

REGULAR MEETING MINUTES OF THE RTM FINANCE & BUDGET COMMITTEE

Monday, May 4, 2020

Place: Virtual Go to Meeting Conference Call @ 6:00 p.m.

1. **Call to Order:** Jack Davis, Chair, at 6:00 p.m.

Committee Members Attendance:

	Mark Adiletta	Barry Baldwin	Martha Banks	Luisa Brakman	Jack Davis	Mike Heitz	James Howe	Elizabeth Lane	Robert Lyons
Present	X	X	X	X	X	X	X	X	X
Absent									

	Iris Mix	Peter Orphanos	Brad Pattelli	Jennifer Schwartz	Bill Smith	Stacey Tie	Bert von Stuelpnagel	Lisa Yarnell
Present	X	X		X	X	X	X	X
Absent			X					

16 Present and 1 Absent. Needed for Quorum: 9. Quorum attained.

2. **Other Attendees Present included:** Town Administrator Kate Buch, Sara Parent, David Martin, Sarah Neumann, Anne Reed, Taylor Carter, Jim Palen, and Jenn Walsh.

3. **Chairperson's Report, as well as Discussion of Agenda Items: "Review of Allocation Methodology" and "BOE Budget Including Special Account Request".**

Prefacing his remarks and noting that the BOF's stated goals are to: i) achieve a 0% mill rate increase and ii) maintain current service levels and educational quality, Jack Davis went on and provided his preliminary sense as to the BOF's: i) goals, ii) budget shortfall allocation methodology and iii) its means to achieving such goals. To this end, the order of priority should be: i) defer and possibly bond capital projects, ii) rationalize current practices, iii) draw-off reserve (e.g., RFCNRE) accounts as appropriate, and iv) reevaluate the reasonableness of projected investment income.

Also noted were disparities between the BOS and BOE along these lines: i) relative contributions to the budgeted annual operating expense increase were split 26% and 74% for the BOS and BOE, respectively, ii) relative contributions to the budgeted annual capital request increase were split 74% and 26% for the BOS and BOE, respectively and iii) the relative contributions to the overall budgeted annual increase were split 38% and 62% for the BOS and BOE, respectively. Bert, Peter, Martha, Bob and Mike

commented and one repeated observation was that, given the BOS's higher degree of capital requests, (relative to its operating expenses) bonding, as a "tool" to meeting targeted shortfall, plays a more prominent role for the BOS than for the BOE. Members observed that, in the interest of evenhandedness, this "asymmetry" underscores the importance of identifying other potential tools for possible BOF deployment.

A. Discussion and sense of Committee as to budget goals.

The unanimous sense of the Committee is that F&B encourages the Boards to achieve, at the minimum, a 0% mill rate increase with the goal of identifying any additional savings without affecting services or the delivery thereof and educational quality. It should also be noted that Mark A. expressed that while his preference was to put the onus on justifying exceptions to the flat expense goal, in theory either approach could get to the same end point.

B. Discussion and sense of Committee as to the BOF's allocation methodology.

The unanimous sense of the Committee is that F&B does not agree with the BOF's methodology for allocating between the BOS and BOE the targeted savings to achieve the BOF's overall goal.

C. Discussion and sense of Committee as to the BOF's consideration of all available options at its disposal to help the BOS and the BOE meet their respective targeted saving goals.

The overall sense (two Dissents and one Abstention) of the Committee is that F&B encourages the BOF to consider all available options at its disposal to help the BOS and the BOE meet their respective targeted saving goals, including utilizing the Town's General Fund and, with respect to the BOE for the 2019/2020 and 2020/2021 fiscal years, utilizing a non-lapsing account pursuant to the CT General Statutes, Volume 3, Title 10, Chapter 171, section 10-248a.^{1, 2}

¹ **Sec. 10-248a. Unexpended education funds account.** For the fiscal year ending June 30, 2011, and each fiscal year thereafter, notwithstanding any provision of the general statutes or any special act, municipal charter, home rule ordinance or other ordinance, the board of finance in each town having a board of finance, the board of selectman in each town having no board of finance or the authority making appropriations for the school district for each town **may** deposit into a nonlapsing account **any** unexpended funds from the prior fiscal year from the budgeted appropriation for education for the town, provided such amount does not exceed **one per cent** of the total budgeted appropriation for education for such prior fiscal year. (P.A. 10-108, S. 32.)

History: P.A. 10-108 effective July 1, 2010.

² Note as to Clerk's Observations:

D. Discussion and sense of Committee as to the BOF's review of the reserve practices in the upcoming year.

The unanimous sense of the Committee is that F&B strongly encourages BOF to review reserve practices (e.g., the RFCNRE) earlier than September with a goal of identifying savings to achieve the BOF's overall objective.

4. BOS Budget Reports from Buddy Groups.

Mike and Bill reported on PZ&H, Community Service and General Overhead (Tab #'s 3, 4 and 12, respectively); Stacey, Lisa, Jenny, Bob and Jack reported on Police, Fire, Park & Rec. and Other Public Safety (Tab #'s 5, 6, 11, and 7, respectively); Martha and Mark reported on Public Works (Tab #8); Peter and Beth updated the Committee with respect to BOE developments. Bert, Jenny and Luisa complimented the BOF on its well-executed bond placements.

5. Motion to approve the minutes of the meeting on held on Monday, April 20, 2020:

Moved Ms. Tie
2ND Mr. Orphanos

	Mark Adiletta	Barry Baldwin	Martha Banks	Luisa Brakman	Jack Davis	Mike Heitz	James Howe	Elizabeth Lane	Robert Lyons
YES	X	X	X	X	X	X	X	X	X
NO									
ABSTAIN									

	Iris Mix	Peter Orphanos	Brad Pattelli	Jennifer Schwartz	Bill Smith	Stacey Tie	Bert von Stuelpnagel	Lisa Yarnell
YES	X	X		X	X	X	X	X
NO								
ABSTAIN								

Result: Motion Was Passed Unanimously (16-0-0)

Seeing that Sec. [10-248a](#) concerns unexpended education funds, by its terms, a non-lapsing account accordingly is confined to the BOE and not available to the BOS. Consequently, any "precedent" narrows down to a precedent between the BOF and the BOE. And, the "may deposit" verbiage is indicative that it is a year-by-year determination. So, if established one year, then it's left to the BOF's discretion as to whether to do so again in a subsequent year. Another "tool" in the BOF's toolbox. The BOF possesses the tools and seems open to readily using its bonding tool for the BOS. It all comes down to the BOF's predisposition to supporting the BOE in a comparable manner.

6. Motion to Adjourn:

Moved Ms. Lane
2ND Ms. Tie

Result: Motion Passed (16-0-0)

Meeting adjourned at 8:00 p.m.

Respectfully submitted,

Michael Heitz, Clerk

Date: 05.04.2020