

**BOARD OF FINANCE  
SPECIAL MEETING MINUTES  
WEDNESDAY, MAY 25, 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 and Kenneth MacKenzie

Board of Selectmen: First Selectman Joseph Mazza, Charles Havrda, Cynthia Cartier, Carl Balestracci and Gary MacElhiney

Board of Education: Chairman Bill Bloss, Amy Sullivan, Kathleen Balestracci, Dr. Alan Meyers, Susan Renner, Ted Sands, Chris Moore and Christine Cohen

Officials: Superintendent Dr. Paul Freeman, BOE Business Manager, Bookkeeper Terri Vetre, Human Resources Mitch Goldblatt, Tax Collector Deb Milano, Library Director Sandy Ruoff, Social Services Director Tammy DeFrancesco, Registrar of Voters Gloria Nemczuk, Youth and Family Services Director Lyne Landry, Fire Chief Charles Herrschaft, Administrative Assistant Karen Quercia and Clerk Traci Brinkman

Others: About 50 people in the audience

Media: Steve Mazzacane from the Guilford Atticus, Zoe Roos from the Guilford Courier and Mike Graziano taping for GCTV

**1. Public Forum**

Jonathan Trotta of 74 Bayberry Lane said he presided on the Board of Finance (BOF) and was the dissenting voice for residents that were against the budget. He is pleased the voters have spoken and are looking for elected officials to make cuts. It is the duty of the BOF to consider cuts and make difficult decisions. His observation is that the voters did not believe the cuts on the last referendum were significant enough. Another observation is the board split the cut equally among both budgets last time, when the BOE budget is twice as big as the Town budget.

Sid Gale of 250 Flag Marsh Road voted in favor of the first budget, but against the second budget. He felt the cuts the second time showed cowardice and arrogance, because the BOF cut a budget that it felt was well crafted and the cut that was made was negligible. He added that voter turnout is troubling and with such an educated and sophisticated community they can't even get 50% out to vote on something that affects all of their lives. Mr. Gale suggested a two part referendum with a question on the proposed budget outlining what was cut and what people will have to give up and then a second supplemental budget that would put back incremental increases to sustain the level of services. He added that this would provide a clearer indication of what voters want. In addition he suggested the board revise how they craft the budget and relay information to the public in the future.

Ted Zuse of 72 Broad Street stated that the Democratic State Leadership came up with a state budget plan that has no tax increase. It doesn't raise income, sales, corporate, business taxes or fees. It also provides property tax relief to cities and towns across the state. If the state can do it, the town can do it. He said the wording on the budget ballot is very general and doesn't even have a number that they are voting on. He noted a discrepancy in the legal notice for the budget, which made it look like a 7% budget increase.

Mr. Hoey noted it was a 3.86% spending increase over the previous year's budget.

Mr. Zuse mentioned the Efficiency Task Force Report, which had recommendations on consolidating BOE and Town departments including finance, facilities and technology. He added that perhaps it is time to implement these consolidations.

Tom Cost of 3191 Durham Road asked the board for deeper cuts. He added that when you consider the state situation they will likely be seeing serious tax increases in the next four years. The only place they can really make a difference is here.

Mary Jo Kestner of 131 Boston Street said she voted for the budget. She is concerned about cuts that would be contemplated this evening. She knows as a town they will not cut services to seniors, fire or police services. But she is concerned about other things she loves in town that might be affected such as the library and summer concerts or activities in the schools like Early Guilford Days.

David Young of 80 Wilbur's Lane attended the last meeting and when the budget failed everyone was surprised. He added that the board only cut \$300,000 which is one-third of 1 percent. The second referendum insulted the electorate. In the corporate world if you were told to cut your budget and you cut it one-third of one percent you would be thrown out of the room. He added that most people that voted understand that the increase is due to the bonds for the high school, but he thinks that they need to reach a zero percent budget for everything other than the town bonding.

Anthony Cafiero of 462 Granite Road said the Plan of Conservation and Development draft of July 2015 states that Guilford's population is aging and is expected to age in

place. Guilford's tax base may be growing, but the ability of retirees to stay in place is insolvent. The Elderly Tax Relief Program is not the answer. He has lived in Guilford for 21 years in a four bedroom colonial and since 2007 his taxes have gone up 25%. It is not sustainable and he doesn't believe he can stay here. His house is on a private road, which he has to pay to pave and plow. He has well and septic and never had kids, but he voted for the school. Mr. Cafiero asked how you can expect 40 percent of people on private roads absorbing these additional costs and budget increases to still stay in place. He added that the turf field is an additional burden. He realizes it is not a part of the budget process, but that money will still have to be paid for. Mr. Cafiero said people are starting to watch closely. The Town is on an unsustainable path and he urged the board to bring the budget in line.

Joe Petrowki of Valley Shore Drive said they had pretty good turnout for the second referendum. He added that he disagrees with statements that the board didn't cut enough the first time, because they cut in proportion to the voters that came out to vote and were testing the waters. Additional information has come out since then about the increase in cost for lights at GHS and a \$70,000 BOE surplus and a \$1.5 million Town surplus. He added that the Town surplus is probably where they should look. They should give the BOE back the \$150,000 originally cut and they should keep their \$70,000 surplus to help make up the cost difference for the lights.

Geoffrey Babbin of 28 High Street spoke about the tremendous growth in the quality of the schools. He added that 20 years ago when the budget was voted down several times the music program was eliminated. Members of the marching band marched silently with their instruments during the parade to protest the elimination of the program. He added that significant cuts to the schools and a no vote is the equivalent of turning your back on the band. Mr. Babbin said they should keep priorities in mind when crafting the new budget.

Chris Balestracci of 421 Willow Road said he is a taxpayer, father of two Guilford students, a business person, fencing team coach and lifelong Guilford resident. It is important to be concerned with all residents from children to seniors. Many people want to move to Guilford because there are great benefits. They need to work in a bipartisan way to come up with solutions to issues that people have raised. The budget has been rejected twice, but they need to accept the third budget and work together to increase the tax base so they are increasing taxes they can collect instead of just working with what they already have. He added that 85% of the education budget is contractual and that was worked out years ago and they have no control over that. He urged voters to pass the budget and work together to find more revenues and encourage business so they don't have to make difficult decisions.

Mark Sejourney of 9 Lantern Hill Lane is the student representative to the Board of Education so he is in constant communication with the administration and the student body. He added that the most recent West Side Story Theatrical Production was the talk of the town. It is a great example of what the schools can do for students. He encouraged the board to not make any further cuts to the BOE.

Mr. Gamerman said he takes exception to the earlier comment that the previous cuts they made showed cowardice or arrogance. He added that he is respectful of the will of the people the first and second time. Mr. Gamerman then reviewed the budget process which begins as early as October and involves many meetings with representatives of all three boards. He felt the final budget was reasonable and that the issue that got in the way was the new GHS. Debt service funding is not something you can walk away from. Mr. Gamerman said 65% of voters approved the school, but when you looked at the budget after the cuts it was a 1.81% combined increase, when you add in the debt service it is a larger number. He added that there was a lot of misinformation around town. But they respect the will of the voters and should make additional cuts. How deep and how painful is something they will have to absorb.

Ms. Cartier said they continue to face challenging economic times. With two failed referendums the citizens have spoken. More needs to be done to maintain the fiscal health of the town. They are going to have a \$1.5 million surplus this year and she thinks they should give that back and reduce the budget by \$1.5 million. They have had similar surpluses the last few years. Next year they should come back with a solid financial plan on consolidating departments between the BOE and the Town and sharing services with other towns as well. Ms. Cartier said there is a fiscal crisis at that state level and economists said there could be another recession. She suggested they form a committee with two members of each board to look at combining resources in finance, facilities and technology. The cost savings could be significant - \$250,000 or more each year. This will also achieve administrative efficiencies. They should look to consolidate services with other towns. She is also calling for the creation of a 20-year capital plan. Ms. Cartier said more voters would support the budgets if there is a plan in place.

Chris Moore said a large part of the increase is the bonding on GHS. When they looked six or seven years ago at the analysis and financial impact regarding renovating or building new, the town's debt per capita was very low compared to others in the state. At the time they faced criticism that they didn't maintain the facilities. They started to make substantial increases to the operating capital. Yet when BOE budgets are cut they are faced with the immediate concern of cutting teachers, programs, etc. or capital. He added that he is not suggesting they cut it totally, but when they don't pass budgets it cuts into their ability to maintain what they have. Mr. Moore said he is proud of where they are with the facilities and operations. The voters have spoken and they leave it up to the Board of Finance as to the amount to cut, but if it is voted down it will affect capital.

Peter Goletz said he supported the initial budget because he felt they were both within reason. He added that the big increase is the debt service and everyone knew this was coming. Mr. Goletz said 81% of the BOE Budget is benefits and salary so if the town rejects another budget they would most likely have to increase class sizes. He added that employees should go to a 40 hour work week and he questioned why full benefits are given to someone who works 25 hours. He added that he doesn't see where else the BOE can cut other than increasing class sizes or other cuts in services for the community.

Mr. Mazza said the first referendum went down by 40 votes and they all thought it was due to turnout. The BOF reduced the budget by \$300,000 and the second referendum the budget went down by 212 votes. To him that is a mandate and he is on the side of making serious cuts. He doesn't want to go to a fourth referendum. He met with the chiefs and department heads. Mr. Mazza said as good of a budget they thought they put together, they can do better and cut back where they can at the direction of the BOF. They will cut all non-essential items and will not put any person or property in danger.

He added that he is taken aback when he hears we need plans. Mr. Mazza said beginning five years ago they started to deal with bargaining units, noting that union contracts were not in line with economic conditions. As good as the employees are the rate of pay increases were too high for the economic times. Nobody that belongs to a bargaining unit is getting close to a 3 percent raise. Health care contributions from employees have been increased with some contributing up to 20%. It was half that five years ago. They have switched all new hires from a Defined Benefit Pension Plan to a 401a Defined Contribution. Workers Compensation six years ago had unlimited benefits. The Town made an employee whole the entire time that person was out. Now it is limited to six months in some departments and three months in others. He added that this is good financial planning. All of this was accomplished under collective bargaining without the expense of arbitration.

Mr. Mazza said when he hears the Town has not done enough to keep taxes low he gets a little angry. They have the best police and fire in the state. They built a new GHS, which 65% of the voters supported. He added that he did an analysis and during the last referendum, 1,600 people who voted for the new GHS didn't vote in this referendum. Mr. Mazza said because of good economic development the Grand List has grown 24 million. That is due to good planning and good management. He added that six years ago they started a five-year capital plan for the major departments, which is how they have replaced equipment, some of which was 25 years old. In addition, the last six years the town has gone through five FEMA incidents. Mr. Mazza said they are willing to accept any cut the Board of Finance makes and he thinks the voters deserve these cuts.

Bill Bloss said they have talked a lot about cuts on all sides. He spoke about a cost benefit analysis. He added that it is hard to quantify on the Town side, but on the BOE side Guilford is in the middle per student spending compared to other town. Mr. Bloss said that with regard to performance Guilford has four schools ranked in a list of 83 schools of distinction with Guilford High School is ranked as second in the state. With regard to performance versus expenditures, Guilford is ranked sixth. They spend over \$2,200 less per student than the state average. He added that Guilford is in a great place right now.

Mr. Ayles noted he has been involved in some of the discussion on social media about the budget. When he was doing the analysis on the budget he looked to see what they would be if everything was level on the operating budgets except salaries and employee

benefits and revaluation on the Town side he also left in. Combined, both budgets would represent a 1.27% increase in Operating Budgets, which would bring the total expenditure including debt service to 3.34%. He added that if you take out debt service the mill rate would decrease. Mr. Ayles said to try and get to a zero percent increase would be draconian.

Dr. Meyers said ten years ago there were very severe cuts to the budget. Class sizes increased, teachers were cut, maintenance was cut. They had to raise expenses after that just to catch up. He added that yes they need to cut, but they don't want to go back to the 1990s, otherwise the kids will suffer.

Mr. Havrda said with the last budget he was okay with the cuts, because the budget only went down by 40 votes. He added that with this next budget moderate cuts are not going to be enough. Mr. Havrda said there is anger out there. He doesn't agree with it, but it's out there. He added that they need to make substantial cuts this time. This is what the public wants. They have done a lot of things, but there is always more they can do. They got the vote out and five times as many people said no – that's a mandate.

Mr. MacKenzie said the problem they face is that a 3.5% increase every year is not sustainable. He added that you cannot always rely on increases from economic development. In addition it would change the character of the Town. He doesn't believe in dipping into the surplus account, because you are not addressing the problem by raiding the piggy bank. Mr. MacKenzie said a lot of people can put up with 3.5% increases every year, but there are a lot of people who cannot afford it. People are looking for a willingness to try to change the process and figure out ways to cut costs, while increasing productivity. He doesn't agree that just because you have a cut you have to reduce services. Mr. MacKenzie said they had a \$1.5 million surplus so they could have reduced the budget last year. He added that you can't do it in one day, but there needs to be a willingness to look into these issues.

Ms. Balestracci noted that the BOE has public comment as part of every regular meeting agenda each month. They start the budget process in October and have two budget public forums in January where they invite the public to come and provide input. She added that people need to tell us what they want and get involved in the process earlier.

Mr. Federici said people should not be afraid to speak up. They are all here to serve the Town and to be responsive to the needs of the entire community. He appreciates people are under pressure and the state is a problem, but he doesn't see that same problem here. Mr. Federici noted the increase in 1994 was .5%, but then the next few years it was 6.3%, 3%, 5.4% and 5.4%. Doing things on the short term can make a bigger problem and have long term consequences. The last few years they have had 3.2%, 2.6%, 3.1% increases and this last 2.74% increase, included an enormous debt service increase. If you took the debt service out of this last budget the mill rate increase would have decreased. Even with the debt service it was below a 3% increase.

Mr. MacElhiney said that Guilford citizens voted 2-1 for the new Guilford High School,

but failed to vote for the budget to pay for it even though the figure was less than the number that was given when the project was first proposed. There was very little attendance at the budget workshops and the media provides very limited coverage regarding the finances. He added that the board has done a lot of work building up the short term capital account in the operating budget. Mr. MacElhiney also knows the general fund surplus has been built up and while it feels good to have a AAA rating, he thinks the cuts should come out of the surplus and the operating budgets.

Ms. Cohen said she is concerned with potential cuts that face the BOE because it is already a lean budget. It is difficult to employ cuts that won't affect the quality of the children's education. People in town appreciate education and the services they receive. She hopes they don't have a knee jerk reaction to this and make cuts that the community will be sorry for.

Mr. Beatty agreed that they needed to make substantive cuts this time around, because there was a clear increase in the no votes. Everyone on both sides have recognized how the economy has changed which has been reflected in the changing employment contracts. More changes may be coming. The picture is not quite as bleak since they are continuing to grow the Grand List. He noted that the tax base is also increased through personal property, when businesses move into town, they are taxed on their equipment, fixtures, etc.

Mr. Hoey talked about the Elderly Tax Relief Program which has \$1.1 million in tax revenues spread out among everyone, which enables some seniors to stay in the community. He would not want to see anyone look at the money allocated for that. With regard to the Efficiency Task Force recommendations, the Town and BOE commissioned a study relative to the combination of IT functions. Mr. Hoey said it may or may not be cost effective to do that because the Town has only one IT full-time employee. Years ago a single Finance Director took care of both sides, but the superintendent and the first selectman had a distrust on either side so there were significant issues that needed to be addressed.

Mr. Hoey went over the number of positions on the Town and the Board of Education side that have been eliminated over the past seven years. He added that with regard to the surplus, it is arrived at by additional revenues and unexpended allocations. Mr. Hoey said the majority of the additional revenue was related to unanticipated funds from the state. Some is due to the assumed tax collection rate. He added that they never budget 100%, but he has asked the finance director to get a number that might bring it up some to provide more revenue prior to the BOF leveling the base for the new mill rate.

Mr. Hoey said another area they want to explore is using unexpended bond funds to pay for the Guilford High School lights.

Mr. Mazza said they consulted with bond counsel and that can be done.

Mr. Hoey said in terms of cuts, the voters have spoken and they need to make some more

painful cuts. If they take the \$250,000 from the bonds they might not be as painful. He added that he knows there is a reluctance on the town side to cut public safety, but everything is on the table.

Mr. Mazza said Mr. Hoey did an excellent job explaining the revenue side of the surplus. On the expense side, they had a mild winter so there was a surplus there. They budget payroll for every employee, but they don't know who is going to retire and over the course of a year there are some retirees so there is a savings there when they are replaced with a lower salary employee. This year they had quite a few retirements at the police department.

There was discussion about possibly reducing contingency in the Town budget. Mr. MacKenzie said they should look into what other unexpended bonds are out there, which can be used for other capital purchases instead of putting them in the operating budget.

It was noted on the Board of Education side that they have learned of more unanticipated retirements that could possibly help them reduce their salary line.

There was discussion about cutting the \$250,000 for the lights since it can be taken from bonding. Mr. Moore explained that they had a number of priority projects on their capital list, but the lights came up and it was too late to put it out for bonding so they held off on those other projects to get the lights done. There were other items they had budgeted for so those won't just go away.

There was discussion about upcoming teacher negotiations. Mr. Bloss explained the negotiation process.

Ms. Cartier said she has served 11 years as an elected official. She added that the public is looking for a change in the way they operate. She added that they should have a committee made up of the three boards to accomplish some of these goals together.

## **2. Public Forum**

Tom Cost said he was disappointed with the turnout this evening. He has heard a lot of anger about the budget, but people need to be at these meetings to influence it. He expressed concern about the Cadillac healthcare plans many employees are on and that there is a steep financial penalty in 2017.

Mr. Bloss said the deadline has been changed to 2020 and they will have structural changes in place before that. They are aware of the issue and have been moving ahead with HSA accounts.

There was a brief discussion about teacher salary increases.

Mr. Cost asked if the Town is obligated to spend the \$950,000 for the new field at the high schools.

Mr. Bloss explained that the field is part of the GHS project and not in this budget.

Mr. Sands explained that when they built the new GHS they had to destroy a field. It was always in the plan to replace that field with either natural grass at \$550,000 with yearly maintenance costs or at \$950,000 with more up-front cost, but minimal maintenance. One way or the other they have to have another field.

Mr. Cost said when they started the special education program and brought many students back in district, he hasn't seen a report on whether or not there were savings by doing this.

Dr. Freeman said there is a report and it was part of the budget presentation to the BOF. He added that he could email it to Mr. Cost.

There was discussion about past and current student enrollment. Mr. Bloss noted that the past two years it has been trending significantly higher than the projections had indicated.

Mr. Cost said that the budget surpluses go into the rainy day fund. The last couple of years they put a lot of money into that fund.

Mr. Mazza added that they don't budget for a surplus and never know what they will have until the end of the year.

Ted Zuse asked about the literacy coaches. Dr. Freeman explained that the literacy coaches are on staff professional development that work with teachers in the classrooms to improve performance.

Mr. Zuse noted that in private business specialists are brought in for one to two years. These eight coaches who are master teachers have been here for eight years. He suggested the coaches teach in the classrooms next year so the teachers can watch and learn from them.

There was further discussion about the coaches as well as the responsibilities of the building principals.

There was discussion about maintenance funds. Dr. Freeman explained that slightly over \$500,000 has been set aside in the site improvement line.

Mr. Zuse noted that some other towns have the maintenance for the school buildings on the town side of the budget. He added that the Madison budget is \$14 million less than Guilford with savings on the BOE and Town side.

*Board of Finance Special Meeting Minutes of May 25, 2016*

Taryn Goldberg of 372 White Birch Drive said she appreciates what the boards do and their thoughtfulness on the budget. She added that with regard to the poor turnout for the budget, she thinks it is mainly due to the busy lives people lead and not that people don't care. Ms. Goldberg said people get lazy, but she is sure if the board gives people another chance they will come out to vote.

Joe Petrowski of Valley Shore Drive said he did not see a lot of parents at the meeting. He thanked Mr. Mazza for explaining the surpluses and is glad the board no longer draws down on the fund balance.

Mr. Mazza noted with regard to Madison's lower budget. Madison has fewer people, they have an entirely volunteer fire department and less roads as well.

Mr. Hoey said that the Board of Finance would be meeting again tomorrow night at 7:30 p.m. at the Fire Department.

*Motion: Upon a motion made by Mr. Federici and seconded by Mr. Beatty, the board voted unanimously to adjourn the meeting at 10:55 p.m.*

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

Respectfully submitted,

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Traci K. Brinkman  
Clerk  
Board of Finance