

April 27, 2016

The Board of Finance Public Hearing was called to order at 7:00 p.m. by Chairman, David Shippee. Other members present-Robert Lassan, Bruce Lindberg, Dale Clark, and Neil Cook.

Members absent-Neil Delmonico.

Staff present-Joyce Gustavson.

D. Shippee stated that if the proposed budgets were passed as they are submitted tonight, it would represent a no mil increase. The mil rate would remain at 31.60.

D. Shippee welcomed everyone to the hearing and the Board of Selectmen, Board of Finance, and Board of Education members introduced themselves.

D. Shippee stated that the Board of Education will present their proposed Fiscal Year 2016-2017 Budget first.

Item 1: Itemized Estimates for Fiscal Year 2016-2017 Board of Education Budget:

Brenda Needham, Superintendent presented the Power Point presentation for the 2016-2017 proposed Board of Education Budget.

Items Covered: Mission statement and vision; School Board Goals – support for ongoing program development, effective communication, and continuation to promote effective and efficient operations in order to realize the fiscal resources and to support school related rules, regulations, and requirements. B. Needham continued by stating that anticipated expenses have increased by \$72,871, a little less than one (1) percent (0.91%) due to new teacher contracts, support staff contracts, required special education to meet IEP requirements, and technology support instruction. Salary expenditures have decreased due to turnover and enrollment continues to gradually decline. B. Needham noted student progress, enthusiasm of students, special activities, and an informative website are some of things in which the school is most proud.

B. Needham asked if anyone had any questions or comments.

D. Shippee asked if anyone has any questions or comments for the school board.

Becky Lassan, 88 Gibson Hill Road, basically made a statement regarding the approximate one (1) percent increase to the school budget and if the Town did not receive the new State grant enabling the general budget to decrease, then the mil rate would not stay the same. She also inquired if she was correct in stating that 74 percent of the mil rate goes toward the school and 26 percent of the mil rate goes toward the Town to repair and plow roads, as well as toward school buses. What percentage of the mil rate would be appropriated to the school vs. Town with a one (1) percent increase to the school budget?

D. Shippee stated that breakdown for the proposed Fiscal Year 2016-2017 budget is a mil rate of 21.17 for the school and a mil rate of 10.43 for the Town.

B. Lassan asked if there is any research as to why the steady decrease in enrollment.

B. Needham stated the State has done some work with a project called “Connecticut Financial Project” which talked about education and a lot of demographic work and Connecticut/Sterling, is similar to what is happening to other parts of the country, especially in the northeast in terms of the declining enrollment. Some families make the decision to move and some families are unhappy.

Jim Schrader, 378 Pine Hill Road, asked why transportation increased by \$43,000 with the decline in enrollment and that last year we talked about outsourcing the buses to a private contractor and what are the results.

B. Needham stated that part of the transportation increase is attributed to salary increases and last year the school was down a driver. We are currently looking at the various bus routes to see if any can be combined. As far as outsourcing the buses to a private contract, that is a collaborative effort between the Town and the school, and we have not had a chance to investigate that.

J. Schrader stated that all the other Towns are outsourcing their buses.

D. Shippee gave J. Schrader an article regarding outsourcing to read and stated that many towns are finding out that outsourcing is not working.

J. Schrader stated that just because the Town is presenting a zero (0) mil increase is not a reason to jump up and down; the Town should be presenting a decrease not an increase.

Derek Anforth, 95 Gibson Hill Road, asked about the \$20,000 increase in electricity after improvements to the school were made and the \$15,000 increase for the business manager.

B. Needham stated that part of the electric increase is that the school is part of the loan program when the upgrade was done and there is a factor that is built in for the payback of all the work that was done.

Regarding the business manager, that is a placeholder; this year we struggled with some issues. The previous business manager was here for four (4) days a week and when she left the position was cut back to three (3) days a week; the Board has not made a decision as to whether or not that will be increased to four (4) days or remain at three (3) days per week. It is not a raise.

D. Anforth asked about the \$5,000 increase to maintenance supplies.

B. Needham stated the increase should have been more. Russell Bonner has done an excellent job with the building. The building is getting a little older and the funding is needed for the upkeep.

D. Shippee asked if anyone else had any other questions or comments.

Becky Lissan asked in terms of upcoming years, if there is no decrease in the amount of money per student this year, are we setting ourselves up for an increase every year thereafter. Enrollment has been steadily decreasing for the last three (3) years.

D. Shippee responded that the State has budget minimum requirements and cannot spend less per student than what you spent last year unless the grant money is cut.

Leatrice Shippee, 911 Gibson Hill Road, stated that regarding the minimum budget requirement, we are not locked in. If the Town passes this budget and enrollment continues to decrease, we will be given some leeway on that and in other years we can cut it back again.

B. Needham stated that the State uses a formula where all towns are mandated to spend a certain amount of funds for the children.

Frank Bood, 230 Harris Road, expressed concerns about the fiscal issues that we have in the State right now. Is there a contingency plan if the State decides to cut some of the welfare/money that we get from them by a significant amount? Is there a contingency plan other than our rainy day fund to help offset that reduction in funds? It is inevitable that prices are going up, but is there a plan in place?

D. Shippee stated that right now the budgets are up in the air. This year we will be in fairly good shape and next year we will have to look at our budget closely. There is talk about the State having the municipal part of the budget done by April 1 so Towns can adjust their budget accordingly.

Sherri Hirschboeck, 257 Snake Meadow Hill Road, stated that she has a statement more than a question. Her concern is raises within the school and the expenditures in the classrooms staying the same at \$300 per teacher. The teachers are spending more and more out of their pocket and huge lists are being sent home with students asking for supplies, such as Kleenex, erasers paper towels, pencils, etc. Families are paying taxes to support the school and we are paying money out of our pocket to support our kids in the classroom. People are getting raises and teachers are paying more out of their pocket and the townspeople are paying more out of their pocket. Sherri stated that she removed her daughter from the school due to the disruption in the classroom and she is now being home schooled. The children are not getting what they need from our school. The children need more support; the families need more support, and maybe not so much everyone else who is getting raises.

B. Needham stated that the closets have been cleaned out and supplies were discovered that are now being used and the lists going home to parents have been minimized. As a new process every purchase order is being reviewed. As far as raises are concerned, they are negotiated contracts and neither side gets everything that they want; it has to be fair, reasonable, and competitive.

S. Hirschboeck stated it is not the teacher's she is referring to; it is the administration. She expressed concern that really good teachers have been leaving and a lot of it is because they don't feel supported with the school. Referrals are down because when children are referred for major offenses, considered major by the teachers, nothing happens and the child is sent back to the classroom; therefore, they stop referring. I'm not saying that the teachers do not deserve a raise.

B. Needham stated that with concerns like that, you, or any parent, should come in and speak with Sherry, (principal) or Gail (Director of Student Services), who provides supervision for a number of programs throughout the building.

D. Shippee asked if anyone has any other questions or comments.

Robert Lassar, 88 Gibson Hill Road, asked why people are removing their children from the classrooms, at least a dozen families.

B. Needham stated that it is due to a variety of reasons. Some parents are unhappy with the school, some are home schooling, families move, and sometimes families prefer private schooling. It is not one main reason, but many.

D. Shippee asked if anyone else had any other questions or comments.

There were none.

At the end of the Selectmen's question and answer period F. Bood asked if there are any line items in the physical education department to get extra capital this year. The girls' won the championship (basketball) and they were using balls that were \$6/\$7, not adequate for the game and not just money to buy basketballs but other supplies as well.

B. Needham stated that she has been working with Mike (Physical Education Instructor) and they have been picking away at replacing supplies based on finding some money here and there. Earlier this year mats for the cheerleaders were purchased as they were horrible and unsafe. There is a student activity fund and the PTO has also been generous in giving a little extra every year. The type of things that you are referring to is a need and that is instruction and comes under the line item instructional supplies and if there is a need it comes in the form of a purchase order submitted for review.

Item 2: Itemized Estimates for Fiscal Year 2016-2017 Board of Selectmen Budget: R. Gray thanked staff for their dedication and hard work in providing assistance to him and to the taxpayers.

R. Gray presented the PowerPoint presentation for the 2016-2017 proposed Board of Selectmen Budget.

Items Covered: Anticipated revenues increased by 30.85% due to a new grant called MRSA, Municipal Revenue Sharing Assistance where municipalities will receive a portion of the sales tax. Anticipated expenses have increased by \$45,505. He also explained the components of the Grant List, stating that 65% of tax revenue dollars is generated from residential and 10.8% from other, which consists of farm land and forest. The Town went out to bid on six (6) different projects and if a vendor is part of the State Contract List, the Town does not need to go out to bid, as the State has already done the bidding. R. Gray also explained the school expenses that are included in the Selectmen's budget, as well as grant updates, and the proposed library and recreation budgets.

R. Gray asked if anyone had any questions or comments.

F. Bood stated that the Energy Commission received a \$5,000 grant.

R. Gray apologized for not including the grant and explained that we have a new Energy Commission in Town and they earned \$5,000 in credits to be used for energy savings.

J. Schrader stated that during these hard economic times no one deserves a 15% pay raise for three (3) employees in this Town and why not lower the other employees to \$36,000.

R. Gray elected to begin with the Administrative Assistant to the Selectmen stating that this brings her in line with the other Town Hall employees.

J. Schrader asked R. Gray what he is getting for a social security raise on a fixed income? In these times people cannot pay their taxes, the State is laying people off and you want to give \$9,000 in pay raises to employees.

R. Gray stated it seems to be the fair thing to do. The Administrative Assistant is below the others, she does as much as the others, probably more and I felt it was necessary.

J. Schrader stated that everyone does a great job, do we have to give pay raises to everyone who does a great job and has a solution for this Town. Have the employees work five (5) days a week, eight (8) hour days and punch out one (1) hour everyday for lunch. Instead of giving them a day and a quarter for every holiday, every sick day, they get 20% of their time off for a day off, not 25% off. We would get more productivity out of these employees who work so hard.

R. Gray stated that the Selectmen will take that under advertisement.

J. Schrader asked why the Town Hall janitor went from \$3,900 to \$7,900.

R. Gray stated that the Town Hall janitor has taken on more of the Town Hall duties. When Sharon was here, (Economic Development Coordinator), she was janitor for the Town Hall side; she is gone and the janitor now does both sides.

J. Schrader asked if this went out to bid or was it just given.

R. Gray stated it was given on an hourly basis.

J. Gustavson explained that the Senior Center Janitor position has been merged with the Town Hall Janitor making it one position; prior to this, Sam cleaned the senior center and Sharon cleaned the rest of the building and Sam is now putting in Sharon's hours doing more and the salary has been combined. Sam told us how many hours it takes to clean the building and that was multiplied out.

J. Schrader repeatedly asked if R. Gray feels that employees should be given big pay raises and if the Board of Finance agrees.

D. Shippee referred to the category of raises resulting from a study that was done.

R. Gray stated that NECCOG (Northeast Connecticut Council of Governments) did an Employee Classification and Compensation Study for the Town which broke down the wages for the Town of Sterling employees. It was reported that wages are on the low side compared to other towns; specifically the Administrative Assistant being very much underpaid.

J. Schrader asked about the General Office Assistant and why is she getting a 25% raise and is she now getting full benefits.

R. Gray stated that this was a part-time position and is now full time with benefits. We had a full time assistant Tax Collector and that is all she did was act as assistant tax collector. This new position works part-time with the Town Clerk's Office, Revenue Office and assists the Administrative Assistant. We have an employee handbook and we follow the salary guidelines for assistants and that is why that position is not being brought up to the other positions.

J. Schrader asked other salary questions regarding the First Selectman, Assessor and Town Clerk.

R. Gray stated that the Town Clerk is going to class to become certified. Right now she is working as an uncertified person and is expected to take the certification test in June.

J. Schrader asked what happened to the money in the snow budget.

R. Gray stated that it is still sitting in the budget.

J. Schrader asked why more money is needed in the snow budget line item this year.

R. Gray explained that last year we overspent by quite a bit. At the end of the year, items that are over spent are compensated by line items that are under spent and any money left over goes to the fund balance.

J. Schrader asked how much money is in the rainy day fund and why do we need that much.

D. Shippee estimated it is 2.8 million. That figure will not be confirmed until the audit is completed. If we have an emergency in Town, it would not take much to go through that fund.

L. Cooper made comment from an item that was raised a little while ago regarding the raise to the Administrative Assistant's position. He brings to our attention the administrative study that was done by NECCOG at the Town's request. This was a comprehensive study of the staff at the Town Hall which lists positions and associated duties. Starting with the Administrative Assistant, there are sixteen (16) different tasks listed and that just scratches the surface. The Administrative Assistant has been working with us for several years now and we thought she is entitled to an increase in pay that would bring her to the same level as the rest of the veteran staff. Some of the veteran staff is considered professional, meaning they are certified; the Administrative Assistant's position is not a certifiable position. The Selectmen feel that what is done in the front office is well worth it. This position deals with a wide variety of issues and they are handled very well, it is the Selectmen's feeling that this position should be brought up to the level of the other veteran staff members.

D. Shippee asked if anyone else had any other questions or comments. There were none.

D. Shippee stated that if there are no more questions or comments on the Selectmen's Budget we would move on to the Local Capital Improvement Plan. There were none.

Item 3: Estimate of the Fiscal Year 2016-2017 Local Capital Improvement Plan and Budget: R.

Gray explained that the Local Capital Improvement Plan and Budget is money that comes once a year

(usually in March) from the State and is approximately \$41,000. The Town keeps a budget five (5) years out on the money with a spending plan. Currently we have \$292,409. In the past, the money has been used to build a Town Garage, the salt shed, and four (4) bridges. This year we plan to use it to pave a section of Gibson Hill Road. The money is not raised by taxes; it is money from the State of Connecticut to be spent on capital improvement projects.

R. Gray asked if anyone had any questions or comments. There were none.

D. Shippee asked if anyone had any questions or comments. There were none.

Item 4: All persons will be heard regarding any item of expenditure they may wish for the Board of Finance to consider for inclusion in the 2016-2017 Budget: There were none.

The Town Meeting for the proposed budgets is scheduled for Wednesday, May 11, 2016 at 7:00 p.m. at the Sterling Town Hall/Municipal Building Gym and the Board of Selectmen will adjourn the Town Meeting to a vote by referendum scheduled for Wednesday, May 18th from noon to 8:00 p.m. in the gym. The public hearing closed at 8:15 p.m.

April 27, 2016

Call to Order: The special meeting of the Sterling Board of Finance was called to order at 8:25 p.m. Roll was called: David Shippee-present; Bruce Lindberg-present; Neil Cook-present; Neil Delmonico-absent; Robert Lassan-present; and Dale Clark-present.

Staff present-Russell Gray, Lincoln Cooper, John Firlik, and Joyce Gustavson.

II. Consider & Act on Public Hearing Comments on the Proposed 2016-2017 Board of Education

Budget: B. Lindberg made a motion, seconded by N. Cook to keep the proposed Board of Education Budget as it was presented this evening in the amount of \$8,047,769 and not make any changes to it. All voted in favor of the motion.

III. Consider & Act on Public Hearing Comments on the Proposed 2016-2017 Board of Selectmen's

Budget: D. Clark made a motion, seconded by N. Cook to keep the proposed Board of Selectmen's Budget as it was presented this evening in the amount of \$2,748,085 and not make any changes to it. All voted in favor of the motion.

IV. Consider & Act on Public Hearing Comments on the Proposed 2016-2017 Local Capital

Improvement Plan and Budget: B. Lindberg made a motion, seconded by R. Lassan to keep the proposed Local Capital Improvement Plan and Budget as it was presented this evening in the amount of \$292,409 and not make any changes to it. All voted in favor of the motion.

V. Consider & Act on Public Hearing Comments Regarding Any Item of Expenditure to be Considered for Inclusion in the Proposed 2016-2017 Budget: No other items were requested.

VI. Adjournment: N. Cook made a motion, seconded by D. Clark to adjourn at 8:28 p.m. All voted in favor of the motion.

Attest: _____
Joyce A. Gustavson, Board of Finance Clerk