Chairman Matthew Hoey called the meeting to order at 7:40 p.m.

Present: 
Board Members: Michael Ayles, Louis Federici, Matthew Hoey, Peter Goletz and Kenneth MacKenzie

Town Officials: First Selectman Joseph Mazza, Selectman Charles Havrda, Finance Director Maryjane Malavasi, Human Resources Director Mitch Goldblatt, Assistant to the Finance Director Sandy Offredi, Administrative Assistant Karen Quercia, Fire Chief Charles Herrschaft, Deputy Fire Chief Mike Shove, Police Commission Chair Mike Mikolay, Parks and Recreation Commission Member Sue Robins, Parks and Recreation Director Rick Maynard, Economic Development Coordinator Brian McGlone and Clerk Traci Brinkman

BOE Officials: Superintendent Dr. Paul Freeman, BOE Chair Bill Bloss, Assistant Superintendent Jason Beaudin, Business Manager Linda Trudeau, BOE Members Dr. Alan Meyers, Christine Cohen and Katie Balestracci

Others: About 15 people in the audience

Media: Steve Mazzacane from Guilford Atticus and Mike Graziano, taping for GCTV

1. **Public Forum**

   Mr. Hoey asked if anyone from the public would like to ask questions or make a comment during public forum. Nobody wished to do so.

2. **Consider and take possible action on proposed FY 2017-18 Budget.**

   Mr. Hoey recapped the proposed budget. The BOS Operating Budget totals $28,738,999 and represents a $664,742 or 2.37% increase over the current budget. The Debt Service totals $7,879,034 which is a 5.67% increase. Mr. Hoey said the significant reason for that increase is that this year is a big spike in the debt service for the new Guilford High School. The combined BOS and Debt Service budget represents a 3.06% increase. The
BOE budget totals $58,770,136, which is a $1,950,908 or 2.09% increase. The Grand List had a growth of .37%, which at the current mill rate would yield additional revenues of $323,000. He added that there is nearly $600,000 in new revenues. The bad news is the governor put out a budget that decimated the funding for communities like Guilford. It eliminated ECS money, made minor adjustments on other transfers, but the other significant change is that towns must pick of a percent of teachers retirement payments annually. Mr. Hoey said this would mean $2.8 million in expenditures for the town. He added that at this point the revenue projection budget accommodates nowhere near what the proposed state cuts would entail. The town did make a 20% reduction in the EECS grant.

Mr. Hoey said this board will have to see if they agree with that cut in ECS and to make a determination if they think anything will come from teachers retirement sharing. It is a difficult task to come up with a budget when they don’t know the revenues. The commitment made by the BOS and BOE is to make accommodations for some cuts and send it to referendum. If it turns out they did not cut enough the first selectman and BOE chair both have stated that they would not send out revised tax bills. The mill rate will stay where it is. The state doesn’t come up with a budget until June 5. If there is a whole at that time they will find other resources to make up the difference.

Mr. Hoey then reviewed the Capital project requests which include $3,963,831 for the BOE and $2,660,000 for the town.

Mr. Goletz asked if the BOE has made any accommodations with regard to the governor’s budget proposal to have the town’s contribute toward teachers’ pensions.

Mr. Bloss said it is very unlikely that this will occur in the 2017-2018 budget. He explained the history of the state pension plans. He added that the governor has the right to recognize the problem of these plans, but it is wrong to say that it is now the towns’ problems. Mr. Bloss said it makes no sense to do this without a global plan to reform the system. He thinks cuts in ECS are more likely.

Mr. Hoey said that this year Guilford received $4,817,046 in state aid. The governor’s budget would eliminate the ECS funding, it would add in some special education and other smaller aid, but then request the town contribute a portion of the teacher’s contribution. These changes would hit the town to just over $5 million so the town would have to write a check to the state for $252,000.

Mr. Mazza stated that COST (Council of Small Towns) has come out against the teacher’s pension bill. What bothers him is that he hasn’t hear from CCM (Connecticut Conference of Municipalities). He added that CCM was in favor of the bill that has been taken off the table to extend the referendum dates for towns, but they seemed to concentrate more on that than the governor’s budget.

Mr. Federici asked how the town came up with the 20% reduction in ECS funding.
Mr. Mazza said they came up with that in consultation with some of the state representatives. It is a 20% reduction when you factor in the amount the town was cut in the current year. He added that it is an arbitrary number, but it is what the legislators told him to use.

Mr. Federici asked about stipends for firefighters and paramedics, which is over $100,000. He asked what the actual numbers are for that.

Mr. Goldblatt explained that those are contractual and that is the actual figure.

Mr. Ayles said at the last meeting there was a question regarding overtime and replacement. There are substantial increases in those lines. He asked if the fire chief could explain how he got those numbers and the reason for the increases.

Chief Herrschaft said the main reason for the increase is due to the increase in calls for the Ambulance. He added that they will probably be bringing in close to $950,000 in revenues. The previous year they budgeted about $800,000 and brought in $937,000. Chief Herrschaft reminded the board about the MMA study in 2001 which recommended they establish a call and call back policy to get the second, third and fourth ambulance out when needed. There has not only been an increase in call volume, but back to back calls where the 2nd and 3rd ambulances have to be sent out which requires more people to be called in.

Mr. Ayles asked about some of the BOS revisions to the budget.

Mr. Mazza said after the board my revisions it still felt more was needed so they asked the four larger departments (police, fire, public works and parks and recreation) to make a blanket cut of .5% in each of their budgets and left it up to the department heads since they know their budgets better.

Mr. MacKenzie said ideally he was hoping they could delay the referendum. It is impossible to sit there and not know what is going on with the state budget. He added that he can recommend cuts, but both the BOE and the Town put together good and responsible budgets. While he doesn’t think the town will be saddled with a portion of the teachers’ pension he does think they can extract money from the ECS and Excess Cost Grant. He thinks the current budget is optimistic in those areas. Mr. MacKenzie said he is also not in favor of supplemental tax bills. If further cuts are made are they planning on using the rainy day fund. The alternative is to lower their expectations from the state and increase the mill rate, preserving the general fund.

Mr. Hoey said even if a regulation was passed to allow them to go to referendum later, the state budget wouldn’t be passed until June 5. It would be difficult to have all the required meetings/ referendum and legal postings on the budget within a two week time frame. He added that he is not sure they would be in a better place. Another possibility is to reduce anticipated state revenues and find another $400-$500,000 in cuts.
Mr. Federici said his sense is that the governor’s budget is such an outlier and that there is more going on than just that and the governor is highlighting a crisis. With the politics going on in Hartford and the fact that they would expect to lose $5 million, it is so far out of bounds and not likely. He added that they should be more conservative in expecting what they get and he doesn’t know if $582,000 less is it. He added that he expects they would lose more than that and they should work to find corresponding cuts.

Mr. Hoey noted that in 1996 ECS funding was 11.5% of the BOE Budget and today it represents 4.73% of the budget. The last 21 years the state has cut funding as a percentage of the BOE budget by 50%. If they were still funded at the 1996 levels they should have received $6.7 million in ECS money. But the shift from wealthier towns to urban communities has already taken place over the years.

Mr. MacKenzie said according to state law the BOE is not allowed to spend less on education in any one year than the previous year. They would have to at least keep it flat. If there is a reduction in state aid, would that not then reduce the spending. Is the reduction in ECS a reduction in state aid toward education or the town.

Dr. Freeman said the towns all over the state are asking this, but the answer is not clear yet with regard to the minimum education standard.

Mr. Federici said there is only so much the state can squeeze out of the town. They only receive about 6% of the budget which used to be more like 9-10%.

Mr. MacKenzie said they will need to come to an agreement with what revenue assumption is prudent. He added that if it is too large for cuts to the budget in that amount, maybe ask for manageable cuts and have a larger increase than what was presented.

Mr. Mazza said the budgets are reasonable. He added that he does agree they need to be very conservative. Mr. Mazza said he doesn’t want to see services cut. He would rather see them take a severe cut to revenues than a cut to services, but they will work with whatever the board decides.

Mr. Hoey said the current proposal would increase taxes for a person with a $300,000 fair market value house by $130 a year or $11 a month. If that person had a $500,000 house the impact of the proposed budget would increase their taxes $217 a year or $18 a month.

3. **Public Forum**

Craig Mullett of 146 Tupelo Lane said the Town and BOE worked hard on crafting these budgets. He thinks they are reasonable and encourages the BOF to stick to the expenditures as proposed and pushback on state representatives to preserve the revenues.

Mr. Hoey said the board will be meeting again on Monday at 7:30 p.m. to take action on the budget.
Motion: Upon a motion made by Mr. Ayles and seconded by Mr. Goletz, the board voted unanimously to adjourn the meeting at 8:50 p.m.

Vote: In Favor: Ayles, Federici, Hoey, Goletz and MacKenzie
Opposed: None
Abstaining: None

Respectfully submitted,

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Traci K. Brinkman
Clerk
Board of Finance