

**MINUTES
JOINT TOWN/SCHOOL
FINANCE COMMITTEE MEETING
TUESDAY, MAY 1, 2018
6:00 P.M. – Municipal Building / Council Chamber A**

1. **Call to Order.** P. Hayes, Finance Chair, called the meeting to order at 6:00 p.m.
2. **Those Present.** Town Finance Committee Members present – S. Babine, C. Caiazzo, and P. Hayes, also present were Thomas Hall, Town Manager and various Department Administrators.

School Finance Committee Members present – L. Kazilionis, C. Lyford and J. Shea, other School Board members, Jackie Perry and H. Durgin also present were Julie Kukenberger, School Superintendent and various School Administrators.

3. Discussion Items.

- a. 6:00 p.m. to 0:00 p.m. – School Department, budget and capital projects (projects/equipment) were presented and discussed by J. Kukenberger, Superintendent. No changes directed.

K. Bolton of the School Department gave an updated on changes to the School budget since the budget presentation as follows for an increase of \$45,973.

(a) Reduction in Workers Comp Premiums – revised projections from MEMIC	(\$34,025)
(b) Anthem premiums received increase of 7.2 % vs 5% estimated	\$110, 072
(c) Delta premiums received – increase of 3.2% vs 1% increase estimated	\$ 3,859
(d) Correction of formula error on CO benefit lines calculation	(\$32,819)
(e) Retirement projection change (stipend vs breakage)	(\$1, 114)

Questions:

S. Babine inquired what effect would any further reductions look like to reduce the school budget by 1 million dollars?

J. Kukenberger stated to reduce the school budget by that amount would mean people and professional development.

J. Kukenberger stated we need direction at this point as to what to do.

P. Hayes stated we had two goals going into the budget process and to reach the goals what are the tradeoffs.

1. To pass the school budget the first time.
2. To bring in no more than a 3% increase to the tax rate.

J. Shea inquired does the full responsibility fall upon the schools?

C. Caiazzo stated that he understand the gravity of the situation what I am stuck with is that the town council agreed to no more than a 3% increase in the tax rate. We are sitting here discussing

both the Town and School to see what the end result would be to each with the three following reduction scenarios.

1. Each adjust their budget by \$750,000
2. Each adjust their budget by one half (\$375,000)
3. Each adjust their budget by one third (\$225,000)

Both the Town and School were instructed to bring the results of the scenarios back to the Finance Committee at the next meeting on May 10, 2018. The adjustments should only be done through the Town and School operational budgets.

P. Hayes the problem is that we are not making the decision it is the community. The Town and School need to come back and tell the community what the loss is going to do to the school and town.

4. Public Comment.

Ben Howard – Oakdale Drive

Mr. Howard stated that upon review of the school's budget that he had identified some areas where adjustments could be made for savings to the budget. M. Howard stated that he would be more than willing to sit down with anyone from the School Department to go over the budget.

Larry Hartwell – Puritan Drive

Mr. Hartwell stated that the school is using scare tactics by saying they would have to cut 10 teaching positions if they were required to do a budget reduction of \$750,000.

Mr. Hartwell stated that on October 19, 2016 the Town Council unanimously made a policy establishing a Methodology or Calculation of Projected Valuation. The policy did not include going out and grabbing a number from a proposed revaluation.

Mr. Hartwell stated that he didn't want to go through the same thing as last year.

Policy Establishing a Methodology for Calculation of Projected Valuation [Adopted October 19, 2016]

When presenting the estimated tax rate computation during the budget process, an estimated town wide valuation is to be provided for the purposes of discussing any modification to the tax rate as impacted by the proposed total net budget for the upcoming fiscal year.

For the purpose of providing an estimated valuation, an average of the past 10 years of growth shall be calculated using a compound annual growth rate formula*. Two values for the estimated valuation shall be provided; one illustrating a pessimistic scenario, using 50% of the ten year average for the growth as previously calculated, and another representing an optimistic scenario, using 150% of the ten year average. In the event of a full town-wide revaluation it may be necessary to make appropriate adjustments to the methodology.

This policy shall in no way impinge upon the independence of the Office of the Tax Assessor.

$$*CAGR = (EV / BV)^{(1 / n)} - 1$$

EV = Ending Value

BV = Beginning Value

n = number of years

The values used are the Total Property Valuation assessed for the given year.

5. Future Meeting Dates and Times & Items.

- Thursday, May 10, 2018 @ 6:00 to 8:00 p.m.
(Finance Committee Final Recommendations)

6. Adjourn. Motion by S. Babine seconded by C. Caiazzo, to adjourn at 7:25 p.m.
Vote – 3 - Yeas

Respectfully Submitted,

Colette A. Mathieson
Recording Secretary