

Board of Finance
Marlborough Elementary School - Media Center
March 31, 2016
Budget Workshop Special Meeting
7:00 P.M.

Call to Order

Chairman Knowlton called the meeting to order at 7:00 p.m. Seated were Doug Knowlton, Cliff Denniss, Ken Hjulstrom, Erik Young, and Susan Leser.

Public Comments

Joe Asklar, Fire Marshall, 24 Islieb Road, asked the Board if they had any questions about the documents he had submitted to them and they did not.

Rich Storrs, 6 Stage Harbor Road, said that just because the school population has decreased, does not mean that the education budget should decrease at that same rate. There is still a nurse to pay for, insurance, electricity, counseling, art, etc. If you cut teachers, you are going to cut the newest teachers which are the least paid. Rescind your \$200,000 cut to the education budget.

Joe Peak, Lake Advisory Commission (LAC), said they have cut back their budget with less fish stocking and mailing their newsletter in with the Rivereast. The cove has cattails and phragmites growing. There has also been an increase in pond weed near the docks which is good for the fish habitat, but small children could get caught in the weeds. The LAC is asking to almost double their budget from \$10,350 to \$20,250 mostly for weed control.

Pam Farrington, Jerry Daniels Road, said the budget is falling on deaf ears. She commended Mr. Hjulstrom for voting against the motion to decrease the education budget. Residents won't be able to sell their three and four bedroom houses if there isn't a good school system.

Ana Geltier, 31 Finley Hill Road, echoed Ms. Farrington's comments.

Budget Deliberations

The RHAM budget number has increased. Mr. Knowlton said this budget is a moving target. Mr. Hjulstrom asked about the legal fees and if the BOS believe they will need the entire \$75,000 they recommended in the budget. There will be one union negotiation this year and that can cost between \$20,000 and \$30,000. The First Selectman said that you never know what will come up that needs legal advice. There is a note due this year, Phase 3 of the sewer project is starting and there are still lawsuits from the first two phases.

The financial situation is bleak. The Board needs to take into account the entire population of the town and decide how much the taxpayers can afford to pay. The preliminary budget came in at a 5.4% increase. Mr. Knowlton said that he'd like to see it come down another 2% and that would mean finding \$600,000 to \$700,000 reductions. Also the Undesignated Fund Balance has gone down over the years from around 11% to about 8%. The Grand List is just about flat even with the revaluation. The debt is growing. Marlborough has one of the highest per capita debt in the state. This means the budget must be trimmed somewhere. There was a big tax increase last year and the sewer fees are rising so the

budget will have to come down. RHAM added some of their capital items to the budget changing the increase from .28% with a separate capital question to a .95% increase with some capital items included and no extra question. Marlborough's levy is \$8,551,075 which is a 3.84% increase.

The Board began discussing how to go about reviewing the budget. The BOF is not allowed to make any changes to the RHAM budget. They are allowed to tell the local BOE how much to cut their budget, but not tell them where to make the cuts. As far as town operations, the Board has made reductions in two different ways. For many years, they changed line items, but in some recent years they have gone through the budget looking at line items, but only giving the BOS a final number. The Charter is vague in regards to this. This is one reason the town needs to open the Charter and put together a Charter Revision Committee. The First Selectman believes the BOF should give guidance as to where the BOF believes there is room for cuts but just give them a bottom number to work with. They do not want the BOF to make line item changes.

MOTION: Mr. Hjulstrom made a motion, seconded by Mr. Denniss, to reduce legal fees from \$75,000 to \$65,000.

VOTE: For: Knowlton, Denniss, Hjulstrom

Against: Leser, Young,

Motion failed.

MOTION: Mr. Hjulstrom made a motion, seconded by Mr. Denniss, to recommend reducing legal fees from \$75,000 to \$65,000. **DISCUSSION:** This motion was to recommend to the BOS, not actually make the cut, to lower legal fees by \$10,000.

VOTE: For: Denniss, Hjulstrom

Against: Leser, Young, Knowlton

The Board discussed suggestions verses reductions. The First Selectman said there is no legal opinion on this, but the CFO does not tell the CEO where to make cuts in a corporation.

The Board began going through the budget making a list of possible reductions to try to come up with a reasonable number and then see where that number puts the tax increase at. They discussed there could be a \$73,000 reduction if the town reduced one Resident State Trooper and added hours to the constables. By keeping one Resident State Trooper, the town will still be part of Troop K and have investigative services, use of the police station, someone to oversee the constables, etc. The First Selectman said that many times when our Troopers are supposed to be covering Marlborough, they are at training, assisting another town, or possibly responding to an accident on Route 2.

There would be approximately an \$8,000 savings if the town hall clerical position for a floater is removed. This person is not yet decided but it would be the assistant from either the tax or clerk's office and would not make them eligible for benefits. There could be a savings by not giving raises to the elected professional personnel (BOS, Treasurer, Tax Collector, Town Clerk) since they are not in a union. There is nothing you can do with the union employees, just like the schools. Mr. Denniss suggested the registrars receive a 2.5% increase like the other staff because they have had freezes in the past. The contracted services item in the land use budget is the Building Official that we share with the town of Hebron with him here 40% of the time and in Hebron the remaining 60%. There is money in the budget to make the Park & Recreation Director a full time position with full benefits.

Under the Fire Commissioner's budget, there is \$25,000 for the volunteer incentive program. Fire Commissioner Mike Schadle said that there is a point system in order to retain volunteers. There is new software to help track how many times a volunteer attends a training, responds to a call, etc. This is the same software that will produce reports for the fire marshal's activities. The First Selectman looked at a CCM survey that showed the salaries for fire marshals in similar size towns to try to come up with a fair salary. Ms. Traversa said that it is difficult since she does not know how many hours he works. The salary has gone up, but the family health insurance has been removed. If Ms. Traversa allowed one part time employee to receive insurance benefits, then she would have to let the other 23 part time employees participate also. She is looking forward to receiving copies of new reports. The Fire Marshal reports to the Fire Commissioner.

Insurance and bonds have been removed from various sections of the budget and put into one line item per CIRMA's suggestion. The Assistant Treasurer said there shouldn't be a big increase in that number. The Nutmeg Network should not cost any more than the town is currently paying for Internet. In fact, the First Selectman said that it may be cheaper. This is a regional collaboration through CROG and CCAT. They discussed the increase in electricity of 3-5% in different locations. The oil and gas is locked in through a multi-year contract with RHAM, Hebron, and Andover. There is \$5,000 put into the Economic Development Committee's budget. This is for a consultant to be able to assist with tax abatement and economic development.

LL Bean is coming from Maine to meet with the First Selectman. Ms. Traversa hopes to discuss ways to help defray the costs of treating the lake for the weeds and re-negotiating the contract. Ms. Traversa would like to combine services for van usage with other towns as a cost savings and to be more efficient. Marlborough is currently sharing Hebron's Animal Control Officer. The towns of Salem and Colchester also share the pound in Colchester.

There was a discussion regarding the paramedics from Middlesex Hospital. The paramedics are called for breathing problems, seizures, heart attacks, etc. The hospital has not had to pay taxes to the state, but now they are being billed and want to pass part of that cost along to the towns they service. They are charging \$1 per capita this year which is just over \$6,000. Most of the board was in consensus that \$6,000 was worth it even if the paramedic saved just one life.

Next they discussed the capital items. Mr. Hjulstrom asked the First Selectman about the water system. He thought she was not in favor of putting more money into the water system until we knew exactly what was going to be built in town. Ms. Traversa said that the \$150,000 is an educated guess. Mark's and China Sea will need to connect to the water system. Mr. Hjulstrom said that the BOE has money in their budget for the water system that will become a public water system.

Mr. Dennis said that he would remove the \$45,000 for future capital items; \$13,000 for energy improvements; \$5,000 for the UTV for the fire department; \$8,000 for the town hall floater position; \$74,000 for the Resident State Trooper; and \$6,500 for the paramedic.

Mr. Hjulstrom said he would like to remove the \$5,000 for the Charter Revision since we have no idea when we might get a Charter Revision Committee together and what it might cost.

MOTION: Mr. Dennis made a motion, seconded by Ms. Leser, to reduce town operations by \$80,000 making their budget \$4,782,525. **DISCUSSION:** That is not enough. The Resident State Trooper is

almost \$75,000 alone. If we keep in the elected official's raise and all the legal fees, at least we know that the money will be used to offset next year's budget by putting it in the Undesignated Fund.

VOTE: For: Denniss, Knowlton, Leser

Against: Young, Hjulstrom

Motion failed.

MOTION: Mr. Hjulstrom made a motion, seconded by Mr. Young, to reduce town operations by \$100,000. **DISCUSSION:** Let's compromise because \$100,000 might be too much. There are less than 600 students in the school and more than 6,000 residents in town. The town operations budget is much lower than the school budget based upon the population served.

VOTE: For: Young, Hjulstrom

Against: Denniss, Knowlton, Leser

Motion failed.

MOTION: Mr. Hjulstrom made a motion, seconded by Mr. Denniss, to reduce town operations by \$90,000. **DISCUSSION:** We'll have to see where that puts us.

VOTE: For: Young, Hjulstrom, Denniss, Knowlton

Against: Leser

Motion passed.

After the motion was made, the Assistant Treasurer reminded the Board that they should review the revenue page. It shows \$188,000 coming in from the state, but with the way the state budget is, many towns are not counting on the money and not using it in their figures for the budget. Ms. Traversa said that they did not use inflated numbers in this budget.

Approval of Minutes

The Board tabled the minutes to their next meeting.

Public Comments

Evelyn Godbout, Selectman, said she knows how difficult it is to put together a budget and she appreciates all the work the BOF spent on it.

Rich Storrs, 6 Stage Harbor Road, said there are unfunded state mandates at the school. We need to either raise taxes or raise the tax base and it doesn't look like we are raising the tax base. Stop cutting from the school budget.

Ana Geltier, 31 Finley Hill Road, said fire and public safety budgets are more important than the school budget. Compare an adult with a medical emergency versus a child not getting an iPad.

Joe Peak, LAC, said that if the town delays the weed control program, it will only be more costly in the future.

Barbara Murray, Tax Collector, said there have been major cuts in staff at town hall. Everyone works together to help each other out, but interruptions take time away from our offices.

Cliff Denniss, BOF member, said he uses the lake, has a grandchild in the local school and another one at RHAM and he is a senior citizen. Write to your senators, representatives, governor.

Nancy Dickson, Town Clerk, said that the paramedics saved her husband's life many years ago. Having a paramedic is very important.

Doug Knowlton, BOF Chairman, said the hospital hasn't charged anyone and they have been operating on a \$1 million loss. Senior citizens are our growing population.

Adjournment

Ms. Leser made a motion, seconded by Mr. Young, to adjourn at 10:22 p.m.

Respectfully submitted,

Deborah Rihm
Board Clerk