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Patrick B. O'Sullivan
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Board of Finance Regular Meeting

Zoom Meeting

Monday, April 20, 2020 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

- Chairman Houlihan called the meeting to order at 7:09 p.m. and asked the Board members to introduce themselves. He began by reviewing Governor Lamont's Executive Order 7B, advising that the Board of Finance meeting is being held remotely with no in-person attendance. The meeting is also being broadcast live on OGAT. Public participation is available by emailing the Finance Director at [jcficarelli@orange-ct.gov](mailto:jcifarelli@orange-ct.gov) with questions and/or comments. Participants were asked to include their name, address, and telephone number in the email.

Pat Romano made a motion to add "Discussion and Possible Vote for Request for Sewer Fund Budget Transfer" as item 3a. on the Agenda. Kevin Moffett seconded the motion and all were in favor. The motion PASSED.

- Chairman Houlihan advised that per Town Counsel, the Board of Selectmen will vote to give the Board of Finance the authority to finalize the 2020-2021 budget and set the new Mill Rate. There will be no referendum or Public Meetings.
- There was a brief discussion among the Board members regarding the COVID-19 pandemic and its effect on both health issues, small businesses, unemployment, and the economy as a whole. Within this discussion, it was noted that the number of Orange residents affected with the virus is on the decline. Mention was also made about the new testing facility at Long Wharf. The Board members wished all viewers safety during this difficult time.

- Mr. Cifarelli addressed an email from Christy Somerville, 316 Fairlea Road, Orange. He answered her by reporting that a copy of the 2020-2021 budgets would be made available on the Town website and the Amity website. In addition, a few hard copies would also be printed. He noted that he will forward all emails that come in during the meeting to each of the Board of Finance members.

2. Amity Update

- Mr. Nuzzo gave updates regarding the 2020-2021 proposed Amity budget, which included the addition of two new positions. He also reported that there is a current surplus of \$859k. Amity would like to use \$300k from this surplus to fund a large scale technology expansion at Amity High School. The problematic technology issues appear to be slow connections and outdated equipment that will no longer be supported in the future. This IT infrastructure upgrade would be an unbudgeted item request. Other unbudgeted expenses for Amity include the following:

\$146K - Unemployment Compensation

\$100K - Other Purchases Services

\$108K - Text and Digital Resources

- The Board members did not feel that it was appropriate for Amity to assign surplus money for unbudgeted items in the middle of a budget season. Ms. Romano was concerned that the six bids for the IT work came in higher due to the virus pandemic. Mr. Shanley also suggested that all nonessential projects should be put on a temporary hold in the mist of this pandemic crisis. Lastly, the Board members did not feel favorably on the addition of the two new positions at Amity, as they were hopeful that their proposed budget would be adjusted downward.
- Mr. Nuzzo mentioned that Amity is renewing several outside contracts with a number of different companies, including All American Waste and Denny Snow & Ice Removal, to mention a few.
- Mr. Shanley would like a follow up conversation with Amity to convey the dire situation that we are in. Chairman Houlihan was vexed as to how Amity could add new positions during the middle of a pandemic, particularly when future online learning might be a serious consideration. Mr. Leahy concluded by reviewing the budget to budget process versus the actuals to budget regarding the Amity budget preparation.

3. Discussion and Approval of Minutes – March 5, 2020

- The Board members reviewed the March fifth, 2020 Board of Finance minutes and made revisions as necessary.

Ms. Romano made a motion to approve the amended March fifth, 2020 Board of Finance minutes, seconded by Mr. Moffett. All were in favor and the motion PASSED.

3.a. Discussion and Possible Vote for Request for Sewer Fund Budget Transfer

- Mr. Cifarelli explained that the Town of Orange transitioned from Town employees to a contractor to provide sanitary sewer operations and maintenance back in 2018. Per the recommendation of the Treasurer and WPCA Board members, all expenses that were initially charged to a single line item will now be allocated between three line items in order to better adjust the budgeted line items to their matched projected expenditures. The transfers will be as follows:

1-074-320-93-920-00 Prof. Services to 1-074-443-93-020-00 Sewer Maintenance	\$10k
1-074-320-93-920-00 Prof. Services to 1-074-530-93-920-01 CBYD	\$30k
1-074-320-93-920-00 Prof. Services to 1-074-741-93-920-00 Machinery & Equip	\$10k

Mr. Shanley made a motion to approve the three transfers as presented by the Finance Director, seconded by Mr. Moffett. All were in favor and the motion PASSED.

4. Budget Workshop – Discussion of 2020-2021 Budget & Possible Vote to Approve

- Mr. Cifarelli estimated that the projected revenue for this year will be \$74,217,845. The Grand List has a 1.64% increase, which equates to approximately 1.2 million dollars. Mr. Cifarelli has also added \$300k revenue from the Amity surplus into next year’s budget.
- Revenue is down due to the virus and unemployment has clearly increased. In light of this dilemma, the Town has two alternatives regarding tax collection in July. Tax collection can be delayed for ninety days, or the Town can use a 3% penalty for late tax payment instead of the customary 18% interest penalty. The Town will need to make a decision by April twenty-fifth as to how they will proceed. Lastly, Chairman Houlihan questioned if the Town of Orange would be getting their ECS money from the State in the future.
- Mr. Cifarelli noted that he has located an additional \$135,260 in cuts that will be made in upcoming budget. He outlined those additional reductions and asked for the approval of the Board members.

Mr. Leahy made a motion to approve \$135,260 in cuts as proposed by the Finance Director. Ms. Romano seconded the motion and all were in favor. The motion PASSED.

- There was a brief discussion on the effect of the proposed 2020-2021 budget for the Town of Woodridge, as their mill rate is considerably higher than the Town of Orange.
- Mr. Leahy reviewed the effect of compound annual tax increases over a ten year time period. He also noted that while student class sizes have varied throughout the years, students have always achieved and been successful. The Town of Orange has a better than average class size when compared to towns in the same DRG. Chairman Houlihan noted that Woodbridge has larger student class size compared to Orange. By increasing class size to an average of 18.6 student/teacher ratio, this would be a clear ‘road map’ to saving taxpayer money.

- The Board members calculated a reduction of \$400k in the proposed budget by increasing class size to 18.6 student/teacher ratio. Upon further consideration, the Board made a motion to forward their recommendation to the Orange Board of Education.

Mr. Leahy made a motion to approve \$21,414,585 for the Orange Board of Education 2020-2021 budget, seconded by Ms. Romano. All were in favor and the motion PASSED.

- Mr. Cifarelli received a second email from Christy Somerville regarding the dollar amount of the Fund Balance. Mr. Cifarelli advised that he does not know the exact amount but will contact Christy with that information. She also asked if the Fund Balance can be used as emergency money in light of COVID-19.

5. Adjournment

Mr. Shanley made a motion to adjourn the meeting at 10:15 p.m., seconded by Ms. Romano. All were in favor and the motion PASSED.

Respectfully Submitted,

Deborah Satonick
Recording Secretary