

**MINUTES OF THE CHESHIRE TOWN COUNCIL PUBLIC INFORMATION SESSION  
HELD ON TUESDAY, APRIL 4, 2017 AT 7:00 P.M. IN COUNCIL CHAMBERS,  
TOWN HALL, 84 SOUTH MAIN STREET, CHESHIRE CT 06410**

Present

Council Chairman Robert J. Oris, Jr.; Vice Chairman Paul A. Bowman; Michael Ecke, Jeffrey Falk, Patti Flynn-Harris, Sylvia Nichols, Thomas Ruocco, Timothy Slocum, Peter Talbot.

Staff: Michael A. Milone, Town Manager; James Jaskot, Finance Director; Gina DeFilio, Deputy Finance Director.

Dept. of Education: Supt. Jeff Solan; Asst. Supt. Shawn Parkhurst; Vincent Masciana, Chief Operating Officer.

**1. ROLL CALL**

The clerk called the roll and a quorum was determined to be present.

**2. PLEDGE OF ALLEGIANCE**

The Group Pledged Allegiance to the Flag.

**3. DISCUSSION RE: PROPOSED FY 2017-2018 OPERATING BUDGET**

Town Manager Milone stated that he presented to the Town Council the BOE budget as submitted by Supt. Solan. Last week the public hearing talked about these budgets put forth. Since that time the Council has met and asked Mr. Milone to put together budget variations for their consideration. These variations will be presented at this meeting; they are variations that still allow for increases in the Town and BOE budgets...but less than what was requested.

Last week it was mentioned that the Council would adopt the budget on Wednesday, April 12th. The Council has decided to move that adoption date to Monday, April 17th per the Town Charter adoption date. The extra time is needed for more deliberation, and more time to refine some of the things to be dealt with.

Town Manager Milone introduced the summary of his proposed budget, with a mill rate of 32.72 mills for real estate and personal property, and 32.00 mill rate for motor vehicles. The average tax increase over 10 years has been about 1.84%, and this year it will be 2.4%. Due to significant revenue losses and unusual one-time expenses, it has had a negative effect on the mill rate.

Mr. Milone reviewed the Town's losses in State revenue.

- Education Aid - revenue loss of \$1,023,075;
- General Government Aid - revenue loss of \$770,706;
- Mandated contribution for Teacher's Retirement - \$3,508,100;
- Mill rate gap of 32 mills on motor vehicles - \$166,546;
- new expenditure for mandated storm water regulation - \$65,100.

**Total of \$8.8 million in challenges to be dealt with.**

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The expenditure mandate of \$3,508,100 for the teacher retirement pension contribution is not reflected in the budget submitted to the Council.

REVENUE - FY 2017-2018 \$110,93,735; increase of \$2,591,507, or 2.40%.  
32.72 mills for real estate and personal property; 32.00 mills for motor vehicles. Every 1/10th of a mill rate reduction generates \$23 in tax savings for the taxpayer. The current mill rate is 31.9 mills; there is a cap in the State budget for 32 mills on motor vehicle taxes.

32.72 mills - the average taxpayer with real estate (average assessment) and two motor vehicles will have a FY 2018 tax bill of \$7,592; \$342 increase; 4.72%.

The total FY 18 Operating Budget is \$110,392,735; an increase of \$2,591,507, 2.40%. There are five components to the Operating Budget.

- General Government - \$31,070,115; increase of \$718,140, 2.37%
- Education - \$70,831,288; an increase of \$1,435,778, 2.07%
- Debt - \$7,266,332, an increase of \$437,589, 6.41%
- Capital Non-Recurring (CNR) - \$1,100,000 (0 increase)
- Contingency - \$125,000 (0 increase)

Mr. Milone explained there is a separate projected \$3.3 million increase in debt service for the first loan payment on the \$32 million WWTP upgrade. The State gave Cheshire a grant of \$7 million for the plant upgrade, but \$25 million must be paid back in a low interest loan. Funds have been set aside over the last few years for this expenditure; there is \$7 million in the debt service reserve fund; the \$25 million State loan first payment + interest of \$3.3 million is due in 2018.

In his 28 years in Cheshire Mr. Milone said this is the worst budget in terms of challenges being faced and the situation will not be easy for next year. He said the State **may** not be able to support what it has promised to municipalities.

Mr. Milone advised that Cheshire is a AAA credit rated community. To get this rating the Councils consistently tried to save money in the fund balance and debt service accounts, and protected other General Fund accounts.

#### FISCAL YEAR 2018 BUDGET ANALYSIS

WPCD Fund Balance -	\$100,000
Capital Non-Recurring (CNR) -	\$250,000
WPCD Commercial Rate Revision -	\$324,549
General Fund Equity -	<u>\$100,000</u>
<b>Total revisions -</b>	<b>\$774,549.</b>

Tax Collection Rate and Debt Service Reserve - were not calculated into the revisions.

Mr. Milone reviewed the three budget scenarios.

**1.23% Increase from the FY 2016-2017 Budget; 32.22 mill rate; .5 mill decrease from Town Manager's proposed budget.**

FY 2017-2018 Total General Government Budget - \$109,126,679.  
Percentage Distribution between Town (34.9%) and BOE (69.51%).  
BOE - budget of \$70,420,131; \$1,204,621 adjustment.  
Town - budget of \$30,889,765; \$537,790 adjustment.  
Average taxpayer impact - \$7,490 taxes; +\$240 increase/3.31%; tax adjustment from Town Manager's budget is (\$102).

**.77% Increase from the FY 2016-2017 Budget; 32.03 mill rate; .69 mill decrease from Town Manager's proposed budget.**

FY 2017-2018 Total General Government Budget - \$108,626,679  
Percentage Distribution between Town (34.9%) and BOE (69.51%).  
BOE - budget of \$70,072,581; adjustment of \$677,071.  
Town - budget of \$30,737,315; adjustment of \$385,340.  
Average taxpayer impact - \$7,445 taxes; +\$195 increase/2.69%; tax adjustment from Town Manager's budget is (\$147).

**.30% Increase from the FY 2016-2017 Budget; 32.03 mill rate; ~~.8769~~ mill decrease from Town Manager's proposed budget.**

FY 2017-2018 Total General Government Budget - \$108,126,409  
Percentage Distribution between Town (34.9%) and BOE (69.51%).  
BOE - budget of \$69,725,031; adjustment of \$329,521.  
Town - budget of \$30,584,865; adjustment of \$232,890.  
Average taxpayer impact - \$7,404 taxes; +\$154 increase/2.12%; tax adjustment from Town Manager's budget is (\$188).

Mr. Milone stated that the average taxpayer increase has been 1.84% or \$121. With each scenario the taxes will increase due to the large revenue losses of State revenue.

Mill Rate Comparison - the decrease in the mill rate (from 0.1 to 0.9) was illustrated in slide #8. 0.1 decrease in mill rate to 32.62 has taxes of \$7,583, +\$333 in taxes or 4.59%. 0.9 decrease in mill rate to 31.82 has taxes of \$7,397, +\$147 or 2.02%. Every \$271,000 represents 1/10th of a mill.

Budget Schedule (revised) - shows Budget Workshops on April 5th, 10th and 12th; and adoption of the budget on April 17th. May 11, 2017 is the petition deadline; June 20th is the budget referendum deadline; and June 27th is the final budget adoption deadline.

\$3.5 Million Teacher Retirement Fund Contribution - this mandate has been imposed on municipalities by the Governor. The Town Council has met and discussed what will be done to deal with this expenditure that is not included in the budget presented. The contribution issue is being heavily mandated at the State level. It is hoped for Legislators to defeat it or phase it in over time. This would also give the towns time to determine other alternatives for more cost savings, and not pass the entire cost onto the taxpayers.

Mr. Milone advised that State statute does allow for a supplemental tax bill, if necessary. The State budget process goes into June and/or July. The Town cannot wait 3 months for final numbers, and must make the best estimate on April 17th, and have good contingencies in place.

#### PUBLIC COMMENTS AND QUESTIONS

Al Adinolfi, Sorghum Mill Drive, asked about the average taxpayer numbers and assessment as the base line, and said there are many taxpayers with higher tax bills.

The average assessment is \$7,250 for the average taxpayer, real estate and two vehicles.

Mr. Jaskot explained that the assessed value of real estate is \$212,780 (70% w/market value of about \$300,000) and \$8,720 for motor vehicles.

Mary Beth Chamberlain, 907 Farmington Drive, asked about the three scenarios proposed, with inclusion of contractual salaries, and if all three cover these contractual requirements. Or, will there be a shortage.

For Town Government, Mr. Milone said the first two scenarios cover all contractual obligations. Scenario #3 has the likelihood of staff layoffs, unless there are some additional retirements.

Supt. Solan said contractual increases are in the budget proposals; there is inclusion of 5 teaching staff; and further reductions in the budget will require looking at making more reductions or changing program offerings. Each proposal with further reductions would require reducing positions.

Jim Brady, 655 South Brooksvale Road, requested a breakdown of the various BOE and Town cuts from the original budget proposal. He asked for information on what percentage of the increase would be covered...i.e. contractual services at 1.6%, and the increase is 1.4%

Supt. Solan asked if this means contractual increases for transportation and like services. He can publicize the contractual arrangements for the BOE, percentage and dollar amount increases on the web site...will do this on Wednesday, April 5th.

Mr. Brady came to Cheshire for the school system, and said a decrease in the BOE and Town budgets will have a negative impact on the prosperity of the town itself.

With regard to the BOE list, Supt. Solan said the concern is about the proposed increase in each of the three scenarios...if they would cover the contractual costs for the BOE. For each contract, he will publicize the percentage increase on the web site.

It was stated by Mr. Slocum that there is an impact on the education side due to the arbitration adjustments and some tuition money. It is about \$250,000. On the revenue

side, should the Council elect to use all the revenues, the \$250,000 will have an impact on the education side of the budget. He commented on the base line with the cost of living impacted by State reductions, and the Council balancing what it is not getting against what it has to extract through taxation to the public. Everything is being taken seriously by the Council and BOE; they are looking for details; and the recommendation is for people to contact their State Legislators and tell them to not put the pension tax onto the towns.

Chairman Oris thanked everyone for attending the session, and said we all live in the community together, and believe in trying to move the community forward in a strong and positive way. While we do represent the children in the school system, a responsibility which is taken very seriously, Mr. Oris said the Council represents everyone in the community...the elderly, those living on social security and fixed incomes. The Council must find its way through this unfortunate situation which is thrown on the town by the State, and is trying to make the best decisions. No one wants to gut the school system or make Cheshire uncomfortable for those living here for many years. The three scenarios are there to be looked at...and they impact everyone.

Mr. Oris noted the fact that the Councilors hears from many people. H; he urged people to get involved, call legislators; and reiterated that the \$3.5 million State pension mandate is not in the proposed budget.

William Keeley, 20 Harvest Court, spoke about the procedures, dates of workshops and their being closed sessions or open to the public, April 17th adoption date, and the budget schedule deadlines.

The budget workshops are open to the public. And Mr. Milone explained that the Town Charter lays out the budgetse dates and deadlines. There is a provision for referendum on the budget. A petition must be filed no later than May 11th; 10% of the electors must sign the petition; 20% of eligible voters must cast a ballot for a valid referendum. The staff and Council want people to be aware of their rights to petition for a referendum, if necessary. If there is a referendum, the Council has until June 27th to adopt a final budget before the start of the new fiscal year on July 1st.

Elizabeth DePaolo, 339 Guinevere Ridge, questioned the Town Manager's budget proposals of a \$2 million increase or \$500,000 less increase from the original budget, and did not see this scenario in the information. She talked about a \$1.3 million increase and a \$1.3 million decrease from the original proposal. She asked if Council asked for a \$2 million increase...which is a \$500,000 decrease.

Mr. Milone noted the \$774,549 was also included as additional revenue and savings. He referred to the starting point...the budget submitted to the Council, with a \$718,140 increase for General Government, and \$1,435,778 for Education.

Slide #5 - 1.23% increase from FY 16-17 proposed budget. Mr. Milone explained the total increase was \$2,591,000; \$591,000 was taken out of the budget, so without the

\$774,549, the increase would be \$2 million. In the slide #5 scenario, \$591,000 taken out of the budget, split between the Town and Education. The General Government portion is \$180,350; Education portion is \$411,157. At that reduction, the adjustment column shows Town receiving \$537,790 and Education receiving \$1,024,621.

The .77% scenario takes what is there, split of another \$500,000 in cuts; in the .30% scenario there is a split of \$1,591,000 in cuts.

Bob Palenta, 200 Jinny Hill Road, asked about the three different proposals, and what it will look like in terms of Town services and BOE budget with each of them.

Chairman Oris said this is being done on the Town Government side with each scenario in terms of cuts, but there are no specifics at this time.

For the BOE budget, Mr. Oris stated that the Council has no authority on how their money is spent. The BOE has identified items for cuts; they will give them to the Council with dollar values; and this would indicate what the BOE cuts mean.

Supt. Solan stated the BOE list of items are for consideration with the BOE decrease, and they will be on the web site. Any decision on what will happen is made collectively with the BOE. Until there is a need to identify priorities, they cannot be stated. With evaluation of the budget, Supt. Solan said the items and costs will be on the web site.

Martha Lindner, 652 Ashland Court, asked about the three scenarios, if they are just proposed ideas, or if Council is leaning towards one or the other. She asked about impact on the taxpayer if the BOE budget is fully funded.

Mr. Oris said the Council, collectively, has not decided on any scenario at this time, but they do show the impact of the dollar amounts. The BOE will get an increase from last year's budget; it could be \$500,000 less than what was requested.

Town Manager Milone said the average tax impact is a \$342 increase or 4.72%.

Ms. Lindner stated she is willing to pay more taxes, but has concerns about her property values not going up as much as they should. She understands the town budget is more than just education, and includes many other services, and more than half of those present in the room support the BOE budget.

Mr. Talbot stated that nothing has been determined on where the Council is on the budget right now. He reiterated the request to Supt. Solan and BOE for numbers associated with the potential BOE cuts. This will be critical in helping him make a decision and not making a decision in a vacuum. If there are going to be cuts, Mr. Talbot said the Council must understand what it will do to the school system. He also commented on the fact that the Council has no authority over the BOE budget and how the BOE spends its money...but the Council needs to know what will happen. The numbers are a critical piece; they give a working knowledge of the Council's effect;

otherwise it is a total guess on what cuts will do to the education system. The deadline for Council adoption of the budget is extended to April 17th...giving every working moment to come up with an equitable solution for all involved.

Mr. Slocum talked about the Council working with the Town Manager to get a full understanding of the impact on municipal services. Nothing is being done in a vacuum, and management comes to the Council with evaluations and how money will be spent. He noted that people living in more substantial homes with higher taxes will see more than a \$300 tax increase.

It was noted by Mr. Bowman that the Council also represents the business community of Cheshire and they will receive a tax increase/impact as well. At this time, Mr. Bowman has not made a decision on the budget; more information from the Town and BOE is critical for the Council to move ahead with its decisions.

Jamie Ferguson, 105 Copper Beach Drive, asked about evaluating the dollar value of cuts and the impact on a reduced education budget.

There is some information from the BOE with a list of items and Mr. Oris said if there is a budget reduction to 0%, this list is what would be cut by the BOE. There are "high, low, medium" ratings. The Council is requesting the BOE to put some dollar values to the items listed for a better perspective.

Ms. Ferguson said her only concern is that encouraging dollar labels along with the items gives the appearance that the Council will be making line item cuts to the school budget. She is not comfortable with dollars attached to the listed items, and believes it is the Council looking for more information. Ms. Ferguson said the perception is transferring authority from the BOE to the Council.

Chairman Oris respectfully disagreed with Ms. Ferguson's comments.

Ms. Ferguson said she does not believe the Council is doing this, but is looking for more edification...but there will be the perception she stated.

Mr. Talbot stated the Council cannot say what BOE line items will be cut. But, the information from the BOE gives the Council a better idea of exactly what it being looked at and the Council's impact on a cut that is made. Right now this is being done in a vacuum...and we don't know what a "low impact" means. If \$100,000 is cut, it could be one item or five items...as Council does not understand exactly what the numbers look like. Mr. Talbot said, ultimately, the BOE has the final say with the dollar figure of their increase...how it will be spent on their programs.

Chairman Oris commented on the Council striving to be transparent, and the taxpayers deserving to see all the information...this is what has been requested from the BOE.

Jim Brady asked Supt. Solan about whether he will provide all this information to the Council, and if there is a plan to get this information. Supt. Solan replied he would consult with the BOE Chair about providing this information, and making a determination about this issue. Looking at the individual items on the list, the Council has the unenviable position of trying to make reductions, either on the government side or BOE side. In looking at the BOE side it is impossible to assess the impact until things are prioritized, cuts to be moved forward first. A reduction of \$200,000 would be different combinations than a \$400,000 reduction. The idea of looking at the items by dollar amount can be misleading. It could not yield the result the Council thinks it would...this will be explored further.

Mr. Brady said there is a gap to the Council making the decision, and if the BOE information is not provided, he is not sure how comfortable the Council will be. The question should not be left open; there should be no impasse; BOE and Council should work together in the short two week deadline to determine the most information needed to make an educated decision.

For clarification, Supt. Solan cited the identified amounts for the BOE list. Low impact - 0 up to \$25,000; Medium impact - beyond \$25,000 up to \$100,000; High impact - \$100,000 and higher. This information will be on the BOE web site, and he will consult with BOE Chair and members about actual dollar amounts for each item.

Ms. Nichols cited her support of education, and is listening to the comments being made. In addition to the BOE budgetary issues, the Council has been able to make necessary department deductions because it has the information needed. Council does not have the luxury of all this information on the BOE side because they develop their own budget and spend their budget. Council is comfortable making cuts on the town government side, and is well aware of the impacts on all departments. Not having the information from the BOE gives discomfort; and there is no handle on what will happen with BOE cuts.

#### PUBLIC

Jodie Monlos, 141 Braemar Drive, 2nd grade teacher at Highland School, commended the Council and BOE for the enormous and important job they are doing, looking at three budget scenarios and making a decision. She hears from people that Council needs to see the impact on the BOE budget. Ms. Monlos invited Councilors to visit her classroom; see the impact on education; and it would be interesting for everyone to see how the classroom has changed. Ms. Monlos, her husband, and children went through the Cheshire school system, and she wants this great education for her classroom students and for them to have these same opportunities.

Councilor Ruocco talked about another aspect that has not been mentioned...the Council's mandate to cover the \$3.5 million teacher's pension contribution...which will not be learned about until after Cheshire's budget is adopted. There will be a requirement to increase the budget or have another appropriation in the budget. This question is still out there, and there could be a referendum for a supplemental tax bill.

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Mr. Ruocco asked the question...what if the referendum fails...the Town still has the obligation to fill without the revenue. The only way to address is, at that point, is to reduce the budget.

Mr. Ruocco commented on the State Legislature making commitments to our teachers that they cannot possible fulfill. People must call their legislators to pay up or modify the pension program... make it less expensive with other plans such as 403-B, matching contributions, different pension formulas. The pension is no good if the State cannot deliver on it, and things have to change. It is a cost issue. Mr. Ruocco stated his children went through the Cheshire school system...one is a teacher and one is a lawyer. During their school years, he voted against BOE budgets. He has confidence in the Cheshire school system and its good quality of education. According to Mr. Ruocco whatever the budget increase, it does not make much difference because of the pension mandate that is threatening the Town of Cheshire. Student enrollment is declining; more people are moving out of the state than are moving in; and we must make the town and state more comfortable places to live.

Aline Nichols, Moss Lane, thanked Council and BOE members for all their hard hours of work on the budget. She has learned to work hard and fight for what is right. The wonderful education system which made people move to Cheshire was provided by the courage and strength of former Town Councils, who approved budgets for good education. Ms. Nichols said she came to the meeting to represent many of the children, asking the Council to fight for these kids, as they do not have a voice to fight for their education. She understands there are other town services for seniors and young parents, but believes in good education. Ms. Nichols asked the Council to cut everything else, but not education.

#### 4. ADJOURNMENT

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MOTION by Mr. Slocum; seconded by Ms. Flynn-Harris.

MOVED to adjourn the public information session at 8:32 p.m.

VOTE The motion passed unanimously by those present.

Attest:

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Marilyn W. Milton, Clerk

received \$537,790 and

