

April 11, 2018

The Board of Finance on this date held a public hearing on the proposed budget for fiscal year 2018-2019 in the auditorium of Stonington High School. Members present were Chairwoman June D. Strunk, Secretary Glenn Frishman, Tim O'Brien, Mike Fauerbach, Blunt White, Lynn Young and Danielle Chesebrough. Also present were Director of Finance Jim Sullivan, First Selectman Rob Simmons, Superintendent of Schools Van Riley, Board of Education members, Town Hall staff, interested citizens and members of the press.

Mrs. Strunk opened the hearing at 7:15 pm, and began by introducing Board members. The budget presented totals \$70,652,786 with a 22.83 proposed mil rate. After explaining the lengthy budget process to the assembly, Mrs. Strunk informed them that the Board of Finance would proceed with deliberations immediately following the public hearing.

Chairwoman Strunk noted that this year's budget was about balancing the increase in debt service, due to the renovations of the two elementary schools, while maintaining and improving the quality of life in Stonington. She said that the schools will be open this September, with all renovations completed in September of 2019, when the fifth grade moves in. She noted that the K-12 Building Committee had an opportunity to accelerate the project by 18 months to save 5 percent of the total cost, which totals 3.4M for the 69M project. She said that this meant that the debt is now added to the budget a year before it was expected to. This resulted in overlapping debt, with bonds that have not yet retired, including one for the renovation of the high school, which will come off next year. She said this year and next there will be a spike in debt, and then it will start to fall off. She said that this debt has not had an effect on our bond rating due to the fact that the Town budget has been managed with fiscal prudence. She added that there is no expectation that there will be one.

Mrs Strunk directed the crowd to the budget book, and it was reviewed section by section.

Tom Fiore, West Vine Street, wanted to know the rationale of using the designated fund balance, as it has been creeping up yearly. Mrs. Strunk noted that the excess fund balance, which is two months of operating budget, is for use in emergencies. She explained that the undesignated fund balance is the money that is over and above the two months operating budget. She noted that due to an increase in collection rates, as well as monies being returned to the town, that balance has grown. She said that no other town across the state is where we are, with over 20% of our budget as undesignated fund balance. Hartford has focused on this number and has criticized Stonington for it, considering us a wealthy town with plenty of excess money that they don't need to support. Because of this, Chairwoman Strunk said there was an intentional turning of that money back to the taxpayers, as it cannot be used to offset operating expenses, but it can be used for capital improvements. Because of years of deferred maintenance to town vehicles, police cars and buildings, the fund balance has been used for this purpose. She noted that after the fund balance is reduced, there will still be a "rainy day fund". Mr. Fiore then asked about next year's debt service. Mrs. Strunk directed him to page 59 of the budget book, where it states that next year's increase in debt service of \$900,000 will be about half of this year's increase.

Doug Nettleton, WPCA, spoke on behalf of Rich Cody, WPCA Chairperson. He thanked the Board for the essential funding they supply for the WPCA operating budget, noting that they have had a 10% increase in their rates, which would have been 25% without the Board's support.

Bill Turner, Kentford Farm, Board member of the Mystic-Noank Library, thanked the Board and the Town of Stonington for their support, and noted that the library does everything in their power to look for opportunities to raise funds.

Kate Randolph, Wheeler Road, VP of the Board of the Stonington Free Library, thanked the Board for their support, but asked them to revisit the level of funding that they are willing to give. She noted that they can't even maintain their current level of activities without a significant increase in town funding.

Beth Stewart, High Ridge Road, Executive Director of the Stonington Community Center, thanked the Board for their continued support.

Eric Garofano, Holmes Street, VP of the Board of the Como, thanked the Board for their continued support and pointed out that on average the Como donates \$60,000 in equipment and facility usage to other organizations throughout the town.

Jill Corr, Cedar Road, an employee of the Como, thanked the Board and noted that for every dollar the Town gives the Community Center, they raise \$20.

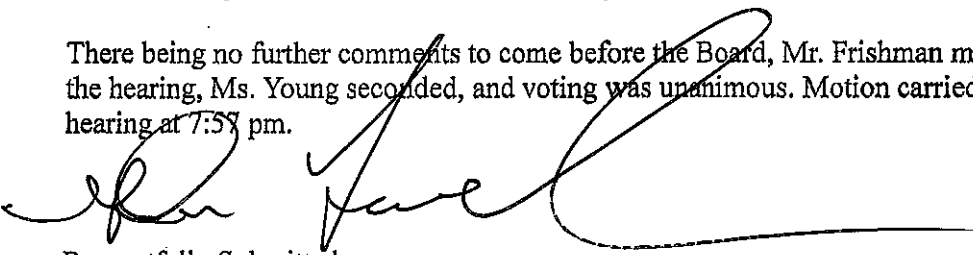
Joe Trelli, Rossi Ave, an employee of the Como, noted that aside from the amazing things the Como does through the support of the Board, it has also allowed him to purchase a home and lead a genuine, comfortable life in Stonington.

Van Riley, Money Point Road, Superintendent of Schools, thanked the Board for their efforts to provide what is needed for the Town and the Schools within the means of the taxpayers. He said that the budgets have been prepared to preserve quality of education while understanding the financial constraints of the BOF. He requested that if the Board has to reduce the education budget in order to get through this first year of increased debt service, please provide an amount to reduce so the BOE can work on those numbers through their operational budget and their CIP, or a combination of both.

Dave Rathbun, Cove Road, Chairman of the Planning and Zoning Commission, spoke in support of the street light upgrade, which he would like to start implementing this year. After 4.3 years, the Town would save 190K a year on its lighting bill.

John Prue, Rivercrest Drive, Member of the Board of Selectman, thanked the Board while encouraging them to get the numbers as low as possible this year, as next year won't be easier due to debt service, the absence of the 2.85M in the undesignated fund balance to pull from, and the State's financial condition. He noted that his view of the BOF's job is the financial health of the Town, both short and long term, and that should be what guides us.

There being no further comments to come before the Board, Mr. Frishman made a motion to adjourn the hearing, Ms. Young seconded, and voting was unanimous. Motion carried. Mrs. Strunk closed the hearing at 7:57 pm.



Respectfully Submitted,

Kris Slocum