

Board of Finance
Minutes Regular Monthly Meeting
January 15, 2019

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KENT TOWN CLERK
2019 JAN 17 A 9:41
BY J Brady
TOWN CLERK

Present: Ed Epstein, Fran Goodsell, Mark McWhinney, Mark Sebetic.

Public and Invited Guests: Bruce Adams, John Casey, Gonzalo Garcia-Pedroso, Barbara Herbst, John Johnson, Hedy Kinney, Lynn Mellis Worthington.

Chairman Mark Sebetic called the meeting to order at 7 p.m.

Agenda: Mr. McWhinney made a motion to accept the agenda as presented. Mrs. Goodsell seconded the motion, and the motion was approved unanimously.

Minutes: Mr. Epstein made a motion to approve the minutes of the December 18, 2018 meeting as presented. Mr. McWhinney seconded the motion, and the motion was approved unanimously.

Correspondence: None.

Reports: Tax Collector: Debbie Devaux did not attend the meeting and did not provide a report.

Board of Education: Board vice chairman Gonzalo Garcia-Pedroso gave an update on the school's capital plan, saying the board is applying for grant money for the proposed security work.

Board of Selectmen: First Selectman Bruce Adams gave a verbal report, saying the Board of Selectmen today returned to work on the Management Review, meeting with more department heads. Mr. Adams said some things will come out of these meetings at budget time.

Treasurer: Barbara Herbst provided a written report, "Treasurer Report for BOF meeting 1.15.19" and FY '19 Actual vs. Budget, July through December 2018 (attached).

Business: Streetscape Committee Follow-Up: Mr. Adams outlined the proposed Streetscape Project planned presentation which will take place following the January 17, 2019 Annual Town Meeting. Various Streetscape Committee members will give short presentations on different parts of the proposed project, he said. Board of Finance member Jim Blackketter will present a financial breakdown that will include the proposed cost of the project and financing proposal. Mr. Adams shared a financial worksheet with the board (attached). He said additional grant money could be available through the USDA. Mr. Sebetic said he would prefer to show on the worksheet the grant funding currently in place (\$500,000) if only one scenario is being presented. Mr. Sebetic added that he would have no problem saying at the meeting that other grant monies are possible. Mr. Adams said there also will be a hand-out given to people as they leave the meeting. Committee member John Casey asked if there would be a sheet that shows the potential tax impact of the proposed project. Mrs. Herbst said she discourages putting out that information because the variables are huge. Mrs. Herbst added the response to anyone who asks

about tax implication could be that taxes would stay the same or go down based on the information the Town has. Mr. Sebetic said the Town isn't looking at spending more money on debt service than it currently is spending.

Ms. Mellis Worthington questioned the process for moving forward after the presentation. Mr. Sebetic said if there is a favorable response at the presentation, the Streetscape project would have to come back to the Board of Finance. Mrs. Herbst said the bonding would come to her office, but the Town first would need a cost which would require engineered plans that would be put out to bid.

Fire Department Meeting Follow-Up: Mr. Sebetic said there hasn't been another meeting since the Board of Finance last met.

Five-Year Capital Plan: The proposed plan goes to the Annual Town Meeting Thursday for informational purposes.

FY2018 Annual Town Report: Board clerk Lesly Ferris will make copies to have at the Annual Town Meeting. The report also will go on the Town website. Mr. McWhinney made a motion to approve the FY2018 Annual Town Report. Mr. Epstein seconded the motion, and the motion was approved.

2019-2020 FY Budget: Mr. Adams said the budget packets have gone out to the departments, and the Selectmen have a budget schedule. The board discussed its departmental budget and agree to move \$15 from the postage line into notices, leaving the bottom line unchanged. Mr. McWhinney made a motion to approve the proposed 2019-2020 Board of Finance budget as discussed. Mr. Epstein seconded the motion, and the motion was approved unanimously.

Comments from Public and Invited Guests: Mr. Epstein commented on the recent presentations from the library, fire department and school board regarding requests for monies for projects. He questioned how to give out additional monies without it looking like the board would be going to give out those extra funds every year. Mrs. Herbst said the board could put a note on the appropriation that it is a one-time allocation. Mr. Sebetic said he favors these requests go through the Board of Selectmen in the budget process and that board could decided to add them to the budget or not with the understanding that it is a one-time allocation. Mr. Sebetic asked the first selectmen to discuss this with the selectmen. Ms. Mellis-Worthington said she feels this discussion should be communicated to those groups.

Ms. Mellis Worthington suggested the Five-Year Capital Plan could benefit from some narrative to explain projects in the plan, referencing the Town's experience with the Kenico Road project. She added she thinks residents would like more information about capital projects. Mr. Sebetic said the capital plan sheet is more for financial purposes, adding that a little more outreach would be appropriate.

Mr. McWhinney made a motion to adjourn the meeting at 7:54 p.m.

Lesly Ferris
Board Clerk

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

Revenue

1. **Revenue** is strong, 62% of budgeted revenue has been received through 12.31.18
2. **Sale of town equipment** (2005 F250) \$6,254 has been received

Expense

1. Department *actual vs budget to date* is tracking in accordance with the % of completed FY to the % of budget for the same period. Six months in to the FY = 50%. A few departments have exceeded individual lines within their department. At this time it is presumed that other lines within the department will offset these overages.
 - a. BoS: *Discretionary Expenditures* over by \$106
 - b. P/Z : *Mileage* over by \$49
 - c. RoV: *Election Workers* over by \$991
 - d. RoV: *Supplies* over by \$523
 - e. RoV: *Election Refreshments* over by \$669
 - f. Tax Collection: *Fees for Delinquents* over by \$82
 - g. Town Clerk: *Legal Notices* over by \$40
 - h. Treasurer: *computer services* over by \$695
 - i. ZBA: *Postage* over by \$55
 - j. Town Hall: *building supplies* over by \$33
 - k. Attorney Fees: *P/Z legal* over by \$227.5
 - l. Grants: *Women Support Services* over by \$1,500 (due to clerical error of posting the FY '18 grant with a FY'19 date...too late to correct)
2. Attached is a summary actual vs budget through 12.31.18
3. Budget worksheets have been provided to all departments.

TOWN OF KENT
FY '19 Actual vs. Budget
 July through December 2018

	<u>Jul - Dec 18</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Income	<u>7,976,236.27</u>	<u>12,869,312.00</u>	<u>-4,893,075.73</u>	<u>61.98%</u>
Expense				
A · General Government	\$ 740,345	\$ 1,239,476	\$ (499,131)	59.73%
B · Public Safety	\$ 51,368	\$ 250,816	\$ (199,448)	20.48%
C · Public Works	\$ 517,281	\$ 1,650,827	\$ (1,133,546)	31.34%
D · Health and Welfare	\$ 63,190	\$ 101,431	\$ (38,241)	62.3%
E · Recreation	\$ 90,966	\$ 188,333	\$ (97,367)	48.3%
F · Sanitation	\$ 54,690	\$ 115,935	\$ (61,245)	47.17%
G · Board of Education	\$ 3,462,097	\$ 7,294,308	\$ (3,832,211)	47.46%
H · Debt Service	\$ 625,486	\$ 625,486	\$ -	100.0%
I · Transfer to Capital	\$ 758,700	\$ 758,700	\$ -	100.0%
J · Transfer to Dog Fund	\$ 7,500	\$ 7,500	\$ -	100.0%
K · Current Year Capital Pr	\$ 636,500	\$ 636,500	\$ -	100.0%
Total Expense	<u>\$ 7,008,123</u>	<u>\$ 12,869,312</u>	<u>\$ (5,861,189)</u>	<u>54.46%</u>

Current Debt Service

Ten Year Bond for Firehouse Construction

Borrowed: \$1,250,000
Interest Rate 3.14 %
Final payment 09/15/2018 (paid off in this current FY)
Annual Debt service: 130,000

Refunding bonds for KCS Construction

Financed: \$4,055,000
Average Interest Rate 1.51%
Final payment 02/01/2021 (three years including this FY)
Annual Debt service: 421,540

40 Year Bond for Maple Street Extension

Financed: \$864,000
Average Interest Rate 3.25%
Final payment 06/27/2054 (36 including this FY)
Annual Debt service: 38,758

FY '19 Debt Service total \$586,581
FY '20 Debt Service total \$411,563
FY '21 Debt Service total \$393,663
FY '22 Debt Service total \$38,906
FY '23 Debt Service total \$38,906
FY '24 Debt Service total \$38,906
FY '25 – FY '54 \$38,906 (each year for the remaining 30 years)

Current Debt Service

USDA Grant / Loan Program (as of 12/6/18)

Assumptions:

Necessary Funding:	3,800,000
25% Grant	-950,000
Loan	2,850,000
Interest Rate	3.75%
Term	30 years
Projected annual debt service	138,000 (+/-)

**Dovetailing with retiring debt service from KCS
Construction, commencement of new debt service for
Streetscape: 7/1/2021 (FY '22)**

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