

**Board of Selectmen**  
**VIRTUAL Joint meeting with Board of Finance**  
**May 26, 2020**

**Minutes**

**Present:** First Selectman Dan Jerram, Selectman Alesia Kennerson, Selectman David Rosengren; Treasurer Gordon Ross, Board of Finance Members: Chairman Regina Wexler, Ben Witte, Dan Charest, Kerry Guilfoyle, Reggie Smith, Steve Tuxbury, Board of Finance Alternates: Bart Baxter, Lou Helt; Recording Secretary Penny Miller; Administrative Assistant Christine Hayward;

First Selectman Jerram called the Board of Selectman meeting to order at 7:16 PM.

Board of Finance Chairman Regina Wexler called the Board of Finance meeting to order at 7:16 PM.

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. No comments heard.

**FY 2020-2021 municipal budget: discussion and possible action**

First Selectman Jerram gave a brief update regarding changes that have occurred to the proposed budget. He informed the Board of Finance that all; union employees -- town hall, police and the highway/public works employees have all agreed to defer raises and take a 0% increase in wages for the fiscal year 2020-2021. Raises, that equate to about 2.5% per year, will be dispersed during the last two years of the three- year contract, which will provide some savings for this next year. Some adjustments were made to the Revenue Sheet. Jerram explained that the revenue from the Pequot Grant and the CARES ACT funding have been added. A line has also been added for Education Reserve Funding; however, Jerram stated that funding that line is within the purview of the Board of Finance, therefore there is nothing to show in that line at this time.

First Selectman Jerram also stated that the Board of Selectmen have recommended that the Tax collection rate be adjusted to 96.5%. That was reduced from the 97.5% that has been used in the past. Jerram noted that this is only a recommendation and the final determination is for the Board of Finance to make. Using \$750,000 from fund balance to fund the 20-21 budget puts the increase in taxes at 2.75%. Discussion briefly ensued regarding the different options for the tax collection rate; history of the rate percentage was reviewed.

**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. Ms. Wexler does not think that these times compare to past years when times were difficult, such as 2008. Mr. Tuxbury stated that we should not be raising taxes if there is concern about the economy. Board members agreed that there is uncertainty with respect to the economy.

*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. Witte stated that the draw from surplus is directly related to the collection rate.

**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 additional funding 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. Witte expressed concern at dropping the collection rate and not increasing the surplus.

*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. Initially the Statute allowed for up to 1% of the total education budget that could be placed in the fund to be used for educational purposes. Since then the statute has been amended and now it is up to 2% of the total school budget. Mr. King is now more familiar with this and has several clients who use this and he is now in favor of it. It is a good way to give Boards of Ed credit for having savings at the end of the year. Most of the savings for this year is \$100,000 by virtue of the school shutdown. Mr. King has stated that the Board of Finance take two actions with respect to this fund. One would be to establish the fund and the second would be to set up restrictions for use of the funds. Mr. King has suggested that the Board of Finance can state that no deposits or withdrawals to the fund can be made 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. Tuxbury asked if there is any other way that the Board of Ed can use savings from this year. Ms. Wexler replied “no” – without this fund, the surplus funds would be returned to the Town. Mr. Tuxbury stated that this \$100,000 is not a cut to their budget, this is just savings from not spending. 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*

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 that 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

**NWR7FY 2020-2021 Budget: discussion and possible action:**

Regional Board of Education member representative from New Hartford Noel Gauthier informed the Board that Regional BOE will be holding a meeting the following evening to vote on their budget. The Board of Finance did not have enough information as to what the final assessment will be to the Town, therefore they did not make any adjustments to the budget.

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

The Board discussed how to proceed with a budget public hearing, noting that they could not approve a budget at this time due to not having the final number for the Regional assessment. They discussed holding a hearing on June 2, but recognized the need to approve a budget prior to that. They settled on holding an additional special meeting on Thursday, May 28, 2020, to approve the budget that will be presented at Public Hearing.

**Discussion and possible action re: Auditor**

Chairman Wexler informed the Board that she had contacted Chris King from King & King to discuss their quoted fees for the 19-20 audit. Mr. King stated that the fees would stand as quoted as there had not been an increase in fees for a couple of years.

Ms. Wexler asked the Board if they should consider going out for an RFP for audit services to obtain quotes from other providers. First Selectman Jerram commented that it was too late to do so for this year as the audit needs to begin in a few short weeks. King & King personnel have already scheduled to be at Town Hall to begin the process. Ms. Wexler commented that perhaps this is something that they might want to consider undertaking next year.

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

*Unanimous.*

**Communications and Other items presented to the Board:**

Items were attached to the agenda and posted on the website, no need to read the letters submitted.

Aulay Carlson - letter dated May 12, 2020

Denton Butler – Email dated May 13, 2020

Regina Wexler ( follow up to Denton Butler)

Dylan-Ashley Holmes email dated May 15, 2020

Michele Traub – email dated May 15, 2020

Christine Nelson – email dated May 15, 2020

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Shannon Flannery – letter dated May 15, 2020  
Mary Svetz Juliano – email dated May 18, 2020  
Christopher Tomala – email dated May 18, 2020  
Melissa Preece – email dated May 18, 2020  
Sue Lundin – Email dated May 25, 2020

**Other Business:** No other Business discussed.

**Adjournment:**

**MOTION:** by Wexler to adjourn the meeting at 9:13 PM. Second by Smith.

*Unanimous*

*Respectfully Submitted,  
Christine Hayward, Administrative Assistant  
in conjunction with Minutes prepared for Board of Finance by Recording Secretary Penny Miller.*