



**BOARD OF ALDERMEN
CITY OF SHELTON
SPECIAL FULL BOARD MEETING MINUTES
MAY 23, 2024
SHELTON CITY HALL, 54 HILL STREET, SHELTON CT
*Live-Streamed at www.cityofshelton.org***

Call to Order/Pledge of Allegiance

Alderman John Anglace called the Special Board of Aldermen meeting to order at 5:30 p.m. in the auditorium at Shelton City Hall. All those present stood and pledged allegiance to the Flag of the United States of America.

Roll Call

Alderman John F. Anglace, Jr., President – Present
Alderman Eric McPherson, Vice President – Present
Alderman Cris Balamaci – Present
Alderman Lorenzo Durante – Present
Alderman Porter McKinnon – Present
Alderman Anthony Simonetti – Present
Alderman Bernie Simons – Absent
Alderman Benjamin Perry – Present

Administration

Thomas Cotter, Assistant Corporation Counsel – Present
Kellie Vazzano, Administrative Assistant to the Mayor - Present
Frances Freer, Administrative Assistant to the Mayor - Present
Paul Hiller, Finance Director, via Zoom

1. ADOPTION OF THE BUDGET FOR FISCAL YEAR 2024-2025

Alderman McPherson Move to approve the following resolution:

Be it RESOLVED by the Board of Aldermen of the City of Shelton, in accordance with Section 7.6 of the Charter, that the budget documents submitted by the Mayor on March 21, 2024 be amended and such budget as amended be adopted as the official budget and mill rate for the City of Shelton for Fiscal Year 2024-2025.

		Mayor's Recommendation	Board of Alderman Final Budget	Increase (Decrease)
REVENUES				
001-0000-311-10-00	Current Levy	110,048,737	116,732,213	6,683,476
001-0000-311-13-00	Statutory Refunds	-20,000	-120,000	- 100,000*
001-0000-331-19-00	Pilot-City Housing	25,900	55,779	29,879

*Alderman Anglace: The decrease in the Statutory Refunds was because it was a clerical error on the revenue side, so it shows as a minus.

EXPENDITURES

001-0200-411-20-04	Police pension	1,750,000	1,900,000	150,000
001-0200-411-20-08	Group Insurance	4,500,000	5,900,000	1,400,000
001-4100-811-80-34	Board of Education	78,259,538	79,809,827	1,550,289
001-6100-951-82-04	Insurance Reserve BOE	0	2,000,000	2,000,000
001-6100-951-82-05	BOE SPED Excess Cost	0	1,313,066	1,313,066
001-6100-951-82-06	Eminent Domain Expenses	0	690,000	690,000

Resulting in a total budget of \$141,269,834 for fiscal year beginning July 1, 2024. The mill rate shall be established at 19.18 mills, with a collection date for fiscal year 2024-2025 to be July 1, 2024 and January 1, 2025 for real estate; July 1, 2024 for personal property taxes less than \$5,000 and July 1, 2024 and January 1, 2025 for personal property taxes equal to or greater than \$5,000 and July 1, 2024 for the motor vehicle tax with the exception of those that carry their own collection date as determined by statute under motor vehicle supplement. Any tax under \$5 will be waived. Also, be it resolved that the Board of Aldermen accepts in principle the Capital Improvements Program as submitted.

Seconded by Alderman Simonetti.

No discussion.

A voice vote was taken and motion passed unanimously (7-0).

Alderman Anglace: I want to read a message into the record.

The Mayor and the Board of Aldermen have been working closely with the Board of Education and Superintendent Saranich since his appointment. We have observed that much of our educational costs

are caused by the out-of-control federal inflation which has driven Health Care, groceries, gasoline and other consumer costs off the charts. The Special Education (SPED) law that requires full funding of Special Education needs, regardless of cost, is another major education cost factor. In fiscal year 2024 there were some 80 plus Special Education students who entered our district after the start of school and after the budget was set. This happens every year making it impossible to accurately budget Special Education costs. The law provides for state Special Education excess cost reimbursements to the Board of Education. The Board of Education submits their Special Education excess costs for State reimbursement but historically the state only funds a portion (about 68%) thereby leaving the Board of Education to deal with the deficit and that deficit is unpredictable. To fill this shortfall during the school year the Board of Education must use money from the mainstream student budget to fund Special Education needs. Consequently, you hear that mainstream students have no instructional supplies. And we hear from you that the BOA did not fully fund the education budget. **Neither is true!** Since this happens year after year, we are now hearing that the Board of Aldermen chronically underfunds the Board of Education budget. Put this on Facebook and you create a false narrative which too many people believe to be the budget gospel.

Last year the City had a budget surplus. The Superintendent appealed for our help to manage the Board of Education deficit issues. The Mayor and the Board of Aldermen decided to use some \$2.7 million of the City surplus to fund the Board of Education deficits - Health Care (\$2.4 million) and Special Education (\$300,000) none of which is reflected in last year's Board of Education budget numbers used to determine per pupil spending. To their credit, the Mayor and Superintendent continue to jointly address rising Health Care costs and look forward to a joint and early resolution of this major problem that, hopefully, will improve the Board of Education and City financial picture. The City and Board of Education are also cooperating to implement a modified version of the old Special Education teaching model proposed by the Superintendent, whole-heartedly endorsed, and funded by the Mayor and City which, we believe, will benefit Special Education student learning. THAT'S A GOOD GOAL!

Incidentally, that budget surplus that we spoke about no longer exists but the Health Care and Special Education Excess cost deficits continue to build at an unsustainable pace.

The Board of Aldermen applauds the Superintendent and Board of Education's leadership this year when they early on anticipated the impending, State-caused, Special Education shortfall, and the City's lack of surplus money to help them. They reached out to the unions asking for one furlough day to mitigate the expected deficit and the negative instructional supply impact it would cause throughout the system. Four (4) unions - Administrators, Secretaries, Nurses, and Paraprofessionals - agreed. The Teachers and Custodial/Maintenance unions refused. Consequently, a reduction in force in those two unions was necessary to mitigate the shortfall. It is that simple! No other union positions are impacted. Again, thanks to the Administrators, Secretaries, Nurses, and Paraprofessionals for their cooperation; there may be no instructional materials shortage this year.

This unfunded State Special Education mandate and the failure of the Governing State Political Party – put it right where it belongs – the democrats, to act on a bill this year to fully fund this inequity while sitting on a \$1.12 billion budget surplus should be of concern to parents and cause them to rethink where their school betterment efforts should be directed. While Shelton's State Representatives, Perillo and

McGorty and our State Senator Kelly adamantly support 100% Special Education state funding, the major democrat party says that the State percentage of Special Education Excess funding for next year will be reduced even further from 68% to 61%, so you will have to deal with a much bigger deficit, further causing more red ink. We have asked our local democrat party to intercede with their colleagues in Hartford on behalf of our students. Parents should do the same!

Special Education cannot be anticipated or budgeted. This year our School District is predicting a \$1.3 million Special Education deficit. The City budget that we are in now, we must reach out to Shelton taxpayers to pick up the tab and have done so in this budget. Otherwise, the Board of Education would have had to reduce staff and increase class size. Instead of using this money to reduce class sizes, we must use it to fund Special Education deficits. There is something wrong with that picture. Parents should realize it, you can't have it both ways. We have to do what is right, we must all petition the local and state democrats to address this gross and unfair inequity!! I am not trying to pick on the democrats, but they are in power, they are running the show. This isn't going anywhere; it is getting worse every year.

The Teachers and every other education union should be working with the Board of Education, the City and the Connecticut Conference of Municipalities to change the state Special Education funding mentality! And so should every parent! No one thinks the funding of this law is fair, but few speak out and petition the majority party to change it. That is the only way it is going to happen. Special Education parents should be first in line! **OUR STUDENTS DESERVE NO LESS!**

The budget we adopt tonight funds the following Board of Education needs – to summarize:

- \$1.875 million of contractual increases, just as you presented them to us, not \$1 less.
- \$600,000 of instruction/learning materials that have been funded for the last two years using the ESSER Grant funds,
- a new state mandated financial literacy teacher at \$75,000,
- a \$1.3 million-dollar Reserve for Special Education deficit, and
- a \$2 million dollar Reserve for Health Care deficit.

It also funds City needs:

- a \$2 million dollar Reserve for Health Care deficit,
- \$150,000 for Police pensions,
- \$690,000 to pay for the Black's Hill Eminent Domain judgment – which I will explain. When you take a property by eminent domain you sit at the table and try to negotiate a price. If you can't negotiate a price it goes to the court and a judge looks at both appraisals and makes a judgment. Whatever that judgment is, you have to pay. We have to pay for the property that is necessary to go forward with the Mas property development and we have to pay \$690,000. So we put it in this budget. We think it is a fair way to handle it,
- \$100,000 for Statutory Refunds – that was a clerical error in the Mayor's budget.

Overall, the City is feeling the impact of inflation from a debt-ridden country that is heading into bankruptcy, financial collapse or worse and a state that does not recognize the burden it places on

municipalities and its citizens and taxpayers. That is why so many Shelton people are moving south. Shelton has a strong tax base and low debt. We are in a much better position than most other Connecticut towns to weather this financial tsunami but we are not immune from it. Ultimately, the fiscal pressures felt by so many other Connecticut towns will require much tighter spending controls for us to survive. You hear the stories, you read them in the paper, Darien, Stamford, other Fairfield County towns, they are laying off.

The Board of Aldermen wishes to thank the Mayor, the Treasurer, the Finance Director, the Board of Apportionment & Taxation, Department Heads, the Superintendent of Schools, the Board of Education and everyone who participated in the budget process and you for coming out tonight and listening to me. Thank you.

ADJOURNMENT

Alderman Simonetti MOVED to adjourn the Special Board of Aldermen Meeting.

Seconded by Alderman Balamaci.

A voice vote was taken and the motion passed unanimously (7-0). Meeting adjourned at 5:50 pm.

Respectfully Submitted

Donna Fonda

Donna Fonda
Acting Clerk, Board of Aldermen

DATE APPROVED _____ BY: _____
Mayor Mark A. Lauretti