

**MIDDLEFIELD BOARD OF FINANCE**  
**405 Main Street**  
**Middlefield, Connecticut 06455**

Minutes of the March 12, 2020 Public Hearing

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

Attendance:

Members

Others

X	Irish, Jim	X	Bailey, Ed
X	Kowal, Melissa		
X	Lowry, David		
X	Nick, Joel		
A	Skelps, Michael		
X	Wolak, Mary	X	Rusilowicz, Al

A=Absent

X=Present

The Pledge of Allegiance was recited.

Approval of the Agenda

David Lowry made a motion, seconded by Melissa Kowal, to approve the agenda, as presented. Motion carried unanimously.

Brief Introduction to the Budget Process

Jim Irish explained that this is the first public hearing where Ed Bailey will present his proposed budget for fiscal year 2020-2021. The Board of Finance will hold workshops for approximately six weeks with members of various departments. On April 23, 2020, there will be a public hearing where the Board of Finance will present any revisions that have been made and receive public comment. There will be a town meeting on May 11, 2020 when the final proposal will be presented, followed by discussion and a vote on the budget. Mr. Irish explained that many of the workshops will be done via Zoom videoconferencing which has been approved by the Town Clerk. Ed Bailey noted that there are capacity issues with Zoom and the State of Connecticut is attempting to get another platform in place.

Ed Bailey added that he has been at multiple meetings regarding the COVID-19 issue and it is an hour-by-hour issue. Schools may close at some point, but there are no plans to close the town's facilities. The Senior Center and kitchen will not allow any outside groups. They are working on a contingency plan for the primary in April. Mr. Bailey stressed hand washing and not touching your face. All surfaces are

being wiped down daily with a bleach solution. There is now information on the town's website and the town is in the process of sending a letter to over 250 business owners in town, courtesy of the Health District.

#### First Selectman's Presentation of the 2020-2021 Budget Proposal

Ed Bailey reviewed that the budget he will be proposing covers from July 1, 2020 to June 30, 2021. The total town budget proposal is \$16,814,456, which is a decrease of \$106,151 from the current fiscal budget. The municipal expenses have decreased by \$261,610. School cost allocation increases by \$367,761, based on the current school budget proposal and it does take into account a slight shift in enrollment toward Middlefield. The capital and nonrecurring fund increase is \$126,602, net of the LED streetlight project.

This proposed budget has a mill rate decrease from 32.47 to 32.29. The taxable Grand List has increased 3 percent which resulted in \$414,906 additional tax revenue. The average homeowner will see a decrease of \$30 on their property taxes. The undesignated fund balance will be maintained at 17 percent.

Mr. Bailey reviewed the mill rate history with an increase in 2018 due to revaluation, but it has continued slowly downward. He then reviewed the history of the taxable Grand List with a decrease in property values in 2018, but it has continued to move upward since then. The undesignated fund was down to 9 percent in 2014 and had grown to about 18 percent. It dropped down to 16 with the streetlight project, but is back up to 17 percent for FY21.

Mr. Bailey explained that 71 percent of the town's budget is for education and 29 percent for the town's expenses. He reviewed that the expenses have stayed relatively flat over the last eight years.

The town spends about 40 percent of their budget on personnel which does include police. Capital funding is about 18 percent, debt service at 8 percent, outside agencies at 12 percent, public works at 4 percent, administration and emergency services at 3 percent and central services at 5 percent. Mr. Bailey explained that there are approximately 30 employees.

Looking at the various functions of the town, general government is 35 percent. That includes buildings and administration Capital fund is at 18 percent, debt service is at 9, health and welfare at 3 percent, library at 6 percent, park and rec at 3 percent, public works at 14 percent and public safety at 12 percent.

Revenue from the State of Connecticut ticked up a little bit in 2014, declined the following five years and went up a bit in 2019. It has now continued to move down. There is a difference of almost \$500,000 between FY13 and FY21. Town Aid Road, LoCIP and Municipal Projects grant represent \$477,593 of revenue to the town. The State legislature has just recently passed the legislation to release this bonding. Educational Cost Sharing grant continues to drop as enrollment decreases, with a decrease of \$57,247 from last year. Teacher Retirement Benefits are not on the table for FY21, but may still rear their ugly head. Mr. Bailey reviewed a spreadsheet showing the ECS reductions, with a \$1.2 million reduction from FY17 to FY28 which equates to approximately 3 mills.

Also impacting the town budget is the municipal employee retirement system (MERS). The town's contribution will increase to 18.6 percent of payroll for another four years. The FY21 increase was from 13.74 to 14.95 percent. The employee contribution increases from 2.5 percent to 2.75 percent of payroll this coming July. The collective bargaining agreements now allow changes to employee contributions. Those agreements will need to be renegotiated next year.

Reviewing the larger increases in the budget, Ed Bailey is proposing an Accounts Payable Assistant and floater in his office. Health insurance increases by over \$22,000 because of a rate increase. Retirement/pension will increase just over \$9,500. The Zoning Enforcement Officer is increasing by over \$9,000, with a reallocation of hours from Building Official to Zoning Official. A revision will be made to the Land Use Office expense as they will not be getting the permitting software. There is a line item for an Assessor Assistant which will increase by \$11,500 as the Assessor's hours are limited. Inland Wetlands has an increase of \$12,420. The first payment for the lease of radios is due in 2021. Levi Coe Library has proposed an \$11,591 increase. District 13's budget increase is \$367,761.

Decreases include \$11,332 as the actual cost for the Town Planner, with 20 hours per week scheduled but only paying for the hours used. Town counsel has decreased by \$5,000, streetlighting has decreased by \$40,831 and building official is the reallocation in hours. Public works payroll has reduced because the two new employees are at a lower pay rate. Snow removal was reduced by \$10,000 to reflect a three-year average. There was a change in the overhead rate for police, which resulted in a benefit of \$11,432. Mr. Bailey also reported that the town and Youth & Family Services have lost the DUI grant, but that was because they really didn't catch any drunk drivers. Maintenance on fire communications equipment has reduced and capital and nonrecurring has reduced by \$116,603 because of the streetlight increase last year. Staff Mr. Bailey stated that the Merriam property note has been paid off and the clean water note will be paid off in FY21. DMIAAB operations are up and the transition to the Health District is complete and is now down to \$6.50 per person for FY21.

In summary, Mr. Bailey explained that municipal expenses have decreased over \$261,000, educational expenses are up \$367,000, with a total increase of \$106,000. Non-tax revenue has decreased by \$308,755, partly due to the money the town will no longer receive from the WPCA and the decrease in ECS funding. The amount of money needed from taxation has gone up by \$414,906, but the mill rate is going down by approximately .2 due to the Grant List increase. Again, this will result in a decrease of \$30 for the average homeowner.

Mr. Bailey reviewed that they are continuing to do more with less. The labor contracts produced a major savings in FY19 as was joining the Plainville-Southington Health District. A robust capital improvement plan has been implemented for the town's buildings. He added that the new Town Planner has been a great benefit to the town. Mr. Bailey has proposed a part-time facilities manager which was just implemented about a week or two ago. The pavement and culvert study has been initiated. They are continuing work on the Community Center building and the garage complex behind Town Hall. They are also proposing \$25,000 to help pay for new tennis and pickleball courts at Memorial School. Mr. Bailey hopes to have a pavement survey and culvert capital plan for next year based on the engineering findings. He also hopes to obtain an emergency generator for the Town Hall and Public Works complex.

Changes have already been made to the proposed budget with a decrease in Land Use Office expenses and some funds in the CNR being reallocated.

Mr. Bailey then reviewed some of the high points of the budget. The mill rate is proposed at 32.29, with a collection rate of 99.5 percent. He then reviewed the history of the collection rate and explained that each year has been right around 100 percent. He noted that Supplemental Motor Vehicle is about \$140,000 this year. Mary Wolak asked how Ann Olszewski felt about it and Al Rusilowicz explained that it is not a change and she is comfortable. Melissa Kowal felt that that may change with people not having money after

everything that is going on right now. Ed Bailey reminded everyone that the town has a robust nondesignated fund which is there to see the town through economic ups and downs.

Mr. Bailey explained that the mill rate is the lowest it's been in eight or nine years, with the average homeowner's tax burden at the level of 2009. The town will be selling a piece of property this fiscal year and they are also preparing to sell another piece of property, which should result in approximately \$72,000. He is proposing that the town use \$200,000 of the current fund balance for next year's budget.

Looking at expenses, employees who receive medical benefits will get a 2.5 percent increase and those that do will receive a 2 percent increase. Mr. Bailey is also proposing a merit-based increase for his executive assistant of 5 percent. He also reviewed that the new Assessor Assistant position will be for one day per week. Under Police Department, there is a reduction in overtime due to the loss of the DUI grant.

Jim Irish asked about the additional expenses for the Inland Wetlands agency and Ed Bailey explained that there are three properties that they expect to have difficulties with permitting. One has been a longstanding problem. Additional funds will be needed for legal and consultants' fees. Mary Wolak asked if the town would be able to recoup any of those expenses. Mr. Bailey explained that a town ordinance would need to be passed to do that, but the Inland Wetlands commission has not proposed any wording to allow for that. He did feel that they need to be careful as a regulation would apply to everyone, including the average homeowner. Mary Wolak also asked if funding was proposed for Old Homes Day and Mr. Bailey explained that there was no event planned for FY21.

Al Rusilowicz reported that the anticipated surplus for this fiscal year is \$405,000 and Ed Bailey noted he is proposing to use \$200,000 of that for the next budget. Mr. Bailey explained that part of that surplus was due to employee positions not being filled. Mr. Rusilowicz added that ECS was also \$100,000 more than the adopted budget. Jim Irish asked if that surplus includes the \$400,000 that was used from the fund balance and Mr. Rusilowicz explained that it did.

Reviewing some highlights in the capital budget, Mr. Bailey explained that they have put additional funding into the Community Center building and the Town Hall generator. They also continue to fund computer systems and upgrades. A server upgrade is anticipated in FY21. Some additional funds are being added to garage improvements. The Public Works equipment line items have been reworked a bit. There is a big increase in park improvements, primarily to fund the tennis court/pickleball courts at Memorial and to complete the walking trail at Peckham Park.

The rewrite of the Planning and Zoning regulations has been taken out of Economic Development and the Town Planner will now do that work. The \$20,000 that was in the budget for permitting software will now be moved to Public Works.

Mary Wolak asked if the roof was done at the park and it was explained that it should be probably done within a month. Al Rusilowicz also commented that tonight's presentation was 100 percent the effort of Ed Bailey. Mr. Bailey thanked Jim Irish for the graphs and Al Rusilowicz for all of his work.

Jim Irish thanked Mr. Bailey for his .2 mill reduction in the proposed budget. Mr. Irish will begin scheduling workshops and will try to keep them on Tuesdays and Thursdays, with an emphasis on Thursdays. They will start with Al Rusilowicz next Thursday.

Public Comment

None.

Adjournment

Melissa Kowal made a motion, seconded by Mary Wolak, to adjourn the meeting. Motion was carried unanimously. The meeting was adjourned at 8:30 pm.

Respectfully submitted,

Debi Waz

Debi Waz  
Alwaz First