

Approved 7/9/15

DRAFT

BOARD of FINANCE
Executive Session Meeting Minutes
June 11, 2015

ATTENDANCE: The meeting was convened at 7:34 pm by Chairman Ezzes in the Town Hall meeting room with members Mr. Ferguson, Ms. Koller, and Mr. Bochinski present. Also present were Town Administrator Landry and Finance Director Darling.

STATE BUDGET REVIEW: This discussion was in two parts. First Selectman Gayle Weinstein gave the Board a presentation regarding key points in the adopted state budget as they impact municipal aid and specifically, Weston. Then Chairman Ezzes discussed his deep concerns with this budget, and others offered their views as well.

Ms. Weinstein provided documents summarizing the budget from the State Office of Fiscal Analysis (dated June 3, 2015) and the Connecticut Conference of Municipalities (June 8) as part of her presentation. She said that while the session included many initiatives that would have an unfavorable financial impact on municipalities, most of these were defeated. Although she has concerns about the overall wisdom of the budget and its impact on our state, the aid picture for Weston is actually enhanced in this budget.

She noted that many of the "lapse listings" identifying savings in the budget were questionable. These total over \$200 million, and she doubts they can be fully realized. House Bill 7061 includes a phased in approach to sharing .5% of the state sales tax revenues with municipalities. This is projected to provide \$304,000 to Weston in FY2016-17, with increased amounts the two following years.

Two state grant programs – local bridges and STEAP, that have benefitted the Town in the past were level funded. The Town's mill rate is below the cap level for automobiles, so we will not receive funding in that program. She said that because it is performing in the top ten percent, budget reduction restrictions will no longer apply to Weston schools. A general 2.5% spending cap on municipalities implemented in this budget has not been well defined in the legislation and is full of loopholes. Increases in hospital taxes, corporate taxes, and decreases in health care subsidies contained in the budget are concerning to her.

Mr. Ezzes said that in his view, this budget shows the economic weakness and vulnerability of the state. Perhaps the biggest issue, the huge unfunded pension liability for state workers, wasn't even mentioned or addressed in this process. He is concerned about the impact on Fairfield County and the Town if GE leaves the state. He recalled that Continental Oil left New York City in the seventies to come to Stamford, which started a corporate exodus from the city. He feels this would do the same in Connecticut.

He felt this budget exemplified failed and bad leadership. He is reaching out to his Board of Finance counterparts in the county to establish a meeting to determine if communities

should take formal action or make a formal response to this budget. The initiative was supported by members present, and they asked to be kept informed of his efforts.

DISTRICT UPDATE: Dr. Palmer, accompanied by BOE member Ellen Uzenoff, provided the Board with a one page listing of the expected reductions that will be implemented in the BOE 2015-16 budget as a result of the referendum vote (attached). The Board noted that it appreciated her effort in crafting an impact which largely avoided direct negative classroom impact.

Ms. Weinstein said that the budget was based upon higher electrical rates than materialized, and that the new IT Director told her he thought the computers included in the budget will cost less than budgeted. She suggested that there may be sufficient savings there to allow the BOE to purchase some of the text books that are included in the list of cuts. Dr. Palmer said she was aware of both situations and that they were already looking into how they might identify the needed funds for book purchase.

MICHAEL CARTER APPRECIATION: Former Board member Michael Carter joined the meeting and was presented with two tokens of appreciation for his ten year service to the Town on this Board. His efforts were warmly recounted by his colleagues and First Selectman Weinstein. Mr. Carter recognized the efforts of his fellow Board members and Town staff through his time on the Board.

YEAR END OUTLOOK: Finance Director Darling made a presentation to the Board (attached) of his projections for year- end revenue, expense, and fund balance amounts. The outlook expects a \$650,000 increase in year to year fund balance due to unbudgeted supplemental auto receipts, and strong past tax collections, and lower usage in some of the abatement programs.

A Town operating deficit of \$122,750 is projected. Three large areas of deficits totaling \$335,000 (police overtime, snow removal, and paving) are partially offset by surplus amounts in health insurance, legal, and other insurances. He described other account balances in further detail.

SUPPLEMENTAL APPROPRIATION, TOWN OPERATING BUDGET: The Board unanimously approved a motion (Ms. Koller, Mr.Bochinski second) to authorize a supplemental appropriation in the amount of \$122,750 to meet an expected deficit in that amount. The appropriation will be charged to the 2014-15 general fund balance.

SUPPLEMENTAL APPROPRIATION, TOWN ROAD AID: The Board approved a motion by unanimous vote (Ms. Koller, Mr. Bochinski second) to authorize a supplemental appropriation in the amount of \$125,519 for the purposes of road repair and paving. The appropriation will be charged to the 2014-15 general fund balance, and reflects additional state aid for the purpose contained in the state budget last week.

AUDITOR APPOINTMENT: A motion (Mr. Ferguson, Ms. Koller second) to appoint he firm of McGladrey to complete the Town's various audits for fiscal year 2014-15

passed by unanimous vote. The Board noted Mr. Landry's request not to change audit firms at this time due to numerous vacancies and very recent turnover in key Town and School positions directly involved in the audit process.

MINUTES: A motion (Ms. Koller, Mr. Bochinski second) to approve the meeting minutes of May 17 as presented passed by unanimous vote.

ADJOURN: At 8:50 pm, a motion (Mr. Bochinski, Ms. Koller second) to adjourn the meeting passed by unanimous vote.