

**Town of Newtown Legislative Council Special Meeting
Wednesday, April 25, 2012
3 Primrose Street, Newtown, CT**

PRESENT: Jeff Capeci, Mary Ann Jacob, George Ferguson, Joseph Girgasky, Paul Lundquist, Daniel Honan, Kathy Fetchick, Dan Wiedemann, Dan Amaral, Mitch Bolinsky, Phillip Carroll **ABSENT:** Bob Merola

ALSO PRESENT: First Selectman Pat Llodra, Finance Director Bob Tait, Selectman James Gaston, BOF Chairman John Kortze, BOF members Joe Kearney, Richard Oparowski and Carol Walsh, Schools Business Manager Ron Bienkowski, BOE Chairman Debbie Leidlein, BOE member Laura Roche, 15 members of public, 3 members of press

Chairman Capeci called the meeting to order at 7:30 p.m. with the Pledge of Allegiance.

VOTER COMMENT: Robert Hall, 6 Nettleton Ave. – it is difficult to come up with a budget that is right for the town and can be supported by the voters. He personally did not feel that this budget was right and a substantial majority of voters turned it down. The BOE claimed that their budget was a \$1,385,000 increase over last year but actually it was \$1,785,000 because they also claim to be saving \$400,000 with the new bus contract. He feels the BOE budget should be reduced by \$1 million. New programs in the schools should be looked at in context to the overall amount of funds that are received.

Mr. George Bennett, 17 Oak Ridge Road (retired) – Social Security did not increase for two years and only a minimal increase this year. Home prices have dropped substantially and the economy is down. We all have to live with less. The budget does not have to stay the same or increase. He feels it should be decreased by 5-7%. He suggests selling portions of Fairfield Hills for revenue.

Ms. Jean Klein – supports full-day kindergarten. As a retired educator and past President of the CT Association for Reading Research, she knows the importance. She believes Newtown would have instituted it sooner if there had been room.

Mr. Steve Roman, 58 Taunton Hill Road – supports full-day kindergarten. This is an investment in the school system that will attract new families to Newtown.

Ms. Nora Murphy, 43 Key Rock Road – supports full-day kindergarten. She knows that the voters have spoken but feels we need to prioritize things that will make the school district better.

Ms. Michelle Assante, 16 Wendover Road – supports full-day kindergarten and the budget overall. She also realizes that the economy is difficult but we need to invest in the children and town infrastructure. In the schools, the core standards have changed

and kindergarten is now more like first grade. Without full-day kindergarten, we could be spending more later on in mediation for children.

2012/2013 Budget

Chairman Capeci advised that he invited members of the Board of Finance to give their input.

Mr. Richard Oparowski made comments (attached).

Mr. Joseph Kearney – In addition to the state of the economy the past three years, residents are faced with the new retroactive tax, an increase in unemployment and seniors who have not received increases in Social Security. The First Selectmen did a good job with the budget, holding the line with the same services. The BOE really tried to work within their means but structurally there is an issue. We need to address the declining school enrollment as soon as possible, starting with looking at the number of FTEs and new hires. He favors keeping the \$400,000 increase to the Fund Balance as it helps with lower interest rates.

Ms. Carol Walsh – Personally feels this was less about full-day kindergarten than it was about the administration of the Board of Education overall. On the Town side of the budget, an excellent job was done, but she is frustrated with the lack of information in the BOE budget. The new BOE has done a fine job of trying to get a handle on specifics, but it is up to the administration to better educate the voters as to why increases are necessary.

Mr. John Kortze – Was surprised that a budget containing full-day kindergarten, which seems to be “liked” by many citizens, was still overwhelmingly rejected. There was ample opportunity to get answers as to why enrollment is down but costs are increasing – but those answers were not forthcoming. The proposal to budget an increase to the Fund Balance is something that benefits every taxpayer, and brings Newtown closer to other Towns with top bond ratings. This strategy has helped to upgrade our rating in past years and if not continued, could cause a downgrade.

Mr. Ferguson moved to reduce the Board of Education Budget increase over prior year by \$1 million, bringing the increase from \$1,384,367 to \$384,367 or .57%. Motion seconded. (Mr. Ferguson’s comments are attached)

Ms. Fetchick pointed out that the Budget put forward was rejected by 600 votes, with a voter turnout that was 44% higher than last year. This is a clear directive that the spending level is too high.

Mr. Bolinski stated that he will not support any effort to reduce the \$400,000 addition to the Fund Balance, as he feels this benefits the entire community. He noted that Dr. Robinson (School Superintendent) was not present tonight.

Mr. Amaral asked if there is any surplus expected from the current fiscal year? Ms. Llodra answered that it is too soon to know for sure but there should be some surplus from the Town budget. Mr. Bienkowski advised that the last financial report to the BOE predicted a few thousand dollars in savings, assuming the Excess Cost Grant comes in as predicted.

Ms. Jacob would not support any change in the \$400,000 to the Fund Balance and would not support reducing the BOS budget. The BOE was faced with an additional \$1.5 million contractual obligation and will need to work with that.

Mr. Wiedemann moved to AMEND the MAIN MOTION by reducing the increase in the BOE budget by another \$200,000 (\$1,200,000 total). Motion seconded.

Mr. Wiedemann pointed out that the \$1 million reduction brings the overall increase to 1.28%, while his amendment produces a 1.06% increase overall. He believes that might be more acceptable to the voters.

Mr. Lundquist agrees with everything said tonight, however, a \$1 million reduction focused entirely on the school system is punitive, and we should not consider reducing even further. He is against the amendment and the main motion.

Mr. Capeci noted that the voters want a reduction. The decision for full-day kindergarten will have to be made by the BOE. He will support the main motion but not the amendment for further reduction.

AMENDMENT FAILED: 7 NO (Ferguson, Bolinsky, Lundquist, Fetchick, Jacob, Capeci, Honan) – 4 YES (Girgasky, Amaral, Wiedemann, Carroll)

Mr. Lundquist moved to AMEND the MAIN MOTION by changing the reduction to \$666,000. The motion failed for lack of a second.

Mr. Carroll agrees with comments made tonight and feels that the school administration has done nothing but restrict information requested by the BOE members. He is in favor of the main motion.

MAIN MOTION CARRIED: 10 YES (Ferguson, Bolinsky, Girgasky, Fetchick, Jacob, Capeci, Amaral, Wiedemann, Carroll, Honan) – 1 NO (Lundquist)

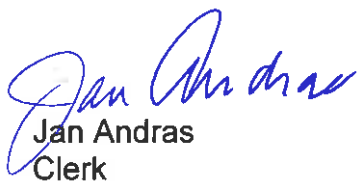
First Selectman Llodra recommends that the second referendum be held on May 15, 2012 in order to meet all legal requirements. It will be posted in The Newtown Bee on May 4.

VOTER COMMENT: Mr. Richard Woycik, 36 Grand Place – feels that the budget failed because of the amount and the full-day kindergarten represents a significant increase.

Mr. George Bennett – the people he has spoken with felt very strongly about their “NO” vote and he is not sure a \$1 million reduction will get the budget passed. As a retired commercial real estate developer, he offered his services to look at what can be done at Fairfield Hills.

Ms. Michelle Assante – she has noticed a lack of trust between the BOE and the administration. Maybe the people who did not vote at the first referendum believed that the full-day kindergarten was a “done deal”. There have been articles in the newspapers advertising registration for FDK. She suggests exit-polling after the referendum.

Having no further business, the meeting adjourned at 9:07 p.m.



Jan Andras
Clerk

attachments:

- G. Ferguson comments
- R. Oparowski comments

These are draft minutes and as such are subject to correction by the Legislative Council at the next regular meeting. All corrections will be determined in minutes of the meeting at which they were corrected.

4/25/12 LEGISLATIVE COUNCIL TALKING POINTS
R.J.Oparowski's opinions alone and not those of the BOF

- The Newtown taxpayers have spoken, and have given the elected officials a mandate to be more fiscally responsible. The vote was 57% against, 43% for. The question is where to go from here? I offer the following opinions for your consideration.
- My opinion is to keep the municipal budget untouched. It was a well thought out budget and very transparent with trade-offs made to be fiscally prudent. It is responsible, and at 0.4% increase, there is little room for error. It is "bare-bones".
- With respect to the school budget, my opinion is that given the voter mandate, significant dollars should be targeted for reduction. Consider:
 - The cost of FDK has been quoted as \$500,000. Notwithstanding that it can be heavily debated on it's long term merits, simply put, it is an increase in services that perhaps in today's environment is a luxury. I ask the council to consider the long term costs of this program. Google "Annuity to perpetuity" where you will find the formula for the present value of an annuity to perpetuity to be $PV=A/i$ where A is the annual periodic payment amount and i is the discount rate. Once we approve FDK, it is a \$500,000 bill/annuity that will be with the taxpayers of Newtown forever. Hence, the cost, with i=the 30year treasury rate of 3% is $\$500,000/.03$ or \$16.7 million dollars!!! Yes this is an extreme example as none of us will live forever, but it drives home the concept that layering on incremental programs have longer term implications.
 - I am on record that I believe the staffing levels of the school need to be critically reviewed. It is a fact, that we employ more FTE/100 students than we used to in prior periods. Consider the wisdom in the saying "necessity is the mother of invention". Necessity breeds creative thinking, it makes one look at the world through a different lens. It makes one question the status quo. Please consider our elementary principals response to BOF Chairman's John Kortze's "what if" question. When asked what if FDK was removed from the budget, would they just figure out another way? Their response is very telling and it was from the heart. Facing the challenge of necessity, and being true professionals they responded exactly how we want them to respond to a challenge. Bottom line they said that they would sit in a room with the door closed and would try to come up with a solution that works best for the entire district. Speaking selfishly, they would advocate for FDK and find another way (i.e. find \$500,000 somewhere else). I recognize the principals do not talk for the entire school system but they do recognize there are trade-offs that can be made. *I expect them to be no less professional in rising to the challenge of finding additional savings in response to a voter mandate, then I do them rising to the challenge to fund FDK.* (This exchange can be found at minute 44 on the 3/1/2012 video on demand. On page 2 I tried to the best of my ability to document their response.)
 - Another important consideration is that it is my opinion that the reduction be responsive to the voter's mandate. If a significant cut is made and not approved, I believe the council has clear direction on which way the next referendum should be, i.e. put more money back. However, if a token reduction is not passed it will put the legislative council in the position of deciding whether they did not cut enough, or did the FDK supporters rally more voters and more money should be added back. Again, I believe the voters spoke loud and clear.
- Finally, the data clearly shows we have a good school system. We have a good school system because we have good people. It is my opinion that these same good people with the right leadership will be professional and rise to the challenge of operating the school system for less because necessity is the mother of invention.

3/1 Board of Finance Meeting
School Principal's Response to BOF Chairman John Kortze (minute 44)

Question: If the budget did not pass and hence FDK not get funded would you just figure how to do it another way?

Response: We would sit in a room with the door closed. And, we would have a conversation with all of our colleagues, all of the administrators, and try to come up with a solution that works best for the entire district. Selfishly, I can tell you; probably 4 of us will advocate for FDK and find another way. But, there is a district to consider, and FDK is one piece of it. We're very fortunate in that we have the support of every member of our administrative team, including our high school administrators who feel very strongly that this is the most important initiative on the table. If the budget fails we need to have more conversations and talk about what the district overall, long-term will get the most benefit from. So, we hope it passes.

All four principals agreed with this sentiment.

Richard J. Oparowski
4 Pheasant Ridge Road
Newtown, Ct 06470

COMMENTS BY GEORGE FERGUSON

After his motion to decrease the proposed increase over prior year in the BOE budget, Mr. Ferguson made the following comments:

	Failed Referendum	Referendum Two
Proposed Budget	\$69,355,794	\$ 68, 355,794
2011-12 Budget	67,971,427	67,971,427
Increase	1,384,367	384,367

Yesterday's budget referendum was rejected by 598 votes with 1,962 in favor (43%) and 2,569 or (57%) against.

Turnout of 4,531, was some 44% higher than last year. In fact most officials expected the budget to pass equating large turnouts with favorable outcomes.

As it turns out it was one of the most significant budget defeats Newtown has seen.

It has been eerily quiet out there for some months now.

Perhaps its has been the turbulence surrounding the discussions of Education reform and the achievement gap between the Malloy Administration, the Connecticut Education Association and the American Federation of Teachers. Certainly as it stands all parties to that debate remain on high alert.

Clearly we've had a rough year here in Newtown with certain decisions made by the District Administration and previous Board of Education.

But I think that you really have to focus on the fundamentals of an economy that has remained stagnant for almost 5 years.

The value of housing has dropped significantly and continuously; the employment picture remains stagnant; foreclosures and real estate inventory for sale levels remain high; our populace is aware of an impending revaluation; and personal savings levels are down. Even the recent boost in domestic economic activity has been characterized as forced spending for necessities from dwindling savings and attributed to the warm weather.

Clearly, even if the second referendum passes, the BOE and Administration face serious challenges meeting their contractual obligations for some \$1,536,996 in increased compensation for teachers this year and every year thereafter.

I am hopeful that the community will support this modest increase, which along with the proposed savings from the new bus contract, and prudent management from the BOE and Administration will allow the district to deliver quality educational services and measurable outcomes for Newtown.