

BOARD OF FINANCE

May 20, 2020

Members Present: First Selectman Freda, Mr. Monico, Mr. Hallahan, Mr. Doheny, Mr. Lianos, Ms. Barrett, Ms. Vissicchio

Also Present: Director of Finance Edward J. Swinkoski

The following materials were either mailed to the members prior to this meeting or distributed at this time.

1. Agenda – May 14, 2020
2. Minutes of the Regular Meeting held on February 19, 2020
3. April 30, 2020
 - Report of Budget
 - Report of Revenue
 - Special Funds
 - Board of Education Accounting
4. Municipal Grants FY 19-20
5. Resolution, Adopt FY 20-21 Budget
6. Suspense List dated May 20, 2020
7. Budget Questions from Residents
8. Top 20 Taxpayers 2019 Grand List
9. Largest Increases/Decreases to Grand List

MINUTES

Mr. Monico then moved that the Minutes of the Regular Meeting held on February 19, 2020, be accepted, seconded by Ms. Vissicchio.

VOTE:	Freda - Yes	Monico - Yes	Hallahan - Yes
	Doheny - Yes	Lianos - Yes	Vissicchio - Yes
	Barrett - Yes		

NEW BUSINESS

REPORT OF BUDGET, REVENUE, SPECIAL FUNDS AND BOARD OF EDUCATION ACCOUNTING APRIL 30, 2020

Mr. Swinkoski referred to these reports stating that tax collections at the end of April were 99.8%. Mr. Swinkoski reviewed the over-expenditure report in detail. Further discussion followed. Mr. Monico made a motion to accept the reports.

Seconded by, Mr. Lianos.

VOTE:	Freda - Yes	Monico - Yes	Hallahan - Yes
	Doheny - Yes	Lianos - Yes	Vissicchio - Yes
	Barrett - Yes		

TAX COLLECTOR'S SUSPENSE LIST

Mr. Monico reviewed the Tax Collector's Summary for Transfer to the Suspense List with Board members. The transfer list is a statutory requirement. A brief discussion followed.

Mr. Monico moved that the Suspense List dated May 20, 2020, be accepted.

Seconded by, Mr. Lianos.

VOTE:	Freda - Yes	Monico - Yes	Hallahan - Yes
	Doheny - Yes	Lianos - Yes	Vissicchio - Yes
	Barrett - Yes		

APPOINTMENT OF AUDITOR

Mr. Monico said that the Town went out to bid for auditing services in 2018 and PKF O'Connor Davies was awarded the bid through 2022.

Mr. Monico then made a motion to appoint PKF O'Connor Davies as our auditors for the FYE 6/30/20.

Seconded by, Mr. Lianos.

VOTE:	Freda - Yes	Monico - Yes	Hallahan - Yes
	Doheny - Yes	Lianos - Yes	Vissicchio - Yes
	Barrett - Yes		

ADOPT FY 20-21 BUDGET AND SET MILL RATE

Mr. Monico said that while this FY 20-21 budget process is unique, he assured residents that the development of the budget did not change. We conducted budget workshops with each department including the Board of Education. Majority members caucused to review and refine the budget resulting in a reduction of \$1,805,538. He said that the budget does reflect a 5.1% increase in expenditures but the growth in our grand list covers the increase of these expenditures.

Mr. Freda said that when he entered office his goal was to grow top line revenue to offset expenditures that the Town requires including capital. He said that we have constructed a new middle school, police headquarters, firehouses and continue to pave our roads every year. He felt that he has achieved his goal during the last four years. Two of the last four years there was a 0% increase in the mill rate and this year there is a proposed .33 decrease in the mill rate. He stated that 45% of the FY 20-21 budget is debt service, health insurance and pension. He also said that this budget also enhances public safety, upgrades the 911 dispatch system and fully supports education.

Mr. Hallahan acknowledged the grand list growth but felt that a 5.1% increase in expenditures was not acceptable. He felt that both the Town and Board of Education budget should be reduced and was not in support of the proposed budget.

Mr. Doheny agreed that a 5.1% appears large but there are certain items we don't have the ability to change. He said our goal has always been to preserve the services to the Town and try to keep budget increases to a modest amount. He also stated that the increase in debt service, health insurance and special education are the factors for much of the 5.1% increase. He also said that he does have some concerns on the revenue side.

Ms. Vissicchio agreed that the increase is higher than normal but the grand list growth will definitely help to cover those expenses. She also said the Board of Education budget is always a challenge as three quarters of their budget is contractual and special education is large part of the expense. Ms. Vissicchio is also concerned about the revenue given the pandemic. She said that there are a lot of unknowns and things change on daily basis.

Mr. Lianos said that we worked diligently on the budget and he feels it satisfies the needs of the Town. He is in support of the budget.

Ms. Barrett said that given the pandemic and the Governor's Executive Order the Board has the responsibility of adopting the budget. She said that taxpayers are counting on the Board to provide the best services at the lowest possible cost. She felt that it was very important to have some historical perspective on the budget. She said that in the last decade the grand list has been flat, budget increases were between 1 and 3% each year and the mill rate was all over the place. During this period of flat economic development, the budget has steadily increased from \$81M to \$103M. Between 2010 and 2020 the average increase for the Town was 2.76% and the Board of Education was 2.3%. She asked how can we afford a \$5.3M increase in expenditures and have a decrease in the mill rate all in one year. She said that the only answer is the estimated 7.9% increase in the grand list which is primarily due to Amazon and the increase in the taxable business personal property assessments. She also said that the Board of Education has a \$2.7 million increase in expenditures which is double the average annual increase over the past decade. The Board of Education budget has no new positions and there should be savings from retirements and positions being cut.

Mr. Hallahan said taxpayers need to achieve savings. Reductions need to be made on both sides. He would like to bring down the increase to 4.5% by reducing the Town Government by \$400,000 and BOE by \$300,000.

Mr. Hallahan then made a motion to reduce the Board of Education budget by \$300,000 and the Town Government budget by \$400,000. Line items on the FY 20-21 Town Government budget reduced as follows:

\$ 75,000 - Fire Contractual Replacement Staffing
\$ 50,000 - Contracted Fire Marshall Consultant
\$100,000 - Medical Insurance
\$150,000 - Debt Service

Seconded by, Mr. Doheny:

After a lengthy discussion, Mr. Hallahan withdrew his motion.

Ms. Barrett recommended reducing the budget by \$800,500 which would result in a 4.3% increase and a mill rate of 30.59. She suggested cutting capital by \$280,000, cutting \$220,500 in various line items and \$300,000 from the Board of Education Budget. Further discussion followed with board members not in agreement with this proposal.

Mr. Hallahan then made the following motion to reduce the following line items on the FY 20-21 Town Government budget as follows:

\$ 50,000 - Contracted Fire Marshal Consultant
\$100,000 - Medical Insurance
\$250,000 - Debt Service

Seconded by, Ms. Vissicchio

VOTE:	Freda - Yes	Monico - Yes	Hallahan - Yes
	Doheny - Yes	Lianos - Yes	Vissicchio - Yes
	Barrett - Yes		

Mr. Monico moved the question. Seconded by, Mr. Lianos.

VOTE:	Freda - Yes	Monico - Yes	Hallahan - Yes
	Doheny - Yes	Lianos - Yes	Vissicchio - Yes
	Barrett - Yes		

Mr. Monico then moved the following:

In accordance with the Resolution of the North Haven Board of Selectmen, dated May 7, 2020, and State of Connecticut Governor Ned Lamont’s Executive Order 7I, paragraph 13, dated March 21, 2020, to adopt a budget for the July 1, 2020 – June 30, 2021 fiscal year and set a mill rate sufficient to pay the Town’s expenses for said fiscal year.

RESOLVED, that in accordance with the Resolution of the Board of Selectmen, dated May 7, 2020, and State of Connecticut Governor Ned Lamont’s Executive Order 7I, paragraph 13, dated March 21, 2020, the Board of Finance, as the Town’s budget making authority, adopts a budget for the July 1, 2020 – June 30, 2021 fiscal year in the amount of \$108,691,154 (Board of Education - \$57,324,245) (Town - \$51,366,909) and sets the mill rate at 30.72.

Seconded by, Mr. Lianos.

VOTE:	Freda - Yes	Monico - Yes	Hallahan - No
	Doheny - Yes	Lianos - Yes	Vissicchio - Yes
	Barrett - No		

There being no further business to come before the Board, Mr. Lianos moved to adjourn the meeting at 8:50 PM, seconded by Mr. Doheny.

VOTE:	Freda - Yes	Monico - Yes	Hallahan - Yes
	Doheny - Yes	Lianos - Yes	Vissicchio - Yes
	Barrett - Yes		