

**BOLTON BOARD OF FINANCE**  
**SPECIAL MEETING**  
**THURSDAY, APRIL 28, 2020– (immediately following public hearing)**  
**VIRTUAL MEETING VIA ZOOM WEBSITE PLATFORM**

**Minutes**

**BOF Members Present:** Chairman Emily Bradley, Richard Tuthill, Vice-Chair Robert Munroe, Charles Danna Jr., Ross Lally, Kristen Gourley, and Robert DePietro

**Board of Education Members Present:** BOE Chair Andrew Broneill, Susan Pike, Anne Decker, Christopher Davey, Scott Rich, Director of Business and Finance Kusal Huynh, and Superintendent of Schools Kristin Heckt

**Staff Present:** First Selectman Sandra Pierog, Town Administrator Joshua Steele Kelly, and Board Clerk Linda McDonald

**1. Call to Order:** E. Bradley called the meeting to order at 8:26 p.m.

**2. Public Participation:** E. Bradley said Morris Silverstein wanted to participate in the budget public hearing that just concluded but was having connection issues and could not actually voice his comments and concerns. She spoke with Morris Silverstein after the public hearing and summarized his concerns. M. Silverstein said he feels there should be no tax increase or a reduction in the tax increase. The economic situation is going to be going on for a while and people have really taken a hit. On top of that people are being deprived of voting for a budget given the current situation. He feels the contingency fund should not be as high as \$250,000.00.

**3. Discussion Re: FY 2021 Budgets (Revenues & Expenditures):**

E. Bradley asked for feedback on what was heard during the public hearing.

R. Munroe appreciated that R. Galle and M. Silverstein participated in the public hearing.

C. Danna as a response to comments at public hearing, the question came up concerning the change in use change in use for the bonding in the use of capital improvements. His understanding was since the monies for the tennis courts came out of the BOE project, the monies had to be used for something related through the BOE rather than anything town wide. He asked for clarification since in the public hearing, J. Kelly said the monies could be changed in use.

S. Pierog said J. Kelly was correct when he said the town could reallocate those funds any way the town meeting approved. The opinion of the CAPA committee was that since the capital funds the town is reallocating came from an educational purpose, the town should continue to spend the monies on an educational purpose since it was a town wide referendum that authorized the original bonding for that purpose. That recommendation came to the BOS and then to the BOF.

R. Tuthill said that was only a recommendation. S. Pierog responded, at this point, the reallocation of the capital improvement funds has been approved by the BOS and the BOF, so under the governor's

executive order, it is a done deal. S. Pierog said those funds have been reallocated to specific projects and that is what the capital reserve fund does.

R. Tuthill asked if the board could reallocate the new capital funds. S. Pierog said the board could reduce the amount in the capital reserve fund down to the 1 mil number. The CAPA committee would then decide which project would get cut, reduced, or postponed.

K. Gourley commented the safety and liability issues associated with the tennis courts were also something to think about.

E. Bradley commented that, at this time, the BOF cannot go through and reorder the capital improvement plan. That is really a BOS function.

#### **4. Discussion and Action Re: FY2021 Proposed Budget Revenues:**

The board discussed comments heard at the public hearing. E. Bradley shared the two main actionable items the board can address that came out of comments from the community, concern the level of the contingency fund and the fact that the proposed budget has a tax increase.

R. Lally said he heard the same things and proposed the following motion to get discussion going:

R. Lally MOVED to reduce mil rate and hold it to 39 mils.

E. Bradley said, as a point of order, when the BOF is talking about the budget, the board starts with the expenditure side and then, as a result, comes up with a mil rate. The motion would have to be re-worded to be a number in terms of expenditures.

Calculations were done to determine the dollar amount reduction to the budget to keep the mil rate at 39.

R. Lally rephrased the motion and MOVED to reduce the proposed budget by \$90,000.00. E. Bradley said an additional \$90,000.00 reductions would make the bottom-line total expenditures \$22,783,544.00. C. Danna SECONDED. Discussion followed.

E. Bradley said this results in a no tax increase, keeping the mil rate at 39, which means the board has to reduce something by \$90,000.00.

R. Munroe said the easiest and most transparent way to do this is to reduce the contingency fund to \$160,000.00. He said he has advocated a high contingency fund in the past but has he has considered the information he got previous to the last meeting and during the public hearing, he has concluded, based upon history, that \$160,000.00 should be adequate. In regards to public hearing comments on the purpose of the rainy-day fund, he considers the COVID-19 pandemic analogous to a tornado ripping through the town. If the town should end up with additional demands and the \$160,000.00 is not adequate to cover that, the town has the option of dipping into the rainy-day fund for justifiable expenses.

J. Kelly said if you take the total amount of the tax levy in the budget document expected based on the total number of expenditures the town is expecting and divide that by 39, his estimation is that if the board decreases the total expenditures by \$75,000.00 you would safely reach the zero increase.

C. Danna agrees to a zero increase in the mil rate but expressed concern of what would happen if the reduction only had to be \$70,000.00 reduction in the contingency fund to get there. He said he is unsure what the number for the reduction in the contingency fund really is.

E. Bradley commented there were a couple of tweaks to the grand list that were made after the board put out the budget for public hearing and wants to make sure that was incorporated into J. Kelly's calculations. J. Kelly replied these numbers were based off the budget document made available for tonight's public hearing.

E. Bradley apprised the members that the Chief Financial Officer had reached out to her over the weekend that there were a couple other small changes that slightly alter the grand list. Although the changes are small, E. Bradley said she would want them incorporated in before the board could come up with a final number.

K. Gourley said she is open to looking at options to cut, but not open to touching the contingency fund for the reason this situation is larger than anything anyone has ever experienced. It is not a point in time and could be a long period of time. She believes the board needs to adapt their position to be flexible about it. She said the board is in a position to prepare and be financially strategic, especially considering it is money that can go back. She would rather the town be over-prepared than under-prepared and find itself in a situation of going through the \$250,000 contingency fund and also have to dip into the rainy-day fund. That would affect the budgets in the years to come. She said have one eye on the present and one eye on the future. K. Gourley reiterated she is open to looking at areas to cut but feels strongly the board should not go below the \$250,000.00 in the contingency fund.

R. Tuthill said, if there is to be no tax increase, the board has to take the money from contingency. He noted, at one point, the board was solving for \$20,000.00 if the board was going to leave the contingency fund at its \$91,000 level. If the board wanted to have zero tax increase and have zero cuts, the contingency fund would have had to be reduced to \$71,000. To get to a contingency fund of \$250,000, the board needed \$180,000 more, \$90,000 of which was taken from the BOS and BOE and the board needed to raise \$90,000 in taxes where the .13 mi increase came from. Now he is hearing the reduction does not have to be \$90,000 and \$75,000 instead which would leave the contingency at \$175,000. He asked E. Bradley and J. Kelly what the figures really are.

J. Kelly explained Chief Financial Officer Jill Collins had recalculated the mil rate increase based on updated information on the grand list and calculated the proposed mil rate to be 39.16. J. Kelly said he went into the budget documentation put together for this evening and see the town needs to levy for the current year \$17,289,153. He said if you take that number and divide it by 39.16 one mil should equal about \$441,500.33. If you divide that by one hundred which should get you to .01 mils, that is \$4,415. He said then multiply that by 16 to get \$70,640.05. That should account for the 0.16 mils the board need to reduce. J. Kelly said, by his account, if the board reduced the budget by \$75,000, they will be very safe.

R. Tuthill MOVED to amend the motion before to achieve the desired result of a zero-tax increase, but instead of a reduction of \$90,000.00 to make it a reduction of \$75,000.00 and take it all from the contingency fund. R. Munroe seconded. Discussion on the amended motion followed.

C. Danna commented, if it takes \$75,000.00 from contingency, he thinks that is the way to solve the problem.

As a point of clarification on her position, K. Gourley she did not at the time agree to not raising the mil rate. All she said was that she was open to looking at options. She said she still stands by what she is saying with the contingency.

R. Lally commented he likes the change of the amount to \$75,000. He thinks the town probably has some of the contingency built in from the money the town is going to get back because it is so early in this whole thing and it makes him more comfortable taking this amount out of contingency.

R. DiPietro said he has the unique advantage of being on the BOF and being a Selectman. He said he listens well and understands what K. Gourley's intent is and appreciates her concerns. Listening to the comments at the public hearing, he said he has to appreciate the zero increase in the mil rate.

E. Bradley, having heard public hearing comments, said she is ok with no increase to the taxes. In terms of where to take the money from, it makes her nervous to reduce the contingency because this is so unprecedented. But, at the same time, she does not necessarily want to take from the Town or the BOE because they have planned out their budgets and the board has already made a cut to them so she is leaning to taking the money from contingency. She commented the one thing that makes her slightly uncomfortable is the quick math done tonight that the reduction is \$75,000 not \$90,000 based on what the board thinks the revised grand list is. She wondered if the board could make a decision tonight and can the board actually put that final number down on a piece of paper without having J. Collins confirm the grand list and double-checking that number.

J. Kelly responded that he does not have the actual adjusted grand list number in front of him. What he has is the number J. Collins sent to him based on the number she has actually reviewed herself.

R. Munroe commented the board has been in this situation before. What the board did was to authorize the Town Administrator to, in concert with the Chief Financial Officer, recognizing the will and desire of the board to have a zero tax increase and to make up the difference, not with further cuts from the boards but with a reduction in what the wish list was which included a \$250,000 contingency fund. He explained, if an adjustment has to be made, the board should be able to rely on the Town Administrator to do that for the board as long as he understands the full intent of the board. The board would not have to come back to vote on the confirmed amount.

R. Munroe clarified that the board has some doubt on a particular figure and variation in that number is insignificant and should not require an additional vote by the board. He thinks the board could empower the Town Administrator, as long as he fully understands the board's intent, then the slight adjustment would be made and the bottom line is no change in the mil rate, no change in the reduction of either two boards as already proposed, and whatever it takes to come out of the contingency fund, which is planned at \$250,000, to get to 39.00 mils is the amount to come out of contingency.

S. Pierog commented, if this were a normal year, what the BOF would be voting on tonight was the budget expenditure number to send to referendum. However, what the BOF will be acting on tonight is not the final cut either at the mil rate or at the expenditures because of the anticipation that, at the BOF's May meeting, the board will be adopting the budget expenditures and setting the mil rate so the board has time to get the correct numbers.

As a point of order, R. Tuthill noted there is a motion for an amount and an amendment on that motion still under consideration. E. Bradley said it would be helpful if both motions were withdrawn so the board could start clean with the intent since the board does not have the final number.

R. Lally and R. Tuthill withdrew their prior motions.

R. Tuthill MOVED approve a resolution to have the Town Administrator calculate the amount the contingency fund would have to be reduced to produce exactly a zero-tax increase, maintaining the current cuts made to the boards. R. Munroe SECONDED. By roll call vote, MOTION CARRIED 6:1:0 with K. Gourley voting nay.

**5. Possible Discussion and Action Re: Ballot Question:** No action taken.

R. Munroe MOVED to cancel the special BOF meeting scheduled for April 30, 2020. K. Gourley SECONDED. By roll call vote, MOTION CARRIED 7:0:0.

S. Pierog explained, if it looks like the town is heading toward referendum, the board will need a special meeting before the regular meeting on May 21, 2020 to approve the ballot question. She believes that is a very remote possibility at this point. She said, given that, the board could adopt the budget at their regular May meeting.

E. Bradley said, if the town were heading for referendum, a special BOF meeting would have to be held before May 10<sup>th</sup>.

A special BOF meeting was put on the budget calendar for May 6<sup>th</sup> at 7:15 p.m. for the board to make the ballot question and give the Financial Officer enough time to update the budget documents.

**6. Adjournment:** E. Bradley adjourned the special meeting at 9:27 p.m.

Next Meeting: **May 6, 2020 Special Meeting 7:15 PM (if necessary)**

**May 10, 2020 Board of Finance must adopt the budget on or before this date.**

**May 21, 2020 Regular Meeting 7:15 PM**

Respectfully submitted by

*Linda H. McDonald*

Linda H. McDonald, Board Clerk

PLEASE SEE THE MINUTES OF SUBSEQUENT MEETINGS FOR THE APPROVAL OF THESE MINUTES AND ANY CORRECTIONS HERETO.