

**MINUTES OF THE JOINT CHESHIRE TOWN COUNCIL MEETING AND BUDGET COMMITTEE MEETING HELD ON TUESDAY, MAY 26, 2020 AT 6:30 P.M. VIA VIDEO TELECONFERENCE (PER EXECUTIVE ORDER OF THE GOVERNOR OF CONNECTICUT)**

*Public access made available through live streaming on YouTube at [https://www.youtube.com/channel/UC4\\_xey3QjJmwe57R\\_6K94Dw](https://www.youtube.com/channel/UC4_xey3QjJmwe57R_6K94Dw)*

*Public comments accepted at [Comments@cheshirect.org](mailto:Comments@cheshirect.org) and by voice mail message at 203 271-6638. Video will be available on Channel 14 and on demand at [www.cheshirect.org](http://www.cheshirect.org) as soon as possible.*

Present

Robert J. Oris, Jr. Chairman; David Borowy, James Jinks, Sylvia Nichols, Timothy Slocum, Peter Talbot, David Veleber, Donald Walsh.

Staff: Sean M. Kimball, Town Manager; Arnett Talbot, Asst. Town Manager; James Jaskot, Finance Director

Chairman Oris called the meeting to order at 6:35 p.m.

**1. ROLL CALL**

The clerk called the roll and a quorum was determined to be present.

**2. PLEDGE OF ALLEGIANCE**

The group Pledged Allegiance to the Flag.

**3. DISCUSSION RE: FINAL BUDGET REVIEW OF DRAFT RESOLUTIONS**

Budget Committee Chairman Borowy explained this meeting is the 9<sup>th</sup> and final budget workshop on the operating budget, and noted it has been a most unusual and difficult budget process. The Council wants to limit taxes to residents and businesses while continuing to provide current level of services.

Town Manager Kimball informed the Council on new savings information from the insurance carrier of \$297,000 and mill rate calculation.

\$136,000 will be used to lessen the amount of fund balance spent this year;

\$56,000 to meet the zero (0) mill rate increase;

\$100,000 back to the BOE and increase their budget to \$1.25M or 1.7%

On the town government side, the budget is level/flat.

Debt Service Increase - \$616,000

Contingency stays at \$125,000

CNR at \$1M

Total spending increase of \$1.8M without a mill rate increase.

The budget allows services to remain at current levels through efficiencies and savings.

Council Chairman Oris stated the Town Council members are in agreement to a zero (0) mill rate increase, and putting money aside to use for savings and additional debt

service expenditures next year. There will be reduced state funding to municipalities next year along with changes. Mr. Oris supports the proposed budget; is comfortable with reduction of the BOE budget of \$100,000, going to \$1,050,000. He wants to see the use of the excess funds (\$600,000 COVID-19), Fund Balance of \$400,000, Heart & Hypertension savings, WPCD \$100,000 savings...and use these funds in preparation for the \$3M hole starting with next year's budget. There have been public comments about using savings and still making cuts, and Mr. Oris explained these savings will be used in this budget, but there will be a rebound effect in future budgets. The Council is working to minimize the tax impact on taxpayers relative to funding, more expenses, potential revenue problems in the future years. It was suggested by Mr. Oris that savings be put into an account which gives flexibility for dealing with next year's budget. He commented on the Council being fiscally prudent with minimum burden on the taxpayers.

Mr. Slocum stated agreement with Mr. Oris' comments, and said the Council recognized the unprecedented situation of the budget early on this year, and inability to bear down on the taxpayers. There was means to an end without harming what goes on with the BOE and Town Hall staff/employees and municipal services. There is commitment and sacrifice from Town staff in their venues and those of the public...and Council is doing the right and responsible things...doing no harm...and providing the right prescription for the Town's well being.

Ms. Nichols said the Council tried to look and work to the future, worked hard to deliver services, be prepared for unknown financial situations, listen to the guidance of Town professional staff, smooth out future issues, and use money for specific projects. Right now, no one knows what is out there in the future, and the question is deciding the best place for funds and future needs, i.e. debt service reserve and other operating expenses. Save now, have it to spend, but know where to put the funds.

It was stated by Town Manager Kimball that it is unknown what is coming in the next few years. Debt service reserve fund is a prudent place to put savings, with Council having the ability to re-appropriate any of the reserve accounts to other accounts. When there is a purpose for spending money such as debt service, as in the next few years, Council can appropriate the funds...this is what fund balance is there for. Cheshire has been diligent in use of fund balance over the years. There is the caveat that Council has appropriating authority to make adjustments, if needed, and use of reserve funds on a case by case basis. If the Town stays on the same page the Town will be in good shape.

The distribution as outlined is satisfactory to Mr. Talbot. He would like to see some more money to the BOE to increase what their budget is at this time, and asked if there is any way to do this.

Mr. Talbot reviewed the mill rate calculation information for Town Government and BOE increases, and cited the following. He asked about giving the BOE credit for the

\$100,000 without showing it as an increase of the \$1.237M. This would enable the BOE budget starting point next year to be \$74,593,926.

The Councilors and Town staff discussed this suggestion, and whether the \$100,000 is CNR rather than an increase. If it is CNR the appropriation is made jointly in the \$1M line. The BOE has a CNR fund, but contributions to the appropriation come from one source.

Mr. Talbot has no problem putting an extra \$100,000 into CNR making it back to \$1.1M, with understanding that the \$100,000 is for the expressed purpose of the BOE. If the money is put in the education line, under FY 2021, this becomes a BOE budget of \$74,593,926 instead of \$74,493,926, automatically tacking the \$100,000 onto next year's BOE budget starting point.

It was pointed out by Mr. Borowy that there have been no State penalties to towns not increasing one year's budget to the next.

An alternative previously discussed was cited by Mr. Kimball...take the money out of the General Fund and the General Fund base would be lower. It is not a recurring amount of money. Mr. Kimball said it cannot work both ways; there cannot be appropriation to CNR and say the \$100,000 is for BOE operating expenses...their appropriation would be increased.

The proposal would make the account \$300,000, and Mr. Borowy said the budget appropriation for next year would be lowered. He stated the BOE needs Council approval to spend this money.

In response to a question from Mr. Talbot about allocating \$100,000 to the fund, the BOE spending it this year without it showing up on the BOE total budget appropriation...Mr. Kimball said yes, in FY 2021 that would be correct.

There was a brief discussion about BOE having the \$200,000 COVID-19 savings, and using it the way it wants, without increasing their threshold for future budget years.

Mr. Oris stated the Council must approve the amount of the allocation to the BOE, which can spend the funds any way it wants. This year the savings go into the 2% account which the BOE can spend as it chooses. The Council can terminate this account, and there will be clarification on this issue. The BOE budget would be maintained at the higher level of \$1.150M, providing a lower starting point at next year's budget...and make up the additional \$100,000 by putting it into the 2% carry over from this year's COVID-19 savings. Mr. Oris said the BOE will make a recommendation to the Council on the carry over, and it could be 100% of the savings. Council thinks some of it should stay in fund balance with some ear marked for certain expenses.

The description of the amount is correct, and Mr. Kimball stated it takes Council approve to stay put. In the resolution, once the fund is set up, deposit made with Council approval, the BOE does not need approval of the spending throughout the year.

There can be carry over of funds, i.e. \$300,000...and Mr. Oris said it must be used in the upcoming budget without further Council approval. The funds cannot be carried beyond that upcoming budget without further approval.

In summary – increase the amount for carry over of the BOE account to \$300,000; give the BOE \$1.1M more next year, knowing the \$100,000 is there; this keeps next year's budget base lower. This actually gives BOE an increase of \$1.4M because the \$200,000 is already in there; the increase over prior year is \$1,437,415; \$300,000 will be in the carry over account. The Council and BOE must have a dialogue on expectations and how things will be done. Public must recognize what Council is doing...carry over accounts and extra savings...BOE actual increase of \$1.4M.

Adjustments – Add'l FY 20 surplus applied - BOE \$947,600; Expenditures/remove \$100,000 adjustment; total BOE budget \$74,493,926; BOE increase \$1,187M, 1.55%; BOE budget is not being cut; BOE is getting \$1.5M more funding.

Mr. Veleber understands where this is going, getting to the same number in the end, and is okay with the \$100,000 adjustment. He has concerns about trying to meet BOE goals, and people wanting to know the BOE numbers.

Mr. Jinks is looking at the \$300,000 increase to the BOE, wants more contributed to their budget, and protect the financial condition in the next year. He supports the recommendations.

Mr. Walsh noted it was his first experience with the operating budget and as member of the Budget Committee. He has been reading public comments, and said the public must realize the Council wants to provide services at the best cost, without more debt. The residents and businesses have been affected by the pandemic; Cheshire has 5.9% unemployment; food pantry services have increased 13% and town food vouchers 25%. Regarding the \$100,000 into the BOE 2% account or into the budget, the end result is no different, and he is fine with the decision.

The Council briefly discussed the public's lack of understanding of the budget process, how the Council works through the process, Council working towards a zero (0) mill rate increase, looking to future budgets and impact on the taxpayers, Town Government budget staying flat, and still maintaining town services. The BOE is getting \$1.4M budget increase; the BOE budget is not being cut but is increasing (not to the original request). The Council has done a good job and this budget will help with next year's budget. There is confidence in town government doing more with less, the zero (0) mill rate increase, and the BOE \$1.4M increase to provide educational services. Town Departments did not have 100% compliance with their budget requests.

**BUDGET COMMITTEE RECOMMENDATION TO THE TOWN COUNCIL**

MOTION by Mr. Slocum; seconded by Mr. Borowy.

MOVED that the Budget Committee approves the spread sheet information, as adjusted, for the FY 2020-2021 Operating Budget to the full Town Council as follows:

|                                  |                     |
|----------------------------------|---------------------|
| <b>Department of Education -</b> | <b>\$1,237,415</b>  |
| <b>Town Government -</b>         | <b>\$ 71,914</b>    |
| <b>Total Budget -</b>            | <b>\$1,8678,063</b> |

Discussion

These adjusted figures reflect the \$100,000 being left in the BOE budget, and not in the carry over account (left at \$200,000). Mr. Slocum said that was correct.

Mr. Borowy prefers the \$1.237M BOE budget because it will be easier to explain to the public. He is not concerned about the lower base for next year, and wants residents to know their comments were listened to by the Council. The BOE receives the direct \$100,000 rather than being in the carry over. He stated there is transparency in the budget process, and BOE is getting a budget increase for the educational services of the community.

VOTE The motion passed unanimously by the Budget Committee members.

Chairman Oris hopes for unanimous Council support of the FY 2020-2021 budget. The work has been a collaborative effort of the Councilors. The vote on the budget will be Thursday, May 28, 2020. Then, Council moves onto the capital expenditure budget process.

WPCD Budget – Mr. Kimball noted the budget expenditures were reduced by \$100,000. He asked Council if there should be an additional, appropriation in this budget towards the debt service reserve fund, or mill rate stabilization fund.

Mr. Oris is seeing savings coming out of WPCA and this is where we are seeing a big debt service increase. He has no issues with putting the \$100,000 into the debt service reserve...it seems to be the right place to put the funds.

MOTION by Mr. Slocum; seconded by Mr. Jinks.

MOVED that the Budget Committee approves and forwards the WPCD operating budget to the full Town Council for approval, with reduction of the expenditures of the WPCA, with an added line of \$100,000 expense to debt reserve.

Discussion

Mr. Borowy stated the WPCD will still have \$1.4M in the reserve fund. Sewer user fees remain the same for the next year.

VOTE           The motion passed unanimously by Budget Committee members.

Community Pool Budget – Mr. Kimball said this is an enterprise fund; the budget must be approved.

MOTION by Mr. Slocum; seconded by Mr. Jinks.

MOVED that the Budget Committee approves and forwards the Community Pool operating budget to the full Town Council for approval.

VOTE           The motion passed unanimously by Budget Committee members.

Board of Assessment Appeals – Mr. Jaskot updated the Council on the revaluation adjustments, and the increase of \$13,000 following the appeals process. The Grand List was more favorable than projected.

Information on reduction to the Fund Balance will be prepared and submitted to Councilors by Mr. Jaskot on Wednesday, May 27<sup>th</sup>. There could be some rounding of numbers with the mill rate calculations, about \$10,000.

Chairman Oris informed the Council that Supt. Solan will have the BOE retirement update by the end of the week.

Public Communications – Ms. Talbot read communications from the following people into the record.

Comments on BOE budget - Christopher Affie, Jason Bestor, Jennifer Bates, Alison Ranciato, Heather Cavallaro-Borghout.

Comments re: Town field rentals – Krista Hayes.

Ms. Nichols read comments sent to her from Katie O'Donnell.

Mr. Veleber pointed out that Councilors received these communications earlier in the day, had opportunity to read them before the meeting and considered them in their decision making.

In his closing comments, Mr. Oris noted that Councilors receive e-mails and tries to respond when they possibly can. Council recognizes the value of the Town and BOE departments and staff/employees, and is doing all it can to avoid layoff of staff. Mr.

Oris said labor concessions were discussed during the budget process and it is appropriate for labor to be a part of the process to insure continuation of town services without layoff of employees. The vote of Councilors will reflect what they believe is in the best interests of the community.

Karen Smith – Chairman Oris announced the passing of Karen Smith, long time Cheshire resident and Educator who served on the Town Council (1987-1989) and BOE (1979-1987). The Smith Family gave back to the Cheshire Community. On behalf of the Town Council and the Town of Cheshire, Mr. Oris expressed condolences to the Smith Family on the loss of Karen Smith.

Memorial Day Ceremony – Ms. Nichols reported on the Memorial Day Ceremony and Wreath Laying, on the Town Green on Monday, May 25<sup>th</sup>. Ms. Nichols attended and spoke on behalf of the Town of Cheshire to honor those who gave their life in service of the United States of America.

Mr. Oris acknowledged John White (Veteran), the Veterans Council, and everyone who represented Cheshire at the Wreath Laying Ceremony.

Town Council held a Moment of Silence in honor of our U.S. Military heroes.

**4. PERSONNEL NEGOTIATIONS – Executive Session**

**5. ADJOURNMENT**

MOTION by Mr. Borowy; seconded by Mr. Veleber

MOVED to adjourn the meeting at 8:00 p.m.

VOTE The motion passed unanimously by those present.

Attest:

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Marilyn W. Milton, Clerk