also receive an increase in taxes on the State side.

Councilor Beaulieu stated that the Town does not want to put the burden on taxpayers and also has to be aware of taking funds from fund balance because rating agencies will down grade the Town. If bonding for schools, the Town will need to be very careful.

Mr. Galligan explained that there is a calculation that is done to determine how much needs to go into the health care reserve on a yearly basis. The Town has not had any retirees to put money towards so the same amount has been funded each year. The healthcare costs will be budgeted for but to help with this year's budget, money will be taken from the trust fund. This will not hurt the Town and this fund will be replenished next year. Services in Town need to be continued because that is what makes people move to South Windsor.

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ITEM:

4. Items for Discussion (Continued)

A. Board of Education Proposed Budget for Fiscal Year 2017/2018

B. General Government Proposed Budget for Fiscal Year 2017/2018

A discussion ensued regarding the different areas that were looked at to lessen the impact from the State. Dr. Carter stated that she would prefer to have a decrease in the budget of \$1 million dollars rather than \$.15 million dollars but the Board of Education will work with whatever the Council decides.

Deputy Mayor Snyder explained that revaluation is occurring also this year and the Town Council needs to keep things affordable while delivering the highest level of services. These reductions are coming from the Governor's proposed budget. A lot municipalities are struggling with reductions and Deputy Mayor Snyder feels that the Town Council should plan for the worst case scenario. Deputy Mayor Snyder explained that these reductions are coming from the Governor's proposed budget and feels the Council is not interested in sending a supplemental tax bill to residents. The money to pay for the new schools is coming from bonds so keeping the fund balance at its current level is important. If bond rating goes down then the residents of South Windsor will be paying more for those schools.

Answering further questions, Mr. Galligan explained that the total decrease is \$4.9 million dollars. The actual decrease on the expenditure side is \$2.7 million dollars and the remainder of the decrease is on the revenue side. The Town will not hire for five positions until January which will provide savings. Capital cannot be reduced. There are no new positions in the budget. Mr. Galligan stated that there are cuts across the board which will impact each department.

Councilor Anwar said he would be inclined to take more from the fund balance to save jobs on the Board of Education side. Mr. Galligan explained that the greater risk is for the Board of Education because they do not have the ability to reopen their budget after it has been approved but the Town does have that ability.

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ITEM:

4. Items for Discussion (Continued)

A. Board of Education Proposed Budget for Fiscal Year 2017/2018

B. General Government Proposed Budget for Fiscal Year 2017/2018

Dr. Carter explained that the funding sources for the schools and for the operating fund are separate. Answering questions, Dr. Carter explained that the Level I and Level II reductions (**Exhibit C**) that are proposed could change with circumstances but at this time this is the list that will be followed. There are two initiatives which include closing Wapping School and moving food services which are efficiencies that have not been factored into our ranking yet.

Board Member Hockenberry stated that all municipalities are being affected by the State budget. There is a lot of hard work that goes into the establishment of a Town budget. Residents need to know that they can call any Town Council member, Board of Education member, the Superintendent or the Town Manager if they have questions or concerns. South Windsor is a quality Town with quality schools. If we make these efficiencies, next year will the Governor reflect what we did this year and make further cuts? Mr. Galligan stated that this is something that has been being discussed. The State should be making the same efficiencies that the Town's make. The residents of Connecticut need to start writing their Legislators regarding balancing the State budget.

Dr. Carter stated that she hopes there will be better news from the State than what has been heard at this time.

Deputy Mayor Snyder stated we are going to have to deliver a number to the Board of Education by May 15th. The Town should stay in a holding pattern until more information is received from the State because she would like to see if the Town Council could get the Board of Education decrease to \$1 million dollars rather than the \$1.5 million dollars.

Mr. Galligan stated he hopes the Town receives information soon and feels the Town should wait as long as possible to make a decision on the budgets. Our Legislators are working hard to get information.

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ITEM:

4. Items for Discussion (Continued)

A. Board of Education Proposed Budget for Fiscal Year 2017/2018

B. General Government Proposed Budget for Fiscal Year 2017/2018

Deputy Mayor Snyder requested that the reduction amounts be placed on the Town and Board of Education website.

Mr. Galligan explained that next year there will be new revenues coming into the Town. If too much is taken in one year, there will be a problem in next year's budget.

Councilor Carroll stated that the Town needs to meet the Town Charter requirements but feels the Town should wait on making a decision on the budget as long as possible and hopefully information will be provided by the State before a decision needs to be made.

Councilor Beaulieu agrees that the Town should wait until the last minute possible but make sure the requirements of the Town Charter are met. This will help the Town and Board of Education work with the best possible numbers from the State. If the Town were to draw on fund balance there could be a large impact on the Town.

Mr. Galligan stated that the Town always tries to keep taxes down and felt the State should be doing the same.

Board member Zimmerman explained that the Board of Education cannot approve a final budget until the Town Council gives the Board of Education a number to work with.

Councilor Anwar requested a spreadsheet be put on the website explaining the reductions to the budget. Councilor Anwar then stated that he would like to wait to make any decisions on the budget to see if Board of Education positions can be saved.

Mr. Galligan explained that there will be \$545,000 needed to balance the budget if the State budget is approved as it has been proposed at this time. Town Council will be looking at revenue enhancements.

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ITEM:

4. Items for Discussion (Continued)

A. Board of Education Proposed Budget for Fiscal Year 2017/2018

B. General Government Proposed Budget for Fiscal Year 2017/2018

Councilor Riley stated that the State of Connecticut has an expense issue because the State has lived beyond its means. Their budgeting problem has been shifted to the Town's. Councilor Riley stated that the Board of Education and Town Council have produced budgets that will continue services, but will have an impact on next year's budget.

Chairman Joy stated that the State of Connecticut is looking at more tax increases. A 1.99% tax increase in South Windsor is reasonable and he is happy the Town is not looking at sending residents a supplemental tax bill. Chairman Joy stated that South Windsor is not Avon, Farmington, Glastonbury, Granby, Simsbury or West Hartford and has a higher dependency on grant funds from the State of Connecticut. South Windsor needs to be prepared for future budgets because they are not going to get any better.

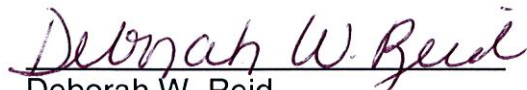
5. Executive Session

None

6. Adjournment

Deputy Mayor Snyder made a motion to adjourn the meeting at 9:30 p.m. Councilor Anwar seconded the motion; and it was approved, unanimously.

Respectfully submitted,



Deborah W. Reid
Clerk of the Council

Members of the Council, Board of Ed, Dr. Carter, and residents of the town, my name is Timothy Carmon and I live at 61 Rainbow Trail. Thank you for the opportunity to come and talk before you today. As you continue this time of budget discussions and debate the various ways to address the growing budget concerns I would like to talk with you about recent events and how I and others as taxpayers have viewed them and ask for your consideration of certain topics as you continue your budget planning.

12 years ago I moved to South Windsor knowing I would have a family one day and admiring the school system in town and the quality of programs and services the town has to offer. When I was asked a few years ago to vote on upgrading the schools naturally I was in favor as I have kids in the school system and I could understand the fiscal soundness of these infrastructure projects. I went to meetings, I read the literature that was sent out and I even put lawn signs up encouraging residents to vote for the referendums.

The most recent referendum was no different. I had my lawn sign and I read the material sent out. I got it, new schools low impact on taxes, expanded opportunities for students. Imagine my surprise when I heard soon after the referendum passed that teachers were notified that their contracts may not be renewed because of budget concerns. How could the town ask the residents to vote on a \$70M school project while it is struggling to keep teachers and programs because of budget cuts? Why did I not know about this before I was asked to vote?

I then did some research and was troubled to find out that the council and board of education knew of these budget challenges, but didn't really discuss the full impact in the meetings leading up to the referendum, and at no time was the feasibility of the referendum project discussed. In the meeting following the referendum I heard board of education members discuss how deep these cuts could go and the need for long term solutions as this was not likely to be a temporary budget cut. I sat in confusion as this discussion occurred and no one talked about the \$70M project we are about to embark on.

Soon after this I received a notice in the mail that my house is being reassessed for tax purposes, and the town council voted last meeting to change the rules to limit the total time, at a meeting, residents can come and talk from 30 minutes down to 20. I know it is not the council or the boards intent to mislead residents, but from an objective view I feel that information was withheld concerning the state of the town's finances before I was asked to vote on a \$70M project, and then I am being told my taxes are being reassessed and if I want to say anything about it, the council has tried to limit the time folks can come and voice their concerns.

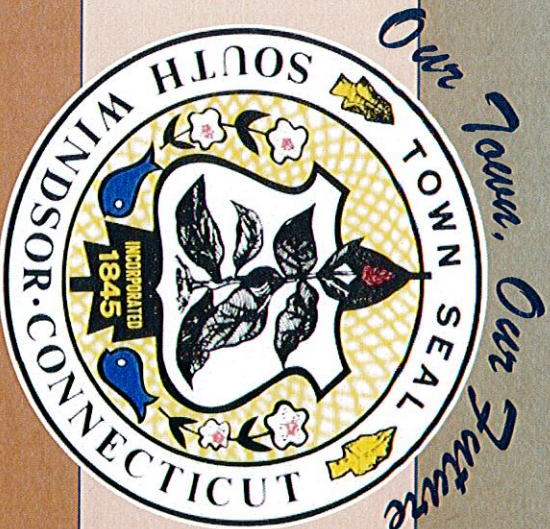
I know this is not your intent, but as I sit here and see what is happening at the state level and how that is impacting the town I can only wonder, should we really be moving forward on these projects as originally planned, especially when the retirement of existing debt starting in 2019 could significantly close our budget gap if we don't move forward with the current plans. I am not saying to throw out the plans all together, I am just asking that modifications or delays at least be discussed and seriously considered as part of these budget discussions.

As I stated at the beginning, one big reason I moved to the town, and many people I know moved here, was for the schools and the programs. I am becoming concerned that we will soon have beautiful buildings for our children with limited teachers and programs in them. I know a building can help, but it is not the structure that makes a great school, it is the teachers and programs offered inside. Please think about the budget in total and don't just move forward with a plan because it was the plan, things change and plans need to be adjusted.

Thank you.

2017-2018 Joint Budget Presentation

Kate Carter, Ed.D., Superintendent of Schools
Matthew B. Galligan, Town Manager



FY 2018 Original Budget Proposals

	FY 2017 Adopted	FY 2018 Requested	\$ Change	% Change
Town Operating	32,216,389	33,631,876	1,415,487	4.39%
Debt	7,330,506	7,978,505	647,999	8.84%
Capital	1,264,213	1,497,154	232,941	18.43%
Board of Education	71,752,070	72,752,917	1,000,847	1.39%
Total	112,563,178	115,860,452	3,297,274	2.93%

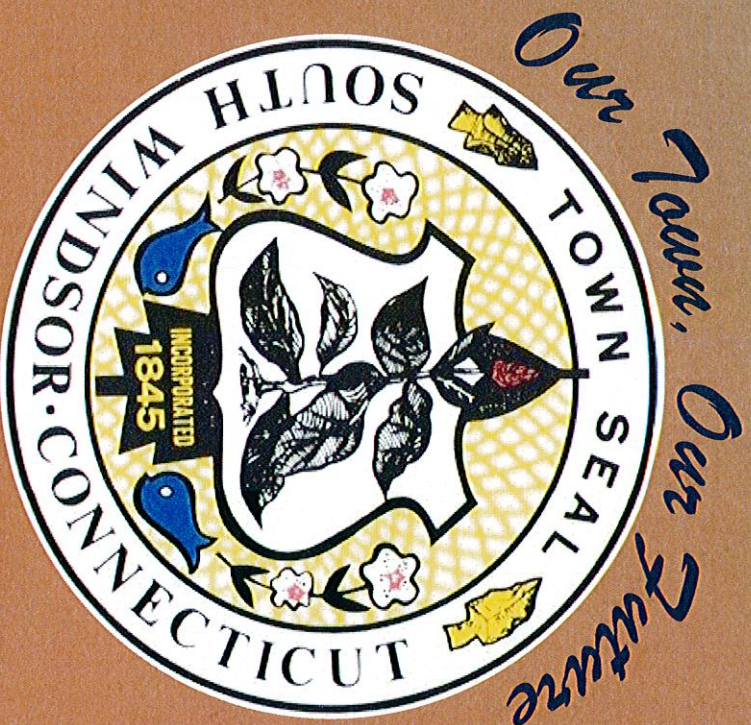
Governor's Proposal: Impact to South Windsor

	FY 2017 Adopted	FY 2018 Proposed	Difference
Education Cost Sharing	12,486,098	5,329,310	(7,156,788)
Mashantucket Pequot & Mohegan Fund	54,351	55,258	907
Motor Vehicle Property Tax (NEW)	-	830,111	830,111
Municipal Projects (MRSA)	1,338,190	-	(1,338,190)
Municipal Revenue Sharing (MRSF)	558,715	804,258	245,543
PILOT: State-Owned Real Property	78	8,115	8,037
Special Education (NEW)	-	3,706,840	3,706,840
	<u>FY 2018 Estimated</u>		
FY 2018 Special Education Excess Cost Estimated Reimbursement *	1,226,149	-	(1,226,149)
Total Revenue Adjustments <i>The above does not include proposed Teacher's Retirement Board allocation costs of \$3,591,178</i>	15,663,581	10,733,892	(4,929,689)

This table includes the FY 2017 budgeted revenue amounts for only those line items that have a direct budgetary impact.

* To accurately reflect the proposed reduction in FY 2018 budgetary revenues, the estimated FY 2018 Special Education Excess Cost Reimbursement amount is included above.

Budget Reduction Scenarios



Current Scenario: \$4,929,689

Town of South Windsor

- ☐ Reduce Town operating budget by \$1.2M
- ☐ Transfers:
 - \$2.0M from savings generated in health care
 - \$350k from capital non-recurring
- ☐ Use of Fund Balance \$1M *

* FY 2017 adopted fund balance at \$850k

4.39%
↓
0.81%

Board of Education

- ☐ Reduce operating budget by: \$1.5M
 - \$1.3M Personnel Reductions (26.1 FTE)
 - \$200k Program Reductions

1.39%
↓
-0.76%

Reduced Impact Scenarios

75%	Reduction Amount: \$3,697,266	Tax Increase: 1.99%
50%	Reduction Amount: \$2,464,844	Tax Increase: 1.99%
25%	Reduction Amount: \$1,232,422	Tax Increase: 1.99%

75% Scenario: \$3,697,266

Town of South Windsor

- ☐ Reduce Town operating budget by \$920k
- ☐ Transfers:
 - \$1.85M from savings generated in health care
 - \$350k from capital non-recurring
- ☐ Use of Fund Balance \$700k *

* FY 2017 adopted fund balance at \$850k

4.39%
↓
1.54%

Board of Education

- ☐ Reduce operating budget by: \$1.0M
 - \$910k Personnel Reductions (17.1 FTE)
 - \$90k Program Reductions

1.39%
↓
0.0%

50% Scenario: \$2,464,844

Town of South Windsor

- ☐ Reduce Town operating budget by \$780k
- ☐ Transfers:
 - \$800k from savings generated in health care
 - \$350k from capital non-recurring
- ☐ Use of Fund Balance \$650k *

* FY 2017 adopted fund balance at \$850k

4.39%
↓
1.97%

Board of Education

- ☐ Reduce operating budget by: \$1.0M
 - \$910k Personnel Reductions (17.1 FTE)
 - \$90k Program Reductions

1.39%
↓
0.0%

25% Scenario: \$1,232,422

Town of South Windsor

- ☐ Reduce Town operating budget by \$300k
- ☐ Transfers:
 - \$200k from savings generated in health care
 - \$200k from capital non-recurring
- ☐ Use of Fund Balance \$650k *

* FY 2017 adopted fund balance at \$850k

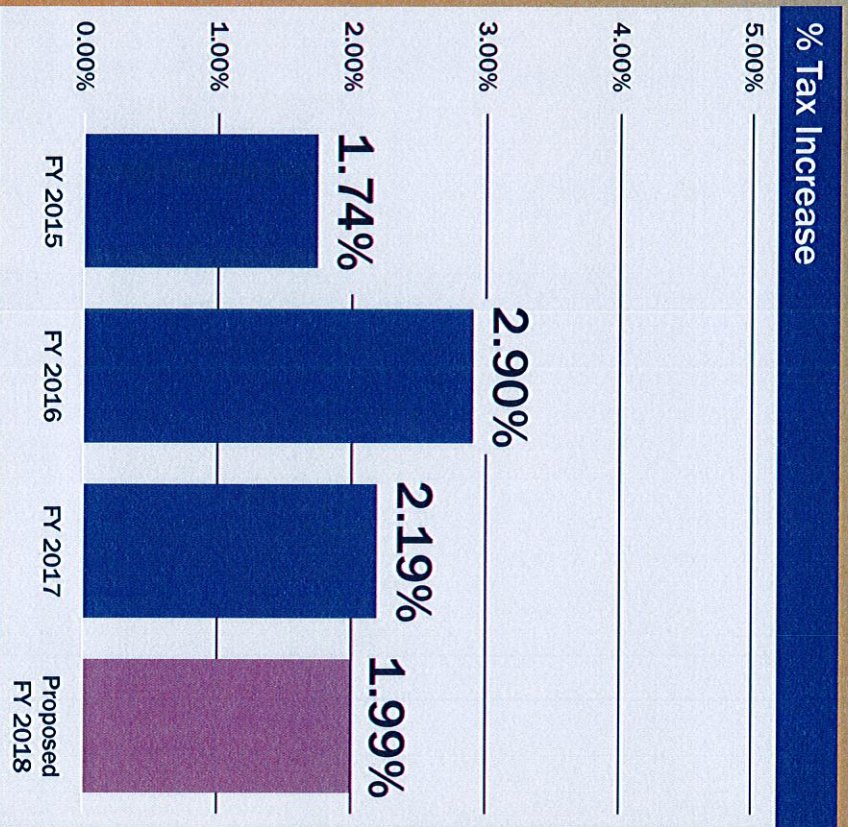
4.39%
↓
3.46%

Board of Education

- ☐ Reduce operating budget by: \$1.0M
 - \$910k Personnel Reductions (17.1 FTE)
 - \$90k Program Reductions

1.39%
↓
0.0%

Tax Increase History



FY 2018 Revised Budget
Estimated 1.99% Tax Increase:
 \$75 @ \$200k Home
 \$155 @ \$300k Home

Recent Efforts to Achieve Efficiencies

- CT Prime - Stop Loss Self Insured
- High Deductible Health Plans
- Pension Changes from Defined Benefit to Defined Contribution
- Food Service Movement to Management Company
- Economic Development Initiatives
- Wapping School Closure
- Improved Facility Efficiencies

Municipal Tools for Consideration

- Further reductions within the budget year
- Increase Town and BOE fees
- Special revenue fund for garbage collection
- Cease leaf collection
- Supplemental tax

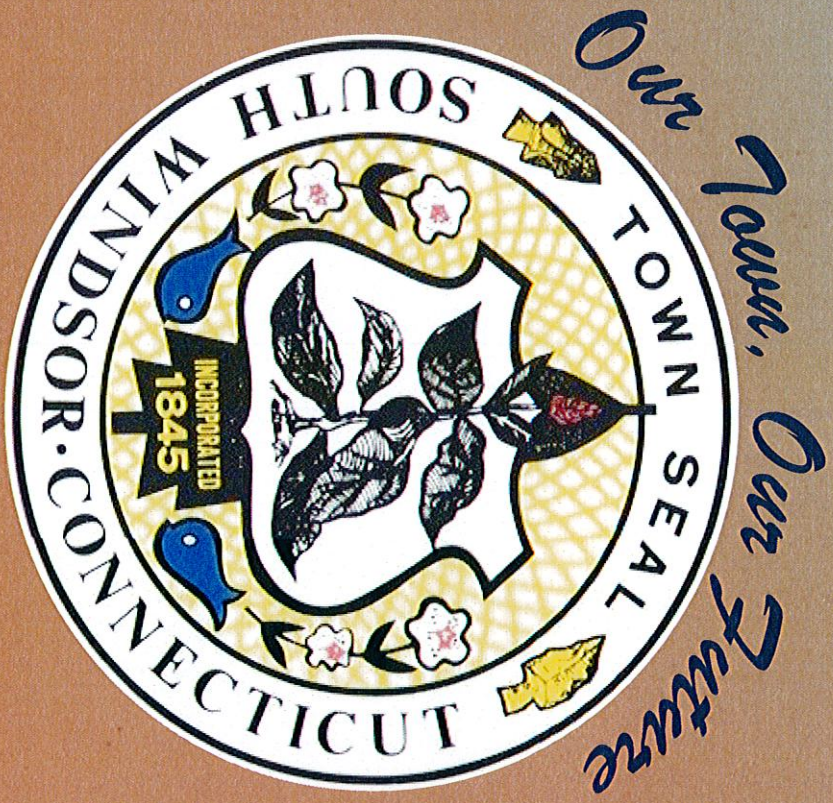








Exhibit B



South Windsor Board of Education
Proposed FY 2018 Budget Reductions

Exhibit C

LEVEL I REDUCTIONS

PERSONNEL:		FTE	Position		
Elementary		1.0	Art Teacher	(\$252,931)	
		1.0	Math Enrichment Teacher		
		1.0	Music Teacher		
		1.0	PE Teacher		
Middle School		1.0	Art Teacher	(\$233,028)	
		1.0	Family Consumer Sciences Teacher		
		0.5	PE/Health Teacher		
		1.0	Technology Education Teacher Team Leader Stipends		
High School		1.6	Alternative Education Staff	(\$232,755)	
		0.5	Music Teacher		
		1.0	Technology Education Teacher		
District		0.5	Music Curriculum Coordinator (K-12)	(\$287,875)	
		0.5	PE/Health Curriculum Coordinator (K-8)		
		5.5	Paraprofessionals *		
			SPED – Summer School Staffing Adjustments		
District			Unemployment and Benefit Adjustments	\$91,320	
PROGRAM:					
			Supplies, Equipment, Fees and Technology	(\$85,578)	
Total Level I FTE Reduction:		17.1	1.39% → 0.0% Increase		Total Level I Reductions: \$1,000,847

LEVEL II REDUCTIONS

PERSONNEL:		FTE	Position		
Elementary		1.0	Elementary Teacher	(\$398,567)	
Elementary		2.0	Reading Consultants		
Elementary		1.0	Response to Intervention Teacher		
Middle School		1.0	Library Assistant *		
High School		1.0	Literacy Intervention Teacher		
District		3.0	Paraprofessionals *		
			Additional Benefit Adjustment		
PROGRAM:					
			Additional Reductions in Supplies, Fees and Technology	(\$145,586)	
Total Level I and II FTE Reduction:		26.1	1.39% → -0.76% Increase		Total Level I and II Reductions: \$1,545,000

Elimination of Positions Combined with 13.8 FTE from Wapping School Closure

	Level I	Level II
Total FTE Reductions	30.9	39.9

* Non-Certified Positions