



Minutes of Board of Finance, 03/28/2016 7:30pm

AGENDA: **Board of Finance**

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Michele R. Grande – Redding Town Clerk

Minutes

Board of Finance: Alvarez (Chairman), Clark, Dolan, Mazzucco, O'Donnell, Yonkers

Also present: Finance Director Gniadek, Treasurer Meehan, First Selectmen Pemberton, Selectmen Karvelis & Thompson, Board of Education Chair Sobel, School Superintendent McMorran, School Finance Director Sullivan, about 30 members of the public, a representative of the Redding Pilot, News Times & Hello Redding, and the videographers

Chairman Alvarez called the meeting to order on March 28, 2016 at 7:30 pm in the Hearing Room of the Town Hall.

APPROVAL OF MINUTES

Motion: move that the Redding Board of Finance accept the minutes of the February 22, 2016 meeting as submitted. Mazzucco, Yonkers. Approved. Unanimous.

Motion: move that the Redding Board of Finance accept the minutes of the March 3, 2016 meeting as submitted. Mazzucco, Yonkers. Approved. Unanimous.

Motion: move that the Redding Board of Finance accept the minutes of the March 7, 2016 meeting as submitted. Mazzucco, Yonkers. Approved. Unanimous.

REPORT FROM TAX COLLECTOR

Tax Collector Moisio was not present, but Mr. Gniadek provided her report. The tax collection rate at the end of February was 99.5%, and as of March 24, 2016, the rate is 99.7%.

REPORT FROM FINANCE DIRECTOR

Mr. Gniadek reported on the following:

- The Town successfully issued a \$12,644,000 note on March 16, 2016. Five bids were received, with Morgan Stanley the low bidder at 59 basis points, and a premium of \$177,901 resulting in a Net Interest cost of \$74,276.
- State Budget: Mr. Gniadek noted that CCM issued the following statement on March 23. "The General Assembly is set to convene next week to address the deficit for the current year, which is believed to be \$220,260 million. Cuts to municipal aid are likely, though the programs and amounts impacted are still not certain." Mr. Gniadek anticipates that any reduction in municipal aid, including education and ECS money, could be in the \$100,000-150,000 range.
- Legal Notice: Mr. Gniadek noted that the legal notice for the budget must be finalized and submitted to the newspaper by 3 pm on Tuesday, March 29, 2016.
- The mill rate worksheet was reviewed and discussed. Mr. Alvarez pointed out that a zero percent budget expense increase does not translate to a zero Mil Rate change. Consideration for other items, such as Credits for Elderly and Fire, as well as offsets for revenues, grants and state aid, are part of the Mil Rate computation.

REPORT FROM TREASURER

Treasurer Meehan provided reports on the status of The Town's funds. The report listed the new CD's that replaced CD's that came due. She explained the three layers of protection provided through investments with Janney Scott.

DISCUSSION AND ACTION ON FY 2016-17 BUDGET PROPOSALS

Selectman's Budget:

Mr. Alvarez began the discussion with a statement on the mill rate and budget. He noted that last year the Board transferred \$382,000 from the Unassigned Fund Balance to keep the mill rate flat, knowing that there would be a return in excess of \$300,000 from the education budget at the end of the year. This year, Mr. Alvarez believes that the current budget proposals would require a \$333,000 transfer to keep the mill rate flat. Mr. Alvarez indicated he did not support any transfer from the Unassigned Fund Balance as he does not believe there will be any significant budget surplus available this year. He did suggest that consideration should be given to reducing the current budget proposals to keep the Mill Rate flat.

Mr. Dolan read a statement he and Mr. Alvarez prepared regarding the current Mark Twain Library request. (Statement is at the end of the minutes). The Library has requested an increase in the Town's contribution of 4.9% (\$24,000). Discussion of the Library's request followed. Mr. Mazzucco and Mrs. O'Donnell expressed their support for the increase.

Motion: move that the Redding Board of Finance approve a Selectman's budget of \$14,287,132 for FY 2016-17. Mazzucco, O'Donnell.

Discussion followed. Mr. Mazzucco noted that, in his opinion, the only areas for potential reductions in the Selectman's budget are the Library, safety officers in the schools and the skating rink proposed by Park & Rec. First Selectman Pemberton noted that the safety officers in the schools is a continuation of the existing program, with a School Safety Officer in Redding Elementary School (part-time position, no benefits) and a School Resource Officer at John Read Middle School (full time police officer). The Park & Recreation budget includes \$12,000 for new equipment, which may or may not be a skating rink.

Following discussion, a vote was taken on the motion.

Vote: Approved, 4-2. Voting For: O'Donnell, Mazzucco, Yonkers, Clark. Voting Against: Alvarez, Dolan.

Redding Board of Education Budget Board Chair, Sara Sobel, noted that as the Board of Finance requested, the Board did meet to review their budget. The increase in the Kindergarten enrollment has created a need for an additional section and the board included that in the budget. They also included administrative suggestions for further reductions and kept the budget increase flat.

The Board of Finance questioned the policy of allowing children of staff to attend Redding schools at no cost. It was noted that Easton and Barlow both require a partial payment in those situations. Currently there are 14 children of staff members enrolled in Redding's schools. Mrs. Sobel responded that this has been a long standing policy of the Board of Education, and has contractual implications. She added that the administration must approve the enrollments, and the enrollment must not cause an additional section of a grade. Board of Finance members expressed a concern about the policy and suggested it be reviewed.

Dr. Yonkers expressed a concern about the budget, especially compared with the Easton schools budget which is a similar size. She noted many differences, including staffing, administrative costs, programs, etc. She commented that she did not feel the Redding school budget was an efficient budget. Board of Education member, Ed Miller, commented that the Redding schools are much older than the Easton schools and require higher maintenance costs.

Following further discussion, the following motion was made:

Motion: move that the Redding Board of Finance approve a Redding Board of Education budget of \$20,800,000 (representing a \$500,000 reduction from the current proposal) for FY 2016-17.

Mazzucco, O'Donnell.

Discussion followed. School Superintendent Tom McMorran commented on the proposed reduction and the need for a metric other than the cost per pupil. He suggested that anything beyond a \$225,000 reduction would result in major programming reductions and a change in the education of Redding's children.

Board of Finance members offered their thoughts on the motion on the table. Mr. Dolan and Dr. Yonkers felt the reduction should be in the \$100,000 area, while others could support a reduction of \$225,000, but not \$500,000.

Amendment to Motion: Mr. Mazzucco proposed amending the motion:

Motion: move that the Redding Board of Finance approve a Redding Board of Education budget of \$20,075,000 (representing a \$225,000 reduction from the current proposal) for FY 2016-17. The amendment was seconded by Mrs. O'Donnell.

The amended motion was approved on a 4-2 vote. Voting For: Mazzucco, O'Donnell, Clark, Alvarez.

Voting against: Dolan, Yonkers

Capital Request:

The only Capital Request is from the Redding Board of Education for HVAC work at both schools. The previous estimate for the work was \$5,000,000, and the updated cost estimate is now \$5,450,000. This will be a separate question for the referendum vote. The cost would be funded by short term borrowing pending long term financing. The increase in the amount will be formally approved at a special meeting of the Board of Education.

Discussion of the work at the schools was discussed.

Motion: move that the Redding Board of Finance recommend the request for a Capital Expenditure of \$5,450,000 for the HVAC project, with work to be done at John Read Middle School during the summer of 2016 and at Redding Elementary School during the summer of 2017, to be financed through short term borrowing pending long term financing. Mazzucco, Dolan. Approved, 4-1-1. Voting For: Alvarez, Dolan, Clark, Yonkers. Voting Against: Mazzucco. Abstaining: O'Donnell.

PUBLIC COMMENT

Dana Gray, Lamppost Road: Mrs. Gray asked if the debt repayment would continue to be in the Selectman's budget. Mr. Alvarez indicated that was correct.

John Reilly, Drummer Road: Mr. Reilly commented that it is important to let the voters know what the capital requests is for and why it is needed.

Ed Miller, member of Redding Board of Education: Mr. Miller commented that the action of the Board of Finance was highly irresponsible and he was disappointed by the discussions.

Stan Rhodes, Archers Lane: Mr. Rhodes commented on his observations of the good discussions between the two boards (BoF and BoE). He asked that the Board of Finance members listen to what cuts will be made, and what their actions will result in. He added that the quality of education in Redding will still be good.

Chris Nolan, member of the school Facility Committee: Mr. Nolan commented that a school will not be closed and mothballed. Any future use of either building will require the changes in the HVAC system. No one would consider use of the buildings without those changes.

Mike D'Agostino, member of the school Facility Committee: Mr. D'Agostino commented that there would be energy efficiency as a result of the changes.

Peter Bonfanti, Umpawaug Road: Mr. Bonfanti commented that Redding Elementary School is a wonderful school, and strong enough to handle moderate spending reductions.

Keith Rich, Putnam Park Road: Mr. Rich commented that class size would increase as a result of the reductions.

ADJOURNMENT

Motion: move to adjourn the meeting. Mazzucco, O'Donnell. Approved. Unanimous.

The meeting was adjourned at 9:37 pm.

Submitted by Mary Maday, Recording Secretary