

Board of Finance
Minutes Special Meeting
Tuesday, April 7, 2015

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KENT TOWN CLERK

2015 APR 10 A 9 03

Maureen Brady
TOWN CLERK

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

Public and Invited Guests: Bruce Adams, Darlene Brady, Paul Cortese, Debbie Devaux, Donna Hayes, Barbara Herbst, Joyce Kearns, John Mauer, Lynn Mellis Worthington, CiCi Nielsen, Rick Osborne, Sam Rathbun.

Chairman Nancy O'Dea-Wyrick called the meeting to order at 6:30 p.m.

The Pledge of Allegiance was recited.

Minutes: Mr. Blackketter made a motion to approve the minutes of the March 31, 2015 special meeting. Mr. McWhinney seconded the motion. Ms. O'Dea-Wyrick asked to correct the following: the fire department said Medicare did reimburse \$75 for ambulance calls and supplemental insurance could be another \$75. The motion as amended was approved unanimously.

Correspondence: Ms. O'Dea-Wyrick said she received an email from Jonathan Moore regarding the question about the unemployment line in the high school budget. Mr. Moore said this is for costs associated with a paraprofessional who resigned but filed for unemployment. Mr. Sebetic said this could be costs for which the high school is responsible if the employee left a subsequent job. Ms. O'Dea-Wyrick shared an invoice from Quill for inkjet. Mrs. Maureen Brady made a motion to approve an expenditure of \$26.04 to Quill for inkjet. Mr. Sebetic seconded the motion, and the motion was approved unanimously.

Business: FY2016 Budget: First Selectman Bruce Adams reported on additions to the Selectmen's budget proposal:

- Two grants the town received which are reimbursable grants: \$8542.80 to install an electric vehicle charging station (purchase and installation of equipment). Mr. Adams said this should be put in the revenue and expense sides of the budget. Mr. Sebetic questioned who would pay the electric costs. Mr. Adams said a condition of the grant is that the Town pays the electric for the first three years after which time the Town could charge users. He explained Kent is a very desirable area in which to locate a charging station. Ms. O'Dea-Wyrick noted Karren Garrity has asked to attend the April 21 Board of Finance meeting to speak about the application.
- \$23,000 grant to purchase a generator for the Kent Community House to turn that building into the Town's emergency shelter. Mr. Adams noted Brian Hunt, emergency management director, has secured a grant to purchase the generator, the cost for which would be reimbursed \$17,250, leaving a cost to the Town of \$5,750. The grant is good until 2018, Mr. Adams added. He said the price is not guaranteed and would have to go

out to bid. He added that he has not signed anything yet for the grant, and the Selectmen did not discuss the generator today.

- The Land Use administrator made a request to increase the hourly salary for the clerk from \$17 to \$19/hour, resulting in a total increase of \$1685, which was approved by the Board of Selectmen today, Mr. Adams reported. He explained the reason for the increase is a belief that an increase in the hourly salary would likely attract a better candidate for the clerk position.

Ms. O'Dea-Wyrick confirmed that the selectmen are asking that \$1,685 be added to the budget.

Mr. Blacketter asked how reasonable it is to think the Town's share of the cost of the resident trooper would remain the same. Mr. Adams said he has nothing new to report on the state portion of funding for the trooper, saying he continues to speak to the Town's state representative about the state budget. Mr. Adams said personally he would not ever be in favor of dropping the resident trooper program again.

Mr. Blacketter said he wonders, given the budget restrictions, if the Town should move more slowly into adding staff to the town highway department and choose one of the options for part-time help, resulting in a savings of almost \$60,000.

Mr. Blacketter asked if the fire department should be asked to reimburse the Town for some of the cost of the paramedic and if the board should insert into the budget a reasonable number to expect - \$20,000 or \$30,000 or nothing. Mr. Sebetic said he thinks the fire department should reimburse the Town for whatever it receives in insurance payments for the paramedic calls. Mr. Sebetic said the department could ask the billing company to pay the town. Mr. Blacketter said he feels it [the request for how much revenue the fire department receives from insurance for ambulance calls that include the paramedic out of New Milford] is a fairly simple request that has gone unanswered for months.

Mr. Epstein asked a procedural question – could the Finance Board direct a specific line item to be cut in the Selectmen's budget? Mr. Epstein noted that the education budget would be just a dollar number to cut. Mr. Epstein said he has a concern about adding a full-time employee with full-time benefits in the current budget atmosphere. He said he would have a concern about putting revenue from the fire department into the budget that the Town might not get.

Mrs. Maureen Brady questioned the increase for the Town Hall custodian. Mr. Adams said the Town changed mid-year from a company to a person, resulting in the increase, adding that "you get what you pay for." Mrs. Herbst said the person is a subcontractor who gets paid hourly. Administrative assistance Joyce Kearns said the person receives \$1,000 a month to clean the Town Hall building twice a week, saying the person has a checklist of duties and volunteers to do added responsibilities at no additional cost. The person also cleans the Community House, the cost for which is in the Community House budget.

Mrs. Maureen Brady asked for an explanation for the \$20,000 increase in the sand and salt line. Mr. Osborne said the budget line decreased two years ago, a stockpile of sand is gone, and the price of salt has increased. Mr. Adams further explained that the Town had bought sand from the state when the state stopped using sand, saving the Town \$35,000. That sand has been used. Mr. Osborne said the salt company already has told him to expect the price to increase next year.

Mrs. Herbst shared and showed a Town of Kent budget and mil rate 10-year compilation (attached), noting the shaded column is estimated figures. Mrs. Herbst said she has talked with the school bookkeeper, and the local education board does not expect any surplus funds in its current budget and would be using some of the anticipated surplus in the regional school budget, leaving maybe \$12,000 in surplus. Mrs. Herbst said she projects \$333,000 of the \$400,000 inserted in the current budget from the undesignated fund would be spent. She also said she has spoken to the Town departments about their respective revenue assumptions for FY 2015-16 and she does not expect any major changes in anything. Further, she expects state funding to remain about the same. Mrs. Herbst said she made an assumption that \$15,000 of the Maple Street Extension sewer hook-up money would be put toward the sewer expansion project debt service. She explained she did not include LoCIP funds in the budget yet, noting even if there was revenue it would be offset by expenses.

Mr. Epstein asked the first selectman if he sees anything in the capital plan that would be offset by a STEAP grant in the next five years. Mr. Adams said he is awaiting a response on three STEAP grant applications, none of which are in the Five-Year Capital Plan.

Mrs. Herbst noted tuition students at Kent Center School would decrease next year from three to one, a reduction of \$22,000 in that line in the school budget.

Mrs. Maureen Brady asked where the funds paid by the three private schools toward the cost of the resident trooper are in the budget. Mrs. Herbst said the funds are included in the miscellaneous line. Mrs. Maureen Brady said one thought she has is to have those funds on a separate line so people can see them.

Ms. Devaux asked why the building permit fees are the same when they haven't met the anticipated revenue in a while. Mrs. Herbst said she received the numbers from the building inspector.

Mrs. Herbst said there is no additional money in the unassigned general fund in her anticipated projections for the current year. She added that the Town would not have the state-recommended reserve (two months of operating budget) or \$1,977,297, based on the proposed budget numbers.

Mr. McWhinney asked how much reserve would be needed to keep the mil rate at 17.03, the current rate, with the proposed budget. Mrs. Herbst said that would be an excess of \$850,000, adding the Town does not have the revenue or tax collection rate to offset that. Ms. O'Dea-Wyrick commented that the Town can't spend as much as everybody wants to.

Mr. Sebetic said his suggestion would be to decide what the board is going to accept as a tax increase and work backward to what the board would ask the Boards of Selectmen and Education to cut. He said he feels a 9.28% increase in the mil rate is unacceptable.

Mr. Epstein noted last year's increase as 3%. He proposed an increase of under 5 but more than 3%. He then recommended a 4.9% tax increase, or a mil rate of about 18.00. Mrs. Maureen Brady said she feels that is too much.

Mr. Sebetic said he does not think it is the Board of Finance's job to go through line items. Ms. O'Dea-Wyrick questioned what a reasonable cut is, saying it is not her intent to go line item by line item. She added she would not want more than a 3% tax increase but still doesn't want to raise it by 3%. Mr. Sebetic said \$615,000 would have to be cut in spending from the budget proposal to arrive at a 3% tax hike. Ms. O'Dea-Wyrick said that would be a lot to take out of the budget draft. Mr. Epstein said the board doesn't have to take \$400,000 out of undesignated but could take \$100,000 and doesn't have to spend it. Mr. Epstein said it would be almost catastrophic for both budgets to have to cut \$615,000.

Mr. Epstein suggested looking at the capital plan. Mr. Sebetic said the board should be looking at the fifth year of the plan. Mr. Osborne said the Macedonia Bridge could be moved out a year, a cost of \$250,000. Mr. Sebetic asked if the sidewalk repair could be funded by a STEAP grant. Mr. Adams said it would be eligible but could not know if the state would fund it. Mrs. Herbst said removing items in the fifth year of the plan would result in a savings in the proposed budget of 1/5th of the total project cost. Mr. Epstein made a motion to move \$250,000 funding for Bridge #05519 (Macedonia Bridge), from FY 2020 to FY 2021. Mrs. Maureen Brady seconded the motion. The vote was 5-1 with Mr. McWhinney voting no, saying he does not want to get into the habit of deferred maintenance. The motion was approved.

Mr. Sebetic asked if the Town has any plans to bond any projects in the next five to 10 years, saying the board would need to be really careful of the unassigned fund balance. Mr. Sebetic said he would not be unopposed to taking \$100,000 from the unassigned general fund. Mr. Blackketter said he agrees. Mr. Sebetic said this would leave \$450,000 to be cut from the proposed budget. Mr. Osborne said if the board is asking to cut \$450,000, the Town would have to cut lower than the current year's spending.

Mr. Cortese noted the regional school budget increase has decreased to 1.85%, adding the latest figures haven't been factored into the school budget. He added that this year's overall education budget reflects a 2.14% increase, which could come down more after the hearing on the regional budget. Mr. Cortese said he feels the school budget is plastered with reasonableness, adding he is not sure what the school board would look at to cut. Ms. O'Dea-Wyrick said it is not that the school budget is not unreasonable, there's not that much money to fund it.

Mr. Sebetic proposed asking the boards to look at their budgets and come back to the Finance Board with any suggested cuts. Mr. Sebetic said whatever tax increase the board takes to the

Town, the Town would have to decide what it wants to fund. He added that the Town has lived off the rainy day fund and now the Town would have to decide what it wants and what it doesn't want to pay for. Mr. Sebetic said this might stimulate a higher turnout at the hearing, and the board might get some sense from the Town of what sort of appetite it has for a tax increase.

Mr. Sebetic proposed a 2:1 ratio, Board of Selectmen to Board of Education, for proposed budget cuts, saying the Finance Board should ask the two boards to come up with their best estimates for cuts and go from there.

Mr. Blackketter made a motion that the Board of Finance ask the Board of Selectmen to propose \$200,000 and the Board of Education to propose \$100,000 in cuts each would make from their respective budget proposals if they had to cut and to provide this information to the Board of Finance in priority order and to include the impact the proposed cuts would have. Mr. Sebetic seconded the motion, and the motion was approved unanimously. The board agreed to continue work on the budget at its April 21 meeting.

Public and Invited Guests: Mrs. Nielsen said she is not sure the Town employee taking a stipend in lieu of health insurance has a place under the affordable care act. She questioned if this stipend is taxed and if it goes toward pension. Mrs. Herbst said it is taxed and is not pensioned. Ms. O'Dea-Wyrick said the board could look at this.

Mr. Mauer commented that the amount the board is asking the school board to cut would involve people and layoffs, saying it would have a negative effect. Ms. O'Dea-Wyrick said the school board would not have to name names, noting there are four openings. The board could say it would not fill a position and give the ramifications without naming names.

Mr. Blackketter made a motion to adjourn the meeting at 8:17 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.

Town of Kent

BUDGET AND MIL RATE

10 year compilation

FY	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Grand List Year	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Grand List	594,416,601	592,540,429	671,859,145	665,620,489	660,005,006	653,173,014	651,748,430	481,161,955	472,377,547	467,432,051
Tax Collection Rate	99%	99%	99%	99%	99%	98.5%	97.5%	98.0%	98.0%	97.5%
One Mil	594,417	592,540	671,859	665,620	660,005	653,173	651,748	481,162	472,378	467,432
Budget Mil	588,472	586,615	665,141	658,964	653,405	643,375	635,455	471,539	462,930	455,746
Selectmen Expenses	3,386,569	3,153,985	2,968,799	2,826,671	2,743,752	2,652,977	2,612,785	2,756,054	2,740,336	2,637,971
BOE Exp	4,460,107	4,395,326	4,149,565	3,997,378	3,876,088	3,745,848	3,657,849	3,553,527	3,456,051	3,361,052
Region #1	2,547,714	2,465,808	2,339,081	2,587,951	2,570,853	2,474,491	2,552,999	2,595,473	2,507,848	2,357,211
L-T Debt	693,194	672,788	696,438	714,354	747,357	766,950	839,262	948,630	713,630	729,635
Transfer to Capital Reserve	776,200	796,200	744,900	661,600	553,600	443,600	330,000	382,500	697,800	455,200
Current Year Capital Exp	900,000	895,000	375,000	311,000	323,000	555,000	563,000	316,500	634,000	456,000
Total Budget	12,763,784	12,379,107	11,273,783	11,098,954	10,814,650	10,638,866	10,555,895	10,552,684	10,749,665	9,997,069
Mil Rate	18.61	17.03	14.45	14.27	14.27	14.02	14.11	18.79	18.79	17.57
Budget Increase from Prior Year	384,677	1,105,324	174,829	284,304	175,784	82,971	3,211	-196,981	752,596	428,022
	3.11%	9.80%	1.58%	2.63%	1.65%	0.79%	0.03%	-1.83%	7.53%	4.47%
Mil Rate Increase from Prior Year	1.58	2.58	0.18	0	0.25	-0.09	-4.68	0	1.22	0.59
	9.28%	17.85%	1.26%	0.00%	1.78%	-0.64%	-24.91%	0.00%	6.94%	0.00%
Grand List Increase from Prior Year	1,876,172	-79,318,716	6,238,656	5,615,483	6,831,992	1,424,584	170,586,475	8,784,408	4,945,496	9,791,937
	0.32%	-11.81%	0.94%	0.85%	1.05%	0.22%	35.45%	1.86%	1.06%	2.14%
Unassigned General Fund at Fiscal Year End		\$1,941,980	\$1,910,857	\$2,195,230	\$2,322,284	\$2,540,618	\$2,323,208	\$2,146,213	\$1,781,992	\$1,404,747
% of reserve		16.37%	16.64%	19.47%	20.92%	23.49%	21.84%	20.33%	16.89%	13.07%
Unassigned GF Bal. appropriated to next FY budget			\$400,000	\$350,000	\$638,000	\$400,000	\$281,000	\$322,923	\$321,708	\$258,069
Total GF Balance		\$1,941,980	\$2,319,716	\$2,545,230	\$2,960,284	\$2,940,618	\$2,604,208	\$2,469,136	\$2,103,700	\$1,662,816
Change from PY		-\$377,736	-\$225,514	-\$415,054	\$19,666	\$336,410	\$135,072	\$365,436	\$440,884	-\$257,749
			-\$1,018,304							

FOR DISCUSSION PURPOSES ONLY

Town of Kent
BUDGET AND MIL RATE
10 year compilation

2006	2005	2004	2003	2002	2001	2000
2004	2003	2002	2001	2000	1999	1998
457,640,114	445,949,826	318,433,304	314,427,484	306,354,833	299,562,332	283,415,270
97.0%	97.0%	96.5%	96.5%	96.5%	96.5%	96.5%
457,640	445,950	318,433	314,427	306,355	299,562	283,415
443,911	432,571	307,288	303,423	295,632	289,078	273,496
2,495,485	2,653,640	2,943,240	2,663,685	2,486,790	2,519,870	2,537,770
3,223,134	3,147,338	2,945,885	2,738,210	2,681,620	2,641,040	2,495,810
2,158,978	1,896,605	1,715,000	1,702,700	1,660,086	1,466,090	1,451,250
757,450	771,935	840,610	838,070	400,875	106,065	
380,000	300,000	578,700	500,000	410,430	735,500	
554,000	530,000	570,000	482,500	1,097,750	231,500	
9,569,047	8,999,518	9,014,735	8,425,165	8,327,121	6,964,565	6,484,830
REVAL						
16.98	15.83	21	21.33	19.95	18.23	19.34
569,529	-15,217	589,570	98,044	1,362,556	479,735	#REF!
6.33%	-0.17%	7.00%	1.18%	19.56%	7.40%	#REF!
1.15	-5.17	-0.33	1.38	1.72	-1.11	#REF!
7.26%	-24.62%	-1.55%	6.92%	9.43%		#REF!
11,690,288	127,516,522	4,005,820	8,072,651	6,792,501	16,147,062	#REF!
2.62%	40.04%	1.27%	2.64%	2.27%	5.70%	#REF!
\$1,300,057	\$1,009,020	\$908,155	\$1,118,279	\$1,706,037	\$675,054	
13.00%	10.54%	10.09%	12.41%	20.25%	8.11%	
\$620,508	\$594,230	\$800,509	\$1,111,051	\$479,003	\$298,071	\$377,816
\$1,920,565	\$1,603,250	\$1,708,664	\$2,229,330	\$2,185,040	\$973,125	
\$317,315	-\$105,414					

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 BY *Deanne Drake TC*
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