

Minutes of the Board of Finance Budget Review Meeting
April 7, 2014 – Town Hall – 6:45 P.M.

Members present: Justin Donnelly, Joseph Sangiovanni, Ryan Anderson, Chris Childs, Brian Kost, Scott Lingenfelter, alts. Tracy Eccles, Eric Harrington, Michael Stevens
Also present: First Selectman McAnaney, Selectman Fitzgerald, Treasurer Davidson, Director of Finance Cerrato

Chairman Justin Donnelly called the meeting to order at 6:45 P.M.

Citizen Comment: None

Correspondence - The Chairman noted correspondence from Tom Frenaye, sent to the Chairman and to Eric Harrington regarding ERRP.

Budget Review

Fire Department (29) Chief Chuck Flynn and Phil Barrett, Chairman, Fire Commission were present. Chief Flynn stated that we have several large percentage increases in line items, but overall the budget shows an increase of 3.9%. Our Repairs and Maintenance show an increase of 52% (\$5,000) because of new safety regulations and station repairs and maintenance not covered by Public Works, the air compressor and exhaust system filters need to be changed quarterly. Mr. Donnelly asked how we are doing with the volunteers; Chief Flynn replied steady, we had three retirees last year, we have brought on 8 new ones and 3 remained. We have 8 paid fire fighters. The Board asked about capital expenditures. The Chief reviewed the status of the vehicles. They are finding the vehicles are getting rust and corrosion from the salt mixture used during the winter. The last two new trucks were funded by the last bond. The aerial ladder truck purchased with funds from the prison will need to be replaced but will not need to be an aerial truck to meet the needs in town. Mr. Donnelly thanked the Chief for their presentation.

Board of Education (8) – Robert Eccles, Chairman of the BoE, Scott Schneider, Chairman of the Budget Subcommittee, Karen Baldwin, Superintendent of Schools and Philip Russell, Interim Business Manager presented the review for the Board of Finance. Other BoE members were also present. Mr. Eccles distributed to the BoF, a report, Education Revenue and Expense Growth from 2009 – 2013. Our budgets have increased at a rate of 2% for the last five years. We see from 2009 -2013 the average education spending supported by Taxpayers to be 73% and the average education spending supported by outside revenues + grants to be 27%. Mr. Eccles stated that the main driver of grants going up is the CHOICE program. The BoF noted that the school population continues to go down, but the expenses go up. Mr. Sangiovanni and Mr. Childs noted that the percentage of increase seems to be 75- to 78%. The student enrollment has gone down from 2,465 (Oct.2012),2,431 (Oct. 2013) to 2,382, (Oct. 2014) projected. Mr. Kost noted that the cost of an individual student is now approximately \$14,000. Mr. Eccles noted that the BoE had projected that we are over the 4% requirement to receive the \$8,000 grant amount per child in 2014. We have now learned that we did not make the 4% goal; so we received only the \$6,000 reimbursement. What is the CHOICE number now asked Mr. Kost. Ms. Baldwin replied that today we have 85 K-12 CHOICE students.

Mr. Kost noted that one item that brought the school budget cost down was that there was to be a large savings in electrical costs which did not happen (\$100,000) and workman's compensation has gone up 70% in two years. Ms. Baldwin noted that we had some very poor claims experience and that coupled with the MIRMA assessment resulted in the increase. It was noted that this will be the last year of the MIRMA assessment.

Mr. Donnelly asked if the schools had a savings in payroll by replacing the retirees with newer staff usually at a lower rate? Ms. Baldwin replied we did, and we took the reduction in the projected budget based on our known retirement count. Mr. Donnelly asked what were the number of administrators in 09-10 budget and the number of administrators in the 2015 budget. Ms. Baldwin stated that in 2015 we have 16 administrators; and in 2010, 13 administrators. We do have one vacancy.

Is there a score card for all this information? I asked for one and did not get it, stated Mr. Harrington. I asked for a list of salaries.

Ms. Baldwin stated you are looking for a return on investments. Mr. Kost would like to know the net expenditure per pupil that the State tracks every year. Could the BoF get this information? Could we get the history of where Suffield ranks?

Ms. Baldwin stated, we do have some data points that we would be happy to share with you. We can also share the net expenditure rank and salary data. Mr. Lingenfelter asked if the BoF could get a list of administrators and what year the positions were created.

Mr. Childs asked if there are any capital projects within the BoE budget that the Town could submit to ACCE, thus not being subject to minimum budget requirements. Do you have anything planned this year? After a discussion, the BoE stated that the BoE was going to enter into a lease for four new trucks. The BoF felt that this purchase could be pulled out of the BoE budget.

Mr. Donnelly stated that he was going to make a personal editorial observation; the BoF beats up the First Selectman, and everybody about percentage of raises. He noted several large raises that the BoE has given to the Business Manager position and the IT person. Ms. Baldwin stated that these were critical executive leadership roles. We need to attract persons of high skills and use a higher salary as an incentive.

What are the schools doing to expedite job sharing with the Town? Ms. Baldwin noted that a study had been performed by Blum/Shapiro relative to the Business Manager position, to examine shared service. But in the end, the study reported that this was not a feasible partnership in the business office. One mutual IT director person possibility was examined but the two positions were different in their efforts and their goals and not feasible.

Mr. Donnelly asked, With the projections being on downward trend for the school population, what fiscal year do you see a reduction in the professional Full Time Equivalency positions happening?

Ms. Baldwin stated that this has been happening. Overall in 10-11 there were 345 certified and non certified. This year we have 331.

Mr. Donnelly asked that this be clarified. Ms. Baldwin stated that paraprofessionals are classified as non certified. Ms. Baldwin stated that in 13-14; we did not fill three positions; we shifted positions within the schools. This year alone, we have reduced 3 positions.

Mr. Kost stated that recognizing that the Board of Finance has no authority over line items spent in the BoE; what if the Board of Finance cut \$100,000, \$250,000, or \$500,000 from the BoE budget. What choices would the Board of Education make to respond to any of the 3 scenarios?

Ms. Baldwin stated we have not contemplated these scenarios. Mr. Eccles indicated he could not answer for the entire Board of Education. Each member would have their own thoughts.

What is driving the \$25,000 in legal services increase? The bus contract has increased. Ms. Baldwin stated the current budget was underfunded and we had to realign our budget.

The Board of Education discussed the subsidy for the lunch program; a RFP has been sent out; with various options, and the Board hopes to be able to make fiscal improvements. Also discussed was the situation with CL&P for the failure to make good on CL&P's promised savings. These two issues are complicated and the Board is working to solve both situations.

The Board of Education approved a district budget of \$32,907,367 or a 3.30% increase over the previous year.

Mr. Donnelly asked for information requested come to the Board of Finance by Monday, April 14 and we will have a second meeting, Wednesday, April 16 of next week.

Mr. Donnelly thanked the Board of Education and Ms. Baldwin for their presentation.

The meeting adjourned at approximately 8:15 p.m.

Respectfully submitted, Bobbie C. Kling, Secretary BOF.Minutes.April.7.2014.