

MIDDLEFIELD BOARD OF FINANCE
405 Main Street
Middlefield, Connecticut 06455

Minutes of the May 14, 2020 Regular Meeting
Held via Zoom Video/Audio Conference

Jim Irish called the meeting to order at 7:02 pm.

Attendance:

Members

Others

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

A=Absent

X=Present

Approval of the Agenda

Jim Irish explained that he modified the agenda by adding some line item discussion about COVID-19 tracking and a possible discussion about adding funding to Durham-Middlefield Youth and Family Services relative to the fair that isn't going to happen as well as a short update on the Board of Education public hearing.

Jim Irish made a motion, seconded by Michael Skelps, to approve the agenda, as amended. Motion carried unanimously.

Ed Bailey joined the meeting at 7:05 pm.

Approval of Minutes from 4/9/20 Meeting

Jim Irish made a motion, seconded by Mary Wolak, to approve the minutes from the 4/9/20 meeting, as presented. Motion carried unanimously.

Old Business

A. YTD Variance analysis - Al Rusilowicz

Al Rusilowicz reviewed that the Municipal Projects Grant has not been received (\$248,652) yet and typically comes in the last week of June. He has no reason to believe that the town will not receive that funding. Looking at the DUI police grants, he had explained earlier that the program ended on September 30th and was not renewed, therefore the town will not get the \$8,694. The Senior Bus billing has not been issued yet, but he does expect that town will see \$10,492. The town did receive a \$2,500 grant for the cemetery that is recorded in another fund. The ECS grant is over because the amount in the budget was less than the actual approved State budget.

Under Charges for Services, Mr. Rusilowicz explained that these numbers include collections through March and should be at just about 75 percent. Police Department Services is money received through a grant with Durham-Middlefield Youth and Family Services and is all that will be received this year.

Moving to Other Revenues, the Housing Authority is lower due to an arrangement that was worked out with regard to property taxes and is ultimately a positive on the tax side. He does not believe that it equals what the PILOT payment once was, but it is close. Ed Bailey noted that that will be reconciled to be sure that the total payment would equal what the full PILOT payment was.

Mr. Rusilowicz went on to explain that the town will receive the final quarterly payment from the Coe Trust and the negative balance will go away. He anticipates that the Hubbard Street property will be closed on in this fiscal year or at least have a firm commitment. Summer camp reimbursement is done, but is balanced out by less in salaries being paid. The other transfers will happen closer to the end of the year. Interest income is over budget, but will begin to decrease. He also explained that he does not anticipate using any of the fund balance this year.

Moving to expenses, Al Rusilowicz reviewed that the town should be at 83.33 percent of expenses at this point. The computer consultant will be over by roughly \$2,500, mostly due to the Windows 10 upgrade which had not been budgeted. Looking at insurances, Mr. Rusilowicz reported that he had received a bill for a \$2,500 deductible which he believes was already paid, but he will follow up on that.

Dave Lowry asked if the street lighting numbers are starting to reflect the LED electrical costs and Mr. Rusilowicz felt that it was. The monthly bills have gone down over the past couple of months. He added that street lighting represents 90 percent of the town's electric bill.

Mr. Rusilowicz continued to review expenses and pointed out line items that were over budget. Registrars should be under budget, given the fact that there will not be as many elections as they had anticipated. Michael Skelps asked if the registrars expected any additional expenses due to COVID-19 preparations. Ed Bailey explained that the town will receive \$3,000 from the state to cover those additional costs, but it will not occur until FY '21. He has asked the registrars to give him a plan of the layout of the room for voting. Mr. Bailey added that he felt there would be some additional costs of maybe \$750 under the Tax Collector as they will be doing a mailing to all taxpayers about the tax deferment program and reduced interest rate program.

Mr. Rusilowicz reviewed that the Tax Assessor is over in two line items, one due to the upgrade in the assessment system that was not anticipated (amount was split over two years) and the other was due to GIS system software. Ed Bailey explained that that software was not available to the public yet, but is being used internally. Under Senior/Social Services, half of the senior bus is billed to Durham at the end of the fiscal year.

Moving to Public Works, garage expenses are over budget by \$2,063 which was related to a couple of unbudgeted expenses. That line item could be over by as much as \$10,000 by the end of the year. Ed Bailey added that some additional expenses were incurred as a result of an OSHA inspection of the property. Mr. Rusilowicz also mentioned that road maintenance will go over budget by the end of the year as well, but roughly \$14,000 is related to the William Street storm drains which may be moved to capital or the TAR account.

Michael Kelps asked about control over the police department salary line and Al Rusilowicz explained that they get very detailed budget at the beginning of the year and as long as the troopers don't change during the year, it should be close. Ed Bailey felt that that will be under budget by about \$40,000. Mr. Rusilowicz felt that trooper overtime will be under budget as well. Mr. Bailey added that many towns in the state were denied the DUI grant this year, including Middlefield.

Looking at the Fire Department, they are over budget on communications which included removing a siren on West Street. He also explained that there will be no appreciation night this year, so they will save that expense. Mr. Rusilowicz also explained that there will be a fair amount of COVID-related expenses and they will track those through specific new line items as the State of Connecticut may reimburse the town for those expenses. Ed Bailey stated that they were originally planning to file with FEMA for health emergency-related expenses, but the governor's office just indicated that the state will reimburse the municipalities, hopefully before the end of this fiscal year.

Under Boards and Commissions, Inland Wetlands is expected to be over budget by somewhere around \$15,000. The capital and nonrecurring number will be finalized when the lighting project is completed and the net expense (after rebate) will be around \$200,000. Al Rusilowicz pointed out that the \$2,000 will not be spent for Old Home Days, but that was added to next year's budget.

Jim Irish asked if Al Rusilowicz estimated that the year-end surplus would be the same as projected and he confirmed that it is. Mr. Irish also asked about the TAR balance and Mr. Rusilowicz stated that it is significant. He added that they also received the Municipal Projects Grant money of \$248,000 which has to be used on infrastructure-related projects. Ed Bailey added that Public Works is doing paving now and will be doing chip-sealing soon. Mr. Irish asked if the road survey work will get the town to a point where they will use the Municipal Projects Grant money for action indicated by the survey. Mr. Bailey explained that the town spends more on the roads annually than the Municipal Projects Grant, but it was lower this year because they did not do chip-sealing in the Fall. Al Rusilowicz added that this was also impacted by the mild winter. Mr. Rusilowicz also mentioned that Durham receives about \$150,000, Killingworth receives about \$5,000 and Middlefield receives \$240,000, but he has no idea how that is calculated. Ed Bailey explained that it is based on the town's rating regarding relative wealth, summarizing that Middlefield is poorer and gets more money from the state. Mr. Irish was concerned about the right amount being taken from the capital fund balance and Mr. Rusilowicz explained that \$988,000 was transferred to capital. Some of that went to road maintenance and \$243,000 went to LED lighting. He reminded everyone that the Municipal Projects Grant money must be spent entirely on infrastructure-related projects.

New Business

A. New COVID-19 expense line items in Fire Department and Emergency Management

Al Rusilowicz explained that the town needs to specifically track any COVID-related expenses in order to submit for reimbursement. He suggested creating line items with \$1.00 in each line item. Ed Bailey explained that they do not want to create a line item in every department, but simply use these two line items to track the expenses.

Melissa Kowal made a motion, seconded by Joel Nick, to add line item 01-48-8111 "COVID-19 Related Expenses" to the Emergency Management Department budget in the amount of \$1.00 and to add line item 01-46-8011 "COVID-19 Related Expenses" to the Fire Department budget in the amount of \$1.00. Both accounts are to track unanticipated COVID-19 expenses for possible reimbursement. Motion carried unanimously.

B. FY-21 Tax collection rate

Jim Irish reviewed that the tax collection rate was proposed at 97.5 percent which produced one-quarter of a mill reduction vs. last year. The board had seen information that the unemployment rate in town is 13 percent vs. 5 percent back in February and Mr. Bailey added that it is now about 14 percent and pushing 17 percent in the state. He did think that it is beginning to decline. Mr. Bailey added that business owners are having trouble getting employees back since it is a better deal to be on unemployment than to be working.

Mr. Irish explained that many towns are not being as conservative as Middlefield and are not reducing their tax collection rate. He is comfortable with leaving it at the lower rate of 97.5, especially since it still produces a decrease in the mill rate.

Al Rusilowicz explained that Durham cut \$400,000 out of their capital budget to get to their mill rate and Middlefield is not doing that, but still has a mill rate reduction. Melissa Kowal is glad that the board is being cautious. Michael Skelps feels that it is prudent and responsible to keep it at 97.5 percent and Mary Wolak agreed. Dave Lowry felt that being conservative now will pay a dividend in the next year's budget. Mr. Rusilowicz agreed and pointed out that the state is going to be in dire shape next year and even worse the year after that. Ed Bailey felt that the impact to the state will be in FY-22, but may not be a huge impact if the economy turns around. He stated that the state will end the year with about a \$900 million deficit which does not take into the account the funds that they are getting from the federal government. Mary Wolak added that they have always been conservative in the past and it has worked out for the town. She also felt that many people will be retiring from the state within the next year.

Jim Irish summarized that they will stay with the proposed 97.5 percent tax collection rate.

C. Durham-Middlefield Youth and Family Services budget

Jim Irish noted that the Durham Fair announced today that it has been canceled for this September and that means lost revenue for a lot of organizations. Ed Bailey had suggested that it would mean approximately \$10,000 in lost revenue for DMYFS. Their original budget had revenue from the Durham Fair at \$6,000 and it had been \$6,500 last year.

Ed Bailey thought he may have had the gross sales at the Durham Fair and not the profit, but he could clarify that with Betsy Dean. Melissa Kowal noted that the Backpack program could serve more students if they had more funding and she would not be opposed to looking at \$5,000. She felt that more students may need to take advantage of the programs next year. Mary Wolak suggested that they need to look at

other organizations as well, even though the Fire Department and the library did not feel it was a big deal. Ed Bailey added that the library may lay off some part-time workers. He added that the library's revenue from the fair is small compared to the amount of work it takes and they have talked about dropping out. Mary Wolak did not want it to look like they are favoring one agency over others.

Al Rusilowicz felt that the library should have a surplus this year that they can carry over into next year. Melissa Kowal felt that the town already provides a lot of funding to the library. Joel Nick agreed with funding DMYFS for \$5,000. Jim Irish explained that that would increase DMYFS's budget to \$20,500. Michael Skelps agreed with doing that as was Mary Wolak.

D. Other changes prior to public hearing

Al Rusilowicz asked how the revisions would be handled and Jim Irish felt it would be appropriate to do a revision and publish it on the website. Ed Bailey agreed that there should be a complete product for the public hearing. Mr. Rusilowicz summarized that they will do a revision with the two new line items and additional funding for DMYFS. Mary Wolak commented that all of these items are directly attributable to the COVID virus. Dave Lowry felt it was also due to the unemployment rate going up and the greater need that will be evident because of that.

Update on Board of Education Public Hearing

Mr. Irish reviewed that the Board of Education held a public hearing last night and questions were read and answered. There were no questions submitted at the end of the hearing by telephone. The net result is that the Board of Education is moving forward with a zero dollar increase.

Al Rusilowicz felt that the town can point out to anyone complaining about the school budget that there was no one questioning them at the Board of Education public hearing.

Jim Irish felt that they will probably not make any changes before voting on the proposed budget on May 27th. Al Rusilowicz noted that he received an email from Kim Neubig about ECS numbers and he provided her information from the three sources he gets data from. They will coordinate those numbers going forward.

Public Comment

None.

Mary Wolak asked how they will be handling the public hearing next week and Jim Irish anticipated having a general Zoom meeting which the public can dial into. They will do a slide presentation to start and then open the floor for questions or comments. He will ask to have slides posted on the website on Monday, but will not post the backup slides.

Ed Bailey mentioned that summer camp has been canceled as the regulations were very onerous. They are meeting with the Health District to discuss the beach next week and he explained that town facilities will remain closed to walk-ins and be by appointment only because there is not enough space to do social distancing in Town Hall. He reviewed that the governor has given authority to the Board of Finance to approve the town's budget. Mr. Bailey also mentioned that there are two vacancies on the Board of Education and two vacancies on DMIAAB as well that the town will need to vote on. He did believe that

an executive order will allow the Board of Selectmen to extend terms to the end of August. He would like to wait as long as possible to have a town meeting as he is not sure when in-person meetings can resume.

Mr. Bailey reviewed that the current state of emergency is in effect until September 10th and he suspects that that will be renewed by the governor. The tax on plastic bags is about to resume and bottle redemptions will start again as well. Restaurants will begin opening on May 20th and the Town Planner has been working on a plan for that. The governor has issued an order to suspend zoning regulations with regard to outdoor dining. Lyman's and Fire at the Ridge are ready to go with outdoor dining. Other places can create outdoor dining areas in parking lots. Mr. Bailey has heard from a couple of places that they can't get help so they may not reopen. The Emergency Management director has picked up surgical masks from the state for businesses that have signed up.

Ed Bailey explained that the Fire Department is in good shape with PPE and the town still has a supply of N-95 masks as well. He noted that the food bank is well-stocked and they have received some very generous donations. Around 80 percent of unemployment payments are now going out. He also noted that there are 15 cases of COVID-19 in Middlefield right now and no one has died.

Jim Irish stated that they have not received any questions or comments by email, but that may be because many people don't know it's available. He would like to send an email to the Republican and Democratic town committees indicating that the public hearing will be held on Thursday night. Dave Lowry offered to send that email to the Republican town committee. Ed Bailey stated that he was told Peter Niedhart is now the chairman of the Democratic town committee and Mary Wolak confirmed that. She also reminded them about the public hearing, information and email at this week's meeting. Melissa Kowal added that Dave Lowry is the new chairman of the Republican town committee and Michael Skelps is the vice-chairman.

There was then discussion about how nice the Zoom meetings are and how great it would be to continue to meet in that way or at least have some hybrid of that.

Adjournment

Michael Skelps made a motion, seconded by Melissa Kowal, to adjourn the meeting. Motion was carried unanimously. The meeting was adjourned at 8:46 pm.

Respectfully submitted,

Debi Waz

Debi Waz
Alwaz First