

SPECIAL MEETING MINUTES - REVISED

TOLLAND TOWN COUNCIL HICKS MEMORIAL MUNICIPAL CENTER 6th FLOOR COUNCIL ROOM

AUGUST 15, 2017 – 7:30 P.M.

MEMBERS PRESENT: Rick Field, Chair; William Eccles, Vice-Chair; Robert Green; Paul Krasusky; Kristen Morgan; Joseph Sce and David Skoczulek

MEMBERS ABSENT: None.

OTHERS PRESENT: Steven Werbner, Town Manager; Mike Wilkinson, Director of Administrative Services; Walter Willett, Superintendent; Scott Lappen, Public Works

- 1. Call to Order:** Rick Field called the meeting to order at 7:30 p.m.
- 2. Pledge of Allegiance:** Recited.
- 3. Moment of Silence:** Observed.
- 4. Public Participation (2 minute limit):**

Jeff McCutcheon of 119 Lawlor Road – He is concerned about the budgetary process, in particular how it relates to public safety. The number of Resident Troopers has been cut. He commented that all neighboring towns have either fully established police forces or programs under resident troopers with far more public safety officers and people who can be deployed in emergency situations than we do. He realizes that we have Troop C, and he has heard that they will cover Tolland in the event of an emergency, but he doesn't see any information regarding any studies to better understand how reduction in the Resident Trooper program would affect response times. He realizes they are expensive, and they are becoming more expensive as the State requires us to cover more of their costs. He would like the Council to respond to these concerns, and explain to the residents how they can be as safe as our neighbors with so little police presence.

Sam Adlerstein of 164 Pine Hill Road - He thanked the Council for all the work they have done. With regard to the last speaker, he recognizes that it is hard to get blood from a stone. He doesn't support cutting public safety or the police force beyond what they really should be doing. If we weren't in this budget situation, none of the Council would be cutting them. He doesn't support cutting schools beyond what they should be either. The Council is struggling with something that is near impossible. He advised the Council that it has his support.

Brenda Falusi of 4 Laurel Ridge Road – She appreciates and feels all the pain that the Council has been through in the last six months. She hates to see any of the cuts, but she is in support of what the Council decides. She offered to help them in any way.

Colleen Yudichak of 12 Blueberry Hill - She reiterated that the Council has a hard job. She will support the Council's decision.

Bob Rubino of 296 Weigold Road – He had some comments in support of the Town Manager's H&P Plan. He appreciates the proposed dip into the General Fund for the \$1.4m. He believes it is appropriate, considering the extraordinary times that we are trying to negotiate. It does leave some money in the fund for further "maneuvering", because this budgetary issue is not one that is going to disappear overnight.

He suggested that rather than speaking of probabilities, just pick a number. Reduce the budget of the BOE to \$600,000 and leave it there. Just call it a reduction. Second, with regard to the BOE's 1% reserve fund, it is \$393,000. That fund was put there to end 'Christmas in June'. In this case, last November, the Superintendent put into place what he was going to use that money for. If it gets taken away now, you'll be taking away a tool for the Superintendent. We have a choice to protect this town. We have other issues to deal with, like the crumbling foundations. We need to protect that infrastructure or we'll be in a downward spiral.

Katrin Hinrichsen of 192 Goose Lane – She asked the Council for suggestions on how to sell this budget to the town. How to publicize it? How to communicate why the increase is much more than usual.

5. Consideration of the Town Council's Proposed FY 2017-2018 Budget

Throughout the meeting, the Council members referred to different options.

*****NOTE: These numbers were put together today and changed throughout the course of the day. Some of the numbers referenced below are incorrect, but this is what was shown to the public during the meeting.***

Option 1:

Original "H&P" budget

Town budget: \$11,868,056 - \$343,291 (budget cuts) = \$11,524,765 (-2.89%)

BoE budget: \$39,333,948 - \$600,000 (manager reduction) = \$38,733,948 (-1.5%)

Fund balance change: \$7.5M - \$1.4M = \$6.1M (-19%)

Tax rate change: +7.17%

Option 2:

H&P budget modified to give BoE control of \$393K via 1% fund

Town budget: \$11,868,056 - \$343,291 (budget cuts) = \$11,524,765 (-2.89%)

BoE budget: \$39,333,948 - \$600,000 (manager reduction) - \$393,000 (property tax relief) + \$393,000 (1% fund) = \$38,733,948 (-1.5%)

Fund balance change: \$7.5M - \$1.8M = 5.7M (-24%)

Tax rate change: +7.17%

Option 3:

BoE H&P counter-proposal to fund 1% from fund balance and keep tax rate change at 7.17%

Town budget: \$11,868,056 - \$343,291 (budget cuts) = \$11,524,765 (-2.89%)

BoE budget: \$39,333,948 - \$600,000 (manager reduction) + \$393,000 (1% fund) = \$39,126,948 (-0.5%)

Fund balance change: \$7.5M - \$1.8M = \$5.7M (-24%)

Tax rate change: +7.17%

Option 4:

BoE H&P counter-proposal modified to fund 1% from increased tax revenues and limit fund balance use to \$1.0M

Town budget: \$11,868,056 - \$343,291 (budget cuts) = \$11,524,765 (-2.89%)

BoE budget: \$39,333,948 - \$600,000 (manager reduction) + \$393,000 (1% fund) = \$39,126,948 (-0.5%)

Fund balance change: \$7.5M - \$1.4M = \$6.1M (-19%)

Tax rate change: +8.1%

Option 5: ("wait")

No action required.

Option 6:

Not really an option, but more of a ground rule. Regroup if/when the state gives us numbers to work with.

Mr. Field commented that he believes most of the Council agrees that the 1% fund should go to the BOE. The question tonight is where that money will come from. Is it going to come from the bottom line of the BOE's budget, fund balance or a tax increase?

Mr. Field started the discussion by saying that he would like to see the BOE get the 1% fund and then taken off the bottom line of the budget. A tax increase more than the one being proposed isn't going anywhere. He added that if the majority of the Council wants it to come from Fund Balance, then he will go along with that. Although, he doesn't believe it is the proper way to do it. He is concerned with the upcoming years. He doesn't believe it should be drained now.

Mr. Green asked Mr. Werbner if they were to take the \$400,000 as a tax increase, would that add to the mill rate.

Mr. Werbner said it would add about a point.

Mr. Green then asked if it was taken out of Fund Balance, how that would affect our borrowing ability in five years.

Mr. Werbner said he doesn't believe this is a one year situation with the State of Connecticut. He can't predict what is going to happen due to the State's situation. He thinks Tolland may be tapping into the Fund Balance again in year one, two or three greater than in the past. It means something in dollars and cents to have a good Fund Balance. He doesn't object to the use of the fund balance at the level he is suggesting, but if they keep dipping into it, they'll be in a downward spiral. He thinks they are where the tolerance is at this point. If the referendum fails, the cuts will need to be made in expenditures. It can't be assumed the Fund Balance will cover it.

Mr. Sce asked if taking \$1.4m from the Fund Balance will affect the town's rating.

Mr. Werbner said even though these are times to use Fund Balance, having a future plan to put money back is important.

Mr. Skoczulek reminded that the Council can pause this at any time. He thinks they still need to stay on track though. With regard to the law enforcement levels, they have funded a study by a consultant to look at the calls for service in town, what will be needed for coverage, the hours of coverage, etc. so that they can make decisions. This will allow them to have a long-term plan on how policing is going to look. He does realize they will be down 2 troopers, but he wants people to know that they do have the plan for the study. With regard to the budget, he is waffling still. He doesn't want to go with a higher than 7.1% tax increase. So, they will either cut the BOE budget by the same amount, or use the Fund Balance. He hopes that the BOE will consider using part of the monies to fund an independent consultant to perform a study of how we get through the next couple of years, especially if the Fund Balance is used. He commended the Superintendent and the BOE for all the work that they have done.

Mr. Werbner advised that he did make a compromise offer to the BOE, which was not accepted. He asked the BOE not to pursue the 1% fund at this point in time, until the budgetary process was completed both locally and statewide. The money would not come off the bottom line of the BOE; they would use the Fund Balance for the \$1.4m, and put the \$393,000 in abeyance while they waited to see if the Referendum passed and if the numbers projected from the State are spot on. If we need to go back for a second Referendum or adjust for further cuts by the Governor, then the \$393,000 should be the first thing in plan at that point in time. It could provide some sort of tax relief to the residents or adjust further, rather than dipping deeper into the Fund Balance. They could also do more expenditure reductions, which he believes would be the first thing in play under those scenarios. If the budget does pass, and they are spot on with the Governor's

requests, then the \$393,000 could be appropriated by the Council and utilized by the BOE. It would delay the use until they see what happens, and would provide some buffer. Mr. Werbner reiterated that he fully supports the 1% fund, but with the possibility of an \$8m cut, it doesn't make sense to have a reserve fund of \$343,000 for the BOE.

Mr. Krasusky said he has defended the maintenance of the Fund Balance at the level it is at. It gives us a unique borrowing position. It helps to mitigate the mill rate that we have. It allows for borrowing at an affordable level, and maintaining that level does matter. On the flip side, the other source would be a tax increase beyond the 7.17% being presented, which likely will not be passed. It is not something they want, but it is better than 10% or 15%. He doesn't believe going to 8.17% is the right answer. He also thinks the BOE and Superintendent have done all they can do to get the budget where it is now given the circumstances. So, he doesn't believe it should come from them either. He thinks he would like to see Mr. Werbner's compromise solution of keeping the 1% fund in abeyance.

Mr. Field said they can't do that. The BOE hasn't approved this and it is their money. Mr. Krasusky said then he would have to go with Option #3.

Mr. Sce is for Option #2. The BOE receives the 1% fund, like they requested, but their budget would need to be reduced by that same amount. They would have the option to spend it or keep it in their reserve. To keep tapping into Fund Balance is like biting your own fingers to survive. Eventually, you're going to die. We'd be putting ourselves in the same predicament that the State is now in. They have consumed their rainy day fund, and they are still in huge amounts of debt. He suggests that residents talk to their neighbors to convince them to get out there and vote. It will take a grass roots effort. E-mails have been sent out; the meetings have been taped and broadcasted.

Mr. Green agreed with Mr. Sce. This is a terrible situation. He doesn't believe they should pull anymore from the Fund Balance. He thanked Dr. Willett and the BOE for all their hard work and goodwill. He will pick Option #2. Give the BOE the 1% fund, and cut the bottom line.

Ms. Morgan echoed what Mr. Krasusky said. In the beginning, she was not in favor of taking money out of the Fund Balance, but she doesn't think it is fair to punish the BOE, in the same way that we are being punished by the State. Dr. Willett looked ahead, made plans and saved money. It should be the BOE's money free and clear. She is in support of Option #3.

Mr. Eccles objected to the word 'punish' as stated by Ms. Morgan. It is not a punishment. If you look at it that way, then it is just as much a punishment to the town that we are going to raise taxes to make up for the savings that is being proposed to give back to the BOE. Neither solution is good. He has a problem with taking more out of the Fund Balance. He is leaning towards Option #2 and not #3.

Mr. Adlerstein asked what document the Council was referring to regarding the different options. A document that the Council was working with during the day was displayed for the public to view. (**See NOTE above) Mr. Werbner reviewed the options listed with the public.

Mr. Krasusky would like the BOE to reconsider the compromise offer that Mr. Werbner presented to them. Otherwise, he would reluctantly have to vote for Option #2. He said they can put this process on hold, and ask the BOE to reconsider the offer knowing what the prevailing consensus seems to be at this point. Mr. Adlerstein commented that he doesn't believe the BOE said no to anything, especially not the way it is being characterized here. The Council members agreed to push out the process.

David Skoczulek motioned that the Council pass Option #2. Should the Council receive communication from the BOE after their next meeting that they will put the 1% fund at bay, they will then pass Option #3.

Seconded by Joseph Sce.

Discussion occurred about changing the schedule and the wording of the resolutions.

Mr. Willett said the 1% fund has been used already to reduce the Board's impact. He said the fund is being talked about as if it is just sitting there, but it was already planned on to reduce the BOE's budget in anticipation of this negative budget situation. Dr. Willett reviewed the different scenarios and numbers. He told the Council if they are reducing the Board's budget by 'X', then say that is what it is. Whatever decision the Council makes, will be their best guess. No one knows what is going to happen with the State's budget. Everyone is trying to manage this with the least amount of harm. Mr. Willett is still holding off on some things, to see how things will pan out. His plan includes going to \$993,340 if that is what is necessary below the FY 16/17.

Mr. Skoczulek pulled his motion off the table. It was not voted upon.

6. Approval of Budget Resolution

Bill Eccles motioned to accept the following resolution:

WHEREAS, the Town Council has reviewed the Town Manager's proposed budget and has made certain modifications to estimated revenues and expenditures, the details of which will be properly incorporated into the total budgetary document by the Town Manager and Director of Finance and Records;

NOW, THEREFORE, BE IT RESOLVED, by the Tolland Town Council that it hereby adopts a FY 2017-18 Town Operating and Capital Budget in the amount of \$54,469,951 to be appropriated as follows:

CATEGORY	AMOUNT
Town Government	\$11,524,765
Board of Education	38,340,608
BOE Teachers' Retirement Contribution	0
Debt Service	4,550,000
Capital	54,578
TOTAL	\$54,469,951

Said appropriations shall require an increase of 2.45 mills for a mill rate of 36.64.

BE IT FURTHER RESOLVED, that the Town Manager, pursuant to the requirements of the Town Charter, is authorized to advertise this budgetary outlay as part of the August 29, 2017, Annual Budget Presentation Meeting at the Tolland High School Auditorium at 7:30 p.m.

Seconded by Robert Green. Joe Sce, Robert Green, Bill Eccles, Richard Field, Paul Krasusky and David Skoczulek were in favor. Kristen Morgan was opposed.

7. Approval of a resolution authorizing the form of the ballot for the September 19, 2017 budget referendum and any subsequent budget referendum; the time and place for the budget referendum; authorizing the Town Manager or his designee to place the required legal notices

in the local newspapers; and authorizing the preparation and printing of an explanatory text and the mailing of same to local residents and in addition sent out via the Town's Tolland Notification system and included with absentee ballots in accordance with the provisions of CT General Statutes 9-369b explaining the budget referendum question.

Bill Eccles motioned to accept the following resolution:

WHEREAS, the Tolland Town Council has adopted a proposed FY 2017-2018 Town Operating and Capital Budget to be considered by the Tolland electorate at a September 19, 2017 budget referendum; and

WHEREAS, the Council must now establish the appropriate ballot language for this referendum and the date, time and place of said referendum;

NOW, THEREFORE, BE IT RESOLVED by the Tolland Town Council the following:

1. The ballot question for the September 19th referendum shall be worded as follows:

"Shall the Town of Tolland's proposed 2017-2018 budget of \$54,469,951 reflecting a spending decrease of \$1,336,631 or -2.40% which requires a tax rate of 36.64 mills for an increase of 2.45 mills or 7.17%, be adopted? Yes/No."
2. The time and place for the referendum shall be between the hours of 6:00 a.m. and 8:00 p.m. on September 19, 2017 at the Tolland Public Library Program Room.
3. The Town Manager or his designee is hereby authorized to place the required legal notices in the Journal Inquirer and other places as conditions permit, advertising the September 19, 2017 Referendum and the August 29, 2017 Annual Budget Presentation Meeting.
4. The Town Manager or his designee is authorized to prepare and print an explanatory text and the mailing of the same to local residents; to be included with absentee ballots and documented via the Town's Tolland Notification system in accordance with the provisions of CT General Statutes 9-369b explaining the budget referendum question.

Seconded by Robert Green. All in favor. None opposed.

Mr. Eccles suggested holding off on sending the mailer out until an appropriate time, whenever that may be. Mr. Skoczulek agreed that they should hold off, but thinks it should be sent as it outlines what the Town and BOE have been reduced by, and shows the tax increase.

Mr. Werbner said they will add a disclaimer to the mailer saying *the process could change based upon information, and please pay special attention to the town's website, etc.* He will come up with appropriate language.

8. Adjournment: Bill Eccles moved to adjourn the meeting; Seconded by Robert Green at 8:46 p.m. All were in favor.

Richard J. Field, Council Chair

Michelle A. Finnegan
Town Council Clerk