



STATE OF CONNECTICUT – COUNTY OF TOLLAND
INCORPORATED 1786

TOWN OF ELLINGTON

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DOUGLAS B. HARDING
Chairman

MICHAEL J. PURCARO
Vice Chairman

BOARD OF FINANCE

KEITH R. DURAO
DAVID J. OLENDER
BARRY C. PINTO
JOSEPH E. WEHR

BUDGET MEETING MARCH 9, 2021 MINUTES

- Members Present:** Douglas Harding-Chairman, David Olender, Barry Pinto, Michael Purcaro, Joseph Wehr
- Present via Zoom:** Keith Durao
- Others Present** Lori Spielman-First Selectman, Tiffany Pignataro-Finance Officer, Sue Phillips-Library Director, Timothy Webb-DPW Director, Elizabeth Feldman and Robert Smith-EVFD, James York-Fire Marshal, James Prichard-Selectman, Thomas Palshaw, Peggy Busse
- Via Zoom:** Selectmen David Stavens, Melinda Ferry, and Sarah Cook, Dustin Huguenin-Recreation Director, Mary Bartley-Asst. Recreation Director, Joy Hollister-Human Services Director, Felicia LaPlante-Asst. Finance Officer, Mary Blanchette-Library Board Chair, Mary Cone- Library Board, Jack Rich III-Chief EVFD, Peter Hany-EVAC, Lisa Houlihan-Town Planner, Tom Boscarino-P&R Commission, several other residents.

1. Call to Order

Chairman Douglas Harding called the meeting to order at 7:00 PM.

2. Pledge of Allegiance

3. Board of Selectmen 2021-2022 Budget Presentation with Boards & Commissions

Ms. Pignataro presented a proposed 2021-2022 budget net of WPCA expenditures with a decrease of 1.0 mill or 31.6 mills. (Presentation attached). The proposed budget includes Projected Revenue of \$60,737,516 and Expenditures of \$63,556,497 including the total cost of solid waste. To balance this budget will require \$2,828,891 of unrestricted fund balance. This leaves a projected unrestricted fund balance of approximately \$1.6 million. She pointed out that this fund balance is higher than the previous years' policy. Changes in this budget include the removal of WPCA from the budget, full budgeting of Police Private Duty Activity, Senior Center Program Activity and Library and Friends of the Library Activity. The net bottom line on all these is zero.

She outlined three possible scenarios for solid waste. Strategy #1 is to include it in total in the general operating budget. This is the only option that allows the Town to place a lien on the property if the bill is not paid. Strategy #2 is to keep it as is and #3 is to assess taxpayers for all trash and disposal costs in the full amount which would be roughly \$300 per resident and undoubtedly will go up yearly. She is recommending Strategy #1 because of the ability to collect outstanding fees through a lien to the property. Strategy #1 is included in the budget as presented tonight.

She then went through some of the increases in this budget. The Center Fire has an increase mostly due to heavy metals testing. The Police budget decreased, and a new position for a Public Safety Coordinator through the Emergency Management Dept results in an increase of \$44,740 with a one-time contribution of \$25,000 from the EVAC fund.

Questions

Mr. Purcaro asked about the DWI Grant, and Ms. Pignataro stated that Ellington is not receiving the grant this year. He asked the Fire Marshal about the revenues in his budget; Mr. York stated that it is from permit fees. Mr. Purcaro stated that the fire hydrants warrant a good look at in regard to the billing and standards. Mr. York stated that he is meeting with CT Water tomorrow and will be reporting to the Board of Selectmen.

Mr. Harding asked if the contract for the State Troopers was increasing, and Ms. Pignataro stated that the Town has not been given that information as yet.

Mr. Purcaro asked about the street sign account and street lighting. Mr. Webb stated that in the past many streets had not been certified as far as speed limits and over the past couple of years we have caught up on that. The streetlights were all changed to LED. This is the reason for the decrease in these budgets.

Mr. Harding stated that the tipping fee increased since this budget was completed and the increase will have to be added back during deliberations. The amount will be \$58,000. Mr. Webb stated that MIRA increased the tipping fee to \$105/ton. He also stated that there are two more years in the contract with All American Waste. Mr. Harding confirmed that if the solid waste is put into the taxes, only 1 garbage barrel will be allowed for each resident. Ms. Pignataro stated that if Strategy #1 is not the decision the board chooses, it will be removed during deliberations.

Ms. Pignataro stated that there would be savings in administrative costs by rolling the trash fee into the budget. The 810 account would see a savings of \$3,439 in postage and billing costs. Mr. Purcaro asked what the amount of uncollected trash fees was, and Ms. Pignataro stated a figure of \$36,604. The Town cannot place a lien for past due refuse fees; only fees from the time the fees are put into the tax base.

Mr. Durao confirmed that under Strategy #3, the Town cannot put a lien on a property for uncollected fees. This is correct.

Mr. Purcaro asked the Recreation Director how his budget was developed. Mr. Huguenin stated that the minimum wage increase has impacted his budget and that they have budgeted their revenues conservatively. Fees were increased for the majority of the programs by 10% being affected by labor costs.

Mr. Purcaro asked about the library periodicals budget increase. Ms. Phillips stated that a 5 year average was used as recommended by the Finance Officer and that there is an increase in need for digital materials. In the past, funds from other accounts made up the costs of this line item, now the budgeting will be shown at cost. The digital books were also made available to the schools last year when they were closed. The costs of the materials have gone up. She budgets a per capita average. Ms. Busse stated that the Friends of the Library funds are being shown in the budget which makes it more transparent and accurate. Ms. Busse stated that programs and things that the Friends fund are very costly and that the public is not aware of this.

Mr. Harding asked Ms. Spielman if the new Senior Center Director had been hired and she told him that a new director had accepted the offer. Mr. Purcaro asked Ms. Hollister about the nursing budget being zero. She stated that this is for blood pressure clinics and the like and that they did not request funds from Ellington this year. He asked about the Cornerstone budget being doubled. Ms. Hollister stated that there were more Ellington residents using their services in 2020; 62 residents used the food pantry 805 times. He asked if each group requests in person to Human Services, she stated that the Human Services Commission has contacted some of them, but the decision to fund is done mostly through a thorough application process. The Senior Center increase is due to accounting for all program expenses using a 5 yr. average with a net of zero from revenues. North Central Health Department costs are based on population.

Under Debt Service, Ms. Pignataro stated that there will need to be an adjustment made at deliberations for the fire truck lease finance. There will be a payment due in 2022. As far as the refinancing of the bonds, the savings to the Town over the life of the loans will be \$500,000.

Mr. Purcaro asked about the Town's bond rating of AA3 and asked what it would take to bring it to AA2? Ms. Pignataro stated that future development is holding the Town back not through a financial perspective.

Mr. Wehr asked about the under budget projection on Account 930. Ms. Pignataro stated that there were hiring gaps over the last year. Mr. Purcaro asked if she had looked into the FICA Alternative for part time employees and she stated that she would take a look at it.

Insurance—LAP increase is 0%, Workers Comp is 3% and Health Insurance is 15%. Felicia LaPlante stated that the rate is not based on loss ratio but on demographics. The 15% is an estimate with the actual to be determined in the fall. Ms. LaPlante will get Mr. Purcaro more info on the past increases. Mr. Olender asked with the WC Mod Factor was, and Ms. Pignataro did not have it but would get him that number.

Mr. Wehr asked about the salary adjustment percentage of 4%. Ms. Pignataro stated that this is the highest range for non-union employees. Felicia LaPlante stated that in the past, 4% was a good estimate for budget purposes. Mr. Purcaro asked if any funds from this account were returned to the general fund. Ms. Pignataro stated that the increases are transferred to the departmental accounts so she would have to dig for that information. Mr. Wehr asked for past wage increase data for these employees. She will get him that information.

OPEB Liability is \$6,555,095 per audit dated June 30, 2020. Ms. Pignataro stated that these funds are not in a formal trust, and therefore the funds are not earmarked specifically. They can be used for other things. She will be working on setting up a fund in the future.

Mr. Purcaro asked about tax collections rates, and Ms. Pignataro will get this information for him from the Tax Collector. Mr. Purcaro asked about the Center Fire Dept tires. Chief Rich stated that this is for 2 trucks, 10 tires each. The tires are replaced every 7 years per NFPA 1911 and these two trucks happened to come up in the same year.

Ms. Busse, 37 Abbott Rd asked how many adds to staff are in this budget and why the emergency management position is important. She also stated that since the funds for the recycling monitor are in the current budget and if it is not funded, then the DPW budget is over budget by a half person. She also stated that if undesignated funds are used for a potential Town Administrator, who has the final approval to use that money for that purpose and controls how it is spent.

4. Additional appropriation from Capital Reserve-Police Accountability Bill

Mr. Harding stated that this is a mandate from the State. The amount is \$110,000 which includes recording equipment and data storage. Future maintenance costs will be unknown at this time. The Town will receive 50% reimbursement from the State.

MOVED (PURCARO) SECONDED (PINTO) AND PASSED UNANIMOUSLY TO APPROPRIATE \$110,000 FROM THE CAPITAL RESERVE FUND FOR THE PURCHASE OF BODY-WORN RECORDING EQUIPMENT (\$92,041.70) AND DIGITAL DATA STORAGE DEVICES/SERVICES (APPROXIMATELY \$10,500) TO ENSURE COMPLIANCE WITH THE REQUIREMENTS OF THE STATE OF CONNECTICUT SPECIAL SESSION PUBLIC ACT NO. 20-1, AN ACT CONCERNING POLICE ACCOUNTABILITY, PENDING TOWN MEETING APPROVAL. THE TOWN WILL PURSUE 50% GRANT FUNDING THROUGH THE STATE OF CONNECTICUT OFFICE OF POLICE AND MANAGEMENT WHICH IS REQUIRING THIS PURCHASE BE COMPLETED BY JUNE 30, 2021.

Adjournment

MOVED (WEHR) SECONDED (OLENDER) AND PASSED UNANIMOUSLY TO ADJOURN THE MEETING AT 9:30 PM.

Respectfully submitted:


Lori Smith, Recording Secretary



Town of Ellington

BOF Budget Presentation

FISCAL YEAR 2021-2022

MARCH 9, 2021

TIFFANY PIGNATARO, CPA, MBA, FINANCE OFFICER/TREASURER



FY2021-22 Budget Highlights

- **Proposed Decrease of 1.0 to Mill Rate FY2021-22**
 - Proposed Mill Rate – FY2021-22 – 31.6 Mills
 - Mill Rate – FY2020-21 – 32.6 Mills
- **Revenue - \$60,737,516**
 - Property Taxes - \$47,460,737
 - Other Revenue - \$13,276,779
- **Expenditures - \$63,556,497**
 - Proposal includes solid waste program within general government budget
 - Such proposal eliminates \$125 annual trash billing to Ellington residents
- **Fund Balance**
 - Projected June 30, 2021 - \$4,418,790
 - To balance FY2021-22 budget - \$(2,818,891)
 - Projected June 30, 2022 - \$1,599,809
 - Change in proposed strategy with regards to retained unrestricted fund balance

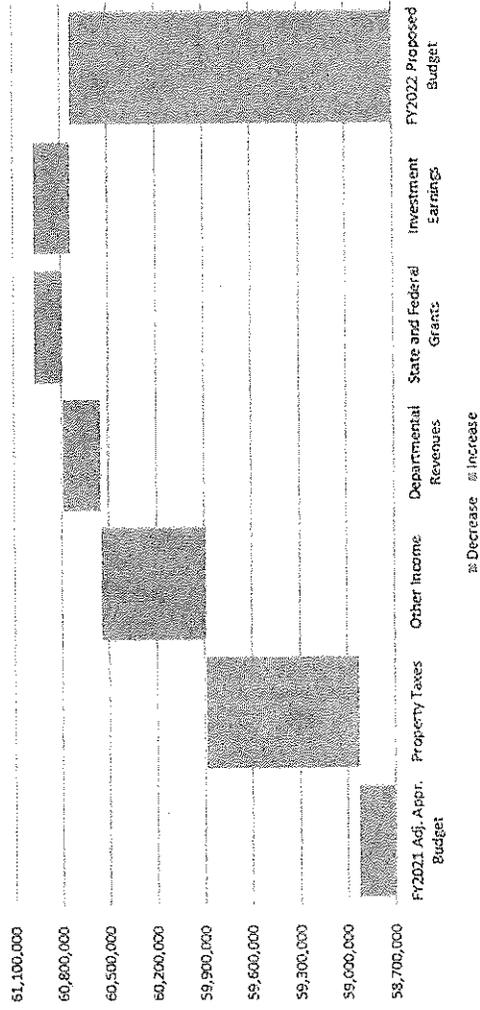
Changes In Presentation

- **Full Budgeting of Police Private Duty Activity**
 - Proposing a budget inclusive of all anticipated revenues and expenditures for FY2021-2022
 - Increase revenue and expenditures – net bottom line impact - \$-0-
- **Removal of WPCA from Budget for FY2021-2022**
 - Change in accounting system for FY2021-2022 will allow us to record all activity within the funds directly
 - Decrease of revenue and expenditures – net bottom line impact - \$-0-
- **Full Budgeting of Hall Memorial Library and Friends of Library Activity**
 - Proposing a budget inclusive of all anticipated revenues and expenditures for FY2021-2022
 - Relocating anticipated revenue contribution from HML to the Town from net expenditure to revenue line presentation
 - Increase of revenue and expenditures – net bottom line impact - \$-0-
- **Full Budgeting of Senior Center Program Activity**
 - Proposing a budget inclusive of all anticipated revenues and expenditures for FY2021-2022
 - Increase of revenue and expenditures – net bottom line impact - \$-0-

Total Revenue

	FY2021 Adj. Approved Budget*	FY2022 Proposed Budget*	\$ Change	% Change
Grand Total	\$ 58,928,874	\$ 60,737,516	\$ 1,808,642	3.07%

Revenue - FY21 v. Proposed FY22 Budget



* Figures shown net of WPCA activity for FY2021 and FY2022

Total Revenue

- **Property Taxes - \$959,589 net increase**
 - Full revaluation done for 2020 Grand List resulting in increase of \$75,446,161 (5.27%) in assessment value
- **Other Income - \$658,787 net increase**
 - Includes \$615,000 Capital Reserve Fund appropriation for purchase of real estate
 - One-time increase of Ambulance Fee Program of \$25,000 for Public Safety Coordinator proposed position
- **Departmental Revenues - \$240,330 net increase**
 - Private duty - \$227,000 increase to “gross up” presentation
 - Hall Memorial Library - \$39,900 increase to “gross up” presentation
- **State and Federal Grants - \$179,936 net increase**
 - STEAP Veteran’s Memorial Park capital item - \$116,765
 - Federal ESSER II - \$113,934 per Governor’s proposed FY22 state budget
 - DWI Grant not awarded for FY22 - \$(35,000) decrease
- **Investment Earnings - \$(230,000) net decrease**
 - STIF interest rates dropped from 1.6% in March 2020 (pre-COVID) to 0.16% at the end of January 2021

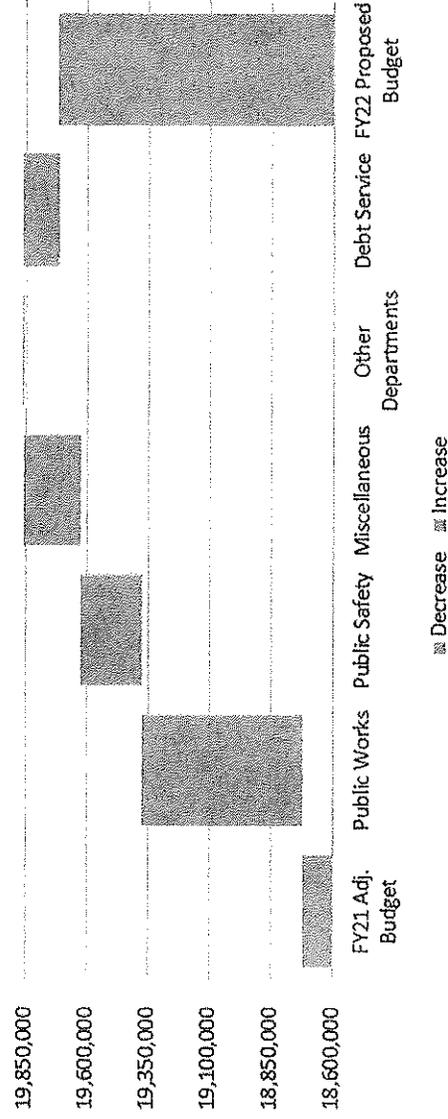
Changes In Solid Waste Strategy

- **Strategy 1 – Solid Waste Service Exclusively in Mill Rate**
 - Add enterprise fund trash activity to general government budget – removal of separate \$125 annual billing and enterprise fund accounting
 - Trash would be funded exclusively through the mill rate
 - Able to lien property in order to enforce collections
- **Strategy 2 – Solid Waste in Mill Rate and Fee for Service (Current Strategy)**
 - No change to general government budget related to trash – would continue with \$125 annual billing and enterprise fund accounting
 - Trash program would continue to be partially subsidized by general government budget/mill rate, thus creating a loss from fee for service revenue on enterprise fund accounting. This results in a lack of transparency to the taxpayer regarding true cost of solid waste services and is a derailment from GASB generally accepted practices.
- **Strategy 3 – Solid Waste Service Exclusively Fee for Service**
 - Remove the current partially subsidized trash expenses from general government budget, move all activity to enterprise fund accounting
 - Increase of trash services from current \$125 annual billing to \$300 annual billing for residents to break even on the program
 - Cannot lien property in order to enforce collections

Total Expenditures – Strategy 1

	FY2021 Adj. Approved Budget*	FY2022 Proposed Budget*	\$ Change	% Change
General Gov't	\$ 18,717,613	\$ 19,715,376	\$ 997,763	5.33%

Strategy 1 - FY21 v. FY22 Proposed Budget



* Figures shown net of WPCA activity for FY2021 and FY2022

Key Drivers – Strategy 1

- **Public Works** - \$ 657,315 net increase
 - Enterprise trash activity resulting in \$627,300 increase
 - Remaining DPW departments account for net overall increase of \$30,015, or 0.72%
- **Public Safety** - \$ 247,895 net increase
 - Police Special Duty increased by \$207,000; will be offset by revenue resulting in net bottom line impact of \$-0-
 - Remaining Public Safety departments account for net overall increase of \$40,895, or 1.29%
- **Miscellaneous** - \$ 234,909 net increase
 - Capital Reserve Funding increased \$200,000; removed from FY21 budget as strategy to keep mill rate flat
 - Salary adjustment account increased \$62,112; exempt raises capped at 2.75% in FY21 budget
 - Remaining Miscellaneous departments account for net overall decrease of \$(27,203), or (6.15)%
- **Other Departments** - \$ 5,378 net increase
 - Hall Memorial Library – \$ 56,360 increase, offset by \$39,900 budgeted FOL and HML revenue, \$9,910 increase in salaries 2.75%, \$6,000 increase in books, periodicals and AV materials
 - Town Properties - \$ 40,840 increase – Town Hall \$15,005 cell phone reclass \$12k, HML \$16,404 right-size of budget, and EVAC \$11,250 for R&M and cleaning
 - Fixed Charges - \$ (71,709) decrease due to change in insurance coverage tier selection mix year over year
- **Debt Service** - \$ (147,734) net decrease
 - Reduction in FY22 budgeted principal and interest payments of \$68,311 and \$79,423, respectively

Fund Balance Impact – Strategy 1

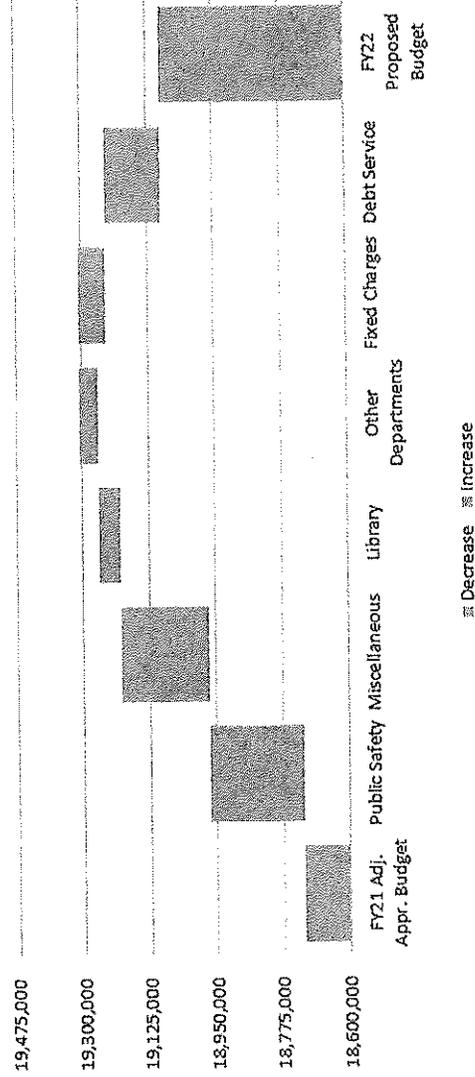
- **Revenue** - \$60,737,516
 - Remains unchanged
- **Expenditures** - \$63,556,497
 - As presented in budget document
- **Fund Balance**
 - Projected June 30, 2021 - \$4,418,790
 - To balance FY2021-22 budget - \$(2,818,891)
 - Projected June 30, 2022 - \$1,599,809

* One Mill = \$1,493,061

Total Expenditures – Strategy 2

	FY2021 Adj. Approved Budget*	FY2022 Proposed Budget*	\$ Change	% Change
General Gov't	\$ 18,717,613	\$ 19,088,076	\$ 370,463	1.98%

Strategy 2 - FY21 v. Proposed FY22 Budget



* Figures shown net of WPCA activity for FY2021 and FY2022

Key Drivers – Strategy 2

- **Public Safety** - \$ 247,895 net increase
 - No change from Strategy 1
- **Miscellaneous** - \$ 234,909 net increase
 - No change from Strategy 1
- **Library** - \$ 56,360 net increase
 - Revenue from FOL and HML will offset \$39,900 of increased expenditures; \$9,910 increase in salaries 2.75%, \$6,000 increase in books, periodicals and AV materials
- **Other Departments** - \$ 50,742 net increase
 - Town Properties \$40,840 increase – Town Hall \$15,005 cell phone reclass \$12k, HML \$16,404 right-size of budget, and EVAC \$11,250 for R&M and cleaning
 - Remaining Other Departments account for overall net increase of \$9,902, or 0.10%
- **Fixed Charges** - \$ (71,709) net decrease
 - Change in insurance coverage tier selection mix year over year
- **Debt Service** - \$ (147,734) net decrease
 - No change from Strategy 1

Fund Balance Impact – Strategy 2

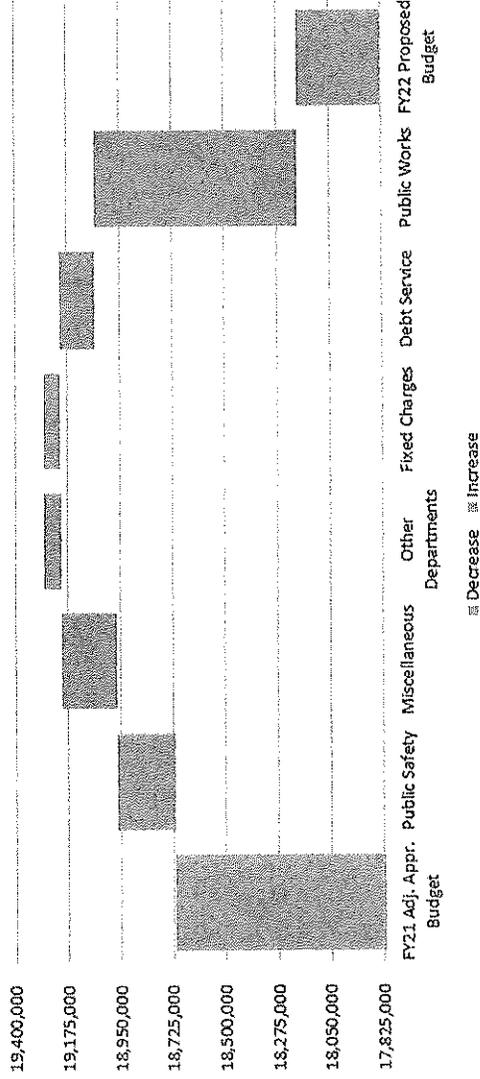
- **Revenue** - \$60,737,516
 - Remains unchanged
- **Expenditures** - \$62,929,197
 - Decrease of \$(627,300) from proposed budget document
- **Fund Balance**
 - Projected June 30, 2021 - \$4,418,790
 - To balance FY2021-22 budget - \$(2,191,681)
 - Projected June 30, 2022 - \$2,227,109

* One Mill = \$1,493,061

Total Expenditures – Strategy 3

	FY2021 Adj. Approved Budget*	FY2022 Proposed Budget*	\$ Change	% Change
General Gov't	\$ 18,717,613	\$ 18,184,932	\$ (532,681)	(2.85)%

Strategy 3 - FY21 v. Proposed FY22 Budget



* Figures shown net of WPCA activity for FY2021 and FY2022

Key Drivers – Strategy 3

- **Public Safety** - \$ 247,895 net increase
 - No change from Strategy 1 and 2
- **Miscellaneous** - \$ 234,909 net increase
 - No change from Strategy 1 and 2
- **Other Departments** - \$ 77,087 net increase
 - Hall Memorial Library – No change from Strategy 2
 - Town Properties – No change from Strategy 2
 - General Government - \$(18,092) decrease – Board of Selectman \$(6,337) contracted services, Town Counsel \$(10,000) based on 5 year trend
- **Fixed Charges** - \$ (71,709) net decrease
 - No change from Strategy 1 and 2
- **Debt Service** - \$ (147,734) net decrease
 - No change from Strategy 1 and 2
- **Public Works** - \$ (873,129) net decrease
 - Transferring sanitary landfill and recycling to enterprise fund fee-for-service - \$(903,144), remaining net increase year over year of \$30,015, or 0.93%

Fund Balance Impact – Strategy 3

- **Revenue** - \$60,737,516
 - Remains unchanged
- **Expenditures** - \$62,026,053
 - Decrease of \$(1,530,444) from proposed budget document
- **Fund Balance**
 - Projected June 30, 2021 - \$4,418,790
 - To balance FY2021-22 budget - \$(1,288,537)
 - Projected June 30, 2022 - \$3,130,253

* One Mill = \$1,493,061

Other Departmental Items

- **Public Safety**
 - **Center Fire Department** - \$ 10,350 increase
 - Contracted services increased for heavy metals testing \$12k
 - Uniforms decreased year over year \$(6k)
 - Tires increased year over year \$5k
 - **Police** - \$ (40,334) decrease
 - State Trooper OT decreased year over year \$(24k)
 - Marine constable decreased year over year \$(13k)
 - Uniform and clothing decreased year over year \$(4k)
 - **Emergency Management** - \$ 44,730 increase
 - New part-time position added for Public Safety Coordinator \$47k
 - Will be offset by one-time revenue contribution from Ambulance Fee Program of \$25k