

RECEIVED FOR RECORD
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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.

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.

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BY

TOWN CLERK

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.

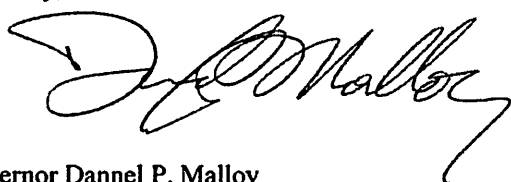
In recent years, I have made it a priority to protect aid to municipalities. In contrast, we have made drastic changes to how we fund other areas of state government – both in total funding and in our rationale for how limited dollars are allocated. We've reduced state services; we've cut funding to 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.

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

	<u>Total Fund Balance</u>	<u>Unassigned Fund Balance</u> <u>per GASB 54</u>
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 michael.izadi@ct.gov 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

10 year compilation

SHADED COLUMN IS PROPOSED

	Projected	Actual	Variance
Region #1 adjustment resulting from PY audit	56,119	56,119	0
Expected BoE variance	64	117,118	117,054
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 attributable to BoE Roof 103,535