

Board of Finance Special Meeting
Agenda
June 4, 2020 at 6:00 pm (via remote conference)

<https://us02web.zoom.us/j/81854289119>

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Webinar ID: 818 5428 9119

- 1- Discussion and decision regarding the proposed Town operating budget for FY 2020-21.
- 2- Discussion and decision regarding the proposed Board of Education's operating budget for FY 2020-21.
- 3- Discussion and decision regarding the proposed Town and BOE capital budget for FY 2020-21.
- 4- Discussion and decision regarding the proposed Debt Service budget for FY 2020-21.
- 5- Discussion and decision regarding setting the mill rate for Fiscal Year 2020-21
- 6- Discussion/decision regarding approval of minutes from the May 7th and May 21st special meetings.

Current Scenario

	FY 20	FY 21	variance	% variance	FY 21 with Reductions	revised variance	revised % variance	Notes
TOWN OPERATING BUDGET	13,452,745	13,720,997	268,252	1.99%	13,710,997	258,252	1.92%	
BOE OPERATING BUDGET	53,073,710	54,281,443	1,207,733	2.28%	54,161,443	1,087,733	2.05%	Net reduction of \$10k.
TOTAL OPERATING BUDGET	66,526,455	68,002,440	1,475,985	2.22%	67,872,440	1,345,985	2.02%	Reduction of \$120k.
TOWN CAPITAL BUDGET	470,300	717,667	247,367	52.60%	511,000	40,700	8.65%	
BOE CAPITAL BUDGET	1,356,129	692,324	(663,805)	-48.95%	692,324	(663,805)	-48.95%	Reduction of \$206,667.
LESS: Special Funds Offset	-	-	-	N/A				
Capital Reserve Offset	(540,000)	(182,363)	357,637	-66.23%	(182,363)	357,637	-66.23%	
TOTAL CAPITAL BUDGET	1,286,429	1,227,628	(58,801)	-4.57%	1,020,961	(265,468)	-20.64%	
DEBT SERVICE - TOWN	700,983	674,110	(26,873)	-3.83%	674,110	(26,873)	-3.83%	
DEBT SERVICE - BOE	5,085,571	4,938,985	(146,586)	-2.88%	4,938,985	(146,586)	-2.88%	
TOTAL DEBT SERVICE	5,786,554	5,613,095	(173,459)	-3.00%	5,613,095	(173,459)	-3.00%	
TOTAL GROSS BUDGET	73,599,438	74,843,163	1,243,725	1.69%	74,506,496	907,058	1.23%	Total reduction of \$336,667.
LESS: REVENUES	2,728,901	2,971,149	242,248	8.88%	2,971,149	242,248	8.88%	
TOTAL NET BUDGET	70,870,537	71,872,014	1,001,477	1.41%	71,535,347	664,810	0.94%	
GRAND LIST	2,234,268,538	2,234,268,538	-	0.00%	2,234,268,538	-	0.00%	
BUDGETED MILL RATE	32.37	32.82	0.45	1.39%	32.67	0.30	0.93%	

YEAR END FUND BALANCE FORECAST

FY '19-20

<u>CATEGORY</u>	<u>ORIG BUDG</u>	<u>REV. BUDG.</u>	<u>YR END PROJ.</u>	<u>VAR. TO REV.</u>
REVENUE				
PROPERTY TAXES	72,120,537	72,120,537	72,262,704	142,167
Comments: Tax Sale originally planned for August has been put on hold, so \$1 million revenue in prior forecasts has been removed. Positive variance due mainly to supplemental auto (\$100k), and collection rate trending higher than last year (\$46k).				
DEPARTMENTAL RECEIPTS	1,149,100	1,149,100	1,209,984	60,884
Comments: Investment income expected to exceed budget by \$150k. Town Clerk and Land Use fees trending lower than budget and final quarter activity is uncertain (\$87k).				
STATE REVENUE	329,801	329,801	652,127	322,326
Comments: Town budgeted conservatively for state aid.				
TOTAL REVENUE	73,599,438	73,599,438	74,124,815	525,377
EXPENDITURES				
GENERAL GOVERNMENT	6,808,408	6,607,496	6,433,600	173,896
Comments: Favorable estimates for Health Insurance (\$28k), Worker's Comp and LAP (\$72k), and Land Use (\$27k due to vacant Engineer position).				
PUBLIC SAFETY	2,839,727	2,930,266	2,992,500	(62,234)
Comments: Deficit forecast in Police Dept (\$35k) mainly due to tuition expenses for officers, COVID-19 OT, and slight underbudget to contractual holiday pay; Communications Center expected to incur a deficit of \$30k mainly due to a severance payment to a retiring Senior Dispatcher.				
PUBLIC WORKS	2,128,594	2,613,829	2,539,000	74,829
Comments: Favorable operations in DPW due to snow removal (\$105k) and road paving (\$63k) offset by forecasted deficit in Solid Waste (\$72k) due to hours of operation at the Transfer Station being more than planned in the original budget.				
HEALTH, CULTURE, RECREATION	1,676,016	1,728,880	1,715,467	13,413
Comments: Savings related mostly due to Library Part-time wages.				
SUBTOTAL BOS BUDGET	13,452,745	13,880,471	13,680,567	199,904
DEBT SERVICE	5,786,554	5,786,554	5,784,045	2,509
Comment: Slight surplus to due November refunding.				
BOARD OF EDUCATION	53,073,710	53,073,710	* 52,473,710	600,000
* Comment: The BOE is expected to present their latest surplus forecast prior to the meeting.				
CAPITAL OUTLAY	1,286,429	1,514,429	1,514,429	-
Comment: \$228k over original reflects supplemental approp for Valley Forge reconstruction.				
TOTAL EXPENDITURES	73,599,438	74,255,164	73,452,751	802,413
REVENUE LESS EXPENDITURES	-	(655,726)	672,064	1,327,790
7/1/19 BEGINNING UNASSIGNED FUND BALANCE:			14,552,699	
FUND BALANCE FORECAST 6/30/20 PRIOR TO TOWN MTG SUPP.			15,224,763	
PUBLIC SAFETY COMPLEX	-	2,125,789	1,375,789	750,000
Comment: Assumes transfer from fund balance of approved appropriations less \$750k EMS funding commitment				
FUND BALANCE FORECAST 6/30/20 AFTER PUBLIC SAFETY			13,848,974	
			18.5%	of FY '21 Budg.

Board of Finance Special Meeting Minutes
Thursday, May 7, 2020 at 6:00pm
Meeting was held remotely due to COVID-19

1- Call to Order: Board of Finance Chairman Steve Ezzes called the meeting to order at 6:00pm. Also present were BOF members: Dick Bochinski, Allen Grauberd, Jeff Farr, Greg Murphy, Amy Gare and Rone Baldwin. First Selectman Chris Spaulding, Town Administrator Jonathan Luiz, BOE Chairman Steve Ezzes. BOE Finance Director Phil Cross, Superintendent Dr. Bill McKersie, Finance Director Rick Darling and Weston Residents

2- Discussion/decision regarding FY 2020/21 Town and Board of Education Operating Budgets and Capital Budgets.

Chairman Ezzes explained the Governor's executive order, the Public Hearing and implications if they were to put off voting on the budget.

Mr. Pesco and Mr. Cross addressed the following questions that the BOF had about the budget.

Mr. Cross reviewed savings incurred due to the school closings including transportation, supplies, SPED etc. Cleaning services has been switched to summer cleaning stage.

Discussions were had about best practices for where to put the savings incurred from COVID 19 closings. Mr. Cross spoke about their current deficit and budget freeze, pre-COVID

First Selectman Spaulding added the town has been staying in function, employees all working remotely. DPW still functioning, library running virtual programming. Mr. Darling spoke about other savings, which are not all COVID related, which includes snow removal costs. Police overtime was discussed due to officers sick with COVID

The BOF discussed solutions and how to get to a flat Mill rate. Appropriate use of the General Fund balance was also discussed.

Town Capital budget was discussed; Mr. Ezzes asked what could be reduced? Mr. Luiz said we could delay first installment of Michaels Way Bridge and 1st installment of FD equipment costs. The Mason Dump truck for DPW and Onion Barn improvements were also mentioned as possible items to consider.

At 7:30pm First Selectman Chris Spaulding and Town Administrator Jonathan Luiz left the meeting.

BOF continued discussion regarding how to reduce mill rate and how it would affect next year's budget. Mr. Pesco and Dr. McKersie discussed possible scenarios for the Fall and added they are still waiting for guidance from the state. Costs were discussed for distance learning.

Mr. Farr, Mr. Murphy, Mr. Bochinski, Mr. Baldwin, Mr. Grauberd and Chairman Ezzes all support a 0% mill rate increase with varying proposals. Ms. Gare does not support cuts, especially during this pandemic.

It was agreed to schedule additional BOF meetings on May 21st to review plans to get to 0% increase and then on June 1st to finalize the budget.

2-Discussion/decision regarding approval of minutes from the April 7th meeting – Mr. Murphy asked for the minutes need to be amended as he proposed a flat budget and that was not in the minutes. Mr. Bochinski also asked for a revision to Mike Rizzo’s title. With those two changes, Mr. Murphy moved to approve the minutes from the April 7th meeting. Mr. Bochinski seconded. Motion carried unanimously.

3- Adjourn: Mr. Murphy moved to adjourn the meeting at 7:11pm. Mr Farr seconded. Motion carried unanimously.

Minutes submitted by: Randi Derene, Administrative Assistant

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Board of Finance Meeting Minutes
May 21, 2020 at 6:00pm
Meeting was held remotely due to Covid-19

- 1- **Call to Order:** Board of Finance Chairman Steve Ezzes opening the meeting at 6:00pm. Also in attendance were BOF Members: Greg Murphy, Rone Baldwin, Amy Gare, Jeff Farr, Dick Bochinski and Alan Grauberd. Finance Director Rick Darling, Town Administrator Jonathan Luiz, First Selectman Chris Spaulding, Superintendent Dr. Bill McKersie, BOE Chairman Tony Pesco, Assistant Superintendent Mike Rizzo, BOE Finance Director Phil Cross, and Town residents.
- 2- **Pledge of Allegiance:** The Pledge of Allegiance was recited
- 3- **Discussion and possible decision regarding the proposed Town operating budget for FY 2020-21.** Mr. Ezzes asked the Board if there were any outstanding questions. Mr. Farr asked Mr. Darling if there has been money set aside for potential salary increases for non-union staff. Mr. Darling responded approximately \$35,000. Mr. Farr asked if those non-union employees would forego the increase for this year. First Selectman Spaulding stated this would negatively affect the non-union employees. Mr. Farr asked what other areas could be cut. First Selectman Spaulding said that they have been through multiple rounds and have come to the number presented. He also added there will be upcoming ordinance changes regarding abatements and deferments which will save us a substantial amount of money. Mr. Luiz spoke about numerous budget cut scenarios with Mr. Ezzes, but the BOS feels the budget that they have submitted is solid. He added that Easton unfortunately is not joining the WWHD taking away a planned \$35,000 savings. Mr. Luiz further explained that Easton first need to hold a referendum which won't take place in time for this budget. Mr. Ezzes stated he is comfortable that the BOS budget is solid.
Mr. Farr asked about the communication center, specifically if partnering with Redding is something we can look at longer term. First Selectman Spaulding said we are looking into this, but this is not an ideal time.
First Selectman Spaulding stated that we are expecting a back payment from Sprint who has been leasing our tower. The Tower reserve fund balance was discussed. Mr. Luiz mentioned that we could increase the offset from this fund by \$35,000. The Board then asked if there will be any savings incurred from COVID-19, Mr. Luiz replied no.
- 4- **Discussion and possible decision regarding the proposed Town Capital Budget:** Capital Budget line items were discussed including Michael's Way and Fire Dept. respirators. Bridge costs might go up if it is determined that replacement is needed instead of renovation. The Town will be applying for a STEAP grant for savings for the bridge project.

Capital costs continued to be discussed, including the ramp at the senior center, DPW masonry truck purchase and paving costs. Mr. Baldwin asked if the Town Building repairs and Onion Barn improvements can be moved to next year. Mr. Luiz responded repairs are a constant line item that needs to stay. The onion barn can be delayed, but pointed out that this area serves as an alternative egress for emergency vehicles.

5- Discussion and possible decision regarding the proposed Board of Education's Operating budget for FY 2020-21.

BOE Chairman Tony Pesco stated they have reduced their operating budget by an additional 120,000 and their potential cost savings increased by 550,000 to \$600,000 this year due to COVID 19.

Mr. Ezzes asked about the school bus contract and adjustments due to Covid-19. Mr. Cross replied there was an 18% discount which is included in the cost savings. Mr. Farr asked about the potential salary increases for non-represented employees and if we can we let this go. Mr. Pesco gave a similar answer as First Selectman Spaulding did for non-union employees. He explained that it creates issues between unaffiliated administrators and those who are union. Early incentive retirement programs were discussed by Mr. Farr and asked what savings are we seeing? Mr. Cross replied he doesn't have an answer for that as it was prior to him being hired. Dr. McKersie added it was a multiyear incentive; they are in year 2 of 3. Long term it is a financial benefit. Mr. Ezzes asked to get more information, Dr. McKersie said he would look into it and get back to him in a few days, but confirmed it is part of a contractual agreement. He added this was a one-time program, and not currently being offered.

Mr. Farr asked about the increase in security system monitoring. Dr. McKersie explained this was tied to particular technology expenses. Mr. Farr also asked about SPED transportation costs. Mr. Cross explained the costs, including in district and out of district costs. Mr. Rizzo added the rate of growth goes along with student needs which changes year to year. Mr. Pesco said they are constantly looking at more efficient models.

Mr. Baldwin asked about the areas where they found the \$120,000 savings. Mr. Pesco said those areas were FTE related budget adjustments. Mr. Pesco reassured the BOF that the BOE will hold a special meeting to vote on this in time for the BOF to vote on the budget.

6- Discussion and possible decision regarding the proposed BOE Capital Budget for FY 2020-21.

Mr. Baldwin asked about the cost for soundproofing rooms at the high school and the middle school. Dr. McKersie said this is an occupation hazard and needs to be resolved.

Ms. Gare asked if the ~~the BOE took any~~ COVID related savings were utilized to offset this year's mill rate, would this compound the 2021 mill rate. Mr. Grauberd provided an explanation stating it would not stating that while there would be a true savings to the taxpayers for 2020, in 2021 the mill rate would then include the 2% raise from 2020 in addition to any raise for 2021.

Other Capital line items were discussed.

Mr. Bochinski expressed his feelings that a decision has to made, we have all the formation we need.

Mr. Grauberd expressed his opinion that we need to get to a 0% increase to mill rate by accessing the General Fund.

Mr. Farr expressed he doesn't feel we should tap into the Town's surplus, instead we should look towards more budget cuts.

It was agreed that the BOF will make a decision on the budget and mill rate on June 1st.

The meeting was then opened to the public for questions only

- 7- **Discussion/decision regarding approval of minutes from the May 2nd Public Hearing.** Mr. Grauberd moved to approve the minutes from the May 2nd Public Hearing, Mr. ~~Farr~~ Bochinski seconded. Motion. Ms. Gare then objected to the May 2nd Minutes because a resident, Amy Sanborn had emailed a request to the Board of Finance on May 11, 2020 to amend the minutes to reflect her position concerning the budget process. Ms. Gare then noted that the version of the May 2nd minutes presented to the Board of Finance had been revised to delete the positions of the residents concerning the budgets and the budget process. Mr. Ezzes then objected to the minutes stating that the names of the residents should be struck from the minutes because the Board of Finance never includes the names of individual residents who speak at Board of Finance meetings and he cannot verify the names of the individuals who spoke at the meeting. Mr. Grauberd then withdrew his motion. Mr. Luiz then noted that the first draft of the minutes reflected whether the residents who spoke at the May 2nd meeting were in favor or against the proposed budgets, but the minutes were then revised because there was concern about the clarity of each resident's position. Mr. Luiz then explained that generally, when there is a public hearing the Town records the public's name and address. However, Mr. Luiz noted that this meeting/hearing was unprecedented. Mr. Murphy then concurred with Mr. Ezzes that there is no way to confirm who actually spoke at the May 2nd hearing. Mr. Luiz then explained that we do not require such verification at a routine hearing. Mr. Ezzes then recommended redacting the names and Mr. Murphy agreed. Ms. Gare noted that she was troubled by this approach because there was no ATBM this year and a number of residents called in with their positions and those positions should be reflected in the record. Mr. Darling further explained that the minutes were presented with the townspeople's names because the meeting was advertised as a public hearing and the minutes followed the standard protocol for town hearings. Mr. Ezzes then stated that because the meeting was advertised as a public hearing, he would be fine with the minutes reflecting the names of the townspeople who spoke at the May 2nd hearing. Mr. Grauberd then moved to adopt the minutes again. Mr. Baldwin seconded the motion. Mr. Ezzes, Mr. Farr, Mr. Bochinski were in favor. Ms. Gare and Mr. Murphy objected. ~~carried unanimously.~~
- 8- **Adjourn:** Mr. Bochinski moved to adjourn at 9:11pm. Mr. Grauberd seconded. Motion carried unanimously.

Minutes submitted by: Randi Derene, Administrative Assistant

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