



**THE TOWN OF WOODBRIDGE
BOARD OF FINANCE
MEETING MINUTES
THURSDAY, MARCH 7, 2019
6:00 PM**

A Board of Finance Meeting for the Town of Woodbridge was held in the Central Meeting Room at the Town Hall, Woodbridge, Connecticut on Thursday, March 7, 2019 at 6:00 pm

PRESENT: Chairman, Matthew Giglietti, Vice Chairman, Sandy Stein; Tom Kenefick; Paul Kuriakose, Andrew Pels

ALSO PRESENT: First Selectman, Beth Heller; Administrative Officer / Director of Finance, Anthony Genovese; Budget Analyst / Payroll & Benefits Administrator, Karen Crosby

Meeting called to order at 6:00 PM

REVIEW OF AUDIT – SCOTT BASSETT FROM RSM

Scott reported that RSM conducted the audit for Fiscal Year 2018. They received full cooperation from both the Town side and the Board of Education. The records were in very good shape and there were no audit adjustments proposed by RSM. No instances of any significant deficiencies. The significant change is the reporting of Post-Employment Benefits. It went from a contribution match to a liability. It was a \$12,000,000 adjustment added to the liabilities. The Town does have a Trust for this purpose with approximately \$4,000,000 in the trust. The Town received a clean and unmodified opinion which is typical.

The Fund Balance increased about \$495,000. The Town continues to have a strong collection rate of 99.55% which is a very high collection rate.

Sandy asked about the amount in the Fund Balance and what is a recommended percentage. Scott stated that there are varying benchmarks. The GFOA would go all the way to three months of expenditures. The Town is at 12%, he doesn't think that is to the extreme. As you go to rating agencies it is really the policy and how the Town adheres to that policy. Depending on the budget it could range anywhere between 10 and 20 percent.

Sandy asked if there are going to be any changes from a reporting perspective. Scott stated that he current reporting model has been around for 11-12 years. What is coming in the next few years as he sees it is that they are going to be looking at the budgetary statements are required supplementary information. They will have the auditors take a look at that and start opining on it. It probably won't be until 2020-2021.

The Board thanked Scott for attending.

APPROVAL OF MINUTES

The Board of Finance voted (Giglietti/Kenefick) unanimously to approve the minutes of the Joint Board of Finance/Board of Selectmen meeting of November 29, 2018 as presented.

The Board of Finance voted (Giglietti/Pels) unanimously to approve the minutes of the Joint Board of Finance/Board of Selectmen meeting of December 5, 2018 as presented.

The Board of Finance voted (Giglietti/Stein) unanimously to approve the minutes of the Joint Board of Finance/Board of Selectmen meeting of January 22, 2019 as presented.

The Board of Finance voted (Giglietti/Kuriakose) unanimously to approve the minutes of the Joint Board of Finance/Board of Selectmen meeting of January 24, 2019 as presented.

The Board of Finance voted (Giglietti/Kuriakose) unanimously to approve the minutes of the Joint Board of Finance/Board of Selectmen meeting of January 29, 2019 as presented.

REVIEW AND ACT ON BOARD OF FINANCE FY2020 BUDGET RECOMMENDATIONS (OPERATING & CAPITAL) TO THE PRELIMINARY BUDGET HEARING

Matt stated that he has gone through and has some ideas. He doesn't think we will finish tonight. We may have to leave some things up to Tony to look in to.

Sandy would like to entertain to use Amity Surplus Funds (\$761,134) as an option to fund capital projects that were requested whether the Board of Selectmen recommended the project or not. She would like to make this part of the discussion. Tony stated that there are some areas that we could use some of the funds --- the Beecher deficit (\$250,000), HVAC work at Beecher (\$100,000). This would leave approximately \$400,000 remaining in the surplus funds. This would be for one-time expenditures.

Capital Budget Adjustments

Tony stated that at this point in the process with the Amity budget reduction (\$129,355) we are at 3.33% mill rate increase. If the goal is to get to 1%, we would need \$1,100,000 in adjustments.

Matt has four things in Capital that he is looking at:

Darling House is at \$18,400 – let's make it \$10,000

Fire Commission – Technology - \$20,000 – Tony will look into that to be sure it is not critical

Waste Management – Containers \$30,000 can be put out another year

DPW – Roads – Reduce \$50,000 off of roads

Sandy asked about the van for Human Services and she thought she heard something about leasing vs purchasing the van. Beth stated that the Board of Selectman kept it in for the grant application.

Sandy also asked if it could be looked at to lease vehicles for public works. Tony will look into the \$67,000 for the Human Services van.

Sandy asked about the Bridge and Waterways Reserve. Tony stated that we had to most recently clean out a culvert. Beth stated that very soon the Army Corps of Engineers are coming to take a look at the flooding in the Litchfield Turnpike area. We will need to do certain studies in order to apply for funds for the flooding. Tony stated that there is currently \$5,018 in the reserve.

Sandy asked if now they could look at capital requests to use the Amity Surplus Funds.

Matt stated that Human Services is not happy that the project was put out a year. The Center Building needs to be addressed. The Police project has been in the Capital Plan for years.

Tom Kenefick stated that the senior center is very vibrant and the building is embarrassing. He feels that things could be done now without addressing the whole building and the heating and ventilation is an issue as well. They have been told by the Board of Selectmen to proceed. After the budget season is over, he feels there should be a serious sit-down with departments and buildings in town to figure on what it is we need to do and figure out a plan in addressing them. The budget before us is not sustainable.

Matt stated that maybe we need to sit down with Human Services to discuss the project. He feels that the whole building needs to be addressed. Beth stated that Human Services have requested \$15,000 to paint now.

Tom Kenefick there is a serious issue across the street that needs to be addressed. Beth proposed that some of the \$195,000 be put back in to do some of the work. Sandy stated that the police have been waiting a long, long time. At some point it is really unfair with the environment in which they are working. Tony has reported to us about the Town debt when debt falls off and when we can add debt. We haven't made any commitments as to what is going to be next. Is that the Board of Selectmen or the Board of Finance or both boards together to try to create a structure that departments can count on as to when their projects will be done? Maybe it is every five or seven years.

Sandy stated that we have 40 departments that submit budgets to us. Almost 50% (19) submitted budgets of zero or less. Those departments should be complimented on their submissions. They deserve a big thank you for coming in at that level. The Board of Selectmen made their reductions and four more departments came in at zero or below. They reduced the operating budget by about \$150,000. Sandy would like the Board of Finance to take all departments to zero except where we know we have contractual obligations. If we were at zero, what would that translate to?

Operating Budget Adjustments

Town Clerk – Capital \$3,450

Information Systems – Reduce Computers to zero. -\$5,000

Board of Assessment Appeals – Reduce Regular All Other by \$1,000
Reduce Part Time Clerical by \$300

Board of Finance – Reduce Contingency by \$25,000

TPZ – Cut \$10,000 General Professional Services

CCW – Tony to come to 3/21/2019 meeting with suggestion for this budget

Police – Tony will look into the Radio Maintenance to see if 1st year is no charge

Police Overtime – Reduce by \$20,000, Capital Machinery & Capital Furniture (will fund with other funds)
\$17,233

Fire – Reduce Capital by \$10,000

Waste Management – problem with recycling – the budget is going up but the scale will be installed to collect revenue

Debt Service – Reduce WCC Purchase interest by \$107,115 due to the possibility of not having to bond that. Because we are in the process of maybe selling some and building on some of the property. If we are allowed to do BANS again we can reduce it by the \$107,115.

Woodbridge Board of Education – Matt has talked to Bethany who also has a bump up in special ed and they are coming in at 2.64% and Matt was told it will come down. Orange Board of Ed just announced 2.80% and

will be coming down. Matt reported that Amity lowered its special ed tuition expense to the lowest level since 2014. If older people in Town with homes with 4-5 bedrooms with no kids move out of town, we will be in deep trouble. When a town hits and surpasses 40 mills, it is not a good situation.

Matt asked for a suggestion regarding the Board of Education.

Sandy stated she will make the same suggestion, go back and look at the contractual obligations that we need to meet. There are salaries, benefits, out of district special education and that becomes a base line. There are a lot of additions in the budget. What is the trade-off in terms of adding? There are more children to be educated and there are more special education students but to really understand this number; we have to take out things we know we need to fund and then be able to understand the rest. We will have to use the Superintendent and the Business Manager for this.

Matt stated that the growth in the Woodbridge Board of Education budget is unsustainable. Not only are we looking at the 5.77% increase; we have to stop overspending the budget and the Town will cover it. Amity is so very careful because they know if they over spend they will have to come to three towns for town meetings and referendums for more funds.

We passed last year 2.7% and we are looking at giving them another \$250,000 and that is not the way you budget. There is no sense in having a budget if you are going to overspend it. He knows that at one point we had an agreement about special ed but that is getting out of hand. Matt reported that someone said to him that they are not getting the \$195,000 for the senior center but whatever Beecher wants they get. It is not fair. There are a lot of senior in this town. We have to take care of them too. There are a lot of people in this town without children.

Sandy stated that as far as special education, we set the rule to have them budget for what they know and The piece that you don't know about and happens we will fund. Right now they are playing by the rules we established. The increase is not all special education.

Matt stated that if we have to get down to the number he is thinking of, there has to be a big cut in the Beecher budget.

Sandy stated that maybe Bob or Al may have some idea of what that base line is right now.

Superintendent Bob Gilbert addressed the Board. He stated that he did put forth a high number of 5.77% that would take care of what they have now and roll it forward, take care of all the contractual obligations, taking care of the facility and meeting the needs of the growing enrollment and the special education population. They have the second highest percentage increase in student enrollment in the state. Area towns have declining enrollment and are asking for high percentage increases. If he took the budget this year and added the contractual obligations, it would have been an increase of 3.6%.

He is advocating for a budget of 5.77% increase. He thinks he is hearing the question of what is he obligated to. That would be painful and would bring it to a 4.1% increase (cutting our \$245,000). He will not be able to cut out most of the special education staff he has added because he needs them for the legal aspect of carrying on a higher percentage of students that went from 8% to 11% of the population. It is non-negotiable. Additional cuts would affect the other 89% of the students.

Matt stated that he is not going to the Town with a 2.5% increase. There comes a time when some of the ideas need to be altered. Maybe class size needs to be addressed.

Matt stated the First Selectmen of Bethany, Orange and Woodbridge convinced Amity to return the surplus to the towns. It is all going to education – the whole town should benefit from those funds.

Matt asked Tony to take a look at the revenue at the Transfer Station and see what else comes to mind and we will meet in two weeks.

Sandy stated that she thinks if we have a percentage increase in mind the Board has an obligation to communicate that earlier in the budget process so it is very clear what we are operating from. We can't say it is only going to be 1% and cut budgets and not look at what is being impacted operationally. If the Board is not willing to take that stand then she doesn't think the Board can just slash budgets. Matt stated he doesn't think communicating a 1% increase in the mill rate will have much impact on a department. They don't know how their department would impact the increase.

Sandy stated that they would be cognizant and aware of the message from the Board.

Sandy requested to receive some revised figures in advance of the March 21st meeting.

Tony asked if the departments that came in higher than zero should still be looked at. Sandy stated that they should be looked at.

Matt stated that maybe it is time to put the budget to a referendum vote. A lot of towns have two parts – the Town side and the education side.

Sandy stated that people show up if they have a problem. We have had people come to the meeting and have swayed them to fund certain items.

Matt stated that year after year after year this is unsustainable.

The meeting adjourned at 7:16 pm

Respectfully submitted,

Karen Crosby

Karen Crosby
Budget Analyst
Payroll & Benefits Administrator