

SUBJECT TO APPROVAL

MEETING DATE: THURSDAY, APRIL 28, 2016
8:00 A.M.

MEETING PLACE: JAMES MADISON ROOM (ROOM A) - TOWN CAMPUS

BOARD OF SELECTMEN BUDGET WORKSHOP MEETING MINUTES

8:00 a.m. Budget Workshop

First Selectman Banisch called the Budget Workshop of Thursday, April 28, 2016 to order at 8:06 a.m. Present were First Selectman Banisch, Selectman Goldberg, Selectman Hale, Selectwoman Walker and Selectman Wilson.

Also present were: Board of Finance Chairman, Joe MacDougald; Finance Director, Stacy Nobitz, Recreation Director, Scot Erskine; Debra Milardo, Human Resources Director; Kristen Bartosic, Accountant.

1. **Discuss Recommendations for changes to the Budget:**

Chairman MacDougald stated that the Town was still unsure of the final cut from the State; however the Board of Finance is going to make the best “guess” for the final budget. He stated that the budget can be restored pro-rata-ish should the state not cut as much as is anticipated. The Board of Finance is looking for guidance as to what makes up the total cuts to the Town budget.

Selectman Goldberg asked for the timeline going forward. Chairman MacDougald stated that the Board of Education is reporting back to the BOF on May 3rd and the Board of Finance is meeting on the 4th at 7:00 a.m. The Town needs to submit the information to the Source by May 5th. He noted that an assumption of \$1million in reduction could be used and then if the state cuts less, the budget base can be brought up.

Selectwoman Walker stated that she did some modelling that used the assumption that only \$500,000 would be funded by the state. She provided examples for what could be done and what the mill rates would be for assumptions that the ECS funding is cut to \$0, cut to \$500,000 and cut to \$500,000 with a reduction in the Board of Education Budget by only \$150,000. Ms. Nobitz stated that salaries, Emergency Services, capital projects are not reduced in any of these models. She noted that the original proposals earlier this week included cuts to the Emergency Services department budgets.

Chairman MacDougald stated that the restoration in the next year’s budget for each department is very important to know now; as it may need to be done very quickly should the state cut less than what is anticipated. Ms. Nobitz stated that then the departments can go to a 4% or 3% reserve and Selectwoman Walker stated that then the decision is left to the Department Head.

Selectman Hale asked if it was possible to restore a base number to the budget and then allow for Line Item Transfers after the fact to move the money where it needs to be. Chairman MacDougald stated that this could be done but for the next two to three years, it will make a difference in allocating to the accounts.

Selectwoman Walker stated that if the state funds more than what is anticipated, and the reserve was not re-funded then the funds could be used to reduce the mill rate. Or, the funds could be split pro-rata between the Town and the Board of Education. These sample proposals show budget increases ranging from 3.57% to 2.76%. She stated that overall the departments should be told that these cuts to the base would be the base going forward as it was the general consensus that the state would be cutting all ECS funds in the future. Therefore the Town should budget to the lower cost basis in the 17-18 fiscal year.

Ms. Nobitz stated that the total reduction in revenue is actually \$1.75 million with the ECS cuts and other funding reductions that the governor is proposing. The Board discussed concerns regarding the cuts and the fact that the revenue base is gone whether this year or over a period of the next 2-3 fiscal years. Ms. Nobitz stated that the 5% department cuts adjusted the total budget by about 1%. Also, the departments should understand that at some point this cut in their budgets will be permanent.

Chairman MacDougald questioned that, assuming there is a cut of \$1.5 million, what will comprise the department cuts, etc. that will total to this \$1.5 million? One thing that has to be restored if the state only cuts \$1million is the general fund which is being brought down to only a reserve of 10% of the overall budget. He stated that he felt each element suggested a cut in departments, the cut to the BOE budget, etc. will help to offset what is needed to be taken out of the general fund. He stated that in the end the Town would have to be very selective in special funding requests throughout the year.

Selectwoman Walker stated that she recommended using at least a figure of \$500,000 in revenue because it is a more realistic view of what this year's budget will be. She stated that she and Chairman MacDougald were in agreement on this assumption. Therefore the budget should be proposed with a 5% reserve from the departments, a \$300,000 cut from the Board of Education and then funds from the general fund.

Chairman MacDougald stated that the disaster plan would be that the Town budgets for \$500,000 from ECS funding and then if the state does cut the whole amount, then the difference could be made up from the general fund which is not the optimal choice but it could be done. He stated that also hopefully the health insurance costs are not as out of line next year as they were this year, as well.

Selectwoman Walker stated that another possibility could be to reduce the anticipated collection rate from 99% to 98.75%.

Selectman Goldberg stated that there seems to be about 9 options of moving forward with the budget and he asked what would be the most helpful to the Board of Finance.

Chairman MacDougald stated that the Board seemed in line with the thoughts of the Board of Finance; the most useful thing is to provide information that establishes what

will be cut to make up for the \$1.5 million in funding cuts and what would be the plan should the state not cut as much as the \$1.5 million. He stated that it was good to know that the Board was on the same page as the Board of Finance. He stated that should funding be increased, he would like to know the exact list of where funding would be returned to; i.e. not just to the departments, but into what actual line items. He stated that it would be easier for the Board of Finance to have a short list of priorities of where to restore funds, if any.

First Selectman Banisch thanked Ms. Nobitz for all of the work that she has done during this budget process and especially over the last few days.

Selectman Wilson clarified whether the additional requests were being removed from the budget and Ms. Nobitz stated that the election costs were not removed and the Dispatch position was changed to a July 1, 2016 to January 1, 2017 hire date. All of the cuts to the additional requests are the same for all projection models. The Board agreed to these cuts of the Additional Budget Requests.

Chairman MacDougald stated that he would love to avoid the overages of Line Item Transfers next year to refund some department line items should more funding be received from the state.

Selectman Wilson stated that the Board of Finance is looking towards offering up \$1.5 million, just in case, so trying to figure out which scenario may take place does not seem efficient. He stated that the Department heads needs to provide a restoration schedule based on priority should more funding be received.

Selectwoman Walker stated that the Board of Selectmen could meet next week and make a final determination after a restoration schedule was received from the department heads.

Chairman MacDougald asked that the Board consider a plan that provides cuts for the whole \$1.5 million and then a list of what can be refunded if the cut is less than \$1.5 million.

Selectman Hale stated that the consensus could be to not allow for special funding requests in the next year and then to allow that if funding is received then Line Item Transfers can be made to move around funds; of which he thinks about \$125,000 would be available to replenish department budgets.

Selectwoman Walker therefore proposed that the plan be approved to have departments cut their operating budgets by only 4%.

The Board discussed whether transfers from the Contingency Fund would then be Special Appropriations needing Town Meeting approval.

Chairman MacDougald stated that it was in the best interest of the town to get the budget to as close to accurate operating costs as possible.

Selectwoman Walker asked if each department could have its own unallocated general fund and Chairman MacDougald stated that he would not advocate for that.

MOVED by Selectwoman Walker and seconded by Selectman Wilson to recommend accepting a 5% reserve from department budgets; totaling roughly \$408,000.

VOTE: This motion was approved unanimously.

Selectwoman Walker stated that there were certain funding cuts would probably need to be restored fully, right away, versus that other funding cuts may not need to be returned 100%.

Ms. Nobitz stated that most departments told the Finance Department where they wanted the 5% reserve taken from. Public Works did not provide this information, so the reserve amounts in this department are a suggestion. Therefore, the department priority is applied in the cut. Ms. Carroll confirmed that she removed funds from the Tax Collector's budget of the total 5% of her overall Town Services department; therefore no cuts were taken out of the Assessor or Town Clerk budget.

Chairman MacDougald stated that the Board needs to go through and work with the departments to refine where the cuts are coming from. Selectwoman Walker confirmed then that the Town should ask the departments what their priorities are for refunding their cut line items.

The Board discussed that they should approve the overall plan today. Selectman Wilson stated he was comfortable with the Board being given a list of the final accounts to be reduced for the 5% reserve.

Ms. Nobitz stated that the department heads should be relied on to make the appropriate cuts in their line items and she asked the Board to confirm if they were comfortable with cutting the additional requests less the Dispatch position and 2016 election costs.

Selectwoman Walker asked if the request from the Youth & Family Services for the Peer Support position could be kept in the budget, versus cutting it. She stated that it didn't hurt to have another meeting on May 3rd to review this again.

Due to the start of another meeting at 9:00 a.m. this meeting was concluded.

2. Adjournment

There being no objections, First Selectman Banisch adjourned the meeting at 9:04 a.m.

Respectfully submitted,

Lauren Rhines
Recording Secretary