

**TOWN OF CROMWELL
BOARD OF FINANCE
PUBLIC HEARING AND SPECIAL MEETING
TUESDAY, APRIL 6, 2010
WOODSIDE INTERMEDIATE SCHOOL 7:00 P.M.**

MINUTES

PRESENT: Board of Finance Members Chairman Ed Maley, Jr, Michael Gengler, Julius Neto, Joe Corlis, Jack Henehan, and Alternate Dan Kelly.

ABSENT: Loraine Caruso

ALSO PRESENT: Finance Director Marianne Sylvester, First Selectman John Flanders, Superintendent Dr. Bisceglia and members of the Board of Education and education system.

1. **PUBLIC HEARING** regarding the proposed budgets of the Board of Selectmen, including the Debt Service budget and the Board of Education.

Chairman Maley opened the public hearing at 7:07 p.m. and stated that the legal notice had been published in the Hartford Courant March 30, 2010 (attached).

Chairman Maley recognized Superintendent Dr. Bisceglia.

Dr. Bisceglia remarked that his Power Point Presentation (attached) is posted online at www.cromwell.k12.ct.us for those looking for more detail or to review on their own time. He advised that the Board of Finance each had a hard copy of the presentation in their black binders and he had copies some available with a very small summary of the budget. Dr. Bisceglia thanked his leadership team, members of the Board of Education and Information Systems and Facilities Operations personnel.

Dr. Bisceglia is working on a 5 year strategic plan developed in conjunction with the community and Board of Education members. The goal, the mission statement, is a work in progress. Goals and indicators of success are tied to 21st Century learning skills. He also said that today's students are digital learners. He played a 4 minute video stressing this point. He also stressed that teachers require professional development to remain current. He said that Cromwell students will be left behind if they don't embrace technology and he commended the Town and the Board for allowing the Board of Education to make investments in technology. He said Cromwell's students can be a conduit for senior citizens to embrace technology as well by opening up schools.

He discussed a slide showing a list of funded and unfunded mandates to show the amount of manpower used to fulfill requirements as a school district.

He discussed a slide showing a list of towns that Cromwell students compete against for acceptance into college and the workforce, etc. He discussed competing Towns' requested budget increases; Cromwell will be 7th if able to get the 3% truly needed this year.

Dr. Biscaglia discussed improvements the Board of Education invested in this year, P.B.S., for example, a district wide approach to positive behavior. Numerous other school districts have visited Cromwell and were pleased with the effects of the program. The Milford Public School District visited CHS and wrote a letter to him that was very complimentary about the programs in place and they were looking to use Cromwell as their model.

Focuses of 2010-2011 are continuity and expectation. He said a concerted effort was made in the schools to save paper resulting in approximately \$12,000 in savings. He advised that there are 2056 students and 2072 are expected next year; an additional 150 students are expected within the next 10 years, and the Board of Education is well equipped to handle this increase.

He discussed major increases such as non-certified and certified pension, the cost of unemployment; the government keeps adding extended benefits, so they pay the usual unemployment compensation plus extensions and he pointed out the 491.38% increase in Computer Hardware, Equip. & Lease is correct because so little was spent the year before.

He said that there is an expected \$12,000 shortfall coming from state grants. He is very concerned about what he says financial experts are calling "the cliff" in 2011-2012 where all schools in all towns will fall off unless something is developed to replace the lost funds of approximately 4%. He gave examples of how he is continuing to look for alternative financial resources such as hoping to receive approximately \$180,000 from the federally funded Race to The Top program, savings on purchasing opportunities district wide on fuel, paper, etc. Also in review are cost effective medical plans, union concessions and moves to managed prescription plans for paraprofessionals.

Dr. Biscaglia expressed that by and large, employees of the schools have come to the table and have helped keep the budget down and within striking distance of where they are now. He said that even after all of the savings efforts, there was still a 5.34% increase. He presented a slide showing a list of items to be removed from the budget, bringing the percentage to 3% with district wide concessions and savings. Some factors contributing to the 3% are the medical plan (estimates since figures and participants are still unknown) and 6 early retirements. Dr. Biscaglia commended Director of Operation Services Mr. Mandeville on his ability to save on costs. Next year, for example, a concerted effort will be made to heat the schools with natural gas rather than oil, resulting in \$113,000 savings. He stressed that all of the cuts are needed items and positions, but the leadership team determined 3% is a reasonable request considering what was received last year and what is needed to maintain some semblance of status quo. The minimum budget requirement says that what the budget was as of June 2009, they have to be at least at that point for this budget go around. In June 2009, the budget was \$24,952,000 so the budget cannot be any lower than \$24,336,000, the difference being \$615,000 in State Fiscal Stabilization Funds.

Dr. Biscaglia reminded the room that their goals are tied to their 5 year strategic plan and their Mission Statement and reminded the room that his presentation is online.

Chairman Maley opened the floor for comments regarding the Board of Education Budget.

Don McGinnis of 11 West Street Terrace expressed concern for families' personal budgets and asked who is thinking about that? He said he would like to see the budget kept skin tight; many are out of work and taxes aren't going down. He expressed concern for parents who send their children to Catholic Schools are still paying taxes for other people's children to attend Cromwell schools; he asked if anyone was giving them a break.

Steve Bayley of 22 Chestnut Court asked what estimated electricity savings the town would see with the solar panels installed at CMS and ECS. Director of Operation Services Rick Mandeville said he will know better in a year once they are fully operating, but the estimated savings at CMS will be 105,000 kWh or about \$17,000 and ECS will see a savings of approximately 85,000 kWh, or about \$17,000-\$18,000 in savings. Mr. Bayley also questioned a slide requesting clarification on the total BOE budget increase. Dr. Bisceglia clarified for him.

Manon LeFevre of 2 McDonald Ave stated that she is a senior at CHS and is President of the Student Government. She said that as students, they have been paying attention to the budget meetings. She spoke in support of programming people that are being cut and specifically Mrs. Treichel, a paraprofessional at CHS. She said that Mrs. Treichel is important to every high school student; Ms. LeFevre asked the Board to please consider Mrs. Treichel when reviewing the budget.

Vanessa Powell of 1 Fennwood Drive stated that she is President of her Junior Class. She spoke in support of Mrs. Treichel whom she says really makes a difference in their school and would like to see her there next year.

Peter Gerardi of 6 Highridge Road said that teachers are under contract and it should be honored and if they don't take a cut in pay, students shouldn't be punished this year for this. He says what should be done instead is to look at next year; if not 0% or no decrease in teacher contributions, then say enough is enough. Mr. Gerardi said he doesn't think you can look at the past and judge what happened for what's here in the future. He says you can only look at now and the future and you can't go back.

Caroljoyce Cannito of 3 Black Haw Drive spoke in support of paraprofessionals and said they are fantastic and just as good as teachers. She asked if the Board was considering cuts to Music, to please rethink them as more and more students are carrying instruments around who have never had much of an interest in anything. Ms. Cannito said music gives them the impetus to produce better in the classroom and achieve their goals; she also added that additional funds are needed for children with autism and other special needs. She said that the Town has to stand behind its education.

Jennifer Tine of 8 Black Birch Drive said that she feels that wanting the Education budget to be a zero increase is political and asking the town to approve bonding over \$12,000,000 with a tax increase of 20 years, makes no sense to her.

Chairman Maley noted no further comments on the Board of Education budget and recognized First Selectman John Flanders.

Mr. Flanders thanked all in attendance for coming out. He said the Town is faced with very difficult economic times and commented that he had no great news. He believes his department heads did an exemplary job coming up with a budget to continue to meet the community's needs for the full range of services it provides and they were also fiscally responsible. He said there would be minimal increases in services; there will be improvements in recreation and landscaping and grounds maintenance done at no additional cost to the community. He is taking a regional approach with the neighboring communities for some services, for example Cromwell residents will have use of the Rocky Hill Town Pool with no cost to the Town.

Mr. Flanders said the approximate 3.5% town budget increase reflects no increase in services and no increase in personnel and the increase is almost entirely outside of the Town's control and pointed to 4 main factors contributing to the increase; 40% increase in fuel costs, same amount of gas, more per gallon; the pension program took a \$1 million hit due to the economy, and to fund it, the Town has to contribute an extra \$140,000 beyond what is normally paid, a third of the increase to the Town budget. Also contributing are contractual increases in payroll. He said that last year employees took furloughs, and no pay increase. At this point, he said he is not asking for furloughs again. Medical costs are still an estimate. Lastly, the cost of medical coverage will increase and is still an estimate, and working hard to find savings in this area.

He said that this is not an investment in the future; this is treading water.

Chairman Maley opened the floor for comments on the Town Budget.

Peter Gerardi of 6 Highridge Road asked how much was the increase from Lowes and questioned if it contributed to the Grand List and asked if Mr. Flanders could explain. Mr. Flanders clarified that the discussion is based on expenditures. He explained the mill rate is determined by the Board of Finance.

Caroljoyce Cannito of 3 Black Haw Drive expressed concern that Town employees were working on sidewalks last year on a Saturday. She asked if this was overtime or standard salary. Mr. Flanders replied that by contract, it is overtime if work is being done on a weekend and that he wasn't in control of the hours at that point and doesn't know what prompted the work at that time. Ms. Cannito said that it was ludicrous that Town employees being paid overtime for sidewalk work on a weekend and they should work a regular week at regular wages. Mr. Flanders agreed. Ms. Cannito then said the education budget should not be nickel and dimed as a result.

Steve Bayley of 22 Chestnut Court remarked to Mr. Flanders that as a state employee, he has taken 2 years in a row of furlough and that it is not unheard of to ask Town employees to take a furlough a second year in a row. He offered some figures for consideration, referring to a prior Board of Finance meeting. Mr. Bayley expressed concern that the Town of Cromwell might well be the largest employer in Cromwell and offered figures stating the average salary increase for Town employees was 4.89%, the median salary was \$56,565 with all but 10 making over \$40,000 and approximately \$28,000 per employee for benefits. He said there were 790

unemployed people in Cromwell. He believes a zero budget increase can be done without losing services.

Jennifer Slifer of 2 Pond View Drive said that furloughs are not the only way to save and doesn't understand why all the focus for saving is on furloughs. She said she would rather ask how savings can be made and that furloughs aren't the only way to save. She expressed concern for the upcoming bonding vote incurring 20 years of tax increases. She questioned the tax increase based on annual 1% increases in the Grand List; if the 1% doesn't happen, she asked where would the money come from if the bonding projects pass and the Grand List does not increase. She said she hoped voters vote "no" on Thursday due to the tax burden, not for lack of support of the projects.

With no more comments regarding the Town Budget, Chairman Maley recognized First Selectman John Flanders again to discuss the Bonded Debt.

Mr. Flanders wanted to clarify any misunderstanding, stating that the Town is retiring a certain amount of bonded debt this year. The \$4.3 million increase to cover the cost of the school roofs was approved in 2008, the Town just hasn't done the work yet; it is being done this summer. A long range plan regarding roads, police communications, library and senior/community center, he said there was no fiscally responsible way to add all of these projects to the current year, but he believes road repair and police communications upgrades need to be made. The Library and the Senior/Community Center will not be funded this year and maybe not next year. He said the Bond Council says the Town has 3 years to appropriate the funds. He said that bonded interest rates are at a historic low and acknowledged the town would be paying for these things for some time to come; however stating that both interest and construction costs are very low right now. He acknowledged that these are tough times, but can take advantage of historically low costs.

Chairman Maley clarified that the Bonded Debt budget discussion for this evening relates to debt the Town already owes and is completely unrelated to what is happening Thursday at the referendum. The result of the vote on Thursday will have an effect on the Bonded Budget Debt of the future and has no effect on the Budget being talked about today. The only option for the Board of Finance would be to appropriate more, not less, the Town has to pay what it has to pay. He urged the room not to confuse the two Bond issues.

Chairman Maley opened the floor for discussion.

Don McGinnis of 11 West Street Terrace spoke off the topic of the Bonded Debt, with permission from Chairman Maley, against the senior/community center and would rather have the money go toward the schools for young people.

Chairman Maley reminded the audience that the Bonded Debt budget is for debts the Town already owes and asked for discussion about that question.

Caroljoyce Cannito, of 3 Black Haw Drive questioned if roof repair fell under Bonded Debt, and Chairman Maley said it did; there was a discussion amongst the Board and it was stated that a payment of the proposed roof repair will fall in the 2011 fiscal year.

With no more comments, Chairman Maley reminded the room of the upcoming Board of Finance meetings to be held at the Town Hall. Meetings to discuss and vote on Budgets will be April 13th and April 19th and possibly April 23rd as well.

Mr. Flanders reminded the room that the Town Budget is posted on the Town's website.

Chairman Maley reminded all that the referendum was this Thursday, April 8th and encouraged all to vote.

Chairman Maley adjourned the public hearing at 8:29 p.m.

Respectfully Submitted,

Lisa Ruggiero

Board of Finance Clerk