

Town of New Harford Board of Finance
Regular Meeting – May 11, 2021
7:00 pm via ZOOM

Present: Chairman Regina Wexler, Members: Dan Charest, Kerry Guilfoyle, Paul LeClair (in at 7:06), Ben Witte, Alternates: Bart Baxter, Lou Helt and Recording Secretary Penny Miller

Also Present: First Selectman Dan Jerram, Laura Garay and Denton Butler

Chairman Wexler opened the meeting at 7:01 pm.

Seating of Alternates: Lou Helt was seated for Steve Tuxbury and Bart Baxter was seated for Paul LeClair.

Adoption and/or Revision of Agenda: The agenda was adopted as presented.

Approval of Minutes

April 13, 2021 Regular Meeting – there being no changes to these minutes they were adopted by consent.

April 29, 2021 Special Meeting – there being no changes to these minutes they were adopted by consent.

Communications and Other items presented to Board: Nothing has been received.

Public Comment

Denton Butler asked what has been formalized for the collection rate for the taxes? Mr. Witte said we have put into the presentation 97% which is up from 96.5% in prior years. We had backed it down because of concerns of collections during the pandemic and brought it back up this coming budget year. Mr. Butler then asked how many times over the past 10 years have we exceeded the collection rate after it has been set. Mr. Witte responded we fully expect to exceed it. We typically collect around 98.2 or 98.4. We take the surplus and put it into the following year's budget as revenue from surplus. Mr. Butler said currently we have a reserve general percentage of what. Mr. Witte replied we are probably at 14 or 15% right now. We had a surplus coming from prior years of around \$350,000 to \$400,000 and that has been increased to \$800,000. Chairman Wexler said that more information about that can be found in the board's minutes from prior meetings.

Mr. Butler said he understands the current proposal is that taxes will increase something short of 1%. With that he said if ever there was a year in which the taxpayers shouldn't face an increase only to find out later that the collection rate was increased in order to accomplish the goals of the town, why wouldn't you make it a zero increase and stabilize the tax rate at its current mill rate. Perhaps you will consider this before you take your vote tonight.

First Selectman Jerram said the ratio fund balance is based on the 2020 audit. We have about \$4.4 million in general fund balance based on the \$26 million dollar budget, rounded. The fund balance as a ratio percentage of the budget is 16.9% which falls within the recommended rate and the policy that the board worked on a few years ago.

Bookkeeper's Report (reports for April 2021 available by request in the First Selectman's Office)

Mr. Jerram said for the record, the hole in Revenue for Municipal Grants in Aid is because they are a late filer. That request has been put in. On the 5-year rolling average - the insurance cost has gone up over

the last couple of years. When Mr. Charest asked where the town will end up at year end, First Selectman Jerram said he anticipates dipping into the Fund Balance allocation. Chairman Wexler said that the fund balance includes the \$100,000 in the non-lapsing account for the Board of Education. This will probably go back to them before the end of this fiscal year. Supt. Murphy & BOE Chairman Goff have said they had over-runs in the Special Education line.

First Selectman's Report

First Selectman Jerram said he is happy the referendum passed and that with adjustments made by Region 7 it comes in under 1%. It was a non-controversial budget. We are spending some money on Ramstein Road and the state is working on Route 219 going toward Sundown. Everything is good. Several boards have had in-person meetings. The extensions to have virtual meetings is running out.

Discuss and take action, if any, on setting the mill rate for FY 2021-2022

MOTION by Mr. Charest to set the mill rate at 30.93. Second by Ms. Helt.

Discussion followed with Mr. Charest said as a Board of Finance we discussed why we put the collection rate where it is with an eye toward the future. Chairman Wexler thinks we will get a big hit from Region 7 for the next couple of years. We will need to prepare for that and to mitigate the possibility of damage all at once to the taxpayers. We still are not at the end of the Covid financial issues. First Selectman Jerram said he understands the reasoning and strategy and is fine with that. With the amount of fund balance, we have placed into the budget and the flexibility to increase the collection rate is going to provide flexibility when you don't have it. The fund balance will go back to where we have had it in the past about \$3.5 million. He doesn't feel we should be over-taxing and setting aside large amounts of cash.

Unanimous

Other Business

Chairman Wexler said the executive orders are running out. Some are being extended but she doesn't feel it will include virtual meetings. The next Board of Finance will meet Senior Center for their next meeting.

Suspense List

Chairman Wexler said there is \$7,713.83 on the Suspense List submitted by the Tax Collector. (Available at the Town Clerk's Office) Some of those listed are repeats from prior years. First Selectman Jerram said that several of these people has passed away so collecting will prove difficult.

MOTION by Mr. Witte that we authorize the BOF Chairman to sign on behalf of the Board of Finance the Suspense List dated May 11, 2021 in the amount of \$7,713.83. Second by Ms. Helt.

Unanimous

Chairman Wexler deemed the meeting to be adjourned at 7:24 pm.

Respectfully submitted, Penny Miller, Recording Secretary