

Minutes Approved on _____
With Corrections _____
Clerk Initial _____ Date _____

Town of Hebron
Board of Finance
April 12, 2012
Public Hearing
RHAM High School Auditorium

RECEIVED

2012 APR 18 P 2:13
Anne Hughes
HEBRON TOWN CLERK

Members Present: M. Hazel, P. LoBianco, M. Leichter, L. Guerriero, T. Sousa, P. Verrier

M. Hazel called the Public Hearing to order at 7:05 p.m.

M. Hazel outlined the budget process and summarized the budget goals set by the Board of Selectmen. M. Hazel stated that the process was a collaborative effort between the boards, and that he felt a reasonable budget was being presented. M. Hazel stated that the meeting would open for Public Comment after the presentation, and requested individuals be respectful. M. Hazel led the public through a slideshow presentation of the proposed budget, noting that the Town Government portion of the budget was 4.79% lower; that the HBOE budget was 1.85% higher, and that the budget proposed for RHAM was 4.05% higher. M. Hazel further noted that the RHAM debt was 5.37% lower. M. Hazel pointed out that education expenses represented the largest percentage (75%) of the budget, and reviewed the expenditure history of the Town Government budget. M. Hazel summarized the new line items for Capital Projects and Revaluation, which were formerly in CIP, and the desire to put some funds into the Capital Non-Recurring account to cover unexpected items if necessary. M. Hazel further noted the intent to flat-fund Open Space. M. Hazel stated that increased costs for health insurance and contractual raises existed, and that two budget initiatives include increasing the Fire Marshal position to full-time to cover Emergency Management Director responsibilities, and to fund an Economic Development Coordinator position at 16 hours per week. M. Hazel reviewed the history of the HBOE budgets, noting that the elimination of Federal Jobs money was only partially offset by an increase in State ECS funds, and because the Federal money was required to be applied to offset expenses, there appeared to be an increase in HBOE spending that was greater than the actual .67%. M. Hazel stated that health insurance costs were significant, and the contractual raises were effective this year as well, and were partially offset by an early retirement incentive program offered, and the reconfiguring of some administrative functions. M. Hazel informed the public that the Hebron student population of RHAM increases the levy from 54.22% to 54.74%. Factors impacting the RHAM budget also include health insurance increases, heating oil and diesel cost increases, the implementation of Common Core requirements, the loss of \$326,880 in Federal Jobs money, and statutory requirements, noting that the Certified Staff had a 0% increase. M. Hazel reviewed the CIP Committee recommendations, noting that the Siemens Energy Project was underway. M. Hazel stated that CIP has been relatively flat funded for many years and that it was important to maintain the roads and keep the rolling stock funded. M. Hazel noted that the proposed recommendation was for all three tiers, and that it represented a General Fund increase of \$18,000 over the prior year. M. Hazel reviewed proposed revenues, noting the decrease in Building Permit Fees and Interest Income. M. Hazel noted that the Debt Management Fund was depleted and that State Revenues increased but that the loss of the Federal Jobs money represented a decrease of \$73,000. M. Hazel expressed concern with the depletion of Debt Management, noting that it is a useful mechanism in controlling the impact of taxes. In a review of changes to the Grand List, M. Hazel stated that revaluation significantly impacts taxpayers. M. Hazel noted that the proposed budget represents an increase in the mill rate of .29 without revaluation factored in. With revaluation, the increase is an additional 3.77 mills, for a cumulative increase of 4.06 mills. M. Hazel reiterated that the issue is not out of control spending as much as it is the result of the revaluation process; one that is out of the Town's control because it is mandated by the State. M. Hazel summarized the impact to the mill rate as increasing .4% without revaluation, and increasing 13.4% with reval.

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(cont'd)

M. Hazel reviewed the parameters for Public Comment, requesting individuals limit comments to three minutes to allow all to participate; to refrain from speaking out of turn or from the floor; to be respectful of other opinions; to refrain from reading correspondence from others not present; and noted that questions may be addressed by liaisons to respective boards.

M. Hazel opened the Hearing for Public Comment.

Liz LaChappelle, of Charles Lane, endorsed the HBOE budget as proposed, and thanked the board for clarifying the pieces of the budget. Ms. LaChappelle noted that it was an unfortunate year for all boards but that changing the budgets wouldn't make anything easier. Ms. LaChappelle suggested that the boards have done well and requested that people be allowed to vote on the budget as is.

George Alden, of Stone House Road, thanked the board for a good presentation and expressed a desire to see some changes including a decrease in staff where possible. Mr. Alden endorsed sharing services with other towns, noting the benefit seen by East Haddam, and agreed that while residents want to see services maintained, reductions in staff should be considered in an effort to lower the budget.

Donna McCalla, of Old Colchester Road, expressed appreciation for the boards for their efforts and their presentation. Ms. McCalla noted that those with affordable housing will be hit the worst with the tax increase. Ms. McCalla further noted that the proposed budget was offset by a debt reduction and expressed concern about when the RHAM debt comes off. Ms. McCalla stated that building permits have dropped significantly, and that Open Space was voted on at a Town Meeting and those efforts shouldn't be minimized. Ms. McCalla expressed her opinion that the proposed Economic Development Coordinator position would be nice to have but that the Town pays to belong to CCM and CERC, who could also do that work. Ms. McCalla stated that personal costs are increasing, as is utility costs (despite efforts to conserve), and that individual's personal budgets are not increasing. Ms. McCalla concluded by stating that she understands that revaluation impacts the budget significantly, and that this is not the right year for spending initiatives that include new positions.

Loreta McDonnel, of Burrows Hill Road, inquired if any efforts were being directed towards outreach to provide information to the public. M. Hazel stated that meetings were open and that members of the press were present, and that the boards do the best they can. M. Leichter noted that a number of meetings were held by the Assessor's Office and the Board of Selectmen as well, and that the Assessor encouraged people to make an informal appeal to verify their assessments. M. Hazel stated it was hard to bring information to the public when nobody attends the meetings. Heidi Nelson spoke in support of the HBOE budget and stated she was glad that the parking lot improvements were in CIP as well, noting that it needs to be done.

Linda Bulkovitch, of Senate Brook Drive, stated that having watched a number of presentations over the years, she's found them to be very helpful. Ms. Bulkovitch requested the percentage of homes in each of the categories reflected in the presentation, noting that the bigger picture would be useful. M. Hazel suggested that the Assessor's office would have that information. Ms. Bulkovitch further suggested establishing a business association for networking. J. Watt stated that one did exist a number of years ago but eventually disbanded, and noted that the Town was part of the Windham business groups and that EDC was trying to reestablish the business community and looking at partnering with Glastonbury as well.

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With no additional comments from the public, M. Hazel closed the Hearing to Public Comments.

M. Hazel moved to adjourn the Public Hearing. M. Leichter seconded. The motion passed with all members in favor and the Public Hearing adjourned at 8:13 p.m.

Respectfully Submitted,

Brian Whalen
Board Clerk

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Anne E. Hughes
HEBRON TOWN CLERK

Members Present: M. Hazel, P. LoBianco, M. Leichter, L. Guerriero, T. Sousa, P. Verrier

M. Hazel called the Regular Meeting to order at 8:15 p.m.

Public Comment:

None

Consent Agenda:

M. Leichter moved to approve the March 20th and 22nd, 2012 meeting minutes as presented. P. LoBianco seconded and the motion carried with all members in favor.

New Business:

Proposed 2012 / 2013 Budgets – L. Guerriero noted that public feedback tonight didn't differ much from that put forth over the entire budget deliberation process, and that some don't support the proposed budget but not a majority, and expressed that she was comfortable moving forward. M. Hazel stated that after all the meetings, and given the constraints, RHAM's increase was primarily due to the population shift; CIP's increase was due to increased material costs and the need to catch up on deferred items; the Town Government's budget was the result of the BOS decision to prioritize spending, and that he didn't find it grossly objectionable; and that the HBOE budget, considering increased health insurance costs and contractually negotiated requirements, was responsible and employed creative means to limit expenses.

P. Verrier stated that Board of Finance members represent the public and that they are responsible for scrutinizing the budgets to make sure the public needs are being looked after. Ms. Verrier stated she understands that contractual expenses exist but inquired when the increases would end. T. Sousa stated that the spending would stop when the BOS and BOE says it stops; when they decide that layoffs are necessary, and that the budget is hard to sustain considering population declines.. Mr. Sousa went on to state that while he used to object to funding Open Space, he now is in full support of it and suggested further discussion in the future, citing the fact that voters approved up to .5 mill contributions that have never been fully funded.

M. Hazel reminded members that the HBOE experienced a decrease in insurance costs last year, and that the salary increases were contractual. M. Hazel further noted that a review to evaluate staffing functions would take place, as well as to assess mandated administrative roles as they apply to population changes and the role of the Special Education Curriculum Director. M. Hazel noted that teaching positions were eliminated and that while a lot of focus is on the HBOE budget, it is important to remember that the Town pays more than 50% of the RHAM budget as well. M. Hazel stated that the Town continues to do more with less money and that this CIP recommendation attempts to catch up on some deferred items.

M. Leichter suggested it was a difficult budget season, especially after having budgets reduced in the past two cycles, and that members looked at all line items and made adjustments that were meaningful. M. Leichter noted the need to recognize the fact that the early incentive retirement program saves money, but it also translates to the loss of 130 years of teaching experience that the Town should understand and appreciate. M. Leichter agreed with the comments about Open Space and reduced expenses by regionalizing, and suggested all departments continue to consider it where feasible, and stated that he can support the budget as is while recognizing it will be difficult going forward.

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M. Hazel moved to bring to referendum on May 8, 2012, the proposed budget of \$34,283,837 for FY 2012 / 2013. M. Leichter seconded. The motion passed 5-1-0 with P. Verrier opposed.

M. Hazel moved to bring forth to referendum on May 8, 2012, the proposed CIP budget of 923,968 for FY 2012 / 2013. P. LoBianco seconded. The motion passed 5-1-0 with P. Verrier opposed.

M. Hazel acknowledged receipt of a letter from David Morrison, of Blackman Road in Hebron, and requested that it be added to the minutes as a submission for Public Comment.

Motion to Adjourn:

M. Leichter moved to adjourn the Regular Meeting. The motion passed with all members in favor and the Public Hearing adjourned at 8:45 p.m.

Respectfully Submitted,

Brian Whalen
Board Clerk

David Morrison
130 Blackman Road
Hebron, CT

April 12, 2012

To the Board of Finance

Reference: Public Hearing April 12, 2012 - Read as comments at the meeting for the Record

I have an important Colchester Land Trust meeting tonight and will be unable to attend the RHAM hearing.

You have listened to my 'On the record' testimony several times and have received hard copies of the data and facts assembled by a group of hard working taxpayers in Hebron. There is no need for me to repeat what has been said in many ways and displayed on the data sheets presented to you.

As I expressed several times, although revenue has been stated as the driver for Hebron's budget woes, many taxpayers know that excessive spending in several budgets are also a major driver in balancing the budget to a desirable Zero base budget.

I trust you have taken a serious review of the documents, and although it appeared that there was minimal public interest in the budget process, the presentations I made were in the benefit of many.

Documents made available to the BOF and BOS:

- Education costs per household
- Education costs per total revenue in town
- Education costs per total expenditures in town
- Summary of District Reference Group C
- 2005 -2013 student enrollment history
- Water Pollution Control Authority web site description
- Hebron land record documents

I will not support this Budget as it stands.
I will vote no unless a zero based budget is presented to the voters.

Respectfully,

David Morrison
Blackman Road, Hebron