

Minutes  
RTM-Finance and Budget Committee  
Regular Meeting  
Monday, May 2, 2016

**PLACE:**

Board of Education, 35 Leroy Avenue, Main Auditorium  
Meeting Starts: 7:30pm

**MEMBERS PRESENT:**

Jack Davis, Martha Banks, Terry Duffy, Bert Von Stuelpnagel, Lisa Yarnell, Debra Ritchie, Rob Cardone, James Howe, Marlene Hayes, Charles Boulter

**MEMBERS ABSENT:**

Brent Hayes, Seth Morton, Charles Baldwin, Steve Anderson

**OTHERS PRESENT:**

John Zagrodsky, Chair, Board of Finance; Sarah Seelye, Town Moderator; Jill McCammon, CDSP Co-Chair; Shelly Skoglund, CDSP Co-Chair; Stacey Tie, ELP Chair; Peter P. Orphanos, Dr. Daniel Brenner, Superintendent of Schools, Michael Feeney, Board of Finance; Kathrine Stein, Board of Education; Christa McNamara, Board of Education; Michael Burke, Board of Education; Betsy Hagerty-Ross, Vice Chair Board of Education; Sarah Zuro, Board of Education; Tara Luurm, Sara Franzese, Tiffany O'Connor, Wendy Ward, Kristen Barnard, Sara Parent, Lori Olson, Melissa Williamson, Cathy Butcher, Karen Wilber, Patty Uhlman, Stephanie O'Malley, Frank Hick

**CALL TO ORDER**

Jack Davis called the meeting to order at 7:30pm. There was a quorum with 10 of 14 members present.

Several members expressed concern on voting on Appropriations (bills A and B) under discussion in light of the fact that there was no final resolution on funding from Hartford. Terry Duffy expressed concern that were spending without knowing how much we had to spend. Bert asked what would happen if we did not have an answer by May 9<sup>th</sup>, but at a later date got information that would have changed our decision. Jack responded that from what he understood, if there was a restoration of some or all of the funds that we anticipated being cut, that the BOE and BOS could go back before the BOF and ask for special appropriations for some of the items removed from the capital budgets. He stated further that there were already several items that were off cycle would follow the normal process.

Bert also asked for clarification on the revenue side, asking if once the RTM had voted for a tax mill increase rate to 15.80, if additional funding came in from the State would that mill rate stand? The answer was yes, the mill rate would stand.

Jack stated that the committee has been concerned in prior years that the increase in the mill rate does not necessarily reflect the increase in the spending due to the drawdown of the General Fund and growth in the Grand List. It was pointed out that several large items were not reflected in the budget:

- \$500K-\$600K for the Shuffle appropriation,
- \$200-\$300K for EMS
- the purchase of the Eversource Lighting
- the High School Cafeteria extension
- the Public Works garage
- and others unforeseen that might arise during the next fiscal year

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The appropriations up for vote by the RTM F&B for the July 1, 2016 to July 20, 2017 budget are RTM resolution 16-12:

- A. An appropriation in the General Fund to the Selectmen's Operating Budget of \$46,748,692;
- B. An appropriation in the General Fund to the Education Operating Budget of \$93,847,816;
- C. That the above appropriations, totaling \$140,596,508 are for the purpose of meeting the expenses of the Town of Darien for the fiscal year commencing July 1, 2016 and ending June 30, 2017 as shown by the budget this day approved.
- D. Appropriations for other funds are hereby made below for the 2016-2017 fiscal year as shown by the budget this day approved;
  - 1. From the Reserve Fund for Capital and Non-Recurring Expense \$ 5,180,227
  - 2. From the Sewer Operating Fund \$ 3,558,988
  - 3. From the Sewer Assessment Fund \$ 550,000
  - 4. From the Sewer Capital Fund \$ 186,400
  - 5. From the Parking Lot Administration Fund \$ 757,867
  - 6. From the Parking Lot Capital Fund \$ 185,000
- E. That a tax of 15.80 mills is hereby levied upon the last complete grand list of the Town with a total net assessment of \$8,446,673,225 on property as of October 1, 2015 payable in two equal semi-annual installments, the first installment to become due and payable on July 1, 2016 and the second installment to become due and payable on January 1, 2017, provided however that:
  - 1. Any taxpayer may pay both of said installments on July 1, 2016;
  - 2. The personal property tax on motor vehicles in said Town shall become due and payable in one single installment on July 1, 2016.
  - 3. Any property tax in any amount not in excess of one hundred (\$100) dollars shall become due and payable in one single installment on July 1, 2016.
- F. That the Town of Darien, acting through its Board of Selectmen, and subject to the approval of said Town at the Annual Budget Meeting of the Representative Town Meeting to be held May 9, 2016, be authorized to borrow on the note or notes of the Town the sum of five million (\$5,000,000) dollars or so much thereof as may be necessary for the general expenses of the Town pending the collection of either or both of said semi-annual installments of taxes on or prior to June 30, 2017.

Jack asked if there were any other discussions and hearing none, called for a vote on Resolution 16-12 A for the Town's proposed Operating Budget of \$46,748,692. The vote passed 8-2 with Martha Banks and Terry Duffy opposing. Martha stated that while this was very difficult for her, and that she has supported budget increases in the past she looked at the spending rate which has well exceeded inflation and she felt that she needed to make a symbolic gesture to say that the spending increases needed to stop. Terry added from his POV that there were pension accruals of \$614,373 this year that would not be there next year and there would be additional expenses like the police cameras in the future and he also felt strongly that the spending had to come down which is why he voted against Amendment A. Terry also believed that while in favor of the original budget approved on April 7<sup>th</sup> by the BOF, that the full amount of the proposed cut had to be removed from the budget.

Jack stated that to achieve prudent expense reductions thoughtful deliberations were required and that there was commitment to do this starting this summer. He also said that Dr Brenner was starting to implement programs to address operating costs.

Jon Zagrodsky stated that this summer the town was going to start a thoughtful planning process, continuing the collaborations with the goal to come to fact-based conclusions. On the budget approval process he said that the budget that the BOF voted on assumed that we are going to get no participation on Educational Cost Sharing back from the State. He recommended we as the F&B committee for the RTM vote to approve the operating budgets for the Town and the BOE now and if the Town gets funding restored from the State, F&B adjust the mill-rate with excess funds money into the fund balance. JZ cautioned, it will be more difficult to keep taxes there next year. JZ further stated that he did not believe the Excess Cost Reimbursement would be zeroed out by the State in the next fiscal year. Finally JZ qualified his agreement with Bert regarding the process needing revision by stating that he felt going forward we needed to disaggregate the budget into buckets of spending that have different unique characteristics and look at the inflation profile for each segment by its characteristics to come up with a defensible blended target for the BOS and the BOE that was supported by a strategic plan based on fact-finding and information gathering.

Jack stated the committee report would be distributed to committee members for comments prior to Monday's mtg.

Proposed Minutes  
RTM-Finance and Budget Committee  
Special Meeting  
Monday, May 2, 2016

Terry presented his perspective that these BOE's budgets have been skyrocketing over the past years, he said last year he voted yes or it, but he still feels that a +3% increase is too high. They have grown +19.6% in the past four years. Rob further commented that we needed to be looking at the most recent five years increases versus the rate of inflation and take actions to hold them closer in line.

Deb Ritchie moved that we next vote on approving 16-12 Appropriation B for \$93,847,816, Terry seconded it. The vote ensued with 8 in favor and 2 opposed. (Martha and Terry, opposed). Jack again stated he would write up the minority opinion and requested that Terry and Martha review.

Jack then introduced Appropriation 16-12 C which is a combination of 16-12 A+B for a total of \$140,596,508. Lisa motioned and Rob approved it for a vote. Jack asked for any discussion on it. Seeing none, a vote was taken and the same 8-2 split occurred that had occurred on the two previous votes with Martha and Terry voting against the appropriations.

Next for Resolution 16-12 D, Jack mentioned that these five items were all self funding the exception being Capital for \$5.2MM, Deb motioned to approve, Lisa seconded it, a vote was taken, it was 8 approved, 1 abstained (Terry) and 1 opposed (Martha).

Jack introduced Resolution 16-12 E which was that a tax of 15.80 mills be levied against the last grand list of the Town which produced a total net assessment of \$8,446,673.225 on property as of Oct 1, 2015 payable in two installments July 1, 2016 and January 1, 2017.

JD stated the grand list grew by 1% and that provided nearly \$1MM in extra revenue for the Town. This is the item we have an opportunity to modify if we get additional information from the town before the Monday night, May 9<sup>th</sup> at 6pm. Lisa moved the resolution, Deb seconded it.

Discussion ensued if the vote on the mill rate should not be deferred to the special meeting on Monday. JD requested a vote tonight. Bert proposed a motion to delay the vote. It was seconded by Lisa. Discussion ensued with James Howe suggested that if we can't get a quorum together, we need to have an answer tonight. The committee asked the Chairman to get a POV from the BOF on this matter. Jon Zagrodsky suggested that since we had already voted on the components of the budget we might as well go ahead and approve the mill rate now so that we had a complete package to take to the RTM. Bert retracted his motion. A vote was taken with 8 in favor, 2 opposed (Banks and Duffy).

Resolution 16-12 F was moved by Debra and Terry seconded it to allow the Town to borrow up to \$5,000,000 to make payments that may be due before the collection of tax revenue installments. It passed by a unanimous vote of 10-0.

Resolution 16-11 was brought forth to approve the issuance of General Obligation Refunding Bonds. They have to provide a distinct value. Rob motioned, Bert seconded it and it was approved unanimously.

Item #5 – Jack will provide everyone and does want to give information to the citizens of the Town advanced information about what the F&B is going to recommend before the meeting on Monday night. The committee should give him any comments about what they want to see included so they can have comments made about what is going to be said in advance.

Item #6- Discuss the May 9<sup>th</sup> meeting at 7pm Room 206. Jack stated that the general feeling is the sales tax reduction will not come back but some portion of ECS may come back. It was originally budgeted at \$1.6MM, was reduced to \$1.1MM subsequently and the question is if they get back half of it, \$550K what are the committee thoughts? Do we keep the increased mill rate or do they reduce it or 50/50. Jack wanted the discussion now. The discussion ensued with a consensus that if \$500M was returned, the committee would move to reduce the mill rate. If a lesser amount was returned, the committee might take no action.

**NEXT STEPS**

- 1) A Special Meeting will be set up for at 7pm ET, May 9<sup>th</sup> to set the mill rate based on latest information from Hartford.
- 2) Jack will draft the committee's report and circulate prior to Monday.
- 3) Jack to distribute the 60 page new PW garage proposal to the F&B after Monday's mtg

**ADJOURNMENT**

Deb moved to adjourn the meeting. It was seconded by Rob Cardone. The meeting was adjourned at 9:03 p.m.

Respectfully submitted,  
Lisa F. Yarnell, Clerk