

THESE MINUTES ARE SUBJECT TO APPROVAL BY THE BOARD OF FINANCE

The Board of Finance held their regular meeting on Thursday, March 12, 2015 in the Council Chambers at the Municipal Center, 3 Primrose Street, Newtown, CT. Chairman John Kortze called the meeting to order at 7:30pm.

Present: John Kortze, Harry Waterbury, John Godin, Mike Portnoy, James Filan, Joe Kearney
Also Present: First Selectman Pat Llodra, Director of Finance Bob Tait, Keith Alexander, Dr. Erardi, Michele Embree Ku, Bob Merola, Laura Roche, Tanja Gouveia, Kathy Hamilton, Andy Clure, 2 Members of the press and 2 members of the public

VOTER COMMENTS: Rebecca Kerns, 150 Hanover Road – Grew up in Newtown and has two children in the school system. The school budget is financially sound, reasonable and puts kids first. Please pass the school budget on to the school budget as is. Keep our Newtown school system top notch.

COMMUNICATIONS: Two e-mails from tax payers in support of the budget (Attachment A). Correspondence from Dr. Erardi endorsing the reduction of a second bus as well as follow up information regarding the budget (Attachment B). Information regarding BOE dental insurance (Attachment C).

FIRST SELECTMANS REPORT – None

FINANCE DIRECTOR REPORT – None

UNFINISHED BUSINESS

Board of Selectman 2015-2016 proposed budget – CH Booth Library and Edmond Town Hall was discussed first. Mrs. Llodra explained that both of the boards have presented a case that has merit. The struggle with the Board of Managers in particular is understanding their documents. If the updated data we are looking at is accurate, there is merit in their request (Attachment D. The town has been supporting them at \$50,000 per year. Similarly, the Library has faced significant capital costs. Their balance sheet is very clear. They are both very iconic institution and they are both now part of the CIP.

Edmond Town Hall Board of Managers request is \$50,000. Mrs. Llodra suggested adding back in \$35,000 and watch their revenue stream over the next year and continue to work with the management to increase their profitable.

CH Booth Library asked for \$70,000 and the town provided \$35,000. Mrs. Llodra suggested a \$20,000 increase would be appropriate.

Mr. Godin moved to add 35,000 to Edmond town hall Board of Managers and \$20,000 to CH Booth library for a total of \$55,000. Mr. Waterbury seconded, motion unanimously approved.

The amount paid for CCM is \$15,103

Mr. Kearney moved to remove \$15,103 from the Board of Selectman budget for CCM, Mr. Kortze seconded. Mr. Kearney explained that his perspective is that it is very expensive for the value. A lot of the information that they have is available publically, they are just putting it together. They are advocating additional spending for various towns because the ECS grant is low. The approach they take is not one that they need to put pressure on the state to lower the cost of spending, they primarily look for ways to raise revenue. Most of our DRG has received no increase in ECS over the last 4 or 5 years. The state spending it growing at a much faster rate than ECS grants are. Mrs. Llodra explained that there has

been a concern that they do not represent the smaller towns. The parallel organization is called COST, The Council of Small Towns, which Newtown also belongs to. Of those two organizations, CCM is the most powerful voice at the legislative level. That is why they are worth what we spend on them. CCM staff sit in the legislative office all the time petitioning and advocating for the towns. Almost every board or commission has accessed information from CCM. Motion fails 5 to 1

Board of Education 2015-2016 proposed budget – Mr. Portnoy questioned of the numbers put fourth for the early retirement and cost savings. Dr. Erardi explained that the number in the budget projects a cost savings of 20 staff members. 11 educators have indicated in writing that they will be leaving. Beyond those that have indicated they will be leaving, there are master teachers on top step that will be leaving who didn't qualify for early retirement because of criteria. They are confident that the number as a place holder is a good number.

Mr. Kortze questioned the \$98,000 increase for certified salaries at Middle Gate School. Dr. Erardi explained that there is a senior teacher returning from leaving and contractual increase.

Mr. Kortze questioned the increase at Head of Meadow for an additional teacher. Dr. Erardi explained that there was a change in staffing during the course of the summer. From grade 3 to 4, the numbers swelled in the present 3rd grade, thus the reason why they are increasing a teacher to 4th grade next year.

One custodian is being removed at \$37,000 and adding an assistant for \$85,000. For all the schools, there is a substantial amount of overtime. Mr. Kortze questioned why that wouldn't that warrant another floater? Dr. Erardi explained that the overtime is not for cleaning the building those hours represent snow removal as well as Saturday and Sundays. There is an additional line that is carried of \$43,000 on the BOE budget for Park & Rec events.

On page 233 is a non-union contractual increase of 1.75%. The Director of Facilities salary has been increased \$5,000. Dr. Erardi explained that the school board sees the Director of Facilities stewardship and oversight of Sandy Hook School as essential for moving forward in the right way. It is an extraordinary add on to his role and responsibly. The \$5,000 increase is specifically geared in his deep involvement in becoming the voice for the school board in the Sandy Hook rebuild.

Mr. Kortze questioned why the Town and the BOE are not combining commodities (Attachment E). This is directly related to heating fuel. Could the town have gotten a better bid if they went to market with not 30,000 gallons but 198,000 gallons? Can the 168,000 gallons that the BOE committed to for a higher rate be redone?

The definition of non-educational expense is not clear. Mr. Kortze has written to our State Senator and has not received a response as of today. The statue requires the BOF to focus on non-educational expenses and in writing ask particular questions 10 days after the budget is presented. Since they are past the 10 days and since no one knows what a non-educational expense is, at some point they will try to revisit it.

Mr. Kortze used (Attachment F) which is a breakdown from what was presented from the BOE. Prior to additions to Edmond Town Hall Board of Managers and the CH Booth Library, this is where we stood in reductions. The BOS has reduced \$75,000 from the self funded medical and \$41,391 for diesel fuel, bringing the BOS total increase in spending to \$366,667. The BOE reduced \$225,000 in self funded medical, \$265,513 in dental, \$50,589 on diesel fuel savings, and 62,220 x 2 for two buses. This brings the total increase in spending over last year to \$242,642.

Mr. Godin move to reduce the BOE budget by the components above in the amount of \$665,542 from what was presented bringing their net increase over last year spending to \$242,642, bringing their bottom line to 71,587,946. Mr. Waterbury seconded. The total increase in spending for both BOE and BOS is \$609,309 which is a .55% increase from last year. The result of the spending would result in a mill rate of 33.05 from the current 33.31. Motion unanimously approved.

Mr. Kearney moved to approve a bottom line budget for the Board of Selectman of \$40,142,567. Mr. Filan seconded, motion unanimously approved.

Mr. Kearney moved a bottom line budget for both BOE and BOS of \$111,730,513. Mr. Filan seconded, motion unanimously approved.

Mr. Waterbury moved to a bottom line revenue of \$111,730,513, Mr. Portnoy seconded, motion unanimously approved.

Mr. Portnoy moved to allow the town Financial Director to make any minor corrections as necessary. Mr. Waterbury seconded, motion unanimously approved.

ANNOUNCEMENTS – None

Having no further business, the meeting was adjourned at 9:33pm

Respectfully Submitted,
Arlene Miles, Clerk