

MIDDLEFIELD BOARD OF FINANCE
405 Main Street
Middlefield, Connecticut 06455

Minutes of the May 21, 2020 Public Hearing via Zoom

Jim Irish called the meeting to order at 7:03 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

The Pledge of Allegiance was recited.

Jim Irish asked for all members of the public to remain muted until the public comment section of the meeting. He also asked that no one use the chat box or interrupt each other.

Brief introduction to the budget process

Jim Irish reviewed that the governor issued an executive order stating that municipal budgets be completed by the budget-making authority in town and the Board of Selectmen passed a resolution, per the town charter, naming the Board of Finance (BOF) as the budget-making authority in Middle field. The First Selectman presented his budget to the Board of Finance on March 12, 2020 and the BOF held seven workshops and two meetings. The Board of Finance also reviewed information from CCM and a survey about the processes different CT towns are taking.

The goal has been to be equal to or less than the mill rate from last year. The unemployment rate is up locally to 14 percent and the Board of Finance is a bit concerned about tax collection. At this point, about one-third of the town's residences are escrowing their tax payments. The BOF has taken a conservative approach with a tax collection rate that is 2 percent lower than what was proposed by the First Selectman. That 2 percent reduction is equivalent to a .65 mill rate increase (\$280,000), but the Board has made that money up through the budgeting process.

District 13's budget is flat this year, with a 0 percent increase. There is a small increase in the percentage of students from Middlefield vs. Durham and ECS from the state is down by \$57,000, resulting in an increase of about \$120,000 to the town. The undesignated fund is maintained slightly above 17 percent with the anticipation that fiscal year 2022 will be a difficult year. Mr. Irish added that the school district

used a lot of their undesignated fund to keep their budget down this year, with only a modest amount remaining to be able to apply to future years. The town also has some capital needs, including road repair and renovations to the fire department's facilities.

Board of Finance presentation of the 2020-2021 budget proposal

Jim Irish explained that the Grand List is up this year and town expenses are down. Expenses for the school district are up and outside revenues are down. The Board of Finance is able to propose a mill rate that is down a little - less than a quarter of a mill. He reviewed the comparison of FY 2021 vs. FY 2020 and explained that municipal expenses are down 4.5 percent, though revenues are down more than that, leaving the amount needed for tax collection at approximately \$130,000 more. With the Grant List up, the Board of Finance was able to decrease the mill rate and the average taxpayer will see approximately a \$39 decrease in their taxes.

Mr. Irish then explained that education is 70 percent of the town's total budget and that has remained consistent for the last eight to nine years. He added that both education and municipal expenses have remained flat over the last eight years as a result of the efforts of both municipal leaders and the Board of Education.

Town expenses are at \$4.8 million, with salaries and benefits making up just about 32 percent of the total, with salaries being about 75 percent and benefits at 25 percent of that 32 percent. Debt service is down from 10 percent to 8 percent. Essential services (public works, fire and police) total 28 to 29 percent of the budget, with police being down a little bit this year due to reduced overtime expenses and benefits. All other budget areas remain very close to the same percentages that they have been prior.

Mr. Irish then went on to compare departments to last year's budget. Education has the highest increase this year, followed by employee benefits (premium increase) and assessor's office (software and part-time assistance). The Selectman's office has increased by \$18,000, including \$6,000 for a first responder appreciation event as well as salary increases. Emergency Management increased by \$17,000 for COVID-related expenses which they anticipate will be reimbursed by the state. In terms of reductions, Other Town Funds is down \$109,000 due to a reduction in capital for LED lights. Debt Service is down by \$74,000 because the Merriam property note has been paid off and the Clean Water note is almost paid off as well. Central Services and Police are both down, with energy costs being lower with the LED lighting. Professional Services has been reduced due to the Town Planner. Public Works is down about \$25,000 due to staff turnover and lower wage rates.

Capital had spiked last year due to the LED lighting project and is down this year, though not all the way back to FY19 levels. The town hall, garage and community center will all be addressed this year. The Board of Finance's goal is to not have the capital plan unduly influence the mill rate.

Looking at revenue, Jim Irish reviewed that revenue continues downward, including transfer from other funds and revenue from use of dollars. The State has canceled the DUI grant and the revenue from the residents for use of the sewer will come to an end when that debt is paid off.

Mr. Irish reviewed that banks like to see a healthy Undesignated Fund, at 15 percent or more. Middlefield will need to potentially borrow money for roadways and fire department renovations in the future. They are also looking at lower state aid and state revenue as well as a higher education budget next year. The additional Undesignated Funds will help the town face future uncertainties.

Mr. Irish then reviewed the trend of the Grand List, with 2018 being a revaluation year, followed by increases of over 2 percent each year with this year being nearly 3 percent. He then went on to review the

history of the mill rate and noted that the Board of Finance has tried to keep the mill rate constant or trending downward.

In summary, Mr. Irish explained that the mill rate will be held steady and actually be slightly down. Town expenses are down and the amount to be collected is up just a touch. The Board of Finance believes this is a budget that offers a responsible mill rate while providing funding that the town requires.

Jim Irish then thanked the members of the Board of Finance for their hard work in these different times.

Vice Chairman David Lowry has chaired the Powder Ridge Ad-Hoc Committee, served as Chairman of the Conservation Commission, served two terms on the Board of Selectmen, is currently an alternate on Park and Rec and a member of the Lions Club. Dave is also the state chairman of Ducks Unlimited and was recently elected as chairman of the Republican Town Committee.

Melissa Kowal is a past member of the Inland Wetlands Agency and Middlefield Housing Authority. She has served on the Economic Development Commission and has held multiple leadership roles in the Lions Club. Melissa and her husband are third generation owners of a family farm and has unique knowledge about equipment.

Joel Nick is an AP economics teacher in Farmington and has both a bachelor's and a master's degree from UCONN. He has a certificate from St. Joseph's College and a sixth-year degree in administration from UCONN. Joel has served as a consultant to the State Department of Education and has 19 years of administrative experience. He also volunteers as a coach with the debate team at Coginchaug.

Mike Skelps is an active member of the Lions Club and has held many leadership roles there. He owns Capstone Photography, based in Middlefield. Prior to that, Mike worked in various senior roles with United Technologies. He was a nuclear submarine officer in the US Navy and worked closely with the Connecticut Veterans Chamber of Commerce, supporting patient reform legislation for veterans. In 2015, the State Department of Veteran Affairs recognized Mike's service by inducting him into the Connecticut Veterans Hall of Fame. He holds a BS and MBA from the Darden School of Business at the University of Virginia and currently serves as Vice Chairman of the Republican Town Committee.

Mary Wolak serves as the Board's secretary and has been a resident of Rockfall for 30 years. She has a bachelor's degree from UCONN in therapeutic recreation, including instruction in budgeting for public institutions. Mary is currently a rehabilitation therapy supervisor at Connecticut Valley Hospital and is active with the Middlefield Women's Club, St. Coleman's Church choir and has been involved in Boy Scout Troop 33, athletics and schools.

Al Rusilowicz has been with the town for a number of years and was the town's auditor prior to that. He has been a superb asset to the Board of Finance and they are grateful for all of his assistance.

Michael Skelps asked Jim Irish for his accomplishments and Melissa Kowal noted that they are all grateful for Jim's leadership. Bob Yamartino added that Mr. Irish has his bachelor's in chemical engineering and has worked for United Technologies for many years. He also has an MBA and has served on the Board of Finance for eight years, with three of them as chair. He is also going to school part-time to study neuroscience, biology and genetics. Mr. Yamartino thanked Mr. Irish and all of the other board members.

Public Comment

Everett Bishop thanked the board for all of their efforts and for the presentation, in particular.

Bob Yamartino noted that this has been a very challenging year for both the towns and the schools. He personally finds it a very exciting time to be involved in public service in town because of the highly-dedicated, highly-professional people. The cooperation of the various offices and boards in town is a huge testament to the town and he sincerely thanked all of the board members for their work. Mr. Yamartino also fully endorsed the budget, with its conservative approach to the tax collection rate. He added that the Board of Education has allocated almost 100 percent of their surplus to the budget which means there will most likely be an increase next year. He also thanked the board for the increase in funding to the Durham-Middlefield Youth and Family Services for the lunch program, given their loss of income from the Durham Fair.

Jim Irish apologized for having to have another meeting tomorrow night at 7:00 pm to formally vote on the budget proposal so that it can be published on the website for a final vote on June 8, 2020.

Ed Bailey added that many towns in Middlesex County have not gotten DUI grants from the state because there have not been enough drunk drivers being caught.

Adjournment

Mary Wolak made a motion, seconded by Melissa Kowal, to adjourn the meeting. Motion was carried unanimously. The meeting was adjourned at 7:56 pm.

Respectfully submitted,

Debi Waz

Debi Waz
Alwaz First