

THREE BOARD MEETING
BOARD OF SELECTMEN/BOARD OF FINANCE/BOARD OF EDUCATION
WEDNESDAY, OCTOBER 29, 2008
COMSTOCK COMMUNITY CENTER

PRESENT: **Board of Selectmen:** William Brennan, Susan Bruschi, Harold Clark, Richard Creeth, Ted Hoffstatter
Board of Education: Karen Birck, Gil Bray, James Furnivall, Richard Dubow, Barbara Myers, James Saxe, Schools Superintendent Dr. Gary Richards, Ken Post
Board of Finance: Robert Kelso, James Meinhold, Lynne Vanderslice, Warren Serenbetz, Al Alper, Carl Pforzheimer and CFO Joseph Dolan

ALSO PRESENT: Sarah Taffel (Director of Human Resources, Labor Negotiations and Administrative Services); John Savarese (IT Director)

GUESTS: approximately 20 members of public, Brian Shea (Bulletin), Lauren Mylo (Villager)

First Selectman William Brennan called the meeting to order at 7:30 p.m. Board of Ed Chairman Karen Birck and Board of Finance Chairman Robert Kelso agreed to have Mr. Brennan be the moderator for this meeting. Mr. Brennan then read an opening statement outlining the purpose and objectives of this meeting.

The Board of Finance has calculated figures for FY'10 using different mill rate scenarios. Mr. Kelso stated that in debt service, they made one assumption regarding the addition of the high school project, which will be bonded in FY'09 with the first payment in FY'10. Interest rates which have been 3.85%, are 4.85% as of last week. This means an additional \$150,000 to the project. They assumed the Charter Authority at 1% and reduced other revenue by \$500,000 due to lower interest income and reduction in state aid. Last year, the town had a windfall with actual spending and revenues being better than expected. That windfall will be less for the year just ended and will have a major impact on the FY'10 budget. Another assumption is that tax relief for seniors will probably increase because more people will be eligible.

At the time the projections were being put together, they did not know what kind of contributions would have to be made to the town pension plan. It is assumed calculations will show the need for a substantially higher contribution.

Four months into the current budget, Mr. Dolan reported that there is nothing in expenditures or revenues that is not in line with presumptions made during the budget process. Interest is about one quarter of what was budgeted. That number will depend on when, how and in what form we issue debt from the high school project. Building permit revenues and town clerk recording fees are low, as we assumed. He feels that we probably won't get a good feel for the numbers until the end of January. In 2004, Governor Rowland cut grants to municipalities, mid-year. The

legislature passed a law that will not allow this without their approval. Mr. Brennan pointed out that if the state deficit grows larger, cuts will come back to the municipalities.

Mr. Post advised that the Board of Education financial report coming out at their next meeting will show that they are over expended in special education and contracted services. They are under expended in out-placements and expect a \$100,000 savings on property insurance, resulting in a total \$200,000 deficit. He has contacted the state about an excess cost grant.

Mr. Brennan pointed out that the town has had no increase in headcount over the past three years. In June, he talked with town department heads who agreed on a stretch goal plan of a 2% reduction of the current budget. We have to provide essential services, i.e. police, fire, road maintenance, etc., but strict head count control has kept expenditure growth down. We have prepared a list of contractual obligations and almost 80% of the Town's budget involves fixed costs. Two of the non-government agencies – the Library and Nursing and Home Care did not participate in the stretch goals plan.

Mr. Serenbetz agrees with the headcount reduction and that there is no other way. He asked if there is a possibility of re-opening any union contracts to agree with a slowdown of increases? Mr. Dolan advised that can be done only if there is a provision in the contract to re-open, and if it is re-opened, then everything is on the table.

Mr. Hoffstatter agrees with delaying road paving which is hard to do. He feels that we might be at the point where we have to go into every line item to find cuts, including the library.

Mr. Clark feels that in addition to a freeze on new positions, open positions should not be filled unless there are special circumstances that are critical. The goal should be no mill rate increase.

Mr. Manheim feels that the projections of the Board of Finance are aggressive. With no increase to the budget, the mill rate still will increase 4.32%. Mr. Meehan suggested that the Board of Selectmen and Board of Education put together their own projections. Ms. Birck stated that Mr. Post will run projections on the education side, but 90% of their budget is negotiated salaries, special education and transportation. Mr. Post advised that they have identified some possible savings but the board has not discussed them yet. They may be able to freeze the purchases of some supplies conferences and textbooks.

Mr. Brennan stated that town will be saving \$14,000 by putting the Annual Report on-line rather than printing and mailing copies and has saved \$12,000 by cancelling Emergency Services Day. We could look at regionalization of some services, which he will continue to pursue. We should go to each department and ask them to estimate the impact if the budget has to be reduced by certain percentages.

Mr. Alper suggested looking at services that are delivered to a small group of people and look into "pay as you go" for those services.

Dr. Richards – there is a certain amount of attrition and we could freeze hiring for new positions. We are taking a hard look at that. We are also looking at non-recurring site work and will be

looking at the 5 Year Plan. He hopes to come back to the Board of Education with some scenarios.

Mr. Dolan distributed copies of the Five Year Capital Improvement Plan. Mr. Brennan pointed out that the high school plan is in four segments – HVAC, science rooms, the Little Theater, and soft costs. Ms. Birck stated that they were planning to go out to bid on December 8 for the entire project. Mr. Brennan asked if it makes sense to do only the HVAC at this time, and postpone the others. Ms. Birck agreed that the project can be scaled back, although we may have to spend more in the long run. The HVAC is estimated at \$17 million and a lot of the soft costs have been spent already. We should be getting separate costs on each part of the project and can look at what each component costs.

Mr. Brennan asked the Board of Finance about other communities that keep a lower fund balance and still keep their Aaa rating. This should be looked into before considering taking money from the fund balance to offset budget increases.

Miller-Driscoll School - Dr. Richards advised that they have done a lot of research. Whether space comes from the existing building, an addition, or a combination of the two, there has to be a reconfiguration. There is a septic issue. There are needs for the pre-school. There is the issue of the roof and the steel perimeter of the roofing, window issues, etc. We need to look carefully at deferment. The number of special needs children is not increasing, but there is an increase in the severity of problems, i.e. autism.

Mr. Brennan asked if any of the \$8.3 million for 2010 can be deferred to the following year or further. Dr. Richards feels that a good part will be pushed back to a later year. We will be looking at that in more detail.

Comstock Community Center – Mr. Brennan advised that this project is at an extremely important point in that the architectural studies have been funded. Potential architectural firms have been identified. The concern is that it would be unfair to string the architect along and have them produce a lot of work and then not build. There may be a need to defer this for one year and then revisit. It was pointed out that there are also new operating costs associated with this project when finished.

Mr. Brennan stated that there are other relatively small items in the CIP that can be addressed but we do not need to go through the entire Plan tonight. He feels that a reduction in head count should be a last resort, but may be required to reach cost reduction goals.

Mr. Brennan will consult with Mr. Kelso and Ms. Birck to determine if another meeting is needed to discuss this further as three boards.

Having no further business, the meeting was adjourned at 9:05 p.m.

Jan Andras
Recording Secretary