

MIDDLEFIELD BOARD OF FINANCE
405 Main Street
Middlefield, Connecticut 06455

Minutes of the November 14, 2019 Regular Meeting

Jim Irish called the meeting to order at 7:00 pm.

Attendance:

Members

Others

X	Irish, Jim	A	Bailey, Ed
A	Kowal, Melissa		
X	Lowry, David		
X	Nick, Joel		
A	Malcolm, Alice		
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 presented. Motion carried unanimously.

Public Comment

None.

Approval of Minutes from 10/10/19 BOF meeting and joint BOS/BOF meeting 11/4/19

Jim Irish made a motion, seconded by Mary Wolak, to approve the minutes of the October 10, 2019 Board of Finance meeting and November 4, 2019 joint Board of Selectmen/Board of Finance meeting, as presented. Motion carried unanimously.

Review of Current-Year Spending - Al Rusilowicz

Al Rusilowicz reported that spending should be at about 33-1/3 percent. He explained that dues and regional planning are examples of items that are front-loaded. Insurance deductible has been completely

paid. The property tax system is front-loaded as well, but additional costs will be added for the motor vehicle supplement.

Jim Irish noted that the Board of Education is anticipating holding a referendum in January for the amendment to the regional plan, so that should be anticipated in election expenses. Mary Wolak thought that it might even be more than one referendum.

Mr. Rusilowicz reviewed that the property assessment system will be over for the year because of the unplanned upgrade. Road maintenance is just about fully expended, with the Old Indian Trail culvert being more than \$37,000 and there was another culvert repair done on Cherokee Road. Those expenses may be revised to be capital or Town-Aid-Road. The Fire Department communications line item is at 76 percent due to some repairs and a replacement of a siren. Al Rusilowicz suggested waiting to decide on the Tax Assessor's line item until December to see if there will be another update with the Motor Vehicle Supplement.

Old Business

A. Additional FY19 Transfers - Al Rusilowicz

Al Rusilowicz asked for the Board to approve a list of what he believes to be insignificant transfers so that the audit is clean and there are no overages. They are all transfers from existing items that were under budget.

Joel Nick made a motion, seconded by Mary Wolak, to approve the supplemental transfers dated 2018/2019 as provided by Al Rusilowicz. Motion carried unanimously.

Mr. Rusilowicz also provided demographic information on both Middlefield and Durham. He mentioned that Middlefield has no American Indian residents, yet Durham has 51.

B. Updates: Fire Department radio contract/lease; new PW truck, PW staff changes and road survey start

Al Rusilowicz explained that the terms of a lease/purchase have been formalized for \$325,000 at 2.59 percent over seven years for the Fire Department radios. This will not impact this year's budget. A purchase order has been signed to the City of Middletown for \$271,520 for all of the radios and installation. There is yet to be a firm price for the pagers, but should be no more than \$1,000 each, for a total of approximately \$50,000.

The town has received the new Public Works dump truck at a cost of \$182,000. That had been budgeted in a capital line item. Mr. Rusilowicz also reported that the town has published employment ads for a foreman and a road crew member. They have gotten some resumes in for the foreman position, and there is one internal candidate. He announced that John Wyskiel has retired, effective October 31, 2019. Right now, there are only three people in the department, but Pete Parker may help if necessary.

Jim Irish reported that Jacobson has hired someone to begin the road survey process and they are doing assessments on culverts and storm drains, but have not begun the road portion. Ed Bailey is hopeful that this planning can be part of the budget discussion.

Al Rusilowicz added that five new computers have been successfully installed and all other computers have been upgraded to Windows 10. It was a seamless process and all data has been transferred. They did identify the potential need for three more computers: the Public Works foreman should have a computer, the State Police department is on Windows 7 and the Treasurer's department is on Windows XP, though it is barely ever used.

Mr. Rusilowicz also mentioned that this January was the first time people could pay their tax bills online and Anne Olszewski is very happy with how the process went. He also reported that there has been no negative feedback on the first, new, LED streetlights. The town also now owns all the streetlight poles. Mr. Rusilowicz also mentioned that if someone hits a guardrail or a pole, their insurance covers the cost of any repairs or replacement. There was some discussion about funding the costs of repairs and replacement poles.

New Business

A. BOE Finance Committee Meeting - Middlefield Capital Needs and Budget Priorities

Jim Irish explained that he and Dave Lowry's wife are members of the Board of Education's Finance Committee and they will meet next week. They have asked to see what the capital outlook and budget pressures look like, so Mr. Irish prepared a draft for the Board to discuss. He reviewed the school district's information and stated that the ECS for FY 2021 will be down a little bit from 2020. Middlefield will also have an unfavorable enrollment and while it is only a .18 percent change, from 33.56% to 33.74%, it amounts to ~\$60,000. The net change for Middlefield will be -\$112,000. He did remind everyone that Middlefield's year payment to the school district is \$11 million, so this would be equivalent to a 1 percent reduction in the district's budget. Durham had the enrollment disadvantage this current year, so they are not quite as effected. Enrollment has dropped a total of about 50 kids, which is lower than the expected 5 percent.

Mr. Irish added that the teachers' union ratified their contract with no arbitration necessary. The total is 9.4 percent over three years. There are step function raises as well, with 1 percent at year one; 0.92% at year two; 0.76% at year three. The teachers did agree to contribute a bit more on insurance premiums. Mrs. Neubig had also mentioned that the district will probably backload the 9 percent, with consecutive yearly raises more like 2, 3, then 4 percent. The reason for that is that there will be fewer teachers in year 3.

Jim Irish then reviewed the town's capital plan and mentioned that it will continue to inch up. Middlefield will retire ~\$125,000 worth of debt this year and then over \$300,000 in fiscal 2022. We are expecting upcoming capital needs for road improvements and a possible building for the fire department. The board also discussed the improvements that are necessary for the fire house.

Mr. Irish asked if any other Board members felt there were other considerations for capital and everyone agreed that most everything seems to be included. There was discussion about repairs that are needed in some of the buildings. Mary Wolak asked if the Senior Center will be adequate in 10 years and Al Rusilowicz mentioned that the windows in the Community Center building all need to be replaced. Mrs. Wolak also wondered if they would look at John Lyman School as an option and it was agreed that that would be a planning decision. Joel Nick felt that they need to get a list of exactly what needs to be done and that would help with planning. They also agreed that state funding for education and roads will go down. Jim Irish will remind Ed Bailey about their discussion about facilities as well as the roads.

Mr. Irish reviewed that Town-Aid Road funds are still being withheld and are at just under \$200,000 per year and that it is likely to continue to be a problem. Al Rusilowicz stated that he thought that they will apply for LoCIP funds in March and they come in at the end of the year. The Town did receive LoCIP funds last year. The Grand List is up this year, with additional personal property of about \$5 million, which will produce approximately \$160,000 of additional tax revenue.

Joel Nick mentioned that the cell tower lease will be ending and the town will lose approximately \$3,800 a month, but that will hopefully be recouped with the next lease. There was then some discussion about DMIAAB. It was also mentioned that the new lights will be paying for themselves in a couple of years.

Jim Irish summarized that the main message he will offer the Finance Committee is that Middlefield is starting 1 percent down with their support to the school, that capital debt service is going down but capital needs are coming up that are likely to compensate for that, and we have multiple thousand dollars in extra expenses going into the budget season.

Mr. Irish reported that the Board of Education's Bond Counsel told them the language in the original regionalization plan needed to be changed. A draft was presented with two elements, one giving the Board of Education the authorization to change programs and facilities with the other being a request from the Town of Durham to change the term of the Board of Education members from Durham to four years as well as how have them elected at the elections in November. He explained that Durham had changed their Town Charter years ago, but the Board of Education had never made the change. They would like this change to get more visibility, more candidates, more support and more voters. Mr. Irish mentioned that many towns in the state elect their Board of Education members at the November elections. Nothing is mentioned about how Middlefield elects their Board of Ed members. He did note that the terms of the people from Durham and Middlefield will be offset, not only by months but by years as well, and that will make electing officers difficult. Dave Lowry felt that Middlefield would not consider electing their board members that way, but Mary Wolak mentioned that they might consider it if they had the same amount of board members with equal representation.

Mr. Irish added that the proposed amendment was approved at the Board of Education last night and the next step will be public hearings. After that, the Board will vote on explicit language for the referendum items on those two items and each item has to pass in each town. They hope to have the referendum in January, 2020. A subsequent bond issue authorizing funding for the renovation at Brewster and Memorial will be part of the May school budget referendum. Discussion continued about issues with the Board of Education and Mr. Irish summarized by stating that all people will be able to voice their concerns at the public hearings.

Jim Irish then reviewed the budget priorities that Dr. Veronesi presented last night. The Board of Ed met on a retreat, the administration and staff added their list of items and there was a community discussion held on November 6 and the public gave their input. Dr. Veronesi noted that the list was pretty expansive and is more of a wish list, not necessarily everything will be prioritized. There is a lot of overlap between the three groups, including human resources, capital, student achievement, well-being, engagement and general budget items. The Board is hoping to offset the 3 percent salary increases with other cost-saving methods. Mr. Irish stated that he was happy to see that intention. Al Rusilowicz noted that they didn't see that on the parent/community side which would want everything done with no increase in taxes.

Dave Lowry would like to see class sizes looked at, with the decline in enrollment, especially at the elementary level. Mary Wolak felt they were also losing students at the high school level. Joel Nick mentioned that he could arrange for anyone to talk to people in Farmington.

Jim Irish added that the Board of Ed was disappointed with the way budget items were discussed at their meetings last year. They hope to talk about individual items at specific meetings. Communication during the budget process was a big issue. Mr. Irish will send each of the Board of Finance members a copy of Dr. Veronesi's list and will also share any feedback from the Finance Committee's meeting.

Jim Irish also announced that Dave Lowry will be honored by the Middlefield and Durham Elks at the Middletown Elks Club on Saturday as Middlefield's Man of the Year.

Adjournment

Mary Wolak made a motion, seconded by Joel Nick, to adjourn the meeting. Motion was carried unanimously. The meeting was adjourned at 8:59 pm.

Respectfully submitted,

Debi Waz

Debi Waz
Alwaz First