



JOHN P. RACHEK  
Chairman

STATE OF CONNECTICUT – COUNTY OF TOLLAND  
INCORPORATED 1786

# TOWN OF ELLINGTON

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DOUGLAS B. HARDING  
Vice Chairman

## BOARD OF FINANCE

PEGGY BUSSE  
DAVID J. OLENDER  
BARRY C. PINTO  
JOSEPH E. WEHR

### BUDGET DELIBERATIONS MAY 14, 2020 MINUTES

**Members Present:** John Rachek-Chair, Barry Pinto, Present via Zoom-Peg Busse, Douglas Harding, David Olender, Joseph Wehr

**Others Present:** Lori Spielman-First Selectman, Tiffany Pignataro-Finance Officer, Felicia LaPlante-Asst. Finance Officer; Present via Zoom-Kevin Kenzenkovic-Temp Finance Officer, Dr. Scott Nicol-Supt. of Schools, Brian Greenleaf-Dir. Finance & Opers. BOE, Michael Purcaro-BOE Chair, Susan Phillips-Library Director, Mary Blanchette-Library Board, Dustin Huguenin-P&R Director, Mary Bartley-Asst. P&R Director, Diane Lasher-Penti-Youth Svs Director, Joy Hollister-Human Svs Director, James York-Fire Marshal, Melinda Ferry-Selectman, Timothy Webb-DPW Director, Erika Purdy-JI Reporter, EVFD Chief Jack Rich II, Robert Smith, Betsi Feldman-EVFD, Peter Hany-Chief EVAC, Joe Palombizio-Emer. Mgmt. Director, Lisa Houlihan-Town Planner, Thomas Palshaw, LouAnn Cannella-HR Coor/Exec Asst., Lori Smith-Recording Secretary

#### Call to Order

Chairman John Rachek called the meeting to order at 7:30 PM and handed over the floor to Finance Director, Tiffany Pignataro, to present the proposed budget for 2020/21.

#### Budget Deliberations

Mrs. Pignataro stated that she would explain how they worked out a 0 mill increase without taking funds from the Capital Reserve. Attached are the power point slides.

\$407,000 from current year was brought forward in expense reductions from the Board of Education, \$15,400 from the Registrars, \$142,917 from WPCA employees reclassified from DPW, additional EVAC revenue, elimination of appropriations to the Capital Reserve of \$200,000 and Contingency of \$200,000 (the motions made at the special meeting tonight). This resulted in a net surplus of \$863,173 to be applied to FY 2020/2021. Reductions to the proposed 2020/2021 budget were \$302,980 from General Government including adding back

\$10,622 to the Hall Memorial Library, \$207,000 in eliminated capital projects, \$75,000 in reduction in general operating budget for Board of Education and decrease in revenue from State funding of \$41,000. This brings the proposed budget for 2020/2021 to \$63,336,361 which results in a 0 mill increase without using capital reserve funds.

\$1,737,645 of fund balance was used from the give backs to balance the budget. Additional unobligated funds are \$2.8 million. The Finance Officer stated that the Capital Reserve is overfunded by \$3,000,000 and recommends that the Board of Finance establish a fund reserve policy to include funding levels and procedures to access the funds if necessary. She thanked the Board of Education and Town finance teams who worked hard to complete this budget.

Peg Busse asked if all new hires and additional hours were eliminated from the budget. Tiffany Pignataro stated that some new hires remain because they are associated with revenue such as Parks & Rec employees. Also one of the two DPW custodians was eliminated but contracted services has been brought to zero as a result of this additional position. Felicia LaPlante stated that the Senior Center volunteer left and if this position is not filled, the service would be sacrificed. Peg Busse stated that she wants the Town to be very careful that we are not adding to staff.

BOE Chairman, Michael Purcaro stated that they spoke to the OPM Secretary on a conference call and asked how state aid would be impacted for this year and next due to the State's spending for the COVID-19. The Governor's office wouldn't commit to what state aid cuts would be but the Town should assumed that there will be some form of reductions. Revenue reductions should be factored in and they have been as explained in the presentation. Mr. Purcaro stated that additional revenues in a reserve account is a good move. Tiffany Pignataro stated that the Town will be closely monitoring its budget to actuals monthly. Joe Wehr stated that there would probably be some reduction in revenue due to casinos being closed.

John Rachek stated that this was a great job and makes sense. He asked Brian Greenleaf about the fire doors that were in the capital improvements budget and the grant associated with it. Brian Greenleaf stated that the fire door project was taken out of the budget along with the revenue that would have been received. He is working with the Fire Marshal on this and the work to be done this summer is repair work that does not qualify for State reimbursement.

Peg Busse asked if the budget was adjusted this year for any services not allowed due to the State not reopening soon. Felicia LaPlante stated that it is being taken into consideration for 2019-20. Peg Busse brought up the fact that the trails and beautification committees are still being funded and that there are many nonprofit organizations in town that are not funded. She questioned the necessity for police duty for fundraising activities. She asked that this be monitored closely.

Mr. Purcaro stated that Board of Education took into account closures, programs and services not started and where funds could be cut. The Board of Education will be included in the quarterly reviews. The Board of Education has designated a treasurer for the first time that will be looking at the finances and participating with the Town in reviews.

Dave Olender questioned the 2.75% raises that were reduced from 5% for non-union employees. Because a lot of people are out of work, he feels that Town employees should not be given raises that high. He would like to see the 2.75% down to something reasonable. He and Joe Wehr would like to see a \$30,000 increase in the salary adjustment account not

\$53,000, which would limit salary increases to 1.5%. Tiffany Pignataro told them that \$8,000 of that account is allocated to bring the employees currently at minimum wage up to the new rate. John Rachek stated that the State dictates the minimum wage, unions are getting 2.75% and that the rest of the employees should be receiving the same. Mr. Purcaro stated that the Board of Education is looking at vacant positions and salaries and making decisions whether to fill now or later and are honoring contractual agreements. They have not gone down the road to opening any contracts. All employees, union or not, are under contract and have to justify their salaries and benefits. It is a formal process through the BOE. Contract changes take time to work together to come up with a plan and is not something that can be done quickly. It should be planned for when the contract is open.

**MOVED (WEHR) SECONDED (OLENDER) TO REDUCE SALARY ADJUSTMENT ACCOUNT 1065 TO \$30,000. (VOTE –RACHEK, PINTO, HARDING-NAY; BUSSE, OLENDER, WEHR-AYE MOTION DEFEATED)**

Douglas Harding asked that the CLFD capital improvement renovation be fully funded at \$65,000 rather than at \$35,000.

**MOVED (HARDING) SECONDED (PINTO) AND PASSED UNANIMOUSLY TO INCREASE THE CAPITAL IMPROVEMENT ITEM CLFD DIESEL EXHAUST REMOVAL SYSTEM BY \$30,000 TO \$65,000.**

Douglas Harding asked if the Board should create a line item for the revaluation and add an additional appropriation later in the year. Kevin Kenzenkovic stated that the Town needs to look at the number of funds being set up. It is a good idea but he recommends taking a look at it with the new finance officer and new auditors. The Capital Reserve can be used for Revaluation. Earmarking fund balance is not looked upon favorably by the rating agencies. He stated that the Town can establish a Trust Fund for OPEB and this way it would not impact the mill rate. The more individual funds, the more the auditors have to audit and Finance Office has to close out. Kevin K. stated that having one fund is more flexible; earmarked funds cannot be accessed in an emergency. The Board should wait for the new auditors to give them a recommendation on how they should create the fund or funds based on the Town's financial position.

Mr. Rachek agreed that the Board should create some dedicated funds because there is more control, but it should be done properly and tonight is not the time to do this.

Douglas Harding asked if the First Selectman's salary should be set to a 2.75% increase. Tiffany Pignataro stated that the Selectman's salary is not in the 1065 Account and that the Board of Selectmen sets that salary per the Charter. It cannot be changed tonight.

The chairman called a recess at 8:34 pm. The meeting was reconvened at 8:55 PM.

**Final Motion to Adopt Budget and Set Mill Rate**

**MOVED (RACHEK) SECONDED (PINTO) AND PASSED UNANIMOUSLY  
TO REDUCE STATE GRANT FIRE DOORS BY \$41,000;**

FURTHER MOVE TO DECREASE DEPT 745-50101 \$5,802, DEPT 410-50101 \$65,000; DEPT 930-50149 \$2,800; DEPT 1065-50150 \$40,000;

FURTHER MOVE TO INCREASE DEPT 610 \$10,622;

MOVE TO REDUCE BOARD OF EDUCATION \$75,000;

MOVE TO REDUCE CAPITAL OUTLAY EHS ATHLETIC FIELD LIGHTS \$125,000 AND CAPITAL OUTLAY BOE FIRE DOORS \$82,000;

MOVE TO ACCEPT BOARD OF EDUCATION GRANTS AS APPROVED BY THE BOARD OF EDUCATION AND BOARD OF SELECTMEN IN AN AMOUNT NOT TO EXCEED \$3,139,517. (SEE ATTACHED SHEET)

PURSUANT TO EXECUTIVE ORDERS 7B, 7C AND 7I, AND RESOLUTION OF THE BOARD OF SELECTMEN DATED APRIL 13, 2020, THE BOARD OF FINANCE HEREBY ADOPTS THE BUDGET FOR FISCAL YEAR 2020-2021 IN THE AMOUNT OF \$63,366,361 AS PRESENTED/MODIFIED AT THE PUBLIC HEARING, WHICH INCLUDES THE FOLLOWING ITEMS:

GENERAL GOVERNMENT	1,747,929
BOARDS, AGENCIES, COMMISSIONS	130,897
PUBLIC SAFETY	3,176,616
PUBLIC WORKS	6,807,572
CULTURAL ARTS & RECREATION	560,683
LIBRARY	675,478
HUMAN SERVICES	797,694
TOWN PROPERTIES	831,564
DEBT SERVICE	2,733,613
FIXED CHARGES	3,429,304
MISCELLANEOUS	496,105

GENERAL GOVERNMENT TOTAL	21,387,455
CAPITAL OUTLAY	1,362,870
BOE	<u>40,616,036</u>

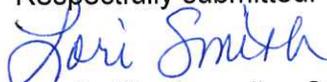
BUDGET GRAND TOTAL 63,366,361

FURTHER, THE ASSOCIATED MILL RATE FOR THE FISCAL YEAR 2020/2021 AT 32.6 MILLS.

Adjournment

MOVED (PINTO) SECONDED (OLENDER) AND PASSED UNANIMOUSLY TO ADJOURN THE MEETING AT 9:00 PM.

Respectfully submitted:



Lori Smith, Recording Secretary

**2020-2021 Prepaid Grants**

**2020-2021  
ESTIMATE**

**GRANT**

<b>Title I - Part A: Improving Basic Programs</b> Funds are targeted to improve achievement in reading and mathematics with grant entitlements based on family income indicators.	\$75,000
<b>Title II: Part A: Teacher and Principal Training and Recruiting</b> Supports increased student achievement by improving teacher and administrator quality and increasing the number of highly qualified teachers.	\$45,000
<b>Title III: Part A: English Language Acquisitions</b> Funds are used to support programs and services for English Language Learners.	\$8,500
<b>IDEA - Part B: Section 611 Special Education Entitlement</b> Individuals with Disabilities Education Act Designed to provide funds for the education of disabled children.	\$460,000
<b>IDEA - Part B: Section 619 A Preschool Entitlement</b> Designed to provide funds for the education of disabled children ages three to five.	\$11,000
<b>Adult Education</b> Matching state funds that help fulfill Ellington's legal obligations related to Adult Basic Education, the High School Adult Credit Diploma Program, the External Diploma Program, and GED Preparation Classes through the Vernon Regional Adult Ed. Program.	\$20,017
<b>Perkins - Career &amp; Technology Grant</b> Funds are used to purchase equipment and support for career and technology programs.	\$20,000
<b>Open Choice Funds</b> Funds are used to offset magnet school tuition payments and reflect the number of seats declared by the BOE not the number of seats filled which will be significantly lower.	\$630,000

<b>Special Revenue - Special Education</b>	<b>\$965,000</b>
<p>Funds are used to administer special education programming and stem from multiple sources: Special Education from Open Choice Choice students, incoming Tuition for special education programs, and Medicaid.</p>	
<b>School Readiness</b>	<b>\$150,000</b>
<p>Funding for children from income-eligible families to participate in NAEYC accredited preschool programs. Families pay on a sliding scale based on their income. Grant also provides for the School Readiness Council to offer parent education programs to assist with the development of skills that prepare students to be successful in school.</p>	
<b>Sheff Settlement – Open Choice Academic and Social Support</b>	<b>\$95,000</b>
<p>Funds facilitate the development of programs and activities to support the success of students in the Choice Program.</p>	
<b>Summer Programs</b>	<b>\$30,000</b>
<p>Fees paid by parents to allow their children to attend self-funded summer programs.</p>	
<b>Restricted Donations</b>	<b>\$30,000</b>
<p>Funding by various sources, ie. PTO's, Foundations, Private Donors for projects in the schools.</p>	
<b>Preschool Tuition Funds</b>	<b>\$250,000</b>
<p>Fees paid by parents of "typical peer students" attending the district's special education reverse mainstream preschool program.</p>	
<b>Academic Enhancement</b>	<b>\$50,000</b>
<p>Fees paid by families for extended day/year programs.</p>	
<b>Other federal and state prepaid grants which might be applied for</b>	<b>\$300,000</b>
<b>TOTAL</b>	<b>\$3,139,517</b>

## Revised Fiscal Year 2019/2020 End-of-Year (EOY) Projections

	<u>Revenues</u>	<u>Expenditures</u>	<u>Surplus/(Deficit)</u>
<b>Current EOY Budget Position</b>	\$59,503,316.00	-\$59,697,394.00	(\$194,078.00)
<b>Proposed Projection Adjustments</b>			
• BoE Expenditure Reductions	\$0.00	\$407,000.00	
• 210 – Registrars & Electors: Reduction due to not holding budget referendum	\$0.00	\$15,400.00	
• 410 – Public Works: Reduce expenditures for positions that can be charged to WPCA	\$0.00	\$142,917.00	
• Additional EVAC Revenue	\$91,934.00	\$0.00	
• Eliminate Appropriation to Capital Reserve Fund	\$0.00	\$200,000.00	
• Eliminate Appropriation to Contingency	\$0.00	\$200,000.00	
<b>Sub Totals</b>	\$91,934.00	\$965,317.00	\$1,057,251.00
<b>Revised EOY Budget Position</b>	<u>\$59,595,250.00</u>	<u>(\$58,732,077.00)</u>	<u>\$863,173.00</u>

## Expenditure Adjustments Proposed for Fiscal Year - 2020/2021 Budget

<u>Description/Department</u>	<u>Current</u>	<u>Adjustment</u>	<u>Proposed</u>
Human Services Commission			
745-Youth Activity Programs: Eliminate proposed upgrading of Youth Services Director position	\$224,266.00	-\$5,802.00	\$218,464.00
Library			
610-Hall Memorial Library: Restore programmatic funding and salary increases for exempt employees to 2.75%	\$664,856.00	\$10,622.00	\$675,478.00
Public Works			
410-General Town Roads: Elimination of a custodian position	\$2,116,298.00	-\$65,000.00	\$2,051,298.00
Fixed Charges			
930-Social Security: To reflect reduction in salary increases for Exempt employees	\$491,463.00	-\$2,800.00	\$488,663.00
Miscellaneous			
1011-Capital Reserve Fund: Eliminate appropriation to reflect the rescinding of previous Board of Finance Action	\$200,000.00	-\$200,000.00	\$ 0.00
1065-Salary Adjustment: Reduce appropriation to reflect a maxim salary increase of 2.75% consistent with raises for union/non-exempt employees (previously budgeted at 5%)	\$93,827.00	<u>-\$40,000.00</u>	\$53,827.00
<b>Sub Totals – General Government</b>		(\$302,980.00)	

## Expenditure Adjustments Proposed for Fiscal Year - 2020/2021 Budget

Capital Outlay	<u>Current</u>	<u>Adjustment</u>	<u>Proposed</u>
BOE-Defer/eliminate BOE Capital Projects`	\$207,000.00	-\$207,000.00	\$ 0.00
Sub Totals – Capital Outlay		(\$207,000.00)	
Board of Education	<u>Current</u>	<u>Adjustment</u>	<u>Proposed</u>
Reductions in various line items	\$40,691,036.00	-\$75,000.00	\$40,616,036.00
Sub Totals – Board of Education		(\$75,000.00)	

Revenue Adjustments Proposed for Fiscal Year - 2020/2021 Budget

State and Federal Grants	<u>Current</u>	<u>Adjustment</u>	<u>Proposed</u>
State Grant: Reduction in funding due to deferral/elimination of BOE capital projects.	\$10,791,063	-\$41,000.00	\$10,750,063.00

Summary – Expenditure Adjustments Proposed for Fiscal Year – 2020/2021 Budget

<u>Category</u>	<u>Current</u>	<u>Adjustment</u>	<u>Proposed</u>
General Government	\$21,690,435.00	-\$302,980.00	\$21,387,455.00
Capital Outlay	\$1,539,870.00	-\$207,000.00	\$1,332,870.00
Board of Education	<u>\$40,691,036.00</u>	<u>-\$75,000.00</u>	<u>\$40,616,036.00</u>
Revised Totals	<u>\$63,921,341.00</u>	<u>(\$584,980.00)</u>	<u>\$63,336,361.00</u>

## Mill Rate/Revenues/Expenditures and Fund Balance Required

Projected Mill Rate	32.6
Projected Expenditures	\$63,336,361.00
Projected Revenues	
Other Revenue	\$15,097,568.00
Property Tax Revenue	<u>\$46,501,148.00</u>
Total	\$61,598,716.00
Fund Balance Required to Balance Budget	<u>\$1,737,645.00</u>
Total Revenues and Fund Balance	<u>\$63,336,361.00</u>

Projected Remaining Fund Balance Allocations for Fiscal Year 2020/2021

<u>Category</u>	<u>Amount</u>	<u>Percent of General Fund Expenditures</u>
Capital Reserves	\$6,678,650.00	10.54%
Other Post-Employment Benefits	\$1,583,774.00	2.50%
Unassigned & Unobligated	<u>\$2,820,209.00</u>	<u>4.45%</u>
<b>Total Fund Balance</b>	<b><u>\$11,082,633.00</u></b>	<b><u>17.49%</u></b>