

MIDDLEFIELD BOARD OF FINANCE
405 Main Street
Middlefield, Connecticut 06455

Minutes of the April 18, 2019 Public Hearing and Special Meeting

Jim Irish called the meeting to order at 7:05 pm.

Attendance:

Members

Others

X	Irish, Jim	X	Bailey, Ed
X	Kowal, Melissa		
X	Lowry, David		
X	Malcolm, Alice		
X	Nick, Joel		
X	Wolak, Mary	X	Rusilowicz, Al

A=Absent

X=Present

The Pledge of Allegiance was recited.

Approval of the Agenda

Joel Nick made a motion, seconded by Mary Wolak, to approve the agenda as amended. Motion carried unanimously.

Public Hearing

A. 2019-2020 Budget Presentation

Jim Irish reviewed the town's current finances and explained that the tax collection rate is already above 100 percent. The school district has offered a \$535,000 decrease for the FY20 budget. State funding continues to decline. This budget does contain a 2 to 2.5 percent salary increase that were part of the union negotiation agreements and similarly for non-union employees as well. He also noted that the Grand List is up \$10 million, much of that being attributed to Eversource. Outside revenues are projected to be up 3.5 percent, with a large chunk of that being the anticipated sale of property.

Town expenses are up slightly (2.4 percent), education costs are down (4.4 percent) and the overall town budget is down 2.5 percent from this year, allowing a proposed mill rate reduction of 2.02 mills.

Mr. Irish then went on to review the summary categories and showed increases and/or decreases. There is an increase proposed in municipal expenses of \$115,000. Educational expenses are going down by \$535,000. Total town expenses will be \$16,465,100, which is down over \$400,000 from the current fiscal

budget. Again, the mill rate will decrease by 2.02 mills. That translates to a \$326 tax reduction to the average homeowner.

Moving into the details, Mr. Irish mentioned that, for years, nearly 75 cents of every tax dollar goes to education, but we are currently down to 70.5 percent of the budget being for education. Currently, only a third of the students in the district are from Middlefield and Rockfall. Looking at municipal expenses, which are virtually identical to last year, salary and benefits continue to be nearly a third of the total expenses, followed by essential services (public works, fire department and police) at 29 percent, debt service at about 10 percent and 29 percent for the balance. He also mentioned that public works and fire department numbers do include the capital allocations for those departments.

Mr. Irish then went on to compare line item operating expenses from year to year, highlighting the biggest increases. The town will be getting a new Town Planner and a Facilities Manager. There is a 2.5 percent increase in pension costs and a few hours a week added for Building Official and the Zoning Officer. The town also has a new tax assessor. Summer camp payroll is a pass-through with the revenue from those programs. New capital and nonrecurring programs, for things like improvements at the Town Hall and Community Center, have increased that number.

Looking at decreases above \$5,000 in the budget, Mr. Irish pointed out that Labor Counsel is down more than \$11,000 due to the completion of the contract negotiations. The health and life insurance is decreased due to the school district/town officials' negotiations. The state-mandated renter's rebate is gone and snow removal has been reduced by \$10,000. Police payroll and overtime are both down. Planning and Zoning is reduced as the Town Planner expenses have been moved out of that line item. The biggest decrease is the significant reduction from the Board of Education budget.

The First Selectman's budget presented on March 14th has been revised, resulting in a reduction of nearly \$400,000. The insurance savings came in after the original budget and the Board of Education will be paying the Teachers' Retirement Benefit fund payment. Capital is down \$45,000 over the original budget. DMIAAB has also reduced their budget. In terms of increases, training for salt metering was added for Public Works and some funding for the Old North Cemetery. Ed Bailey mentioned that he has applied for and received a complimentary, "neglected cemetery" grant from the State for \$2,500. The Registrar pointed out that additional election workers will be necessary due to the presidential primary and there is also a new Registrar that will require some training. The budget will provide capital funds for the Health District and is funding a back-up for the Assessor. Snow removal expenses were raised to \$70,000 from \$50,000. They BOF added an extra \$1,000 to the Fire Department Appreciation Night and there were a number of other small changes that totaled under \$3,000.

Looking at the capital funding, there have been both increases and decreases since the original budget. The decreases in the Fire Department funding are a result of the grant they received for breathing apparatus for over \$150,000. That allowed money to be redeployed to other items, such as reserves for the skating rink parking lot, Peckham Park tree care, bleachers, walking path and poison ivy control. They BOF have also allocated some additional funding to items for the Fire Department.

Anne Olszewski asked if the Fire Department received the grant, why didn't all of that money go into other items for the Fire Department. Mr. Irish explained that the Board of Finance felt it was worthwhile to add the additional funding to Park and Rec items. Dave Lowry added that the Board had funded the breathing apparatus last year in anticipation/contingency of receiving the grant. Mary Wolak added that they did increase some items for the Fire Department as well and the Fire Department is aware of how the money is being used. Mrs. Olszewski is concerned that the Fire Department members are all volunteer and she would not want to see any of them being put in harm's way because the town used the money for other items.

Marianne Corona asked about the skating rink parking lot item and it was explained that it is in the Park and Rec budget. Mrs. Corona explained that it is a wetlands and there should be no parking there. Mary Wolak felt that Park and Rec would follow any regulations that are required. Ed Bailey explained that the Park and Rec Commission has decided that an area needs to be allocated for parking. It has gone through review by Inland Wetlands and a plan is in place, although it is not final at this point.

Jim Irish reviewed that the Board of Finance has a long-range capital plan, with a spike this year of about \$66,000 over last year, but that will even out for the outer years.

Looking at revenue sources, Mr. Irish reviewed that revenue from the State of Connecticut has decreased over the years. FY20 is very close to FY19 with the ECS funding close to last year. Mr. Irish then showed a graph of total town expenditures, with the municipal expenditures pretty flat and education with a bit more variance. He pointed out that the municipal expenses are remaining flat, even with raises in salaries each year.

Mr. Irish stated that CCM believes that a 15 percent Undesignated Fund to total expenditures is appropriate. This year's budget will have a surplus of about \$170,000 and that will put the Undesignated Fund in very good shape. The taxable Grand List has gone up a modest amount every year, with a decrease because of revaluations in 2018.

Looking at the history of the mill rate, it has essentially followed the Grand List up and down. Bob Yamartino commented that four out of the last five years, the mill rate has gone down. The only exception was the year with the revaluation.

Mr. Irish summarized that the total town budget is down 2.5 percent, the mill rate is down 2.02 and that results in a \$326 reduction to the average homeowner, assessed at \$161,000.

B. Public Comment and Questions

Ed Bailey reviewed the budget process and thanked the Board of Finance, on behalf of the citizens of the town, for all of their hard work.

Bob Yamartino, Whisper Wind Road, thanked everyone for all of their hard work. He also pointed out that Ed Bailey, Laura Francis, Kathryn Veronesi and Bob Moore worked very closely together to get a new benefits consultant which resulted in savings for each of the two towns and the school district as well. He also mentioned that the Board of Education and the administration absorbed all of the ECS cuts and the Teachers' Retirement Benefit in their budget. The overall school budget is down, even with increases in salaries which account for about 75 percent of the budget.

Anne Olszewski, 34 Valley Heights Drive, thanked everyone for a great job. She feels that we have a great town here, but mentioned that she drives around town and sees cones popping up everywhere. She believes that more money is necessary in the road maintenance budget because the holes are getting worse. Roads are eroding away and it is creating accidents waiting to happen.

Ed Bailey explained that the town will be doing a road survey and they will be ranked as to their condition and any drainage issues. The report will also include an estimate for resolving the problems. Because the debt is dropping off, that may create an opportunity to redirect the funds for increased road maintenance or bonding could be done. Most of the roads in town started out as dirt roads, then oil was applied, stone was put down and then they were tarred. The roads are currently on a six- to seven-year rotating basis for chipsealing, but it would be nice to get to a five-year schedule. Because of regulations, a latex product is now being used and it doesn't bind as well. Mr. Bailey felt that the long-term solution

is to do the analysis and decide which roads are in the worst condition and could use a reconstruction or a heavy milling and true asphalt repaving. Two years ago, a 950-foot section of the Old Industrial Road was paved at a cost of about \$70,000 when it would have cost \$170,000 to have an outside contractor do the work. There is a town-wide crack sealing program in place for the true asphalt roads. Mr. Bailey hoped that they would have the results and estimates in about two years. He also noted that the town spends nearly \$270,000 a year specifically on road maintenance, with \$198,000 covered by the TAR grant from the State.

Marianne Corona stated that it cost \$75,000 to build the Industrial Park Road, with a couple of road builders from town overseeing the project. She also mentioned that a study was done to determine what the most heavily traveled roads are. Ed Bailey also mentioned that there are collector roads in town and the town can obtain LoCIP money from the State for those roads. That would include parts of Jackson Hill Road, Cedar Street, Cherry Hill Road and Main Street.

Jim Irish shared that an evaluation of the town's street lighting has been done over the last year and it was determined that the town could save a considerable amount of money by going to LED lamps. There are 355 light fixtures, with five of them having LED lights. A rough economic analysis showed that LED lights would cost the town approximately \$225,000, with an opportunity to get approximately a \$40,000 rebate. Mr. Bailey stated that the cost of the maintenance and repair for the LED lights is \$1.00 per month, per fixture. We would then pay Eversource only for the actual electrical use. The lights would have a 10-year warranty. If there were an accident and a light was to come down, the town would be responsible for replacing it. Ed Bailey reviewed that the town currently pays a set rate of \$56,000 for lights in town (including electricity, maintenance, repair and replacement) and they will pay \$16,000 once the lights are replaced.

Ed Bailey stated that it is horrible dealing with Eversource and they do not fix their street lights. Middlefield deals with Pat Bandzes, who is a municipal representative, and she urged Mr. Bailey to not deal with Eversource for street lights. It was also mentioned that it would be wonderful if John Lyman School could turn off their lights at 8:00, instead of 10:00 or 11:00. Mr. Bailey also described the color and temperature of the lights. Mary Wolak also explained that there would be a yearly savings of approximately \$40,000 with payback in 4.5 years. Jim Irish explained that this is a work in progress.

Marianne Corona asked who owns the poles and Ed Bailey explained that the poles in town are owned by CL&P and the others are owned by the telephone company. The only poles the town would own are decorative poles.

At this point, the public hearing was closed and the Board moved into the special meeting.

Budget Amendments - Adjustments

Jim Irish reviewed that there had been discussion about roads and the skating rink parking lot. Mary Wolak noted that the parking lot would not be done this year anyway. Marianne Corona made further comments about the wetlands in the area. It was generally agreed to leave that item funded as presented. The Board also agreed that the plan for the road improvements is a good one.

At this point, everyone generally agreed that the budget was solid as presented.

Motion for Sending the Budget to Town Meeting

Jim Irish made a motion, seconded by Melissa Kowal, to send the 2019-2020 budget of \$16,465,100 total expenditures to Town Meeting. Motion carried unanimously.

Jim Irish added that the school district will have their referendum before the town and will also be sending a \$6.9 million bond issue for end-of-life and critical needs items. He felt that they have offered a pretty good reduction in their budget and asked if the Board would be in favor of sending a letter of endorsement to the Town Times in favor of both of those measures. After some discussion, the Board agreed to have Jim Irish send a letter of support on behalf of the Board of Finance. Mr. Irish will share the draft of letter with the Board members before sending it to the Town Times.

Marianne Corona asked if there was a plan for John Lyman School and it was felt that there was no plan yet. Ed Bailey stated that the plan was to close the school.

Adjournment

Dave Lowry made a motion, seconded by Joel Nick, to adjourn the meeting. Motion was carried unanimously. The meeting was adjourned at 8:37 pm.

Respectfully submitted,

Debi Waz

Debi Waz
Alwaz First