

Minutes of the Town of Farmington  
Special Town Council Meeting  
March 16, 2017

**Present:**

Nancy W. Nickerson, Chair  
Jon Landry  
Peter M. Mastrobattista  
Gary Palumbo  
Amy Suffredini  
Meredith A. Trimble  
John Vibert

Kathy Eagen, Town Manager  
Paula B. Ray, Clerk

**A. Call to Order**

The Chair called the meeting to order at 4:00 p.m.

**B. Pledge of Allegiance**

The Council and members of the public recited the Pledge of Allegiance.

**C. Public Comment**

There were no public comments.

**D. To consider and take action on the proposed FY 2016-2017 Operating Budget**

Motion was made and seconded (Trimble/Mastrobattista) to consider the Town Manager's Proposed Operating Budget.

Adopted unanimously

Chris Fagan, Chair of the Board of Education; Kathy Greider, Superintendent of Schools; Kim Wynne, Assistant Superintendent of Schools; Vincent LaFontan, Business Manager; Amy Barret, Human Resources Board of Education and Matt Ross, Director of Technology Board of Education reviewed the Board of Education Recommended Budget and answered Council questions.

**100 Series - Salaries**

The Superintendent called the Council's attention to the final blue sheet in the section which showed that including administrators, certified and uncertified staff there were 4.15 more employees in the budget. She then reviewed increases and decreases in the number of teachers for each school and town wide.

The Chair questioned how the unassigned teacher history was shown in the budget history and asked for follow up information. The Chair questioned why there was a request for new cafeteria monitor at East Farms School since the enrollment wasn't increasing next year.

Mrs. Suffredini questioned how the Board of Education handled the mid-year cuts in State funding. Mr. Ross said the Technology budget was cut by \$60,000 by trimming some from several accounts. Mrs. Suffredini questioned what was lost because of the \$115,000 mid-year cut from the Open Choice grant. The Superintendent told the Council it limited the number of math tutors, achievement gap strategies, homework club and family engagement events.

The Chair questioned if the Board of Education was considering re-districting since East Farms appeared to be crowded. The Superintendent told the Council that the enrollment study showed future growth in the Union School District and future declines in the East Farms School District, which discouraged any thoughts of re-districting, but the projections are analyzed every year for any changes.

Mr. Landry asked if the collaborative pre-schools were required. Mr. LaFontan explained the services provided to children that come from the Birth to Three program were mandated, but it was best practice to build a collaborative pre-school model, which affords the children with mandated services the opportunity to interact with their peers. The Town's pre-schools were all full and non-profit.

Mrs. Trimble asked where the money was found in the budget to hire teachers above the unassigned number, which had happened in the past. The Superintendent explained that if it weren't available in the salary account, it was found by working collaboratively with the Board of Education to adjust other accounts. The Superintendent pointed out that unlike surrounding communities Farmington wasn't experiencing a declining enrollment, which presented difficulties during difficult budget times.

Mr. Landry asked for a five-year history for the pre-spending done at the end of the fiscal year.

Mrs. Suffredini asked if the unassigned teachers are usually needed, and the Superintendent responded that they had been used every year for the past few years.

#### 200 Series Benefits

The Superintendent explained the increase in this area was driven by the Stop Loss policy but the normal claims were trending well.

Mr. Mastrobattista asked how much the stop loss premium had increased. Mr. LaFontan answered that the stop loss insurance premium had a 16% increase.

Mrs. Trimble asked where the revenue from rebates was shown. Mr. LaFontan said the revenue is built into the budget to determine the next year's contribution. Mrs. Barrett explained the rebate money was for retirees over 65 years old and was about \$35,000 and it is in the revenue piece.

The Superintendent discussed with the Council that they now had a September 1<sup>st</sup> renewal date for their insurance because of the HSA Accounts, which helps with funding accounts of teaches that aren't coming back, but makes budgeting more difficult because of the time span.

Mr. Vibert pointed out that the stop loss insurance increase was due to individual claims not overall claims and asked if we had thought about changing carriers because of the 16% increase. Mr. LaFontan answered that they had investigated other options but because of the claim history Cigna was the only option at that time.

Mr. Mastrobattista asked about \$138,376 dollar exemption the Board of Education received for being a non-profit. The Superintendent explained that money is never reflected in the budget to begin with, so has no impact on the account.

Mr. LaFontan told the Council the premium for both aggregate and individual stop loss insurance was \$742,453 in 2015-2016 and \$952,747 in 2016-2017 and a projection for 2017-2018 of \$1,097,000.

The Chair asked how this year was going for Self Insurance, and Mr. LaFontan told the Council he thought that there was approximately an \$189,000 surplus projected for the end of this fiscal year.

Mrs. Suffredini asked if going out on the open market would be better than self-insuring. The Superintendent explained that over time the Town of Farmington had saved millions of dollars by being self-insured and that there could be a difficult year every once in a while, but overtime there were proven savings. She believed it promoted forward and creative thinking also, such as the HSA Accounts.

### 300 Series

The Superintendent explained savings were found through a new copier program and contract, fuel negotiations and the reduced number of students that needed to be outplaced because of the programming developed over the

past few years, which gave students with needs more educational opportunities and was a savings to the school district.

The Chair asked out busing mandates. She questioned whether the Board of Education lobbied the State Legislature regarding unfunded mandates. The Superintendent assured the Council she was involved with the Superintendents Association, which lobbied the State Legislature regarding mandates. The Board of Education met with the Town's legislators annually about mandate concerns. Mr. LaFontan told the Council he was a member of the Educational Business Administrators Association, which also lobbied the State Legislature over unfunded mandates.

The Chair asked what they were hearing about Open Choice funding for next year. The Superintendent told the Council the \$115,000 mid-year reduction in the Academic Grant they had had this year would remain for next year, but that the tuition funding would not be reduced. She had heard that the tiered incentives may be taken away in favor of a flat tuition payment.

#### 400 Supplies

The Superintendent reported the account was basically flat.

The Chair asked if the Town paid for SAT tests for 11<sup>th</sup> graders. The Superintendent told the Council the State of Connecticut paid for the 11<sup>th</sup> grade SAT tests now, because it was now the 11<sup>th</sup> grade statewide standard test with the exception of the writing section.

#### 500 Series Equipment

The Superintendent explained that they had worked very hard to create their 5-Year Technology Plan. The majority of funds were mostly in the re-placement of equipment account, because the plan was mostly achieved. Mr. Ross explained the schools had approximately 5,000 chrome books in use and the Technology Plan called for replacing 700 chrome books per year, which created a 6-year life span for the use of a chrome book. Mr. Ross felt a 5-year life span would have been the ideal number, but they were doing well with the 6-year because of the Technology Plan's class room model. The Technology Plan model called for every classroom to have a class set of chrome books instead of each student being assigned their own chrome book. He believed that was the most cost effective system for the use of chrome books.

#### 600 Dues and Fees

The Superintendent told the Council the section had a .12% increase.

After all the sections had been reviewed the Council and Board of Education had a general budget discussion.

The Council asked how the Special Education Grants were proposed in the Governor's budget. The Superintendent explained that the Excess Cost Sharing Grant which was for special education reimbursement once the expenses for a student were over 4 and half times the cost of the average student had been eliminated and that up until next year, 22% of the Education Cost Sharing Grant to towns had been considered for special education costs. For next year the Governor had implemented a Special Education Grant based on the amount of the Excess Cost Sharing Grant that was needed the previous year plus the 22% of current year's Education Cost Sharing Grant that had been considered for special education cost to total the town's new Special Education Grant. The Superintendent had included the amount that had been received the previous year for the Excess Cost Sharing Grant in the Board of Education budget and the 22% dollars had been placed in the Town's budget as the Education Cost Sharing grant funds had been. The Town of Farmington was scheduled to receive much lower funding for education overall in the Governor's proposed budget.

Mr. LaFontan explained how closely the central office tracks special education costs. He was attending a seminar on the new funding formulas hosted by the Town's Educational Reference Group in Southington. He reviewed the different filings that were made throughout the year for special education costs.

Mr. Vibert asked if there were areas in the budget that were particularly troublesome to meet the needs of the school system. The Superintendent explained that the Board of Education Proposed Budget maintained all the current services, but had no expansion of services.

Mr. Landry asked about the re-wiring project at the East Farms School. Mr. Ross explained the \$32,000 in the budget was based on a bid to do the work that had been identified by the Ad Hoc Facilities Study Committee based on the age of the wire and safety concerns regarding wires running all over the classrooms.

Mr. Vibert asked what would be cut from the Board of Education's Proposed Capital Budget to meet the \$160,000 reduction made by the Town Manager's Proposed Budget. The Superintendent told the Council that the \$140,000 for classroom furniture would be eliminated and the last \$20,000 would be taken from the District-wide Mechanical Equipment Account, which was an account that was being used as a banking account in anticipation of large mechanical needs.

Mrs. Suffredini asked what was lost when \$60,000 was reduced from the Technology Capital Account. Mr. Ross said that the majority of the reductions were applied to the purchase of laptops because he had been able to purchase the laptops for less than anticipated and the balance was spread across all the accounts.

Mr. LaFontan told the Council all capital projects were on hold at the High School because of the proposed building project.

As a final statement, Mr. Fagan told the Council the theme of their budget had been to seize upon efficiencies, try to reduce mandates from the State of Connecticut, move away from dependence on volatile State funding sources and at the same time, honor our commitment to the students and their families to provide a quality education. He believed the Board of Education's Proposed budget was a very fiscally responsible budget in difficult times.

The Council began a further review of the Town Manager's Proposed Budget.

#### General Administration

The Manager, Erica Robertson, Assistant Manager and Joseph Swetcky, Director of Finance and Administration reviewed pages 1-25 and answered Council questions.

The Manager explained that there was an overall 2% decrease in this account because there wasn't as much money in Personal Services for unsettled labor contracts as seen on the summary page. There was an increase in the Economic Development Account to fund more of the flowers; the decrease in the Plan and Zoning Account was due to the agreement with Bill Warner Town Planner; the increase in the Public Buildings was due to utilities; the Town Manager's Account increased due to the sharing of the Treatment Plant secretary position during the construction at the plant as a receptionist for Town Hall; the Insurance Account increased because of the addition of a social engineering policy, an increase in premiums due to the fraud claim and an increase in the policy for fire apparatus.

The Chair asked why the Legal Account was remaining at the same rate. Mr. Swetcky explained that while there would be less labor fees since most of the contracts had settled, there would be suits starting at the end of next fiscal year associated with the revaluation.

The Chair asked why the Registrars Account had reduced, and the Manager explained it was due to it being a Municipal Election year instead of a Presidential Election year.

Mr. Vibert asked why there had been a \$10,000 reduction in the Administration Salary Account. The Manager explained that a portion of Mr. Swetcky's salary was being transferred to the Water Pollution Control Authority Fund, because of all the ongoing work associated with the renovation project.

Motion was made and seconded (Trimble/Mastrobattista) to tentatively approve pages 1-25.

Adopted unanimously

#### Fire Marshal

The Manager, Erica Robertson, Assistant Manager and Joseph Swetcky, Director of Finance and Administration reviewed pages 26 and answered Council questions. The Manager called the Council's attention to the Fire Hydrant Fees Account which along with a rebate the Town had been receiving from PURA expiring were the reasons for the increase in the account,.

Motion was made and seconded (Trimble/Mastrobattista) to tentatively approve page 26.

Adopted unanimously

#### Building Inspector

The Manager, Erica Robertson, Assistant Manager and Joseph Swetcky, Director of Finance and Administration reviewed page 42 and answered Council questions. The increase in the account was due to the support of the new on-line permitting software.

Motion was made and seconded (Trimble/Mastrobattista) to tentatively approve page 42.

Adopted unanimously

#### Benefits and Other

The Manager, Erica Robertson, Assistant Manager and Joseph Swetcky, Director of Finance and Administration reviewed pages 66 & 67 and answered Council questions.

The Manager explained the Account was up 4% overall partly due to the pension contributions. Mr. Swetcky explained what portion of pension contributions were made by the Town for non-certified Board of Education employees using the handout recorded with these minutes as Agenda Item D-1. Mr. Swetcky told the Council that health claims were running at 98% of expected paid claims and the Town was having trouble with 5 catastrophic

claims that were being covered by Stop Loss insurance. As a result expected paid claims were going up approximately 15% next year and Stop Loss coverage was going up 11.3 % overall with aggregate Stop Loss going up 5% and individual Stop Loss going up 16%. He told the Council the budget was funded at 100% of expected paid claims. Life and Disability Insurance was decreasing from a favorable bid experience. Worker's Compensation Insurance was showing a decrease because most of the large claims were dropping off the books. Heart & Hypertension Insurance was showing significant decrease because all the claims were in maintenance mode.

The Chair asked if the Board of Education and Town monies were kept separately in the Self Insurance Account. Mr. Swetcky answered that they were kept separately, but according to policy if one side had a catastrophic year it could use the others money.

Motion was made and seconded (Trimble/Mastrobattista) to tentatively approve pages 66 & 67.

Adopted unanimously

#### Debit Service

The Manager, Erica Robertson, Assistant Manager and Joseph Swetcky, Director of Finance and Administration reviewed page 68 and answered Council questions.

Mr. Swetcky explained the reasons for the 7.2 % increase. The Town had been selling short term debt to support the sewer treatment plant project, \$5,500,000 in bonds were issued last fall to support several projects and there is money in the budget to support a potential project at the high school.

The Council discussed long term debt strategies with Mr. Swetcky.

Motion was made and seconded (Trimble/Mastrobattista) to tentatively approve page 68.

Adopted unanimously

#### Refuse

The Manager, Erica Robertson, Assistant Manager and Joseph Swetcky, Director of Finance and Administration reviewed pages 69-72 and answered Council questions.

Motion was made and seconded (Trimble/Mastrobattista) to tentatively approve pages 69-72.



Adopted unanimously

The Manager asked the Council what they needed to be prepared for the Saturday meeting. She wanted to know what levels of deductions she should prepare. The Chair asked the Manager to prepare A, B and C level cut lists for the meeting. A being minor cuts to services, B being significant cuts to services and C being deep service cuts as a result of layoffs.

Mrs. Trimble asked how accurate the 1.7 million reduction in grants really was and what were our options if we budget for the 1.7 million reductions and it doesn't happen. The Manager responded that from everything she was hearing the 1.7 million tax cut wasn't going away and the only possibility out there was for more cuts. Mr. Swetcky told the Council its options if further cuts are made after the budget was set were to set a spending freeze to try to balance the budget or to go through the entire budget process again, but the legislature was considering passing new statutes that superseded Charters to help towns with their budget processes this year. The Manager recommended moving forward at this time as usual and waiting until the new meetings scheduled in April to address options.

**E. Adjourn to Executive Session**

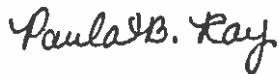
There was no Executive Session held.

**F. Adjournment**

Motion was made and seconded (Trimble/Mastrobattista) to adjourn the meeting at 8:25 p.m.

Adopted unanimously

Respectfully submitted,



Paula B. Ray, Clerk.

# Agenda Item D-1

## PENSION CONTRIBUTION BREAKDOWN FY2017/2018

<u>PENSIONS</u>	<u>Defined Benefit Plan</u>	<u>FY15/16</u>	<u>FY16/17</u>	<u>FY17/18</u>	%	
					\$	%
					Increase (Decrease)	Increase (Decrease)
Town Employees		886,446	808,672	817,919	9,247	1.1%
Police		683,241	726,915	771,135	44,220	6.1%
Fire		80,410	75,008	74,551	(457)	-0.6%
Education		1,140,390	1,243,089	1,336,421	93,332	7.5%
<b>Total</b>		<b>2,790,487</b>	<b>2,853,684</b>	<b>3,000,026</b>	<b>146,342</b>	<b>5.1%</b>
<b>Defined Contribution Plan</b>		<b>97,613</b>	<b>159,402</b>	<b>200,974</b>	<b>41,572</b>	<b>26.1%</b>
<b>Total Contributions</b>		<b>2,888,100</b>	<b>3,013,086</b>	<b>3,201,000</b>	<b>187,914</b>	<b>6.2%</b>
Library		122,926	131,803	141,629	9,826	7.5%
WPCA		127,263	132,542	139,818	7,276	5.5%
<b>Grand Total</b>		<b>3,138,289</b>	<b>3,277,431</b>	<b>3,482,447</b>	<b>205,016</b>	<b>6.3%</b>

3 paid from their budgets.