

Town of Hampton
Board of Finance
Regular Budget Meeting
Tuesday, March 25, 2014
7pm
Hampton Town Hall

Meeting Minutes

- The meeting was called to order at 7:02pm by Chair Jeff Clermont.
- Roll call/seating of alternates:

Members present: Ed Adelman, Nick Brown, Jeff Clermont, Dan Meade, Penny Newbury

Alternates present: Mike Higgins

Members/alternates absent: Rick Matejka, Rheo Brouillard, Luci Norton

Others present: 1st Selectman Al Cahill, Selectman Bob Grindle, Hampton Elementary School (HES) Board Chair John Burnham, HES Board of Education (BoE) member Maryellen Donnelly, HES Superintendent Paul Graseck, HES Principal Elise Guari, HES Business Coordinator Sally Lehoux, Recording Clerk Kathi Newcombe, and several citizens.

Mike Higgins was seated for Rick Matejka.

- Citizen Comments:

Mark Becker spoke representing townspeople backing the elementary school who want the budget restored to the same level as the 2012-13 budget; he spoke about the Board of Education's thorough investigation of the buses last year, and stated that the bottom line of the budget which is smaller in comparison to other schools should be considered rather than the cost per pupil which he categorized as very high. He also said that the solution to the poor test scores was not to reduce the budget.

Jo Freeman asked about why the funding for open space was removed and would like it restored. Al mentioned the Conservation Commission made a formal request for a restoration of funds, and he is tentatively adding \$20,000 back into the line item.

Gay Wagner noted that there is much open space money in grants from the State but it is expected that the town will have matching funds; the grant application would be for a specific parcel of land, and without monies specifically set aside, the town would have to ask the taxpayers for special funding. The Conservation Commission has created a list of desirable properties, and planning and funds are both needed in order to take advantage of opportunities. It was noted that there is over \$90,000 currently in the open space account (the amount of the DEEP grant received for the purchase of the Edwards/Vadnais property). She spoke about Joshua's Trust, a collaboration among 14 towns dedicated to protecting open space.

Randy Thompson also spoke about the use of the funds for development rights and to protect the Little River, the watershed, farmlands and large tracts of wildlife and forestry.

Dayna McDermott-Arriola urged the Board of Finance (BoF) to reduce the BoE budget, noting that it took four referenda last year to pass the budget, then only at a reduced level, three of

them defeating a budget whose bottom line less than is being presented for the coming year, saying that it was too high; the student census has dropped by 14 to 112 students; there are opportunities to reduce the staff in light of this; she also spoke about the very low test scores in all areas, lower than disadvantaged cities such as Bridgeport, Hartford, and New Haven, with a higher staffing level before last year's cuts.

Dot Blocker is hoping for balance in decisions about the needs of the town as a whole, with the town having various needs; she spoke about the reduction having to come from the HES budget last year because the other budgets had already passed. She noted that townspeople owning large parcels of land are not on the list of the ten highest taxpayers because of the tax break received for land classified as open space; she noted that Hampton has the highest percentage of open space of any other town in the state.

Craig Philps pointed out that the vote was determined only one vote and 50% the town did not agree with lowering the budget.

Dayna McDermott-Arriola corrected Craig Philps and said the budget passed by two votes and more people thought the budget was too high.

Craig Philps responded that half the town did not agree with lowering the budget and asked that she stop harassing the Board.

Kathy Donahue reviewed the actual results of the final referendum results, noting that by a 282-253 margin taxpayers thought the HES budget was too high, and by a margin of 302-231, taxpayers resoundingly did not want a tax increase. She spoke about the proposed school budget in Chaplin and Scotland and at Parish Hill, all of whom are bringing a much lower percentage increase while experiencing some of same increases in costs as Hampton. She also spoke about bus ridership, class sizes (some of which are as low 9 and 11), combining classes, combine classes in specials such as art and gym, and other ways to economize in order to reduce the impact on the budget and save a considerable amount of money, without impacting the students, such as covering duties with paraprofessionals instead of certified staff. She spoke about the need to raise the mil rate by 5 mils just to account for the drop in real estate values due to revaluation, and estimated that the current budgets would require a 2-3 mil rate increase on top of that, with cars and personal property being taxed at the higher rate as well. She feels a 5.89% increase in the school budget will take the town down the budget cycle as last year.

Gay Wagner corrected Dot Blocker's statement, noting that there is a difference between protected open space and undeveloped land; there are many privately owned parcels of land that are undeveloped and could be subdivided, sold and developed, thus are not considered protected open space.

Linda Gorman suggested that anytime someone questions the ballooning of the school budget they are labelled anti-education and are considered to not care about children. She feels the school is hiding information from the townspeople who are paying the bills when certain line items show up where they've never shown up before. She feels that the superintendent needs more vision instead of hiding information from the town and a real plan on how to get children where they should be with the money the town is putting into the school.

Craig Philps asked about the motivation for the town buying open space, was it to be isolationist, are we trying to keep people from moving into the town; communities are built on new ideas with new people; he feels the school is trying to make headway against 50% of the town that's trying to choke it off. He suggested that if the town doesn't want children to move here, it should put up a sign saying so.

Mark Becker stated that the school kept its budget level for 3-4 years, then went down for the current fiscal year; he doesn't consider that ballooning.

Dayna McDermott-Arriola clarified that it was the taxpayers, not the BoE, that has kept the budget at a reduced level.

Kathy Donahue noted that the census was dropping dramatically also during that time; the school was losing classes because of the census drop.

- 2014-15 Budget Worksession:

HES BoE Chair John Burnham does not understand the comment about hiding expenses; he feels it's an unfair and untrue allegation since the BoE has always had an expanded budget. The BoE is proposing a budget with an increase of \$125,000 over the current year, or 5.89%, which includes about 2% for increased health insurance, contracted salaries, and transportation costs. The Superintendent only takes salary and will not be given an increase this year. There is proposed a 2% increase for the Principal, who is still underpaid also since she also serves as special education director. The BoE has a responsibility to town to provide quality education; it can't control the number of students in town. At some point the town may decide that it can't sustain the school. There is currently one teacher per grade level. The proposed budget is about \$1,500 more than the budget from 2012-13, and he feels unfair cuts were made last year. HES Superintendent Paul Graseck stated that he wants to convince BoF that budget is not full of fluff and is reasonable and should be passed. He stated that special education costs in Eastford are \$20,000-25,000 for very part time services and exceeds \$11,000-15,000 in just about every other town. The proposed 5.89% increase budget is \$1,568 than the budget proposed last year before an MBR maneuver led to a 5.5% or \$124,109 cut. It reinstates positions lost due to the cuts in the current budget, there was belt tightening in many categories creating a very risky budget, other cuts were made to balance the increases. He stressed that he must have personnel to run a first-rate school; he must deal with infrastructure issues, but may not be able to because of the possible need to use the maintenance line for other items, and mentioned some of the risks already taken in the current year such as cuts in heating oil. Costs continue to rise, and the budget is so tight in so many places, they are all working hard to be efficient but it's not easy to manage. Because what he characterized as an end-run around intent of the MBR, the school is climbing out of a deep hole. If this budget is not passed, the school will have to endure deeper personnel cuts than this year. The budget this year was reduced by a percentage that is the highest in the State, per Supt. Graseck. He claimed that the town has been talked into believing, by a major publication, that the modest education budget was irresponsible and that the cut to the elementary budget was approved last year because it could be, not because it should have been. He distributed several documents, one showing the increase in the education budget over the last eight years, one comparing the change in the general government budget vs. the school budget over the last six years, and the last showing the impact of the Education Cost Share (ECS) grant as well as special education and transportation grants on the elementary school budget and calculates the net per pupil cost to the town as \$12,728. He suggested that the town didn't necessarily spend the ECS grant on education. He states that the school budget is a victim of cuts while the town is spending money on lots of other items. According to the documents, the education budget was fairly stagnant at a 3.04% increase over six years while the government budget increased 23.29%.

1st Selectman Cahill noted that the general government budget absorbs the cost of all capital projects including the payback of the loan for the school roof as well as the new town garage, and without those items the government spending over the last six years would have been far less; Supt. Graseck responded that funding town assets is the responsibility of the town, not the school, and claimed that the school has similar needs but the school does not have the ability to

expand its budget the same way that the selectmen can expand the government budget. According to Supt. Graseck, the school personnel are hedged in, and it's very hard to make ends meet when trying to produce a quality education.

Principal Elise Guari presented a document outlining initiatives in the last year and a half, including a new website (allowing the school to go green and reduce paper), revision of curriculum in language arts and math to align with and implementation of Common Core, an increase in extracurricular activities, purchase and implementation of Ipads for all students (for practice and testing), new assessment tools for measuring student growth, and working in collaboration with surrounding schools in testing and professional development training. She noted that the school is moving toward Smarter Balance (SBAC) testing (aligned with Common Core) instead of the Connecticut Mastery Tests (CMTs) which are being phased out, and noted that there are now three assessments per year being given to each student at each grade level in math, reading and language arts to allow measurement of student growth and tweaking of curriculum according to the assessment results. The school is entering a new phase of technology with the school going wireless, multiple online assessments, and the purchase and use of Ipads in grades 3-6, allowing reinforcement of the curriculum and practice with the online testing. The additional extracurricular activities are supported by a late bus one day per week for grades K-6 for clubs, funded through grants and other sources, as a result of responses to a parent survey, and noted that grant-funded activities are threaded throughout the school day as well as in after-school clubs. She discussed some other grants and fund-raising activities which have added to the school experience as well as Common Core aligned books and materials for the Media Center.

Supt. Graseck stressed the need to keep the Principal because of her great value to the school, working as not only Principal but also Special Ed Director, as well as filling in in other areas. He justified his salary which he categorized as a bone of contention: he is not retired as many Superintendents in part-time positions are, and needs at least a half time position in order to earn retirement benefits; he stated that actually works 4-5 days per week and acts as facilities manager as well as Superintendent. He stressed that the school is not top-heavy in administration as has been said, since the school has only one-and-a-half administrators. He discussed his research into hiring an in-house qualified maintenance person but determined that the cost of investment in equipment to make this happen would be too much in the current budget climate; instead he maintained the contract for housekeeping services at same price as the last two years, and discussed what that service entailed. With the budget very tight year after year, and the addition of security concerns, special education costs, cafeteria equipment breakdowns, and other costs, he said that he is constantly shifting and moving monies around, trying to make things work, hoping "to keep the walls from caving in as attacks occur"; he said that he considers the proposed budget a conservative one with necessary increases, and urged the BoF to both approve the budget as is, but "go to bat" for the budget.

1st Selectman Cahill asked what the MBR is according to the State Department of Education; Supt. Graseck responded that the HES budget does not qualify for reduction due to a decline in enrollment, so that the same amount approved for the current year, or \$2,132,079, is the MBR; he stated that it was only because of a special circumstance that the town was able to take advantage of the elementary school last year; the reduction was all on the shoulders of HES; Regional District 11 (RD11) didn't have to absorb any of the \$124,000 reduction. He stated that what some might consider a budget target is \$2,132,079.

Mike asked what the total amount is for contracted personnel costs; Supt. Graseck said that the line showing the certified teacher salaries – line 104, shown at \$924,323.

Penny verified that the increase for health insurance is \$22,831, and then asked what are other the big chunks of increase in the budget that total the rest of the \$125,678 increase in the bottom line; Supt. Graseck responded that the large increases included certified staff (\$63,699 - negotiated contract increases), non-certified staff (\$2,843 – step increase on the salary scale put in place last year), and cafeteria deficit (\$17,599).

HES BoE Chair John Burnham clarified that only about \$23,000 of the certified staff line 104 increase is contractual; the rest is the full restoration of staff cut in the current budget. Al asked about the lunch participation; the response was that 104 students attend lunch, 21 free and 4 reduced price meals are provided daily, a total of 77 meals.

Mike asked if the purchase of fuel oil goes out to bid with the town; Supt. Graseck stated that the school has a locked in price of \$3.07 per gallon, plus the federal excise tax of .25%.

Diesel fuel is purchased in conjunction with the town.

Ed asked about the feasibility of cooperative purchase of oil with other districts.

Penny asked about whether combining classes had been considered in creating the budget; Supt. Graseck said that the two smaller classes were not contiguous. Principal Guari said that decisions should be made based from an educational standpoint, not as a way to reduce the budget. There is no enrichment at the school so art, music, drama, and gym are the enrichment. She always wants to reduce the impact to students. Penny clarified that combining classes might actually be better for the students, since some of the classes are so small, they can have a negative impact socially.

Penny asked about a way to simplify and shorten the 38-page long object report, by eliminating all the lines where there is zero budgeted. Supt. Graseck pointed out the summary page which does not contain all the detail; he will also make a simpler version available.

Jeff invited questions from the audience.

Kathy Donahue spoke about the school's failure to apply for grants that could have covered the Ipad cost, extracurricular programs and security costs. Many surrounding schools did apply for those grants and received significant amounts of money to fund those types of items and offset the cost on the taxpayers

Dayna McDermott-Arriola asked about OT/pt lines are now zero; Supt. Graseck indicated that those services moved to another line item as employees instead of contracted services.

Irene Brown asked developing an incentive for volunteering to write grants; she is worried that the town will insist on continuing lower the cost of education even with reduced census; she suggested that there be an understanding that the town will agree to fully fund the education budget if grants are received, or what's the point in volunteering; successful grants may mean that some of the ammunition against the school will be reduced.

HES BoE Chair Burnham said he thought the Ipads were purchased before technology grant became available. Supt. Graseck stated that he was given bad information about the eligibility for the grant.

Carrie Boron cautioned against relying on grants which can vary in availability every year.

Gay Wagner disagreed and said that good planning allows steady stream of income from grants.

Mike asked about the technical services; Supt. Graseck replied that this line covers a "techie" from EastConn one day per week working on network and other issues.

Ed asked about scheduled updating of computers; Supt. Graseck spoke about using the Rural Education (REAP) grant to fund scheduled replacement of computers, but will not assign as much from that grant since he needed it to restore reading intervention staff person; the donations that came in did not allow the restoration of all positions.

Nick asked about Speech&Language - line 335 doubling over two years; Supt. Graseck reported that an employee who retired was replaced with a contracted person, as well as an additional special need cost. Some of the cost used to be in the certified staff line item line 104.

Penny asked how the BoF itself will discuss the budget, could members circulate questions among themselves; Dan suggested putting questioned items on the agenda. Penny suggested compiling list of questions to be forwarded to the Superintendent and/or Board Chair. HES BoE Chair Burnham cautioned the BoF members that they could individually submit questions, or could discuss the budget and questions in open session at a meeting, but could not correspond among themselves about what questions will be asked. It was decided that the questions will be directed to the Recording Clerk, who will consolidate the questions and forward on to the school personnel.

Nick asked about how much Paraprofessional time is related to special education – only 1.25 person is assigned to other than special ed. He also asked what other grant money is available for special education; the response was that there are two grants, that don't appear in the budget, the budget is net of the grants. There is also IDEA grant money that comes in to the town.

Ed asked about salaries and retirement incentives he read about in the Courant; he suggested that retirement incentives be considered in bringing down the salary line items. HES BoE Chair Burnham stated that he was still bearing scars from the last round of incentives. Supt. Graseck responded that he had spent a lot of time two years ago compiling a set of retirement incentives, trying to appeal to several staff members in order to glean maximum savings. He stated that many townspeople criticized the BoE for considering the incentives, and although the incentives were put back on the table at the last minutes, the staff felt that they did not have enough time to consider their options.

Dayna McDermott-Arriola stated that incentives have been offered three times in the last ten years or so. One person took advantage of the incentive in each of the first two times offered, and no one took advantage of the third offer. Last year when no incentive was offered, two teachers retired. She suggested that offering the incentives more often makes people expect it to be offered, and then is considered a retirement bonus rather than an incentive.

Ed suggested that offering extended medical insurance would be an incentive.

The full RD11 budget, with a 1.6% increase, was presented, but not the impact to the towns, since that has not yet been finalized; according to RD11 Superintendent Kenneth Henrici, on 4/8 there will be a public hearing and a Board meeting to decide if any monies from the RD11 general reserve fund will be allocated to offset the budget. At this point, Supt. Henrici said that Hampton's allocation would be reduced by about 2½% over last year's.

- Next meeting date, time & agenda: Jeff suggested that the 4/1 meeting be cancelled, to allow enough time for BoF members to come up with questions and school personnel to prepare responses. A line item to discuss the 2014-15 budget will be added to the agenda of the regular monthly meeting on 4/8.
- Citizen Comments:
Kathy Donahue asked for the budget discussion to be later on the agenda of the next BoF meeting so that those who want to attend the RD11 meeting the same evening can come back for that discussion.

Mark Becker spoke about the school areas that were cut last year when the budget was cut: freezing supply line, no winter concert, no instrumentals or drama, no 2nd grade recorders, reduced math & reading support and guidance. He feels that it will cause the students to lose out on all the programs again if the budget is cut again. He doesn't understand how anyone can think that such a cut will not have an impact on students.

- The meeting was adjourned @ 9:09pm.

Respectfully submitted,
Kathi Newcombe
Board of Finance Recording Clerk