



STATE OF CONNECTICUT – COUNTY OF TOLLAND  
INCORPORATED 1786

# TOWN OF ELLINGTON

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## BOARD OF FINANCE

JOHN P. RACHEK  
Chairman

PEGGY BUSSE  
DOUGLAS B. HARDING  
DAVID J. OLENDER  
BARRY C. PINTO  
JOSEPH WEHR

### BUDGET HEARING APRIL 28, 2020 MINUTES

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

**Others Present:** Lori Spielman-First Selectman, Selectmen John Turner, James Prichard, and Ronald Stomberg; Present via Zoom-Selectmen Melinda Ferry and David Stavens; Tiffany Pignataro-Finance Officer, Felicia LaPlante-Asst. Finance Officer, Kevin Kenzenkovic-Temp Finance Officer, Joy Hollister-Human Svs Director, Erin Graziani-Sr. Center Dir, Diane Lasher-Penti-Youth Services Director, Lois Timmes-Ferrara-Registrar, Ann Marie Conti-Tax Collector, Dustin Huguenin-P&R Director, Lisa Houlihan-Town Planner, Susan Phillips-Library Director, Mary Blanchette-Library Board, Timothy Webb-DPW Director, James York-Fire Marshal, EVFD Chief Jack Rich II, Elizabeth Feldman and Robert Smith, CLFD Chief Timothy Seitz and Chad Adams, EVAC President Peter Hany, Dr. Scott Nicol-Supt of Schools, Brian Greenleaf-Dir. Finance & Opers., BOE Members Elizabeth Nord and Miriam Underwood, Noreen Shugrue, Thomas Palshaw, LouAnn Cannella-HR Coordinator/Exec. Asst., Lori Smith-Recording Secretary.

#### Call to Order

Chairman John Rachek called the meeting to order at 7:12 PM.

#### Pledge of Allegiance

#### Board of Selectmen Budget Presentation FY 2020-21

Chairman John Rachek read a narrative into the record outlining the proposed budget with significant changes highlighted and two scenarios, one for achieving a budget with a .9 mill increase and the other for a 0 mill increase. Narrative is attached.

#### Questions and Comments:

Mary Blanchette of the Library Board stated that the cuts made to the Library budget will not allow them to maintain services as usual or give their employees raises. They made cuts and brought their budget to \$677,000. More reductions were made that they were not consulted on. She is asking that \$12,000+ be put back into the budget to bring it back to \$677,000.

Dr. Nicol read into the record a statement by Michael Purcaro, Chairman, Board of Education that could not be in attendance tonight. "All emergencies start and end at the local level. A core principle of effective emergency management is to immediately start planning for recovery at the beginning of a crisis. This well established and fundamental principle demands that a comprehensive COVID-19 recovery plan must consider the long term financial impact on government operations, the economy and taxpayers. As government leaders, we must prioritize and take a critical look at all areas of government to insure that services are being delivered in the most cost effective and efficient manner with the highest possible return on taxpayer investment. Now more than ever in these uncertain times we must focus on sustainable solutions that honor our fiduciary responsibility to those we serve. For these reasons, I support the proposed budget that was built collaboratively in partnership with the town."

Joe Wehr asked Dr. Nicol if the transportation budget would experience some savings since the students are working from home now. Dr. Nicol stated that the negotiations are ongoing privately with a meeting scheduled tomorrow and that he could not comment on it at this time. He will be working with the Board of Education Finance Committee and will report back to the Town when it is worked out.

Mr. Olender asked if the new hires and increase in wages could be put on hold. He felt this was a serious situation. Mr. Rachek stated that these are contracted salaries. Mr. Pinto stated that in the 1990's due to budget problems the teachers gave back their increases.

Mr. Harding asked if the Board of Education was aware of the Federal Stimulus Aid for CT Towns. He read that Ellington may receive \$51,462. Dr. Nicol stated that he would look into it. Mr. Greenleaf found out about it today; the grant is under the Cares Act to offset the costs of COVID expenditures.

There was discussion regarding the use of the capital reserve fund. There was concern that it would have to be made up through a mill rate increase in the next budget to compensate.

Felicia LaPlante stated that tonight no changes will be made to the budget or the capital reserve. The changes will be made at deliberations. The question for tonight is what direction the Board of Finance wants to go for publishing the budget before the public hearing on May 12. Most members agreed that starting at a .9 increase would be a good start and work down from there.

Mr. Olender asked about cutting the raises. Mr. Rachek stated that the Town will have to cut services if reductions are made that deep and that there is a time constraint as the hearing and deliberations are only 2 weeks away. Felicia LaPlante stated that they can look at all new hires and come back with that figure for deliberations. Tim Webb stated that one of the custodians in his budget can be removed and still remove the cleaning contract which results in additional savings.

Dr. Nicol stated that they would be moving to find more savings before May 12. He also stated that Ellington's budgets are normally consistent from year and to year. Other towns have other issues that cause their budgets to spike some years and be lower other years.

Mr. Wehr did not feel that trying to cut to a 0 mill increase was logical. Mr. Rachek agreed that under normal circumstances that would be true, but these are not normal times.

**By consensus the Board of Finance decided to publish the .9 mill increase and work at deliberations to reduce it.**

### **Adjournment**

**MOVED (PINTO) SECONDED (WEHR) AND PASSED UNANIMOUSLY TO ADJOURN THE MEETING AT 8:42 PM.**

Respectfully submitted:



Lori Smith, Recording Secretary

# Town of Ellington Annual Budget Presentation

April 28, 2020

## Introduction

Obviously the Covid-19 crisis had a major impact Town operations, and in particular, the annual budget development process for Fiscal Year 2020-21. Throughout January department heads, staff and the Board of Education had been progressing along normally with initial budget requests completed and submitted to the First Selectman and Finance Office by mid-February. Shortly thereafter National and State-wide emergencies were declared resulting in unforeseen economic, social, community and other dislocations.

Seeing what was happening in the community with regard to business closures, massive layoffs, volatile market conditions and rising unemployment, Finance, Staff and the Board of Education were directed to make additional adjustments to their original budget requests. The actions included:

- Determining unexpended FY-2019/20 appropriations that could be carried-forward as fund balance to support FY-2020/21 requests
- Make additional adjustments/reductions to previously submitted budget requests *while still maintaining current service levels.*

Given the severity of the economic impacts that the Ellington community was facing, budgets were to be revised the following two goals:

- 1. Attempt to achieve a zero mill rate increase from the current 32.6 for Fiscal Year 2020-21*
- 2. And if it becomes necessary, minimize the use of reserves and or "rainy day" funds to balance the budget*

As the crisis progressed, and given the continued restrictions on the size of public gatherings, the Governor issued a series of Executive Orders that changed the way representative Town Meeting governments would develop and approve budgets for Fiscal Year 2020-21. Acting on these Executive Orders the Ellington Board of Selectmen at its meeting on April 13, 2020 passed a resolution:

- Revising the normal budget development and approval process
- Empowering the Board of Finance to approve budgets and establish mill rates for the fiscal year
- Conducting the budget approval process absent the annual Town Meeting and budget referendum.

There will no doubt be continued economic uncertainty for the foreseeable future that will likely impact locally generated revenues, timing and eventual payment of property taxes, possible payments and reimbursement related to the crisis, and, most importantly, state revenue provided to municipalities and boards of education. Given these facts, town staff and Boards of Selectmen, Finance and Education are committed to conducting periodic (at a minimum quarterly) formal budget performance reviews. This will allow the town regularly re-evaluate the FY-2020/21 budget and make appropriate adjustments if required and deemed necessary.

## Over-All Expenditure Budget Summary

Category	FY-2019/20	FY-2020/21	Change	Percent
General Government	\$19,030,438.00	\$21,388,443.00	\$2,358,005.00	12.39%
Capital Outlay	\$2,132,262.00	\$1,539,870.00	-\$592,392.00	(27.78%)
Board of Education	\$39,576,214.00	\$40,691,036.00	\$1,114,822.00	2.8%
<b>TOTAL</b>	<b>\$60,738,914.00</b>	<b>\$63,619,349.00</b>	<b>\$2,880,435.00</b>	<b>4.74%</b>

However, included in the General Fund budget for the first time this year is an appropriation of approximately \$2.4 million for WPCA. This entire appropriation will be supported by user fees. When this is netted out of the budget the following results:

Category	FY-2019/20	FY-2020/21	Change	Percent
General Government	\$19,030,438.00	\$19,007,199.00	-\$23,239.00	(0.12%)
Capital Outlay	\$2,132,262.00	\$1,539,870.00	-\$592,392.00	(27.78%)
Board of Education	\$39,576,214.00	\$40,691,036.00	\$1,114,822.00	2.8%
<b>TOTAL</b>	<b>\$60,738,914.00</b>	<b>\$61,238,105.00</b>	<b>\$499,191.00</b>	<b>0.82%</b>

### Budget Detail – Highlighted Major Budget Drivers

#### General Government – Increased by \$71,356 (4.26%)

- **Board of Selectman** – Increased by \$14,860 (5.16%), hiring a new part-time Administrative Assistant/Recording Secretary
- **Auditors** – Increased by \$11,500 (24.73%), awarded a contract to new auditing firm
- **Finance Officer** – Increased by \$34,639 (9.50%), new financial management software licensing
- **Town Counsel** – Increased by \$10,000 (9.09%), additional legal fees

#### Boards & Agencies – Decreased by \$4,908 (-3.61%)

- **Planning & Zoning** – Decreased by \$3,100 (-10.13%), reductions in part-time and contractual services
- **Ethics Commission** – Decreased by \$1,560 (-91.23%), as recording secretary now covered by First Selectman's office personnel

All boards and commissions reduced with the exception of Registrars and Electors

#### Public Safety – Increased by \$17,883 (0.57%)

- **Police** – Decreased by \$37,014 (-2.55%), reduction in State Police fringe benefit costs
- **Volunteer Ambulance** – Increased by \$58,400 (20.44%), which will bring budget in line with actual expenditures
- **Emergency Services Incentive Program** – Decreased by \$12,000 (-7.64%), driven by actual number of incidents and training activities required for certification

#### Public Works – Increased by \$2,573,508 (59.86%)

*Note: This increase is impacted by inclusion of a \$2,381,244 appropriation for WPCA in the General Fund budget. This entire appropriation will be supported by user fee revenues. Net of this appropriation, the Public Works budget increased by \$192,264 (4.47%)*

- **New Equipment** – Increased by \$18,000 (180%), regular replacement equipment including a zero turn turf mower
- **Town Road Aid-Winter** – Decreased by \$40,000 (-15.69%), mild winters and carry-over salt/supplies from FY-2019/20
- **Sanitary Landfill** – Increased by \$45,988 (9.73%), reflecting increases in solid waste fees
- **WPCA Maintenance** – Increased by \$172,587 (148.76%), reflecting actual maintenance cost offset by user fees
- **WPCA Administration** – New appropriation of \$2,381,244, as noted now included in the General Fund and totally offset by user fees

***Municipal Solid/Bulky Waste Curbside** – Originally this item was budgeted at \$615,000 and included in the General Fund budget. It was decided to keep this program operating as it is currently with fee based revenue. It will again be considered for inclusion in the General Fund budget supported by tax revenue in FY-2021/22*

**Recreation** – Decreased by \$1,379 (-0.25%)

- **Inter-Agency After School Program** – Decreased by \$12,901 (-100%), program eliminated
- **Crystal Lake Water Monitor** – Increased by \$15,000 (60.00%), increased contract service fees

**Library** – Increased by \$1,439 (0.22%), essential expenses and staffing

**Human Services Commission** – Increased by \$33,529 (4.35%)

- **Youth Activity Programs** – Increased by \$21,613 (10.67%), upgrade salary levels reflected of experience/education
- **Senior Center** – Increased by \$16,223 (6.78%), upgrading a position

**Town Properties** – Decreased by \$18,031 (-2.21), reflecting actual cost of maintaining and operating town facilities

**Debt Service** – Increased by \$6,010 (0.22%), reflecting actual cost of principal and interest payments for FY-2020/21

**Fixed Charges** – Decreased by \$139,244 (-3.90%), an increase in Social Security (\$26,223/5.64%) was offset by a reduction (-\$165,171/5.52%) in insurance costs.

**Miscellaneous** – Decreased by \$282,746 (-45.69%)

- **Contingency Fund** – Decreased by \$200,000 (-100.00%), eliminated the appropriation in this year to maintain zero increase in mill rate
- **Capital Reserve Fund** – Decreased by \$200,000 (-100.00%) eliminated appropriation in this year to maintain zero increase in mill rate. Charter requires a balance of the fund be not less than percent (5%) of general fund expenditures. Current balance of approximately \$6.0 million exceeds the \$3.2 million charter mandated funding level without an appropriation in FY-2020/21.
- **Charter Revision Committee** – Increased by \$4,250 (4,250%), due to anticipated additional activities related to proposed charter amendments
- **Building Demolitions/Evictions** – Increased by \$83,708 (827.24%), anticipated demolition of 72 Maple St.

- **Salary Adjustment** – Increased by \$83,708 (827.24%), projected three percent (3%) salary increase for eligible town employees
- **Town Communications** – Decreased by \$11,269 (-50.00%), publishing town newsletter on-line rather than in print format

**Capital Outlay – Decreased by \$592,392 (-27.70), reduction in town capital items and elimination of capital projects by the Board of Education**

**Board of Education – Increased by \$1,114,822 (2.28%)**

- The Board of Education produced a Maintenance of Effort budget request with increases driven by contractual defined increases, health care & benefits, and changes to fixed costs.
- To offset these, costs were reduced for utilities, transportation and staffing – including subtracting the cost of two full time positions and maintaining current service levels.

## Revenues

**Grand List** – The Grand List for FY-2020/21 increased by 1.19% or \$16,790,238 which will result in additional revenue of \$547,362 at the present 32.6 mill rate.

**Non-Property Tax Revenues** – Projected to remain consistent with prior year levels

## Mill Rate Impact

**Mill Rate to Support Initial Departmental Budget Request:** 35.2 – and increase of 2.6 (7.98%)

**Mill Rate to Support Adjusted Departmental Request/Current Proposed Budget:** 33.5 – An increase of 0.9 (2.76%)

- Maintain appropriation to Contingency and Capital Reserve Funds
- Eliminate transfer from Capital Reserve Fund
- Minimize use of Fund Balance

**Impacts/Actions Required to Support a Zero Mill Rate Increase:** 32.6

- **Contingency Fund** – Reducing the appropriation from \$200,000 to \$0
- **Capital Reserve Fund** – Reduce the appropriation from \$200,000 to \$0 and eliminate the contribution for FY-2020/21.
- **Transfer from Capital Reserve Fund** – A transfer of \$1,375,569 to support Capital Projects which will reduce the current balance of approximately \$6.0 million to \$4.6 million, still some \$1.4 million above the charter required minimum of \$3.2 million.
- **Fund Balance** – Requires an appropriation of \$506,056, which would result in lowering the project End-of-Year balance for FY-2020/21 to approximately 333,700. This is \$66,700 below an established E-O-Y minimum of \$400,000.