

**Town of Seymour ~ Board of Finance
MINUTES
Budget Deliberations
Wednesday, March 18, 2026 at 7:00pm
Norma Drummer Room – Seymour Town Hall**

Members Present: Beverly Kennedy, Andy North, Quinn Levey, Bettyann Peck, Richard Demko, Mary Kruger; Robin Andrews, Tracy Rappa, Alice Levey (alternates).

Members Absent: Kristyn Haniewicz

Others Present: Jason Vieira, Monica Dimon, Annmarie Drugonis, Kurt Miller, Michael Kearney, Aaron Succow, Cate Succow, Sebastian Succow, Kristen Harmeling, Al Bruno, Sal Bucci, Dr. Susan Compton

Item #1 – Call Meeting to order

Chairman Richard Demko called the meeting to order at 7:02pm.

Item #2 – Pledge of Allegiance

Everyone saluted the Flag and recited the Pledge of Allegiance.

Chairman Richard Demko introduced all members (and alternates) of the Board of Finance.

Item #3 – Public Comment

Mike Kearney – American Legion Post #10 Seymour – Got another quote for the flags for the veterans' graves. She got the quotes mixed up. The 99cent per flag includes shipping this is for the 3/8 inch diameter. For 20gross made in the USA – this is a 2 year supply. The total quote is \$3,327.80.

Item #4 - Discussion of 2026/2027 Budget

Annmarie Drugonis – First Selectwoman – handed out a list of the unfunded mandates description

**Seymour Public Schools: 2026–2027 Budget Fact Sheet
Unfunded Mandates & Contractual Obligations**

1. Special Education & Safety Mandates

State and federal laws require districts to provide specific services, but do not fully fund them—creating a significant financial burden on local taxpayers.

Special Education ("Excess Cost" Gap)

- The Education Cost Sharing (ECS) foundation grant is set at \$11,525 per student
- This figure has remained essentially flat since 2013 despite inflation
- The Gap:**
 - Advocacy organizations (CABE/CAPSS) estimate the true cost of educating a student exceeds ECS funding by ~\$4,500 per pupil
 - This structural underfunding shifts millions in costs to local taxpayers annually

IDEA (Individuals with Disabilities Education Act)

- Federal law guarantees students:
 - Free and Appropriate Public Education (FAPE)
 - Education in the Least Restrictive Environment (LRE)
- The federal government originally committed to funding up to 40% of excess costs
- Actual funding remains far below that level, leaving districts to absorb the difference

Safety & Training Mandates

- Required trainings include:
 - PMT (de-escalation and restraint)
 - Mental health first aid
 - Seizure recognition and response
 - Restorative practices
- Cost Drivers:
 - Training materials
 - Staff time
 - Substitute coverage
- Funding Status: No dedicated state or federal funding

2. Transportation & Federal Protections

Transportation mandates are legally required and often unpredictable, with limited or no reimbursement.

McKinney-Vento Act (Homeless Students)

- Requires districts to:
 - Maintain school stability
 - Provide transportation to a student's "school of origin"
- Applies even if a student relocates to another town or shelter
- Cost Impact: Daily out-of-district transportation costs with no guaranteed reimbursement

Vocational-Technical & Magnet School Transportation

- Required transportation for students attending:
 - O'Brien Technical High School
 - Nonnewaug Agricultural Program
 - Other magnet/choice programs
- The Gap:
 - State reimbursement is capped or minimal
 - District often pays the majority—or entirety—of transportation costs

3. New State Academic Mandates (2025–2026)

Recent legislation has introduced new academic requirements with significant cost implications.

Right to Read Act (Science of Reading)

- Mandates:
 - Adoption of state-approved K–3 literacy curriculum
 - Alignment with "Science of Reading" practices
 - Extensive teacher training and certification
- Costs Include:
 - New curriculum materials and textbooks
 - Digital licenses
 - Professional development
 - Substitute coverage during training
- Funding Gap:
 - Limited state grants do not fully cover implementation costs

English Language Learner (ELL) Requirements

- Expanded requirements for:
 - Identification
 - Instructional support
 - Progress monitoring
- Challenge:
 - Federal Title III funding is inconsistent and often insufficient

High-Dosage Tutoring (HB 5259)

- Applies to students in grades 4–9 not meeting growth benchmarks
- Requires:
 - Intensive intervention
 - Small group ratios (up to 4:1)
- Impact:
 - Increased staffing or contracted tutoring services
 - Scheduling and operational challenges

Personal Finance Graduation Requirement

- Required for students beginning with the Class of 2027

Impact:

- Additional staffing or course restructuring
- Curriculum development and alignment

4. Contractual & Fixed Costs

These costs are non-discretionary and must be funded annually.

Health Insurance

- Current increase: 9.9% (reduced from initial 13.5% projection)
- Applies across all employee groups
- Represents a significant cost driver even after mitigation

Minimum Budget Requirement (MBR)

- State law requires:
 - Municipalities must fund education at or above prior-year levels
- Applies regardless of:
 - Enrollment declines
 - Efficiency gains

Impact:

- Limits local flexibility in budgeting

5. Additional Unfunded Mandates (CABE/CAPSS Identified)

Excess Cost Cap Shortfall

- State reimbursement grant is **not fully funded annually**
- District must cover remaining high-cost special education expenses

Electric School Bus Mandate

- State goals require transition to zero-emission buses by 2030–2040

Local Cost Pressures:

- Charging infrastructure
- Fleet replacement
- Facility upgrades

HVAC Inspection Law (PA 23-167)

- Requires:
 - Professional engineering inspections every 3 years
- Applies to all school buildings
- **No dedicated funding provided**

Safe School Climate Requirements

- Mandates:
 - Designated climate coordinator
 - Reporting systems
 - Investigation protocols

CT Paid Family & Medical Leave Expansion (2025)

- Applies to non-certified staff (paras, custodians, secretaries)
- Cost Impact:**
 - Substitute staffing for extended absences
 - Administrative and payroll management burden

6. School Choice Tuition & Cost Shifts

Magnet, Charter, and Vo-Ag Tuition

- District must pay:
 - Tuition (in some cases)
 - Transportation (in most cases)

The Gap:

- State reimbursement is capped or insufficient
- Costs are largely passed through to the district

2026 Legislative Risk

- Proposed policy changes may:
 - Allow magnet schools to increase tuition
 - **Potential Impact:**
 - Unbudgeted cost increases for sending districts like Seymour

II 7. Federal Funding Instability (2025–2026)

Delayed or Withheld Federal Grants

- **Affects:**
 - Title II (Teacher Development)
 - Title III (Multilingual Learners)
- **The Challenge:**
 - Funding delays or “impoundments” create uncertainty
 - Legal service requirements remain in place
- **Local Impact:**
 - District must temporarily fund:
 - Staff salaries
 - Program operations

Bottom Line

- **78% of the budget is fixed** (salaries and benefits)
- Remaining funds are increasingly consumed by:
 - Unfunded mandates
 - State and federal requirements

Conclusion:

Seymour Public Schools must meet all legal obligations—regardless of funding levels—resulting in a growing reliance on local taxpayers to bridge the gap.

- There was a consensus to increase the veterans salaries line item to \$1000
- There was a decision to increase the veterans flags line item to cover the \$3,327.80 for the flags invoice.
- Tracy Rappa suggested that we decrease the Emergency Management Director Stipend from \$20,000 to \$15,000. There was a study done last year. Was another study done? Most others on the Board wanted more time to think about this before making a decision on this.
- Shared services. Where are the halves of this coming from – the Town and Board of Education?

SHARED SERVICES AGREEMENT

THIS SHARED SERVICES AGREEMENT (“Agreement”) is made as of this 17th day of August, 2022 by and between the TOWN OF SEYMOUR (the “Town”) and the SEYMOUR BOARD OF EDUCATION (the “Board”) (the Town and the Board are referred to hereinafter collectively as the “Parties”).

RECITALS:

- A. The Town and the Board currently have an agreement whereby they share the services of three employees, specifically, the Facilities Manager, Director of Information Technology, and Human Resources Manager.

- B. The Parties have agreed that said positions will remain Town employees, but that nonetheless, they wish to continue and formalize their agreement to continue to share these services in the spirit of C.G.S. Section 10-239(a), and in the best interest of the taxpayers of the Town of Seymour:


NOW, THEREFORE, the Parties agree as follows:

1. Effective July 1, 2022, the Town shall be responsible for the payment of the salary of all three positions, the provision of health insurance and all other fringe benefits, and the payment and withholding of applicable taxes.
2. The Facilities Manager shall report to the Town Director of Operations on the Town side and the Superintendent of Schools on the Board side. In the event of a conflict between Town versus Board priorities, the Town Director of Operations and the Superintendent of Schools shall confer for the purposes of resolving any such conflict. The Board shall reimburse the Town for 50% of the salary of the Facilities Manager. It shall also be obligated to reimburse the Town for 10% of the cost of health insurance.
3. The Director of Information Technology shall also report to the Director of Operations on the Town side and the Superintendent of Schools on the Board side. In the event of a conflict between Town versus Board priorities, the Town Director of Operations and the Superintendent of Schools shall confer for the purposes of resolving any such conflict. The Board shall reimburse the Town

4. 50% of the salary of the Director of Information Technology. It shall also be obligated to reimburse the Town for 10% of the cost of health insurance.
4. The Human Resources Manager shall report to the First Selectperson on the Town side and the Superintendent of Schools on the Board side. In the event of a conflict between Town versus Board priorities, the First Selectperson and the Superintendent of Schools shall confer for the purposes of resolving any such conflict. The Board shall reimburse the Town for 50% of the salary of the Human Resources Director. It shall also be obligated to reimburse the Town for 10% of the cost of health insurance.
5. During the annual budget preparation process the Town Director of Finance and School Business Manager will include in their respective budget requests sufficient budget amounts to cover the cost of the positions.
6. This Agreement shall renew annually unless by January 31 of any given fiscal year, either party notifies the other in writing that it wishes to terminate this Agreement effective for the next fiscal year beginning the first of July immediately following such notification.

Town of Seymour

Seymour Board of Education


Alexander Drifflin
First Selectwoman


Dr. Susan Compton
Superintendent

- Richard Demko said that looking at this contract it says that the Town and Board of Education will each put in 50% of the salaries and the Board of Education will reimburse the Town for 10% of Health Insurance costs. I'm not sure what we should do to rectify the situation. We have two things we could do. First would be – starting point is 4.3% for BOE and they will need to come up with \$180,000 or we take \$180,000 out and move it over to the Town side and have it covered. I would like to have someone on the Board of Ed to give their thoughts on that. Dr. Susan Compton said that we appreciate what the Town does for us. It started when the Director of Facilities and the I.T. Director became shared services with the Board of Education and the Town. During that time only one year did we contribute over the last three years for those salaries. Our budget was so tight. We have over 300 employees. With the reduction last year we could not cover this. The First Selectwoman has worked with us the last two years and covered this cost. Last year we lost \$750,000 and cut 4 teaching positions. We have cut people every year. I was under the understanding that the First Selectwoman was going to take care of the Shared Services. Apparently that was not the case. This was a misunderstanding. We will need to find \$180,000. Floating nurse \$70,000 plus benefit comes to about \$100,000. An SRO is about \$45,000.
- Richard Demko asked what projected surplus for this year? None. Surplus from last year? \$150,000. That went to the turf field at the high school. Kristen Harmeling said that the suggestions made by Dr. Compton were just that. The Board of Education will have to make a final decision as to how to move the money around to find the \$180,000.
- Richard Demko asked between the two options that I've presented which would have the least impact on your budget. Kristen Harmeling said that there is no way to say that since we don't know what you are thinking in terms of the percentage increase so there is really no way to speak to that. Dr. Compton said that I just want to say to the people in these positions we love them we are not against them that's not what its about. Richard Demko said that he wants to put this to bed once and for all so that next year everyone knows what they have to do. Dr. Compton said that the Governor may reconsider increasing ECS funding. Annmarie Drugonis said that the Town needs a budget by June. The State has until August.
- Sal Bucci said this year we started at 4.9% and then cut down to 4.7% included 13.5% for Health Insurance then went down to 10% we saved \$44,000 this is at 4.3%. Increase employee co-shares. My big concern is that we put in no increase in energy costs. We were able to negotiate a long-term electric rate.
- Sal said that Special Education – if you were able to decrease the number of students attending out of district, when they come back you don't get a dollar for dollar savings because we do get some special education excess costs recovery money we don't see anything until we achieve \$80,000 per student and then we get a percentage above \$80,000 per student. The problem is if you bring those students back in district with their needs you have to increase personnel in district.
- Quinn Levey said that we should just take the \$180,000 right off the top. Kristen Harmeling said she doesn't understand what that means. Richard Demko said that from the Board of Finance view the Board of Finance is starting at 4.3% and adding \$180,000, and deducting the Health Insurance savings. But this number still needs to be voted on by the Board of Education.
- Andy North asked how many town employees are not subject to union contracts – 6 – I.T. Director, , Chief Administrative Officer, HR Director, Town Operations, Finance Director, Facilities Director. We are not overstaffed. We have a revenue problem not a spending problem.
- Sal Bucci said that our cost per student is among the lowest in this area. This school system is producing successful graduates and preparing them for life. We are doing so much more with \$5,000-\$6,000 less per student than other area towns. Last year we eliminated a French program. This school district prepares students for various walks of life. To be a tradesperson. We are diversified.
- Quinn Levey – our hands are tied on what we can cut. We may need to look at putting funds into Capital. We may need to look at laying people off. Town and Board of Education.
- Andy North said that he is recommending adding the \$180,000 to the Board of Education.
- Beverly Kennedy said the Town absorbed last year for Board of Education. This year they should pay for their half.
- Bettyann Peck said that they should pay for their half.
- Mary Kruger said that the Board of Education budget should be increased by their half.

- Tracy Rappa asked what the demographics are in this state. This is an old state. 2,060 kids. 11,000 adults. We have 17,000 people. We have a mix. Tracy said add it to the BOE budget.
- Alice Levey also said add to the BOE budget.
- Robin Andrews also said add to the BOE budget.
- Richard Demko said that this is most likely not going to pass at the referendum. We will have to make cuts. Annmarie Drugonis said that Town Hall, Transfer Station, Library may need to close 4 days a week. Annmarie can speak to the unions. She has a hiring freeze. By June we have to have a budget in place or we send out tax bills at last years mill rate until a budget passes and then a supplemental bill goes out with the new mill rate. The cost is \$5,500 per referendum.
- Bettyann Peck asked if it is possible to have a sign up at the referendum that it costs \$5,500 per referendum? Annmarie Drugonis said no.
- Richard Demko said that we have added \$180,000 to the Board of Education budget which brings their budget up to a 4.7% increase.
- Sal Bucci did say that 1,700 people did come out to vote for a new school
- Kristin Bruno asked if they could have a breakdown of the \$180,000 cost for the shared services – we will make sure that Sal Bucci has a copy of the contract.
- New Mill Rate is 29.33 up from 27.72 which is a tax increase of 6.77%.

DISCUSSION

- Mary Kruger – asked about P7 are these required – Valley Substance Abuse is gone – Jason said is funded by the opioid grant. PCRC – is used from the schools.
- Annmarie Drugonis said that we would need to cut \$3,434,201 for taxes not to go up. We cut \$1.5 million.
- What would happen if the School Resource Officer got cut? He would go back to the Police Department as an officer. It would not save any money in the budget.
- Andy North – Adult Education - \$178,000 – Developed by a consortium 1 in 5 towns and this is our portion – we are obligated to contribute. This is a mandate.
- Quinn Levey – Community Center – summer camp counselors’ salaries – increases due to increase in minimum wage. Sometimes with mass groups or individuals, there are step increases or with groups there are differences with individuals, so the percentages are more. Sometimes there are differences with the number of days in the year in the contract. Jason clarified the differences that Quinn had questions on.
- Beverly Kennedy had a question on the # of employees on different classifications for the health insurance: # of singles is 23; 15 plus one; 23 family; 39 opt-outs. Total = 100. Beverly asked what the costs are. Jason said the costs depend on the union.
- Beverly Kennedy asked where the grants show up in our Revenue. Annmarie Drugonis said that they do not show up in Revenue because they are not guaranteed money. Beverly asked if we have a list of grants that we have applied for? Annmarie said that this is the time we are applying for grants for next year. They are staggered. We announce when we get grants. Jason Vieira said there is a list of the grants in the audit.
- Annmarie Drugonis said that we had 3 housing projects voted down – businesses follow rooftops. There was a law put in place that says we will need to put the houses on the open land and maintain it.



Richard Demko <rickd4ct@gmail.com>

BOF Deliberation Thoughts 3/18

Kristyn Hanewicz <khanewicz@gmail.com>
To: Richard Demko <rickd4ct@gmail.com>

Wed, Mar 18 at 3:30 PM

Hi Rich,

Again, I'm very sorry I cannot be there tonight for this round of deliberations. I unfortunately am traveling with work for the night and could not get out of the trip. Below are some of my thoughts/questions about the current proposed budgets.

BOE budget

- Where are we at with shared services? We need a clearer picture of where in budget those salaries are accounted for
 - What is the mill rate with the BOE proposed 4.3 vs the place holder used at 3.5?
 - My initial thoughts are if/when there are discussions around what percentage to use, I wouldn't feel comfortable going below 4% depending on what that does with the mill rate.
- Problem we are having is that when the police department are returning their cars, they are so damaged that Enterprise is not getting their resale value for the cars. This may not be the best move for the Town.
 - Are there any fuel oil concerns? We are monitoring.
 - Tracy asked about the State Reimbursement rate of \$818,000 on their website. Annmarie Drugonis said that they are a year behind.
 - Alice Levey asked what the Educational Block Grant is. Kurt Miller said that it comes in as revenue and offsets the full cost of the Board of Education.

AT 8:42PM A RECESS WAS TAKEN

AT 9:10PM MEETING RESUMED

DISCUSSION – Revenues

- Andy North left the meeting
- Collection rate is 99%
- Collection to date is 98.33%
- ESC Funding does offset a certain amount of it
- From last year we had a Surplus \$562k – came from \$140k on the expenditure side and we had some increased revenues that we weren't expecting. That increases the Fund Balance from the prior year. We saved on the Assessor's budget since we didn't have one last year. Most of the other departments were on budget. S+P looks for our Fund Balance to be around 10% of our budget. Because of Bungay School we should be in front of S+P late this year, early next year. Kurt Miller said that S+P said every municipality should be at 8-10%. Ideal would be 15%. We need to borrow the full \$60 million. We should NOT use Fund Balance as much as possible.
Beverly Kennedy asked what is our Fund Balance? \$5,448,080 – 7.67%
OK for Fund Balance to match Contingency
- Annmarie Drugonis said that she is talking with some people about keeping the Bungay school up and making it the Community Center and Special Education Center – we can get money from the State and get transportation costs – then we could put housing where the Community Center is. This is being thought about.
- Jason Vieira said that he believes that we should reduce the interest income from \$850,000 to \$800,000. He has heard that the Fed will be possibly reducing the interest rate by ¼% which means they may be reducing by another ¼%. This would be overbudgeting and since this budget is so tight already, we should reduce to \$800,000. New Mill Rate will be 29.36 and increase will be 6.88%.
- Andy North returned to the meeting at 9:30pm.
- Beverly Kennedy asked about the Employee Benefits/Insurance percentages why they are above really different percentages Kurt said that it is because people's status changed. They may switch from opting in/out of health insurance. Have a child/get married.

Item #5 – Public Comment

None

Item #6 – Correspondence

None

Item #7 – New Business

Public Hearing tomorrow night at 6:30pm and then Monday night deliberations meeting.

Item #8 – Adjournment

Richard Demko adjourned the meeting at 9:53pm

Respectfully Submitted by:

Monica Dimon
Recording Secretary