

Joint Meeting  
Town of North Stonington  
Board of Selectmen      Board of Education      Board of Finance  
North Stonington Elementary Library  
January 27, 2010  
6:00 p.m.

A joint meeting of the Boards of Selectmen, Education, and Finance was held on Wednesday, January 27, 2010, at 6:00 p.m. in the North Stonington Elementary School Library. Present were Senator Andrew Maynard, Representative Diana Urban, Mr. Testa, Dr. Robert, Mrs. Ricker, Mr. Hundt, and Mrs. Dame from the Board of Education, Mr. Donahue, Mr. Herbert, Mr. Oswald, Mr. Pavlovics, Mr. Bresette, and Mr. Nimirowski from the Board of Finance, and Mr. Mullane, Mr. Briscoe, and Mr. Murphy from the Board of Selectmen. Mr. Mullane called the meeting to order at 6:07 p.m.

Opening Remarks – Financial Outlook for Current and Upcoming Fiscal Years Affecting Municipalities, Mandates and Funding - Senator Andrew Maynard said the financial outlook in the State is not good and neither is the economic outlook. He elaborated. He talked about the stimulus funds received and what cannot be cut because of the grant money received. He said there are fewer choices for them in the State of items to reduce. Senator Maynard spoke of the State's projected deficit. He said the State is facing a magnitude crisis and said it is pretty grim. He was hoping they could fight off municipal cuts this year. Board members had questions that Senator Maynard answered. He had further comment.

Representative Urban commented about what happened with the economy. She talked about the drop in State revenues. She spoke of other states that may be doing okay and why that is. She spoke of account-based programs. She had further comment on that and explained the program. Representative Urban spoke of program reviews. She talked about the M.O.R.E. task force and elaborated. She had further comment. Senator Maynard spoke of the grants that the Town receives and reviewed some of the numbers. He spoke of the ARRA funds and gave examples. He spoke again of the possibility of municipal aid cuts.

Board of Selectmen

1. Current Year Revenues Estimates vs. Actual – Mr. Mullane said as long as State aid stays the same we are flat. They were doing well with tax collections but receipts from the State were slow. He said with the current information they have they were meeting what was expected unless there is a drastic change.
2. Projected Revenues Fiscal Year 2010-2011 – Mr. Mullane said they need some baseline. Revenues such as permits, etc. are coming in higher than expected. He reiterated again that he will not accept any cuts from the State in their aid.
3. Budget Projections Fiscal Year 2010-2011 – Mr. Mullane said the Selectmen are shooting for 0% and have the ability to get there. They had a few windfalls this year and explained. He gave other examples of income.

Operating – Mr. Mullane reviewed operating items.

Capital – Mr. Mullane spoke of various items in the capital budget and talked of numbers. He spoke of Town vehicles that need to be replaced. He said this item will hurt you the most if you don't keep up with it. He elaborated. He said again they can achieve zero in the bottom line. Layoffs will be looked at if they have to but no decisions have been made.

Long Term Capital Projects – Mr. Mullane spoke of the schools needing improvements, Kingswood drainage, the Boombridge Road bridge and other projects. He had further comment. He said the Probate Court is being moved to Groton and explained. He spoke of a health district with other towns. He said they were looking at hybrids to do with other towns. He thanked Mr. Murphy and Mr. Briscoe for helping formulate a conservative budget. Mr. Mullane answered questions.

#### Board of Education -

1. Current Year Performance to Budget – Dr. Robert spoke to the budget issues we have encountered this year. He said it is typical this time of year and explained. Currently there is no freeze on accounts and he thought they would be okay.
2. Grant Revenues and Outlook – Dr. Robert said the Board was looking at level revenues and explained. He said new grants were looked at but with the strings attached it was decided not to apply for them.
3. Post Employment Benefits' Liability – Dr. Robert spoke of the Milliman Report and spoke of the total accrued liability. Mr. Briscoe had questions that Dr. Robert answered. Mr. Mullane spoke about the unfunded mandates that cost us an astronomical amount of money. He elaborated and said they have to be addressed. Senator Maynard said there was going to be robust discussion on that because if the State can help fund it, they have to ease up on them. He spoke of moratoriums on some. There was further comment and discussion.
4. Budget Projections Fiscal Year 2010-2011 – Dr. Robert said they were still working on the budget and he elaborated. He said the Finance Committee was working on it and the full Board had not seen it yet. He spoke of the teachers' contract and the zero percent increase. He said benefits would be a big cost factor as it always is. He talked of other items in the budget.

School Building Study Briefing – Mr. Bob Carlson explained what the Ad Hoc Committee had been doing. He said some type of plan was promised to Mr. Mullane in March. Regionalization and school choice were being looked at so a complete picture is presented. He said it is not the best time to talk of money but the schools are in disrepair. There was comment.

#### Board of Finance

1. Grand List 2009 – Mr. DelGrosso said the Grand List fell 1.5 million dollars and spoke of contributing factors. He said there is virtually no new construction. He spoke of items that were on the books. He

spoke of what people are doing with their land such as forestry. He explained the numbers received from motor vehicle taxes. He spoke of the flat tax assessment on cars over 20 years old and the impact on the taxes.

Anticipated Changes – Mr. DelGrosso said the Westerly Hospital coming in is a plus as well as the metal processing plant. There was discussion. He said the reevaluation was delayed and now it has to be done in 2011. He said the Board of Finance saw the project coming and put money aside. There were comments and questions.

2. Budget Expectations for Fiscal Year 2010-2011 – Mr. Donahue said the Board wants to see no increases. He said the table has been well set by what Senator Maynard and Representative Urban have said. He said they were driven to that recommendation given the financial situation of the Town. He said the Town seems to be in pretty good shape as far as tax collections, etc. and he elaborated. He said revenue is declining. Mr. Donahue said he was worried about the Mohegan Pequot Fund and explained. He spoke of a cut to municipal aid. Expenditures were going to be increasing. He spoke of health costs. He spoke of a few issues in the schools such as the boilers. He said there are other reductions in State grants they are not prepared to offset. He said he ran some revenue forecasts and explained there is still a \$300,000 hole and elaborated. Mr. Donahue said if the Board of Education and the Board of Selectmen bring budgets that are increases over last year, they are going to get a big pushback on it. He said it is all a fluid situation—State budgets are not set. He said a starting point would be the same budget you had last year. He said we need to look at ways you transform services in the Town. He had further comment. He said the current small town model doesn't trend well for the future.

Caps for Budget Submittals – Covered above.

3. Financial Status for the Town – Covered above.
4. Communication Policy – Mr. Herbert said he has been working with the Finance Committee of the Board of Education. He said talking chairman-to-chairman through the budget process works well. He thanked the Boards of Selectmen and Education for the effort and time it takes on the budgets. He offered any assistance the Board of Finance can give them.

Public Comments and Questions – Mr. Ricker had questions on GASB funding. Mr. Donahue answered his questions. He said larger towns fund it through a trust fund and named some towns that do that. He said they are trying to assess the situation. He said there are differences of opinion on what would happen if it were not funded. Mr. Donahue said Mooney did not penalize us for the way we are doing it. He said they commented on other fund balances, etc. and seem to accept how the Town is funded. He spoke of bonding a building project and wondered what their reaction would be if we didn't have a GASB 45 piece in place. He had further comment on that. Mr. Ricker had a few other points and concerns and had some suggestions. There was discussion between members of the Boards and the audience. Mr. Pavlovics said even a zero budget increase would not mean a zero tax increase

for Town members because of revenue shortfalls. He said it could be a .5 mil increase because of the \$300,000 shortfall. There was discussion. Mr. Mullane had the verbal figures on some of the boiler costs for the schools. He said it would be about \$18,000-\$20,000 to make the connection through the high school and about \$8,000-\$10,000 for the elementary school. He said they would have to be oil because gas is not that efficient. He was also getting a price on straight boiler replacement for the elementary and high school. He hopes to have that number in 4-5 weeks. He said the high school access is difficult but the elementary is not. He elaborated. Dr. Robert had comment.

The meeting was adjourned 7:49 p.m.

Respectfully submitted,

Roberta T. McCarthy, Secretary to  
The Board of Education