

**BOARD OF FINANCE  
BUDGET WORKSHOP MINUTES  
THURSDAY, MARCH 10, 2016  
7:30 P.M. – GREENE COMMUNITY CENTER**

Chairman Matthew Hoey called the meeting to order at 7:35 p.m.

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

Town Officials: First Selectman Joseph Mazza, Selectman Charles Havrda, Human Resources Director Mitch Goldblatt, Finance Director Sheila Villano, Fire Chief Charles Herrschaft, Asst. Fire Chief Wayne Vetre, EDC Chair Stephen Kops, Parks and Recreation Commission Member Rose Dostert, Conservation Commission Member Paul Mei and Clerk Traci Brinkman

BOE Officials: Superintendent of Schools Dr. Paul Freeman and BOE Chair Bill Bloss

Others: About two others in the audience

**1. Public Forum**

None

**2. Consider and take possible action on proposed FY 2016-17 Budget.**

Mr. Hoey recapped the proposed budgets submitted to the Board of Finance. The BOE budget totals \$58,656,791 and represents a 1.99% increase. The Town budget totals \$28,372,576 and represents a 2.5% increase. Combined the budgets represent a 2.16% increase. Debt Service totals \$7.4 million, which is an increase of \$1.9 million over the current year. Positives that are offsetting the increase in the debt service and operating budget include a .8% growth in the Grand List, roughly an additional \$650,000 from the state due to the Municipal Revenue Sharing Program and the use of about \$500,000 in savings from refunding of existing bonds.

Mr. Hoey said they are looking at a projected tax increase of 2.86% or an increase of .81 mills. He added that three months ago he never would have imagined a budget this low knowing what we were facing with regard to debt service for the new high school. This is due to a tremendous effort on the part of the BOS and BOE to control cost. Everything that was presented is not a surprise to the board since they have all been a part of the process for the past five months.

Mr. Ayles noted in the BOE presentation the prediction that there would be a drop-off in retirements since they have had 8, 12, 16 and 17 over the past four years. He asked if there was any way to predict how many there might be.

Mr. Bloss said it is difficult to predict. He doesn't think it will be less than four, but it will probably not be quite as high as 14-16. They are exploring possible ways to encourage teachers that are considering retiring to let them know before the budget is adopted.

Mr. Ayles asked about the deferred investments mentioned in the BOE budget presentation. He asked if those would be considered next year. In addition site improvements have stayed flat and would those deferred items also be considered next year.

Dr. Freeman explained that some of the items deferred such as start time, never even made it to the draft budget. The math coaches were a part of the administrative budget and were taken out during the BOE reductions. The site improvements line in the initial draft included a 5% increase and while it was reduced there is still some increase.

Mr. Gamerman noted that student math achievement in Guilford is not as strong as language arts so he questioned why the math coaches were not a priority this year. In addition he said that the special education costs have come under control, but he questioned if they would see further reductions in those numbers.

Dr. Freeman said they are beginning to control costs in special education and they are leveling off. It continues to be a volatile line and things can change at any time with the addition of a new student or a change in needs for an existing student. He doesn't think there will be a significant drop off.

He added that even though they have not included the math coaches this year, they continue to invest in math work. Last year they purchased a brand new resource for K through 5. There has been significant special development around that. There has also been an increase in math instructional time at Baldwin. The first math coach position was put in two years ago and that has recently been filled. What they are pushing off is bringing in more coaches, but it doesn't mean they are not focusing on that work.

Mr. Hoey noted that with regard to special education, the changes implemented have resulted in a cost avoidance which can be considered a reduction in costs. They would most likely be spending quite a bit more if they had not implemented the in-house special education programs.

Mr. Hoey noted there is a reduction of 6.6 teaching positions and 5 paraprofessionals in this budget, this equates to a 10.6 FTE reductions in staffing. He questioned if this was attributed to the enrollment decrease.

Dr. Freeman said that is due to the drop in enrollment and it is spread out over the district.

Mr. Beatty asked if the embedded professional development (coaches) is taking the place of sending staff out for professional development.

Dr. Freeman said it hasn't eliminated the practice of sending out staff, but it has reduced it. He added that there is a time and place for both.

Mr. MacKenzie stated that during the public hearing he questioned when the yearly increases are going to abate and a woman also asked if they would ever see a year when there was no tax increase. He added that from 2010 to 2014 Guilford's median per capita income and household income has actually gone down yet budgets have gone up 10-12 percent over that time. Mr. MacKenzie asked if there is a limit. He added that you cannot count on economic development to pay our way. You can't add a new Guilford Commons every year. He added that the number of students per teacher has gone down, but the per student costs go up every year. He questioned when or if there is a desire to get to a point where they are not growing the budgets.

Mr. Bloss said it depends on what the people of Guilford want. They have a referendum form of government and the people are voting for these budgets. The only way to cut a \$1 million out of the budget is to cut teachers and increase class sizes and that will have an impact on performance. So far the people in Town like the product and the services. When people are dissatisfied then the budgets will be a lot different.

Mr. MacKenzie noted that the turnout at the referendums isn't overwhelmingly a vote in favor. He added that there are a number of people moving out of Guilford and the State because they cannot afford it. Those that can afford it stay, but they need to be mindful of those people who are finding it increasingly difficult to live here due to high taxes.

Mr. Bloss said on the other side, if they did lessen the educational services it would make Guilford a less attractive place, which would affect property values and encourage people to leave as well.

There was a brief discussion on class sizes.

Mr. Federici said if you begin to say that the referendum is not representative of the will of the town then you are attacking the process. Just as Mr. MacKenzie feels they may be spending too much, there are other people who believe they are not doing enough and they need to balance both of those opinions. If there was a \$500,000 chunk in the budget they could knock off that would be great, but there is really not much left. He added that this is what they face every year, because it is a hard working operation. Mr. Federici said they implore people to come to these meetings with ideas and particular items that they might see.

Mr. MacKenzie said he does think there is a way to lower the budgets without affecting services, but now is not the time. He added that an 18-20% voter turnout is not an overwhelming vote in favor, but he is not critical of the process.

Mr. Hoey noted that municipal government and education is different from any other type of budgeting and financing. He added that let's say they get to a Nirvana and take every excess cost out. What do you then do with the salary increases and pension contribution. He added that you can never attain a zero percent increase because you would eventually have to cut out everything to absorb a 2-2.5% operating increase. The community has shown a willingness to support quality if they believe it is managed appropriately. Mr. Hoey said they have the responsibility to develop budgets for the vast majority.

Mr. Hoey confirmed that there are new no employees in the proposed budget.

Mr. Mazza said that is correct. In the past seven budgets they reduced 13 positions, but the last budget they did add in two so there is a net reduction of 11. With regard to voter turnout, if there was a displeasure with the budgets you would have a lot more people voting.

Mr. Hoey asked why the pension line decreased by almost 7%.

Mr. Mazza said part of the reason is they have been funding the pension at the recommended levels by the actuaries. In addition the pension population is decreasing because new employees are not entitled to be a part of the pension plan, but are in a defined contribution plan.

Mr. Federici asked about a \$40,000 spike in utilities in the Parks and Recreation budget.

Mr. Mazza said it is due to the new fitness center.

Mr. Ayles said there are nine open positions that are budgeted, he asked if those are intended to be filled.

Mr. Mazza said at the time the budget was put together those positions were vacant. Mr. Goldblatt said that most of those are already filled with employees at a lower rate of pay.

Mr. Ayles said in response to a question the previous night that the IT budget is going up, due to a major increase in the education and training for MUNIS which has been upgraded.

Ms. Villano stated that they have upgraded MUNIS and expanded their capability with it. Part of the training involves a representative from MUNIS coming into the office and watching how they are using the system and making suggestions on how to use it more

efficiently.

Mr. Bloss stated that to help the most vulnerable in Town, who cannot pay for the tax increases, Guilford has the most progressive Senior Tax Freeze Program.

Mr. Goletz noted that salaries and medical in the Board of Education budget comprise the bulk of the increase and to be able to bring the budget in with a 1.99 percent increase is a homerun. He added that Guilford has a good product and per student spending is right in the middle.

Mr. Goletz said the Town of Guilford just earned a AAA bond rating from Standard and Poor's. This is not surprising, because they have a good first selectman, excellent management by department heads and the debt service is very low. Operating capital is up 2.5 percent and \$422,000 off the initial request. He added that the debt service is no surprise since they built a first class high school. Mr. Goletz said what is also impressive is that the general fund went from \$3.1 million five years ago to the current \$6.7 million. The leadership should be congratulated for all their hard work. He is going to approve the budget.

Mr. Gamerman also spoke in favor of the budget. He added that both the Town and Board of Education has shown a considerable amount of restraint. Mr. Gamerman said they cannot control voter turnout. He is impressed with the restraint and imagination the Town has used to keep staffing at the level it is while still providing services. He is hopeful that the same sense of restraint will be shown in the submission of bonding proposals for next year's budget.

Mr. Beatty commended the Board of Selectmen and the Board of Education on the budget. When the new high school was approved this was the year when there was going to be a large increase in debt service. They have fantastically managed departments in a way that they were prepared for the increase in debt service and took advantage of the economic climate to reduce the amount of debt. Everyone was also mindful that this was not the year to make substantial requests in non-salary increases in the budgets. Outside of negotiated salary increases there are not a lot of new programs or expenditures so he is voting for the budget.

Mr. MacKenzie said he is new to the board and the process, but he thinks there are ways going forward where they can reduce costs. He is disappointed that the math coaches and additional art time didn't get put into the budget. Mr. MacKenzie said he is concerned about capital requests coming next year on both sides. He noted that the per capita and household income had gone down in Town so when they go through contract negotiations they need to keep that in mind. He added that he does think that everyone is working very hard, but they can resolve to do things slightly better. He does, however, support he budget.

Mr. Federici said there have been significant reductions in these budgets since they were first prepared and wholly supports them. The arts and musical proposal would

have been wonderful, but priorities have to be made and he thinks those hard decisions were made. Many things have been done to keep these budget acceptable and moving in a positive direction and he would support them as proposed.

Mr. Ayles said four months ago when they started looking at these budgets he did not think they would get to where they are today. The BOE did an incredible job getting to a 1.99 percent increase. Looking at the increase on the town side, the salaries and employee benefits represents two-thirds of that increase. He added that years ago the fund balance was as low as \$2.4 million. Every year they have added to it due to good budgeting and management of departments. The majority voted in favor the new high school and now it is hitting five years later. The mill rate, if not for the high school, would have gone down this year. He added that he is in favor of the budget.

Mr. Hoey said that the budgets are responsible and reflect a concern for the taxpayers weighed against the expectations the taxpayers put on the Town for services. He added that their job is harder than their counterparts at the state and federal level because they need to put out budgets that are balanced.

*Motion: Upon a motion made by Mr. Hoey and seconded by Mr. Beatty, the board voted unanimously to approve and move the 2016-2017 Budget forward totaling \$94,485,581.*

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

**3. Public Forum**

None

*Motion: Upon a motion made by Mr. Gamerman and seconded by Mr. Ayles, the board voted unanimously to adjourn the meeting at 9:15 p.m.*

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

Respectfully submitted,

*Traci K. Brinkman*

Traci K. Brinkman  
Clerk  
Board of Finance