

Board of Finance
Regular Meeting May 26, 2020
Held Virtually @ 7:00 pm

Present (Virtually): Chairman Regina Wexler, Members: Dan Charest, Kerry Guilfoyle, Reggie Smith, Jr., Steve Tuxbury, Ben Witte, Alternates: Lou Helt, Bart Baxter (in at 7:24 pm) and Recording Secretary Penny Miller

Others Present (Virtually): First Selectman Dan Jerram, Selectmen: Alesia Kennerson, David Rosengren, Town Treasurer Gordon Ross, Bookkeeper Annie Witte

Chairman Wexler opened the meeting at 7:16 pm
First Selectman Jerram reconvened the Board of Selectman to a joint virtual meeting with the Board of Finance.

Seating of BOF Alternates: None

Approval of Minutes: May 12, 2020 Regular Virtual Meeting

MOTION: by Smith to accept the minutes of the May 12, 2020 Regular Virtual Meeting.
Second by Tuxbury.

Chairman Wexler declared the minutes as accepted.

Opportunity for Public Comment:

Chairman Wexler said there were 37 participants on the call. If someone would like to speak, they will be allowed to speak 3-4 minutes.

FY 2020-2021 municipal budget: discussion and possible action

Motion: by Guilfoyle to approve the New Hartford budget at a 96.5% collection rate for fiscal year 20-21. Second by Charest.

Discussion followed. Ms. Wexler said the unemployment figures in Connecticut, by town for mid-April in New Hartford is now over 6%. That is unprecedented. Looking at the state deficit it was at \$2.7 billion and now it has gone up to \$3 billion. Mr. Tuxbury doesn't feel we should be raising taxes.

Aye: Wexler, Witte, Guilfoyle, Charest; Opposed: Tuxbury, Smith

Motion passes

Mr. Witte said he supported the previous motion with the expectation that we would increase the draw from surplus to \$850,000 from \$750,000.

Motion: by Witte to increase the Surplus revenue from \$750,000 to \$850,000. Second by Smith.

Discussion followed. Ms. Guilfoyle clarified that the \$100,000 will come from the town budget. Mr. Witte replied that it was from surplus from the prior years. Mr. Smith further clarified that it was from Undesignated. Mr. Witte said the Surplus at the end of this fiscal year will be the same as last year.

Aye: Wexler, Guilfoyle, Smith, Charest, Witte. Opposed: Tuxbury

Motion passes

Statute 10-248a – Discussion & Possible Action on Unexpended education funds account

Ms. Wexler said initially this came up in 2011 and the auditor, Chris King, was not in favor of it. At that time, it was up to 1% of the total education budget that could be placed in the fund. Since then the statute has been amended and now it is up to 2% of the total school budget. Mr. King is now in favor of it. Most of the savings for this year is \$100,000 by virtue of the school shutdown. Mr. King's suggested restrictions for the fund are: no deposits to the fund or withdrawals to the fund can be made to this account without the Board of Finance approval. At the end of every fiscal year if there is extra money the Board of Education would need to ask the BOF for approval to deposit into this fund. The following year the BOE would need to ask approval for money to come out of that fund. Mr. Smith said he is opposed to this. If the BOE really needs funding they can come to the BOF with their request and it would go to a town meeting. Mr. Witte feels a significant cut needs to be made to the request from the local BOE to get them closer to a 0% increase like the town did.

Motion: by Charest to establish a non-lapsing unexpended education fund account pursuant to Connecticut Statute 10-248a. Second by Guilfoyle.

Discussion followed. Mr. Witte would like to see the motion to be amended to add: "*subject to Board of Finance, Restrictions to be named.*"

Mr. Charest amended his motion to add in Mr. Witte's comments.

The motion now reads:

Motion: by Charest to establish a non-lapsing unexpended educational fund account pursuant to Connecticut Statute 10-248a subject to Board of Finance, Restrictions to be named.

Discussion followed.

Aye: Wexler, Guilfoyle, Tuxbury, Witte, Charest. Opposed: Smith

Motion passes

Motion: by Charest that no funds shall be deposited in said account or withdrawn from said account without Board of Finance approval. Second by Guilfoyle.

Mr. Smith would like to amend the motion to add that the Board of Finance will be required to take any restrictions or deposits into this fund to a town meeting. Second by Tuxbury.

Aye: Smith; Opposed: Tuxbury, Witte, Guilfoyle, Charest, Wexler.

Amendment fails

Vote on the original motion - that no funds shall be deposited in said account or withdrawn from said account without Board of Finance approval.

Unanimous

Ms. Wexler asked about funding the account with the \$100,00 that the Board of Education had found in savings. Both Mr. Smith and Mr. Witte didn't want to do this until the BOE budget was dealt with.

Motion: by Wexler to fund the account with the \$100,000 of savings put forth by the Board of Education. There was no second.

Motion fails

New Hartford Board of Education Budget: discussion and possible action

Ms. Wexler said the BOE showed a \$100,000 in savings from the bus contract, no substitutes, no overtime by the custodians and other savings. They didn't make any cuts to the operating budget but did take \$75,000 from capital. The BOE voted unanimously not to ask the teachers about deferring their contractual raises. Mr. Charest said the BOE increase this year is \$237,590. Ms. Guilfoyle said this number was made up from \$103,000 in salary increases and the rest is special education. Ms. Wexler is concerned about the taxpayer's ability to pay for it.

Ms. Guilfoyle asked why there was a line item in Capital for \$2,500 for Playground Equipment. It is her understanding that it needs to be \$5,000 or more to be a capital line item.

Motion: by Guilfoyle to cut the Capital Expenditure request of 20-21 by \$2,500, the line item for the Playground Equipment is not a Capital Expenditure because it is less than \$5,000. Second by Smith.

Discussion followed. Ms. Guilfoyle said the original line item was for \$10,000 and the BOE took \$7,500 off of it leaving \$2,500. Ms. Wexler understood that it can't be spent as they are not doing any fund raising. It is just a placeholder.

Aye: Smith, Wexler, Guilfoyle; Opposed: Witte, Charest, Tuxbury

Motion fails

Motion: by Tuxbury to cut \$200,000 from the 20-21 Board of Education increase to a total of \$8,389,106. Mr. Tuxbury said this would be an operational cut. Mr. Witte said he would second that motion but then amend it to allow up to \$100,000 of the operating expense cut to be covered by the non-lapsing educational fund balance from this year. Mr. Tuxbury amended his motion by approving Mr. Witte's amendment.

Discussion followed and the motion was withdrawn and Mr. Witte withdrew his amendment.

Motion: by Tuxbury to cut \$100,000 from the Board of Education Operating Budget for a total request of \$8,489,106. Second by Witte.

Aye: Witte, Tuxbury. Opposed: Guilfoyle, Charest, Wexler, Smith

Motion fails

Motion: by Guilfoyle to cut \$50,000 from the Board of Education Operating budget. Second by Charest.

Aye: Guilfoyle, Charest, Wexler. Opposed: Tuxbury, Witte, Smith

Motion fails

Motion: by Charest to accept the Board of Education Budget as proposed. Second by Guilfoyle.

Mr. Smith said backing up a little bit, if we don't include some of that money in this year's budget process the BOF can't put more than \$20,000 in that fund after the budget is approved. It would be a one-time movement. If you wanted to put in more than \$20,000 you would need to go to a town meeting. If the BOE needed \$100,000; the BOF could either approve the request or not but the BOF could only do \$20,000 and a town meeting would be required for the additional \$80,000 as an appropriation request. Ms. Wexler said we have only created the fund but we haven't funded it yet. Mr. Tuxbury said we can put any of their excess money from the budget into that account if we choose to do that. Mr. Smith said once we approve the BOE budget that money because it is listed on the revenue sheet, it will be sitting in surplus on June 30th. He doesn't think legally we can do anything above the \$20,000 amount. He wants to be sure that the BOF thinks carefully about this so that if we put money into that fund that we don't miss the opportunity during this budget process otherwise he believes we will need to go back to a town meeting. Mr. Witte said the motion is to accept the current budget as is. He wouldn't be in favor of putting money into that account the way the current budget is.

Aye: Guilfoyle, Charest, Wexler. Opposed: Tuxbury, Smith, Witte

Motion fails

Ms. Wexler said we didn't cut \$50,000 or pass it where does that leave us? Are we going to add to it? Mr. Tuxbury said he thinks we should go by last year's budget as there is so much uncertainty and we can't come to an agreement. We should go by last year's and see what happens over the summer. Ms. Wexler asked if we could pass the town budget and not the school budget. Mr. Tuxbury said it had been done before where we didn't pass either. Mr. Smith believes that if we don't pass the BOE budget it goes back to them. Mr. Tuxbury feels this limits our options and he wouldn't be in favor of that. Mr. Jerram responded you can't have it both ways. If you are unsure of your revenues you can't spend all of your capital money early.

Motion: by Witte that we cut the local Board of Education proposed budget by \$75,000.
Second by Charest.

Aye: Witte, Charest, Guilfoyle. Opposed: Tuxbury, Smith, Wexler

Motion fails

Motion: by Wexler to cut the local Board of Education proposed budget by \$40,000. Second by Guilfoyle.

Aye: Guilfoyle, Wexler, Charest. Opposed: Witte, Tuxbury, Smith

Motion fails

Motion: by Tuxbury that we cut the local Board of Education proposed budget by \$75,000.
Second by Guilfoyle.

Aye: Tuxbury, Witte, Guilfoyle. Opposed: Wexler, Smith, Charest

Motion fails

Motion: by Witte that we cut the local Board of Education proposed budget by \$50,000.
Second by Guilfoyle.

Aye: Witte, Guilfoyle, Charest, Wexler, Tuxbury. Opposed: Smith

Motion passes

Motion: by Smith to approve the local Board of Education budget for \$8,539,106. Second by Witte.

Aye: Smith, Witte, Guilfoyle, Charest, Wexler. Opposed: Tuxbury

Motion passes

Motion: by Wexler to move the collection rate up to 97%. Second by Smith.

Aye: Wexler, Smith. Opposed: Tuxbury, Guilfoyle, Witte, Charest

Motion fails

NWR7 FY 2020-2021 Budget: discussion and possible action

Discussion and possible action re: FY 2020-2021 Budget Timeline (Public Hearing)

Discussion and possible action re: Auditor

Motion: by Wexler that the Board of Finance Chairman be authorized to sign the letter for the auditor. Second by Smith.

Unanimous

**Communications and Other Items presented to Board
Other Business**

Adjournment

Motion: by Wexler to adjourn the meeting at 9:13 pm. Second by Smith

Unanimous

Respectfully submitted,

Penny Miller
Recording Secretary