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BOARD OF FINANCE – BUDGET DELIBERATIONS

Wednesday, March 13, 2024

Board of Education District Office Conference Room

40 Field Street Pawcatuck

7:00 PM

A meeting of the Board of Finance was held on this date at the District Office Conference Room. Members present were Chairman Mr. O'Brien, Mr. Fauerbach, Ms. Norman, Ms. Young, Mr. Sternberg, Mr. Brown, and Mr. Johnson.

Chairman O'Brien called the meeting to order at 7:03 pm.

The Pledge of Allegiance was recited.

Chairman O'Brien took a minute to discuss that the projected surplus to fund balance for 23/24 was revised by the Director of Finance. The Director explained that he had made a mistake in his projection of interest income for 23/24 of \$1.6 million dollars. The BOF members took a few minutes to discuss this information and digest its effect on its deliberations, and how much the Board would choose to allocate fund balance to the 24/25 budget.

The Chairman explained that the BOF would start deliberations of the BOE budget request, because it went last during budget presentations.

BOE budget:

The Chairman started deliberations with the BOE budget by inquiring of the BOF members as to their thoughts on the proposed BOE budget:

Ms. Young expressed that she would like to see the BOE budget reduced to no more than a 4.5% increase over prior year, but would support a downward adjustment to the Superintendent's proposed budget of an increase of 5.11% over prior year, vs. the presented budget of an 5.65% budget over prior year, proposed by the Board of Education.

Mr. Brown expressed that he would like to cut funding for High School Athletics.

The Superintendent explained the reasons for the BOE request for an increase in the requested budget.

Mr. Fauerbach expressed that he would support the BOE budget requested by the Superintendent, of \$43,770,932, a 5.11% increase.

Ms. Young reiterated, that she would like to see no more than a 4.5 % increase in the BOE budget.

Ms. Norman, supported a decrease to the BOE budget, to no more than a 5.11% increase over prior year.

Mr. O'Brien, expressed his opinion that a 5.11% increase was his stating point and that he would like to see a decrease of \$100,00 beyond the requested 5.11% requested increase.

Mr. Johnson expressed that he would support a BOE budget increase of 5.65% increase over prior year.

Mr. Brown, expressed his support of a BOE budget with a 4.5% increase over prior year.

Mr. Sternberg expressed his support of Mr. O'Brien's recommendation of a decrease of \$100,000 below the Superintendent's requested 5.11% increase.

The members agreed on a cut to the BOE line-item of \$322,589, down to \$43,670,988, bringing the year over year % increase down to 4.87%.

Police Department:

Line #53 – 401a Contribution \$164,000 - The Director of Finance advised the Board that line #53, - 401a contribution request could be reduced by \$72,018, to \$91,982. due to fewer officers being eligible to participate, line was decreased to \$91,982.

Line 7 – Salaries of Regular Officers \$2,527,312 – the members discussed the merits of the new officer position, which was requested by the First Selectman, to help the School Resource Officer, and help with mental health calls. The Chairman asked the members who was in support of adding this new position, which for fiscal 24/25 would be a half year position which would be fully funded with \$55,500.

Mr. Johnson was in favor of adding the position.

Mr. Fauerbach was in favor of adding the position.

Mr. Sternberg was in favor of adding the position.

Mr. Brown was in favor of adding the position.

Ms. Young was against adding the position.

Ms. Norman was in favor of adding the position.

The Chairman told the Director of Finance to add \$55,500 to line item #7.

First Selectman's Budget:

Lines 61,62, & 63 – Charter Revision Commission – The First Selectman asked the BOF to fund these three line items which were not in her original budget request at \$1,500, \$10,120, and \$6,000, for Clerical services, Legal advisor, and expenses. respectively. There was some discussion amongst the Board as to the necessity of the charter review, but ultimately the Board agreed to fund it at those amounts.

Lines 92,93, 95, 99, 100, & 104 – Elections Budget – The First Selectman asked the BOF to fund these five-line items which were not in the elections original budget request. Based on new early voting requirements, the registrars have determined that they will need to hire many more poll workers and will incur more administrative expenses as well to comply with the new requirements. The Board approved increases of \$940, \$52,500, \$3,000, \$5,000, \$3,000 and \$2,000, for Registrar Salaries, Referendum Personnel Salaries, postage, equipment, reproduction and printing, and ballot printing, respectively. There was some discussion amongst the Board about the figures but ultimately the Board agreed to the requests and those accounts were funded at those amounts.

Line 136 – Fire Department Dispatch \$42,538 – There was much discussion amongst the board as to why the Town was paying for fire dispatch vs. the fire districts. It was the general consensus of the Board that this was not a Town obligation and that the line-item should be decreased or zeroed out altogether. It was noted that Chief Burns was unable to attend tonight's meeting and therefore could not defend the request. The discussed whether they should wait till the public hearing to make any cuts, at which time Chief Burns would be available, or whether the board should cut it tonight, and let the Chief request it be added back at the public hearing.

Mr. Fauerbach was in favor of reducing the request to \$31,000.

Mr. O'Brien was in favor of zeroing the line item.

Ms. Young was in favor of zeroing the line item.

Mr. Sternberg was in favor of zeroing the line item.

Mr. Brown was in favor of zeroing the line item.

The Chairman instructed the Director of Finance to zero the line item.

ADMIN SERVICES:

Admin Services:

Lines 58 & 56 – Health Insurance (\$2,360,000) – Patti Burmahl, Director of Admin Services advised the board, that after a recent review of health insurance claims, our health benefits advisor recommended that we increase the health insurance line by \$25,000. She also recommended decreasing line 56, Accrued Leave Payout, by \$25,000 to offset the increase to her budget. The members agreed to the request and the Chairman directed the Director of Finance to make those two adjustments.

Line 20 – Technical and Professional (\$8,500) – Mr. Brown asked what this line item is for. Ms. Burmahl explained its there in case the department ever needs professional services, such as a head hunter for a difficult job placement and the like.

Information Systems:

Line 35 – Equipment and licensing (\$84,750) – Ms. Young asked as to why the \$29,660 increase

over prior year. Roger Kizer, the IT Manager, explained that this is for systems and technology for multifactor authentication, and cyber security protocols. It was implemented in prior year but was paid for with ARPA funds. These protocols are necessary for the Town to be able to obtain cyber insurance coverage.

Human Resources:

Line 63 – Diversity, Equity, and Inclusion Training (\$7,500) - Mr. Brown asked Ms. Burmahl what this line item is for. Ms. Burmahl explained that it is to provide training and/or community outreach for Town employees to help impact underserved communities.

Mr. Brown was in favor of zeroing the line item.

Mr. Fauerbach was in favor of leaving as is.

Mr. Johnson was in favor of leaving as is.

Ms. Norman was in favor of leaving as is.

Mr. O'Brien was in favor of leaving as is.

Board agreed to leave line-item as is.

Assessor's Office: - no questions or adjustments

FINANCE DEPARTMENT:

Finance Office: - no questions or adjustments

Office of the Treasurer: - no questions or adjustments

Tax Collector: - no questions or adjustments

Board of Finance:

Mr. Fauerbach brought up an item, funding for Climate Change Mitigation, that was not previously in the Board of Finance's budget. It was in the Climate Change Taskforce's CIP budget, at \$500,000, until it was zeroed out. Mr. Fauerbach expressed his opinion that he would be in favor of funding Climate Change Adaptation and Mitigation program at some level, as long as the funding would be in the Board of Finance's budget, so the Board would have ultimate say over any use of funds. Mr. Fauerbach suggested funding it at \$100,000. And he noted that the Board of Finance may a point this year of trying to engage the public and requested feedback on the budget, and climate change mitigation seemed to be heavily supported.

Mr. Brown was against any funding.

Mr. Sternberg was against any funding.

Mr. O'Brien was against any funding.

Ms. Young was against and funding.

Ms. Norman was in favor of funding at \$100,000.

Mr. Johnson was in favor of funding at \$100,000.

The request to fund Climate Change Adaptation and Mitigation program was voted down. Ms. Young inquired of the Finance Director as to whether the Town could use bond proceeds to fund grant matches. The Finance Director replied that he was unsure and would check with bond counsel.

Mr. Fauerbach brought up a second item, funding for a bike path, through the Complete Streets grant program, that was not previously in the Board of Finance's budget. It was in the Planning dept's CIP budget, at \$20,000, until it was zeroed out. Mr. Fauerbach expressed his opinion that he would be in favor of funding Complete Streets at \$20,000, as long as the funding would be in the Board of Finance's budget, so the Board would have ultimate say over any use of funds. He noted that bike paths were also heavily supported based on the correspondence received.

Mr. Brown was against any funding.

Mr. Sternberg was in favor of funding at \$20,000.

Ms. Norman was in favor of funding at \$20,000.

Mr. Fauerbach was in favor of funding at \$20,000

Mr. Johnson was in favor of funding at \$20,000.

There were four members in favor of funding at \$20,000, so this line-item, Complete Streets was added to the BOF budget at \$20,000.

Planning Department:

Mr. Brown asked what the \$1,000 in professional services on line 43 would be used for. Rick Newton, the Chairman of the Climate Change task force responded that it for outreach, communications, and events, such as the solar fair the Town put on last year.

Ms. Norman, asked why line 16 furniture and equipment increased by \$3,500. The Clifton Iler, the Town Planner responded that they have to purchase new printers and various other equipment in the coming year.

Public Works – Highway:

Line 52 – Snow Removal Labor \$153,000

Mr. Fauerbach asked, that since the last two years have been relatively mild with little snow, could that request be cut down to \$100,000. The DPW Director responded that he believes that

to be a reasonable request and would not object. Every member was in agreement with decreasing the line by \$53,000 down to \$100,000.

Public Works – Engineering:

Line 10 – Office Expense \$4,100

Mr. Brown asked why this line increased by \$1,600 over prior year. Chris Greenlaw, the Town Engineer, responded that the Engineering department is now paying for software itself rather than having it funded through the IT budget.

Public Works - Facilities Management: - no questions or cuts or additions

Solid Waste - CIP:

Ms. Young asked Jill Senior, the Solid Waste Manager, about the possibility of raising the price of yellow bags. Ms. Senior responded that they did increase the cost bags in the current year, and aren't contemplating another increase this year. Small bags increased from 4.25 for a sleeve of five bags to \$6.00. Large bags increased from \$7.25 to \$9.00 for a sleeve of five.

Mr. Brown asked why the Solid Waste Manager's salary increased by 13.56%. Ms. Senior responded that, that was what was negotiated in the new SPAA contract.

Building Official:

Line 3 – Additional Building Inspector - \$154,085

Ms. Young was in favor of cutting new position with \$75,904 decrease to line

Mr. O'Brien was in favor of cutting new position with \$75,904 decrease to line

Mr. Sternberg was in favor of cutting new position with \$75,904 decrease to line

Ms. Norman was in favor of cutting new position with \$75,904 decrease to line

Mr. Fauerbach was in favor of cutting new position with \$75,904 decrease to line

Mr. Brown was in favor of cutting new position with \$75,904 decrease to line

Mr. Johnson was in favor of leaving new position as is.

Line-item was cut to zero. The First Selectman noted that the current Building Official may be retiring soon, and they believe funding this position would be a good transition strategy. Also, with the increase in inspection requests, wait times have gone up from a day to a week.

WPCA:

Line 13 – Town Subsidy \$150,000 - Mr. Fauerbach proposed cutting the subsidy by \$100k down

to \$50k. All members were in agreement except for Ms. Young, she wanted to only cut \$50,000. Item was cut down to \$50k.

DEPARTMENT OF HUMAN SERVICES:

Human Services: - no cuts or comments

Recreation: - no cuts or comments

Libraries:

Lines 46-49 – Funding for Libraries and Historical Society \$495,650

Ms. Young proposed level funding for the three libraries, and cutting the Historical Society by \$2,000.

Mr. Brown was in favor of cutting all to zero.

Mr. Johnson was in favor of leaving the 10% increase over prior year for libraries.

Ms. Norman was in favor of cutting to a 5% increase over prior year for libraries.

Mr. O'Brien was in favor of cutting to a 5% increase over prior year for libraries.

Mr. Sternberg was in favor of cutting to a 5% increase over prior year for libraries.

Mr. Fauerbach was in favor of cutting to a 5% increase over prior year for libraries.

Ms. Young asked about the libraries' endowments.

- Westerly Public Library has an endowment of \$31,142,000, and use 5% of each year to fund budget.
- Stonington Free Library's endowment is \$5,000,000, and it uses 4% for budget each year.
- Mystic & Noank Library's endowment is \$5,800,000.

Westerly Public Library was cut by \$5,900.

Stonington Free Library was cut by \$10,600.

Mystic & Noank Library was cut by \$5,575.

A cut of \$2,000 to the Stonington Historical Society funding was proposed.

Mr. Brown was in favor of cutting it to zero.

Mr. O'Brien was in favor of cutting \$2,000.

Ms. Norman was in favor of cutting \$2,000.

Mr. Fauerbach was in favor of cutting \$2,000

Mr. Sternberg was in favor of cutting \$2,000.

The \$2,000 cut to the request was approved.

Outside Agencies:

Mr. Brown commented that he is not in favor of funding any non-profits at all, and requested that all 18 non-profit funding requests be cut to zero.

There was discussion amongst the board as to whether the Town should or should not be funding non-profits and to what extent, especially the COMO and PNC.

Line 54 – PNC \$218,000 – No cut to request

Ms. Young was in favor of level funding.

Mr. Brown was in favor of cutting to zero.

Mr. Sternberg was in favor of level funding.

Mr. Johnson was in favor of level funding.

Mr. Fauerbach was in favor of level funding.

Line 55 – COMO \$90,737

Mr. Brown was in favor of cutting to zero.

Mr. O'Brien was in favor of leaving the 3.7% increase over prior.

Mr. Johnson was in favor of leaving the 3.7% increase over prior.

Mr. Fauerbach was in favor of leaving the 3.7% increase over prior.

Mr. Sternberg was in favor of leaving the 3.7% increase over prior.

Outside agencies was the last item for consideration. The Chairman asked the Director of Finance to Summarize the budget at this time.

General Operations is at \$28,341,065, a \$1,102,334, and 4.05% increase over prior.

Education is at \$43,670,988, a \$2,029,914, and 4.87% increase over prior.

Debt Service is at \$7,100,156, a \$514,469 and (6.76) decrease over prior

Capital Improvements is at \$4,709,709, a \$1,044,935 and 28.51% increase over prior.

Total budget is \$83,821,918, a \$3,662,714, and 4.57% increase over prior, with a mill rate of 18.71.

There was discussion amongst the Board as to how much fund balance to use if any, to bring the mill rate down to an acceptable level. Mr. Fauerbach proposed using \$3,800,000 to bring the mill rate down to 17.77 mills. Mr. O'Brien proposed using \$3425,000 to bring it down to 17.86.

The Chairman polled the members to determine their preferences.

Mr. O'Brien was in favor of using \$3,425,000

Ms. Norman was in favor of using \$3,425,000

Mr. Sternberg was in favor of using \$3,425,000

Mr. Johnson was in favor of using \$1,000,000

Mr. Fauerbach was in favor of using \$3,425,000

The Chairman instructed the Director Finance to use \$3,425,000 of fund balance to decrease the mill rate to 17.86.

The Chairman requested a motion to move the budget as it currently stands to Public Meeting.

Mr. O'Brien motioned, Ms. Young seconded, the chairman called for a vote, the motion passed five to two, with Mr. Brown and Mr. Johnson voting no.

At 10:42pm the Chairman asked for a motion to adjourn. Motion was made by Mr. Fauerbach and seconded by Ms. Norman. Motion passed unanimously.

Respectfully submitted,

James Sullivan. Director of Finance