



# Town of Madison, CT

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## Board of Finance

Draft

Minutes of a regular meeting of the Board of Finance held on May 19, 2021, 8:30 a.m. via teleconference - Zoom

Present: Jean Fitzgerald (via telephone), Ken Kaminsky, Filmore McPherson, Justin Murphy and John Picard

Also present: Peggy Lyons, First Selectwoman; Stacy Nobitz, Finance Director; Colleen Kiesewetter, Tax Collector

Mr. McPherson noted that Ms. Fitzgerald was present at the meeting via telephone, but she had asked him to chair the meeting. Mr. McPherson called the meeting to order at 8:30 a.m.

### **REGULAR SESSION**

1. Pledge of Allegiance. The Board of Finance and members of the audience stood and recited the Pledge of Allegiance.
2. Approval of minutes – April 28, 2021. Mr. McPherson advised that the minutes of the regular meeting of April 28, 2021 are approved without objection.
3. Chairman's comments. Mr. McPherson noted that the referendum on the budget and the two questions had passed. He was disappointed that there was only about a 9% turn-out.

Mr. McPherson advised that he plans to request discussion on moving some funds from fund balance into the Pension Fund to boost this fund which will serve to reduce the amount the actuary will recommend be appropriated from the budget.

4. Citizen and Finance member comments. There were no citizen or Finance member comments.

### **NEW BUSINESS**

5. Discuss and take action to set the Mill Rate for the 2021-2022 fiscal year. Ms. Nobitz reviewed a chart she had put together to show a possible mill rate calculation based upon utilizing \$673,000 in the fund balance to reduce the amount to be raised by taxes,

noting that this is the amount that was used from fund balance last year. Using that figure the new mill rate would be 28.88 which would be a .53 rate change or a 1.87% increase.

The Board member discussed the proposed amount from fund balance and also questioned what the impact would be if this amount was raised to \$750,000? Mr. Murphy commented that he understands that the relief money coming from the federal government would provide assistance for some of the upcoming projects and this could allow the town to provide some relief for tax payers with the use of additional funds from fund balance toward the budget. Mr. Picard indicated that he would be comfortable with the use of either proposed amount from the fund balance. Ms. Fitzgerald expressed concern that using a higher amount from the fund balance could put the Town more in the hole next year and increase the debt especially because it appears that State revenue to towns could continue to be reduced in upcoming years. She indicated that she would support the higher amount from fund balance if that is the Board's preference. Mr. Kaminsky commented that the Town could look to reducing spending as a way to offset the budget.

Ms. Nobitz advised that there are five separate actions to be take by the Board related to setting the mill rate.

After discussion, on motion made by Mr. Picard, and seconded by Mr. Kaminsky, the Board voted unanimously to include State Revenue in the amount of \$413,125 in the mill rate calculation.

On motion made by Mr. Picard, and seconded by Mr. Kaminsky, the Board voted unanimously to allocate \$750,000 of the prior year's Fund Balance to reduce the amount to be raised by taxes.

On motion made by Mr. Picard, and seconded by Mr. Kaminsky, the Board voted unanimously to set the mill rate for the 2020-2021 fiscal year at 28.85.

On motion made by Mr. Kaminsky, and seconded by Mr. Picard, the Board voted unanimously to note that the 28.85 mill rate anticipates a tax collection rate of 98.75%.

On motion made by Mr. Kaminsky, and seconded by Mr. Picard, the Board voted unanimously to read the following into the record: "In compliance with the State Law requiring that the tax bills indicate the number of mills the anticipated State Revenue would equate to, this year the bills would show 28.99 mills".

6. Discuss and take action to approve the transfer of property taxes to suspense based on recommendation from the Tax Collector. Ms. Kieswetter reviewed her request that \$52,948.87 in uncollectible uncollected property taxes be transferred to the suspense tax book.

On motion made by Mr. Kaminsky, and seconded by Mr. Picard, the Board voted unanimously to accept the recommendation of the Tax Collector and approve the transfer of \$52,948.87 of uncollectible uncollected property taxes to the suspense tax book.

7. Discuss and take action to approve routine Line Item Transfers totaling \$457,021.00: \$377,816 as approved by the Board of Selectmen and \$79,205 pending Board of Selectmen approval. Mr. McPherson noted that the Board of Selectmen had approved Line Item transfers totaling \$377,816, an amount which is primarily related to annual salary reconciliation and adjustments. The balance of the Line Item Transfers totaling \$79,205 will be approved at the next Board of Selectmen's meeting.

On motion made by Mr. Picard, and seconded by Mr. Kaminsky, the Board voted unanimously to approve Line Item transfers totaling \$457,021.00, \$377,816 as approved by the Board of Selectmen and \$79,205 pending Board of Selectmen approval.

8. Discuss and take action to approve the following Special Appropriation requests as recommended by the Board of Selectmen. This action will satisfy all requirements for a Town Meeting under State of Connecticut Executive Order 7S. In response to a question by Mr. McPherson, Ms. Rhines noted that the executive order relating the holding of Town Meeting has been extended through July 20. In response to a question, Ms. Nobitz noted that the projected fund balance, with the \$453,359.18 in special appropriations being proposed today included is \$17,891,110.

On motion made by Mr. Picard, and seconded by Mr. Murphy, the Board voted unanimously to approve the special appropriation requests totaling \$453,359.18 from Fund Balance as follows: (Item 8)

- \$60,000 to Account #AS73000W/53223, Revaluation Reserve to cover an anticipated shortage for the State Mandated 2023 Property Revaluation
- \$150,000 to Account #CG03500W/52402, Planning Reserve for updating the Town's Wastewater Facilities Plan
- \$22,225 to Account #PW62000A/54420, Snow Removal for the deficit caused by excess weather events during FYE 2021
- \$38,220 to Account PD68500A-51320, Overtime COVID Related with a notation that COVID OT will be covered with the OPM Grant received

- \$36,106.00 to Account #PD65000A-51320, Overtime Special Duty Pay with a notation that this OT Account has an offset of revenue budgeted
- \$103,972.15 to Account #EM68500A 56900, Emergency Management to cover supplies and equipment for COVID including Police Department variable message boards, plexi glass shields for senior busses and plexi glass shields for the Police Department and Town Hall.
- \$1,335.03 to Account #FM68500A 51320, Emergency Management to cover overtime for the COVID testing site.
- \$41,501 to Account#PW00500V/57103, Highway Equipment for a new beach rake for the 2021 beach season.

Mr. McPherson requested Board discussion on consideration of moving money from fund balance to the Pension Fund. He believes that it would be beneficial to add to the Pension Fund prior to June 30 since this will impact the amount to be considered when the actuary makes their recommendation. He noted that the Pension is on a target for earning 6.5% interest as per the Pension Committee meeting held earlier this morning. Mr. McPherson believes that providing additional funds to the Pension Committee is a constructive way of giving back to the taxpayers as it reduces the amount required for the Pension Fund in the future.

Ms. Nobitz proposed another possible source of funds to provide additional funding for the Pension Fund. She noted that the Health Insurance Account is currently \$3.5 million above goal so this fund is currently very healthy. If the Board decides it would make sense to move dollars out of the Health Insurance Reserve there would need to be a discussion with the Board of Selectmen and Board of Education since this is a shared Town and Board of Education fund. Mr. Kaminsky suggested that it would also be beneficial to talk to the Town's consultant to make sure that they are comfortable that the fund will still be adequate if a portion of the funds are removed.

In response to a question by Mr. Picard, Ms. Nobitz noted that the Town Pension is funded 66%, the Police Pension is funded at 68% and the Fire Department Pension is funded at 77%.

Mr. Kaminsky expressed some concern about acting on moving funds to the Pension Fund without further discussion and information. While he agrees with the concept, he has concerns that the financial situation in municipalities could be tighter next year. Mr. Picard agreed and expressed concern that interest revenue could be lower next year. Ms. Fitzgerald commented that, while this would be a good way to give something back to the taxpayers, she understands that some members are concerned that there could be a number of larger items coming up next year.

Ms. Nobitz suggested that she contact the actuary to develop some numbers and scenarios on how moving funds to the Pension Fund could impact next year's budget.

Mr. McPherson recommended that this item be put on the agenda for the next regular meeting and that some hard numbers be provided for review and consideration. He suggested that it would be beneficial to act on this item by June 30, 2021 and noted that if a recommendation is made for the funds to come from the Health Insurance Account, this item would have to go before the Board of Selectmen and Board of Education and if it comes from Fund Balance only the Board of Selectmen will need to act.

Ms. Nobitz agreed to obtain additional information and figures from the actuary and determine the steps that need to take place for any action to occur in the current fiscal year.

9. Review of Financials. Mr. McPherson noted that the financial reports indicate that the tax collections are above the 98.75 projection.

10. Liaison Reports and Report from First Selectman. Mr. McPherson reported that the Library fund raising efforts are on track with their projections and they have a couple of fund-raising events, including the Scranton Shops and a book sale, scheduled.

Mr. Murphy noted that a local community service that offered bus rides for seniors is no longer providing this service so there is some concern that this could have an impact on the volume of rides that need to be provided by the Senior Center going forward.

First Selectwoman Lyons offered congratulations on the passing of the budget and referendum questions. She also noted that the Board of Selectmen will be looking at areas for use of fund balance and one important area is road paving. She noted that the recent pavement study indicated a number of roads that need work due to deterioration.

First Selectwoman Lyons noted that the Town is awaiting additional guidance from CCM on appropriate uses for the American Rescue Plan funds coming to Madison. She noted that expenditures need to be tied to Covid or Covid recovery related items. These funds could not be used to shore up pension accounts.

11. Citizen comments. There were no citizen comments.

12. Adjourn. There being no objections, Mr. McPherson declared the meeting adjourned at 9:22 a.m.

Terry Holland-Buckley  
Clerk