

Board of Finance Minutes Monthly Meeting Tuesday, August 15, 2017

Present: Maureen Brady, Jim Blackketter, Ed Epstein, Nancy O'Dea-Wyrick, Mark Sebetic, Mark McWhinney.

Public and Invited Guests: Barbara Herbst, Lynn Mellis Worthington.

Ms. O'Dea-Wyrick called the meeting to order at 7 p.m.

The Pledge of Allegiance was recited.

Approval of Agenda: Mr. Blackketter made a motion to approve the agenda as presented. Mrs. Brady seconded the motion, and the motion was approved unanimously.

Approval of Minutes: Mr. Blackketter made a motion to approve the minutes of the July 18, 2017 meeting as presented. Mr. McWhinney seconded the motion, and the motion was approved unanimously.

Correspondence: Ms. O'Dea-Wyrick noted there is one correspondence and it is an agenda item.

Reports: Tax Collector: Debbie Devaux was not present, and there wasn't a report.

Board of Education: Allan Priaulx was not present, and there wasn't a report.

Board of Selectmen: Bruce Adams was not present, and there wasn't a report.

Treasurer: Barbara Herbst presented a Budget and Mil Rate 10 Year Compilation as well as chart outlining FY 2017 surplus (attached).

Business: Fund Balance Estimate: Ms. O'Dea-Wyrick shared with the board prior to the meeting a letter addressed to the first selectman from Office of Policy and Management Secretary Benjamin Barnes requesting updated information on the Town of Kent's fund balance for FY 2017 and the anticipated balance for FY 2018 (attached). A reply is due by August 16, 2017. The board discussed how it would recommend replying to the request. Mr. Blackketter and Ms. O'Dea-Wyrick recommended giving a low figure. Mr. Epstein said he is interested in knowing what the surrounding towns are saying. Mr. Epstein made a motion to defer action on replying to the letter until the Board of Finance's September meeting due to the absence of the first selectman. Mr. Sebetic seconded the motion. Mr. Sebetic questioned if the board is obligated to respond? Mrs. Herbst said the Town has to file its financial statement for the prior fiscal year by December 31. She said the first selectman is responsible to respond to the request. The motion was approved unanimously.

Other Old Business: There was no discussion.

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Other New Business: There was no discussion.

Comments from Public and Invited Guests: There were no comments.

Mr. Sebetic made a motion to adjourn the meeting at 7:37 p.m.

Lesly Ferris Board Clerk

Minutes are not considered final until approved. Refer to the minutes from ensuing meeting for any changes and/or corrections.

RECEIVED FOR RECORD KENT TOWN CLERK

2017 AUG 21 A \$ 34

Dannel P. Malloy

GOVERNOR STATE OF CONNECTICUT

August 2, 2017

Secretary Ben Barnes
Office of Policy and Management
450 Capitol Ave.
Hartford, CT 06106

Dear Secretary Barnes:

As we know, municipal aid accounts for our single largest state expenditure – more than \$5 billion of our state budget. The vast majority of that funding is for educational aid, which amounts to \$4.1 billion, or 81 percent, of all state funding given to local government.

In recent years, I have made it a priority to protect aid to municipalities. In contrast, we have made drastic changes to how we fund other areas of state government — both in total funding and in our rationale for how limited dollars are allocated. We've reduced state services; we've cut funding to private providers; we've asked state employees to come to the table with concessions; and we've raised revenues. Throughout all of this, we've held town aid harmless. In fact, it could be said that we have sacrificed state services and raised revenues in order to shield town government from facing difficult choices required of state leaders and implementing reforms.

As our state struggles to finalize a biennial budget, how we fund our single largest expenditure must be on the table for discussion with the General Assembly and the public. If we fail to recalibrate aid based on shifting local demographics, economies, and need, we risk perpetuating an inequitable distribution of burden among our communities. We risk not investing in the communities that should be our assets in attracting economic development, young professionals, and families.

Therefore, in an effort to inform and facilitate the budget process now underway, I ask that you send me information and analysis regarding municipal aid, local tax levels, expenditure trends, fund balances, and any other criteria that could better inform our decisions. These reports should include both historic trends and current fiscal conditions. They should also be shared publicly when completed.

Thank you for your prompt attention to this matter.

Mallor

Sincerely.

Governor Dannel P. Malloy

STATE OF CONNECTICUT



OFFICE OF POLICY AND MANAGEMENT

OFFICE OF THE SECRETARY

August 7, 2017

Dear Selectman Adams,

On August 2nd, the Governor directed the Office of Policy and Management to produce a series of reports on the fiscal health of municipalities (please see attached).

To that end, I am requesting updated information on your municipality's fund balance. We have historic data already reported to our office, which we have included below. We are looking for estimates of your General Fund's total fund balance and unassigned fund balance for as of June 30, 2017. In addition, we are requesting projections of your municipality's General Fund total fund balance and unassigned fund balance as of June 30, 2018, based on the assumptions from your adopted FY 18 budget.

KENT General Fund

		Unassigned Fund Balance		
	Total Fund Balance	per GASB 54		
FY 15 Actual	2,153,273	1,909,011		
FY 16 Actual	2,340,204	2,038,661		
FY 17 Estimated				
FY 18 Projected (based on adopted municipal budget)				

Finally, please provide any supplemental information about the potential impact of a continuing state budget impasse on your community's finances, such as contingency plans to utilize fund balance, issue supplemental taxes or reduce spending.

Please email the requested information to Michael Izadi on my staff at <u>michael.izadi@ct.gov</u> by August 16, 2017.

Sincerely,

Benjamin Barnes

Secretary

Cc: Barbara Herbst, Treasurer

Michael Izadi, Office of Policy and Management Kerry Kelley, Office of Policy and Management

BUDGET AND MIL RATE

FY	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Grand List	0017	0010	0015	0014	0010	0010	0011	2010	0000	0000
Year	2017	2016	2015	2014	2013	2012	2011		2009	2008
Grand List		600,802,817	595,983,179	594,416,601	592,540,429	671,859,145	665,620,489	660,005,006	653,173,014	651,748,430
Tax Collection Rate	99%	99%	99%	99%	99%	99%	99%	99%	98.5%	97.5%
One Mil	0	600,803	595,983	594,417	592,540	671,859	665,620	660,005	653,173	651,748
Budget Mil	0	594,795	590,023	588,472	586,615	665,141	658,964	653,405	643,375	635,455
Selectmen	0	394,793	390,023	300,472	300,013	003,141	050,504	033,403	040,070	000,400
Expenses		3,457,194	3,318,865	3,301,591	3,153,985	2,968,799	2,826,671	2,743,752	2,652,977	2,612,785
BOE Exp		4,610,634	4,525,093	4,435,107	4,395,326	4,149,565	3,997,378	3,876,088	3,745,848	3,657,849
Region #1		2,653,314	2,637,513	2,543,409	2,465,808	2,339,081	2,587,951	2,570,853	2,474,491	2,552,999
L-T Debt	625,486	646,825	669,987	693,194	672,788	696,438	714,354	747,357	766,950	839,262
Transfer to		,	,	,	,	,		,		·
Capital	010 700	746,000	700 000	706 000	796,200	744,900	661,600	553,600	443,600	330,000
Reserve	818,700	746,000	732,200	726,200	790,200	744,900	661,600	553,000	443,000	330,000
Current Year Capital Exp	636,500	692,500	872,000	900,000	895,000	375,000	311,000	323,000	555,000	563,000
Total Budget	2,080,686	12,806,467	12,755,658	12,599,501	12,379,107	11,273,783	11,098,954	10,814,650	10,638,866	10,555,895
										REVAL
Mil Rate		18.61	18.33	17.86	17.03	14.45	14.27	14.27	14.02	14.11
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Budget Increase from Prior Year	-10,725,781	50,809	156,157	220,394	1,105,324	174,829	284,304	175,784	82,971	3,211
Iloni Filor Teal	-83.75%	0.40%	1.24%	1.78%	9.80%	1.58%	2.63%	1.65%	0.79%	0.03%
	00.7070	0.1070	1.2 170	1.7070	0.0070	1.0070	2.0070	110070	01.070	0.0070
Mil Rate Increase from										
Prior Year	-18.61	0.28	0.47	0.83	2.58	0.18	0	0.25	-0.09	-4.68
	-100.00%	1.53%	2.63%	4.87%	17.85%	1.26%	0.00%	1.78%	-0.64%	-24.91%
Grand List										
Increase from	600 000 017	4.040.000	1 500 570	1 070 170	70.010.716	6 000 656	E 61E 400	6 921 000	1 404 504	170 596 475
Prior Year	-600,802,817 -100.00%	4,819,638 0.81%	1,566,578 0.26%	1,876,172 0.32%	-79,318,716 -11.81%	6,238,656 0.94%	5,615,483 0.85%	6,831,992 1.05%	1,424,584 0.22%	170,586,475 35.45%
	-100.0078	0.0176	0.2076	0.52 /6	-11.0176	0.5476	0.0376	1.0376	0.EE /0	00.4070
Unassigned								0 1 7 2		
General Fund at Fiscal Year End			\$2,226,330	\$2,038,661	\$1,909,011	\$1,910,857	\$2,195,230	\$2,322,284	\$2,540,618	\$2,323,208
% of reserve		0.00%	18.38%	17.16%	16.32%	16.64%	19.47%	20.92%	23.49%	21.84%
Unassigned GF Bal.		0,000	10.0070	1111070	1010270	1010170	10111170	20.0270	20075	2.13.73
appropriated to next FY budget			\$225,000	\$225,000	\$225,000	\$400,000	\$350,000	\$638,000	\$400,000	\$281,000
Total GF Balance			\$2,480,429	\$2,340,204	\$2,153,273	\$2,319,716		\$2,960,284		\$2,604,208
Change from PY		0055	187,669	\$186,931	-\$166,443	-\$225,514	-\$415,054	\$19,666	\$336,410	\$135,072
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	Projected	Actual	Variance
Region #1 adjustment resulting from PY audit	56,119	56,119	0
Expected BoE variance	64	117,118	117,054 0
Expected BoS variance	80,620	32,326	-48,294
Expected Revenue variance	131,822	107,377	-24,445
Capital Variance	-125,272	-125,272	0
FY '16 Unassigned General Fund	2,038,661	2,038,661	0
FY '17 Unassigned GF	2,182,015	2,226,330	44,315

Total FY '17 Surplus 187,668

Amount of surplus attributible to BoE Roof 103,535