

MIDDLEFIELD BOARD OF FINANCE
405 Main Street
Middlefield, Connecticut 06455

Minutes of the January 14, 2021 Regular Meeting via Zoom

Jim Irish called the meeting to order at 7:04 pm.

Attendance:

Members

Others

X	Irish, Jim	X	Bailey, Ed
A	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

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 12/10/20 Regular Meeting

Michael Skelps made a motion, seconded by Dave Lowry, to approve the minutes from the 12/10/20 regular meeting, as presented. Motion carried unanimously.

Old Business

- A. YTD Revenue and Expenditure Variance Analysis - Al Rusilowicz
- B. Coronavirus reimbursement from state - \$39K - Al Rusilowicz

Al Rusilowicz reviewed that tax collection as of December 31st are at 68 percent or approximately \$9,350,000. The town has received one-quarter of the ACS funds from the state and 100 percent of the Town Aid Road funds (just shy of \$200,000) and the municipal stabilization grant. The town has also

received the CRF funding of \$39,471 (COVID relief funding). The Secretary of State's office also stated that they will pay for 50 percent of any registrars' computer expenses that were not up to date, so the town bought two machines and the state paid for one. That office also paid the town \$4,316 for COVID-related election costs for the August primary and November election.

Looking at charges (revenues) from services, Mr. Rusilowicz noted that, generally speaking, the town is at about 56 percent through November. Police services is down. Other revenue is pretty much on track and the town still anticipates marketing and selling a certain town-owned parcel at the Lake.

On the expense side, the town should be at just about 50 percent. Al went through and highlighted any items that are on the high side, with most of those being because services were prepaid. There were some additional costs for mailings done by the Tax Collector's office. Election expenses are over budget and there is still going to be a referendum on the school budget.

Public Works continues to be on track as well. The employees took some training on salt use and the application has been considerably less than in the past. Lake Beseck expenses are up, mostly due to the COVID-related expenses with additional pass checkers and lifeguards at the beach. Ed Bailey added that he will put together a budget on anticipated costs in that line item.

Under Outside Agencies, Regional Hazardous Waste is over budget and, to date, the town has participated in five events this year whereas there had only been two events last year at this time.

In summary, the expenses are at 53 percent but part of that is the town has made the June school payment of over \$1 million in December. All COVID-related costs have been segregated and continue to be tracked. Mr. Rusilowicz feels that the town will be made whole for all COVID-related costs.

C. Review Draft Letter of Endorsement for Brush Truck Grant Match - Jim Irish

Mr. Irish reviewed a draft letter that he wrote to go along with the FEMA grant request that Chief Tyc is putting together for a brush truck. The Board had discussed this item at the last meeting and agreed to pledge up to \$50,000 or 25 percent of the anticipated cost of the truck. He did send the draft letter to Chief Tyc, but has not heard back yet. If rewarded, the project may be able to be done over two years which would reduce the funding need each year.

First Selectman's Report

A. New Building Permit Schedule

Ed Bailey reported that they are close to going live with the GIS mapping system and new tax maps will be available. Mr. Bailey also explained that there is a new online permitting system that is being used in-house at the moment. They are waiting for the online payment portion of the system. The fee schedule for permits has been changed and \$10 has been added to every permit as that is what the system charges.

B. New Public Works Employee

Ed Bailey reported that the town received several applications and have hired a new employee for the Public Works department who will start next Tuesday.

C. New Fire Department Building Committee Appointments

Ed Bailey announced that they have appointed a building committee charged with determining both short-term and long-term capital requirements for the fire house, including rehabilitation and expansion of the existing facility. Board of Finance, current or past, members on the committee are Melissa Kowal and Alice Malcolm. Other members include Kevin Boyle, Bruce Villwock, Mr. Cowal, Paul Pizzo and Ken Watson. Mr. Bailey explained that the Board of Selectmen did not give them any time line, but he expects to do that at the committee's first meeting.

Jim Irish added that the Grand List update will be completed by February 1st and will be in effect next October. Home prices in Middlefield have risen 16.7 percent over the last year, from an average price of \$240,000 to \$280,000. The housing supply is down and there were only 12 houses for sale at the end of the year. Mr. Bailey added that at the end of 2019, there were 24 houses for sale. He also added that the difference between the asking price and the selling price has narrowed.

The Tax Assessor will be issuing an RFP for revaluation services to start in May of 2021. Mr. Bailey explained that it will be a physical revaluation; however, home visits may not be required due to COVID. He does expect to see an across-the-board increase in property values.

Ed Bailey also reported that they are doing an evaluation of all roads and a bridge and culvert survey as well as pre-planning for collector roads, i.e. the upper part of Jackson Hill Road to Cedar Street, Cedar Street to Maple and Maple to Cherry Hill Road as well as all along Cherry Hill Road. They are concerned with Jackson Hill Road and Cedar Street and an application can be made to the state for a project to improve those roads. To use that money, the roads will have to have adequate shoulders and could require a bicycle lane. The town would have to pay the engineering costs, which could be 25 percent of the project. Mr. Bailey doesn't have any idea of what the time line would be for on any of this.

Mr. Bailey did note that the road maintenance program is robust and will continue. It is likely that the indication from the road survey will be to continue with chip sealing most of the roads in town. He felt it would be ideal to chip seal every road in town every five years. The engineering firm felt that everything would be finished this fiscal year. He also noted that the town is doing a lot more maintenance on the roads than ever before.

Ed Bailey also reported that Middlefield has had 13 cases of COVID-19 in the last two weeks and the town's rate went down to 21 per 100,000. Meriden is at 96 per 100,000, Middletown is at 68 per 100,000 and Durham is up around 40 per 100,000. Since the beginning of March, there have been 167 cases and no deaths in Middlefield. The vaccine is rolling out now and he will be sending out an email to all boards and commissions. He explained that there are 1.6 million people in group 1B and the state is currently getting 44,000 vaccinations a week. With those numbers, it will take about seven months. Hopefully, the number of vaccines will increase.

New Business

A. Preliminary Thoughts/Discussion on FY22 Budget Priorities/Intentions

Jim Irish explained that there will probably be an increase in the school budget as they used a significant portion of last year's surplus to balance this year's budget and that will not be available for the next fiscal year. The state's fiscal budget has already been established, however the years after are unclear. He

reviewed that the road repairs are coming as are the fire department requirements. Mr. Irish felt that they should go into the budget season with the intention of stability or only a modest increase in the mill rate.

Joel Nick felt that there are impending capital projects that they will have to look at, and that the state will probably be less generous in terms of education cost sharing. Mary Wolak mentioned that there will also be debt elimination which would be favorable. Mr. Irish also mentioned that interest rates are very favorable right now. Dave Lowry felt that the Powder Ridge bonding retires this year. Mr. Lowry stated that he did not hear anything mentioned at last night's Board of Education meeting about the declining enrollment but he thought that it was going to be declining by another 100 students. He felt that that will be a challenge for the new superintendent and hoped that they could work these enrollment drops into producing a flat budget. Mr. Lowry felt it would be tough to explain a budget increase to the public with a drop in enrollment. He believes that eventually the district will have to decrease staff while looking at class sizes.

Joel Nick agreed and hoped that they could develop a partnership with the new superintendent like they had with Dr. Serino. He felt that, since the state will likely be providing declining revenues, they will need the school system to work with them to make changes that reflect the declining enrollment.

Michael Skelps reported that Dr. Schuch had attended a Chamber of Commerce meeting and seemed to be in learning mode and is open to meeting people and building connections. Mary Wolak asked if the board can reach out to Dr. Schuch. Dave Lowry wasn't sure how much Dr. Schuch is really involved in this year's budget and felt that it was more likely Kim Neubig's and Kathryn Serino's budget. Jim Irish felt that Mrs. Neubig certainly has a sense of the community needs and he would not anticipate major changes. She has already stated that she is looking for places to save money to provide additional surplus to be applied to next year's budget. Mary Wolak also felt that online learning can leave some kids behind and they may need to play catch-up. She also mentioned that Korn School is still sitting vacant.

Jim Irish emailed Mrs. Neubig for some clarification of grant money she is pursuing and also asked if it might be time to cut bait with Korn School given that it doesn't appear that Durham wants to inherit the building for nothing. Mr. Irish does not believe that Korn School needs any more funding at all. Mr. Lowry felt that either Durham takes Korn School or the district razes the building.

Mr. Irish did feel that the board needs to be open-minded about the school budget with new directions that Dr. Schuch may want to take. He felt that Dr. Schuch does deserve some support from the community as well as some funding for those opportunities.

Michael Skelps added that he would be very hesitant to raise the mill rate unless that is the last resort. He would like to challenge each of the town's departments to keep their budget level or find ways to save money. Al Rusilowicz stated that letters to each of the departments will be put together and go out either tomorrow or Tuesday. He added that Ed Bailey's letter was very clear that he expects everybody to start with a zero-based budget. Mr. Rusilowicz stated that he was amazed with how Jason Wickham is rethinking the public works operation.

Mr. Lowry stated that they had dropped the collection rate substantially for this year's budget and asked what they intended it to be this year. Mr. Rusilowicz stated that it didn't appear that that was the case and Mr. Lowry felt that that would then be a surplus. Mr. Rusilowicz also noted that they have made some very aggressive collection moves on the WPCA side which have been extremely successful. Jim Irish also mentioned that there would be a mill rate advantage if they were to move the collection rate back up.

Mr. Irish mentioned that the pupil ratio on the school budget is slightly in favor of Middlefield this year. He did believe there was some reason to think that the budget could remain stable. Al Rusilowicz added that Connecticutare proposed at a 19 percent increase (insurance), and it appeared that going out to bid was not a good option as the town's experience was so poor this past year. The broker felt that they may be able to get the increase down to 15 percent. He explained that our insurance group included Durham, Middlefield, the school district and DMIAAB, and that there were 15 or 16 people in the group with claims in excess of \$50,000. He also explained that this increase will bring them back to where they were two years ago.

Jim Irish will reach out to Dr. Schuch and will also let Bob Moore know that our Board of Finance appreciated the opportunity for the school superintendent and Bob to meet with both town BOF's, finance directors and 1sSelectmen last year, and hoped to do that again early in RSC-13's budget approval process. Mr. Irish also asked Mr. Rusilowicz to forward their comments about the budget to Ed Bailey tomorrow.

B. Picture of New Public Works OTG Mower

Mr. Irish sent a picture of the OTG mower to everyone and added that the excavator has also been received.

C. New Bridge - Peckham Park (to/where) Courtesy Lion's Club

Jim Irish asked Michael Skelps if he had heard anything about this bridge, but he had not.

D. BOE 1/13/21 Meeting Information - Jim Irish

Mr. Irish stated that there were reports on COVID cases in the district as well as the vaccination information. There is an introductory video from Dr. Schuch on the district's website. In it, Dr. Shuck commented "he will base all of his decisions on the impact to the young learners".

Mrs. Neubig reported that the district received \$215,000 in COVID relief and will be putting in a second request. FEMA has denied their request for \$76,000 to pay the salaries of cafeteria staff, even though the governor's executive order required the district to pay them.

The district is pursuing grant funding for the Memorial School roof and they will also be hardening the vestibules at Strong and Cuginchaug with money that was allocated two years ago. The board approved the newly negotiated support staff contract with an increase of 9.36 percent over three years, that also includes increases in co-pays and deductibles for the staff.

The Board of Education will hold a retreat on February 2nd to discuss Dr. Schuch's priorities and have initial budget discussions. Dave Lowry explained that the board changed the date of their retreat several times and believes that the budget will be close to complete by that time.

E. Other

Jim Irish asked Al Rusilowicz for an update on the audit. Mr. Rusilowicz explained that they have been working over the past week and a half to wrap up loose ends and they expect to have the audit done by the extension date of January 31st. The State of Connecticut did not extend the deadlines for audit filings

which Mr. Rusilowicz found bizarre, given that many towns have not been in their offices for months. He noted that all school audits had to be done by December 31st. Mr. Irish will put a review of the audit report on the board's February agenda.

Al Rusilowicz also reported that the Old Indian Trail generator is up and running. Middlefield's contribution will be significantly less than expected, but they may use some of the funds for tree removal in the area.

Adjournment

Mary Wolak made a motion, seconded by Dave Lowry, to adjourn the meeting. Motion was carried unanimously. The meeting was adjourned at 8:52 pm.

Respectfully submitted,

Debi Waz

Debi Waz
Alwaz First