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*Paul A. O'Sullivan*  
TOWN CLERK

### **Board of Finance Regular Meeting**

Zoom Meeting  
Monday, March 15, 2021 7:00 p.m.

*(Unapproved)*

#### **Attendance**

**Board Members Present:** Chairman Kevin Houlihan, Vice Chairman James Leahy, Kevin Moffett, Patricia Romano, P. J. Shanley, and Joseph Nuzzo

**Staff:** John Cifarelli, Finance Director; Deborah Satonick, Recording Secretary

#### **1. Call to Order & Introductions**

- Chairman Houlihan called the meeting to order at 7:03 p.m. and made the introductions of everyone in attendance. He reviewed Governor Lamont's Executive Order 7B regarding the COVID-19 pandemic. The meeting will be remote and will be broadcast live on OGAT and Frontier and streamed on YouTube.

#### **2. Public Dialogue**

- There was no public dialogue at this time.

#### **3. Amity Update – Mr. Nuzzo**

- Mr. Nuzzo reported that the Amity Board of Education unanimously approved the 2021-2022 proposed budget, which reflects a 1.8% increase. Mr. Leahy pointed out that their current surplus is \$788,314, to include the \$500k that was moved to their Transfer Account. It was also pointed out that historically the Amity surplus increases substantially in the last months of the fiscal year. Their Medical/Dental Account is \$742,606 favorable and their Nonrecurring Capital Account continues to be funded at 1%.

#### **4. Vice Chairman's Report – Mr. Leahy**

- Mr. Leahy confirmed that he sent out two files to the Board members and had no additional comments at this time.

## 5. Budget Discussion - Mr. Cifarelli

- Mr. Cifarelli distributed a handout of all possible budget cuts, totaling \$607,175. Both he and Ms. Geer reviewed the 2021-2022 budget by individual line items to locate these possible cuts. \$220k for the property revaluation and \$104k for the Police cars was moved into Capital items. He reviewed each proposed budget cut with the Board of Finance members.

[See attached addendum to the minutes for a complete list of all proposed possible budget cuts.]

(Mr. Shanley arrived at 7:14 p.m.)

- Mr. Cifarelli reported that the Orange Board of Education has a 4.38% increase, the Town's increase is a 6.77% increase, and the Amity budget is \$25,236,006. These numbers are tentative and will be adjusted as the budget process continues.
- Mr. Cifarelli stated that the Debt Service on the Racebrook property is a 2% bond estimate. Mr. Shanley inquired as to the large increase in Employee Benefits. Mr. Cifarelli explained that this increase is due to the Police and Town Pension Plans. The rate of return has been lowered and the town contributions have increased accordingly. Currently, the Town Health Insurance is \$150k, the Town Pension Plan is \$88,074, the Police Pension Plan is \$286,641, Worker's Compensation is \$50k, and the 401k match is \$66,200. Mr. Cifarelli reported that our Health Fund Balance is at 19%.
- Mr. Cifarelli indicated that Dr. Scarpetti might have \$300k in their budget that could be moved to Capital items. Chairman Houlihan expressed deep concern regarding expected revenue shortfall. He listed the line items of concern from the Munis Report. Mr. Cifarelli expressed similar concerns.
- Mr. Cifarelli discussed the Fund Balance. The current Fund Balance is \$14,746,041. The Board approved \$300k to be taken out of the Fund Balance this year for revenue and another \$250k is considered for a transfer to the storm account. Mr. Houlihan indicated that the state will reimburse up to 75% for storm expense and any money remaining can be added back to the Fund Balance. The adjusted Fund Balance is \$14,196,041. It was also noted that the Amity surplus for this fiscal year is estimated to be \$710k.
- Mr. Cifarelli reviewed some of the items in the Capital Account. The schools have about \$300k in Capital items. He noted that Mr. Foyer requested \$600k for road paving and \$200k will be approved by the Board of Selectmen to repair pipes and the tunnels at High Plains. A large grant from United Illuminating will contribute to this project.
- Mr. Cifarelli reported that Southern New England Gas Company is moving out and the property will be put up for sale. Their vehicles are moving to West Haven to the former Sears warehouse on Frontage Road. There will be a loss in tax revenue but the exact amount is unclear at this time. The Board members reviewed the ten highest tax payers in the Town of Orange.
- Mr. Cifarelli will provide the Revenue file, the Capital items for the Orange Board of Education, the mill rate calculation, updated budget sheets, and an update from Mr. Williams on the Interest accounts for the next Board of Finance meeting.

- Mr. Cifarelli stated that the Town will go out for bonding for Racebrook in April after the audit has been completed. There will be two payments for debt service every six months. Mr. Shanley inquired when we will begin getting revenue from Racebrook and Mr. Cifarelli indicated not until the 2022-2023 budget.

#### **6. Set New Budget Meeting Date**

- Mr. Leahy shared the Budget calendar for future meetings. It was agreed that the next Board of Finance Budget meeting is Wednesday, March 24<sup>th</sup>, at 6:00 p.m. The meeting will be held at the Orange Board of Education Meeting Room. Mr. Leahy will contact Dr. Scarpetti for technical support prior to the meeting. A second tentative meeting, if needed, will be on Tuesday, March 30<sup>th</sup>.

#### **7. Discussion and Approval of Minutes – March 8, 2021 Special Meeting**

- The Board members reviewed the March 8, 2021 minutes and made revisions as deemed necessary.

*Ms. Romano made a motion to approve the amended March 8, 2021 Board of Finance minutes, seconded by Mr. Moffett. All were in favor and the motion PASSED.*

#### **9. Review Revenue and Expense Report for 02-28-2021**

- The Board members briefly reviewed the Revenue and Expense Report. Mr. Moffett inquired about the installment payments for taxes. Mr. Cifarelli indicated that he will check on this and report back.
- Mr. Leahy inquired about the road paving and the difference between reclaiming a road and overlay. Mr. Cifarelli explained the difference between the two. The roads for repair were listed by Mr. Foyer along with the \$600k request for paving. Chairman Houlihan did not want to take any action at this time although he stated it is important to keep up on the infrastructure.

#### **OLD BUSINESS**

#### **10. Review Cost of Tropical Storm Isaias**

- Mr. Cifarelli emailed a handout regarding the cost of tropical storm Isaias and reviewed the charges. Chairman Houlihan inquired about an estimate of reimbursement. Mr. Shanley stated that the town will pay \$154,783,92 and Mr. Cifarelli indicated that the reimbursement for some of these costs can take up to two years.

#### **11. Adjournment**

*Mr. Shanley made a motion to adjourn the meeting at 9:55 p.m. Ms. Romano seconded the motion All were in favor and the motion PASSED.*

Respectfully Submitted,

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Deborah Satonick, Recording Secretary