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## **Board of Finance Budget Hearing**

High Plains Community Center Cafeteria

Thursday, April 26, 2018 7:30 p.m.

*(Unapproved)*

**Board Members Present:** Chairman Kevin Houlihan, Vice Chairman James Leahy, Kevin Moffett, and Pat Romano

**Board Members Absent:** Joseph Nuzzo and P. J. Shanley

**Staff:** James Zeoli, First Selectman; John Cifarelli, Finance Director; Audrey Geer, Assistant Finance Director; Art Williams, Treasurer; Deborah Satonick, Recording Secretary

**Guests:** Dr. Vince Scarpetti, Superintendent of Orange Board of Education; Superintendent Charles "Chip" Dumais, Superintendent of the Amity Regional School District No. 5

### **1. Call to Order**

- Chairman Houlihan called the meeting to order at 7:30 p.m., and gave a brief overview of the Agenda for the evening.

### **2. Budget Highlights**

- Chairman Houlihan reviewed the budget development process, noting that the Orange Board of Finance unanimously approved the proposed 2018-2019 budget.
- Chairman Houlihan also reported that the Town of Orange continues to maintain AAA credit rating due to conservative fiscal policies, economic development, a solid Fund Balance, community involvement, open OGAT communication, fully funded pension expenditures, a 99+% collection of taxes, and a decrease in the Bond interest rates.
- Vice Chairman Leahy spoke on the drastic State Aid cuts amounting to \$1,486,975 in reductions. These financial cuts have dramatically affected the 2018-2019 proposed budget. In addition, the SEBAC agreement significantly impacts CT budget flexibility, forcing many municipalities to lay off teachers, cut services, and raise taxes.
- The expected inclusion of \$800k revenue from Amity's 2018 - 2018 budget surplus and the growth of the Town of Orange Grand List by 5.67% have offered some financial assistance in light of these dramatic State cuts. Vice Chairman Leahy presented a list of the top ten

taxpayers in the Town of Orange for fiscal year 2018-2019. This economic development lessens the burden of residential taxes and will be discussed in greater detail by First Selectman Zeoli later during the meeting presentation.

- The factors impacting the residents of Orange are Capital needs, wage increases, safety and security, debt service, State ECS cuts, and investment in technology.
- Mr. Leahy reviewed the revenue and expenditures for 2018-2019. Property taxes comprised 93.69% of the revenue, while education, at 63.76%, was the major expenditure. The overall 2018-2019 budget is made up of four major components as follows:

Town Budget	\$22,360,226
OBOE	\$20,379,132
Amity	\$24,181,870
Capital/Debt	\$2,963,940
Total Budget	\$69,885,168

- Two new positions of IT Director of Technology and Assistant Building Inspector have been added in the proposed budget. A major cost driver in the General Government account is IT department increases and technology upgrades.
- Capital investments totaling \$469k include the following:

Town-wide telephone system	\$325k
OBOE pick-up truck	\$35k
Additional computer wiring at elementary schools	\$60k
Hot water heater at Peck Place School	\$49k

- The proposed mill rate for the 2018-2019 budget is 32.38 mills. Mr. Leahy explained that with the recent property revaluation, the tax change to residents depends on their new property assessments. Some residents will have an increase in property taxes, while others will see a decrease.

### **3. Orange Board of Education Budget Presentation - Superintendent Scarpetti**

- Mr. Scarpetti began by citing the mission statement of the Orange Board of Education. The OBOE proposed 2018-2019 budget request is \$20,379,132, which represents an increase of 1.17%.
- Mr. Scarpetti thanked the many Board of Education members and Administrative Team for their attendance at the meeting. He continued by presenting an overview of the highlights of the current year and the goals for next year.
- Mr. Scarpetti discussed student enrollment and noted that the major budget driver increases are

contractual obligations and Special Education. The major decreases were found in curriculum, textbooks and school supplies, technology, and facilities.

#### **4. Amity Budget Presentation – Superintendent Dumais**

- Mr. Dumais reported that the Amity budget request for next year is a 1.21% increase. He then proceeded to give an overview of some of the achievements in academics, sports, and the arts at Amity.
- Mr. Dumais discussed how the previous end of year surpluses have been used in the past. Some were used for major nonbudgeted items, some were applied to the next year's budget, and in other instances the money was returned back to their respective towns. This year they would like to use a portion of the end of year surplus to increase their Medical Reserve to 25%.

#### **5. Budget Highlights, Final Thoughts, Voting Dates**

- Mr. Leahy noted that Amity's current surplus is \$2,330,049, after nine operating months. He added that this surplus typically increases significantly near the end of the fiscal year. He also noted that Orange does not support raising their Medical Reserve to 25%.
- Mr. Leahy also explained that the actual to budget increase for Amity is 6.33%, not 1.21%. This is attributed to the fact that Amity factors in their significant end-of-year surplus each year in their calculation for next year's budget.
- The Annual Town Meeting is Tuesday, May 15, 2018 at High Plains Community Center Gym, and the Town of Orange Budget Referendum is Wednesday, May 23, 2018, from 12:00 noon to 8:00 p.m., also at High Plains Community Center.

#### **6. Questions & Answers Session – Public Participation**

- Mr. Bill Musco, 121 Sunrise Hill Circle, Fieldstone Village – Mr. Musco thanked the Orange Board of Finance and the two school districts for their hard work in preparing the 2018-2019 budget. He inquired about the upgrades in technology that have resulted in an increase to the budget. Mr. Cifarelli explained that their accounting software system is no longer being supported and the Town will have to upgrade the system. Mr. Cifarelli also explained that the Parks and Recreation Department would upgrade their system to allow patrons to sign up and pay for programs online.
- Kevin Hadlock, 305 Goose Lane, Fieldstone Village – Mr. Hadlock wished Mr. Dumais good fortune on his upcoming new job. He criticized Mr. Leahy for using this meeting as a platform to discuss politics. He felt that if Mr. Leahy's sentiment represented the overall feelings of the entire Board of Finance, it was deplorable. He expressed his concern regarding commercial retailers such as shopping malls, as this type of commercial property has been closing. First Selectman Zeoli addressed his concerns as he spoke about the economic development in the Town of Orange.

- First Selectman Zeoli – Mr. Zeoli gave a detailed overview on the Orange Business Development Process as well as upcoming development sites, explaining the enhanced value of these properties. These sites include the Hilton Garden Suites, Urban Air, U-Haul Regional Hub, VA Outpatient, Commercial Ink Manufacturing, and others. Chairman Houlihan added that United Illuminating has received a tax benefit from the Town of Orange and this tax incentive plan is slowly being phased out over the next few years. Mr. Zeoli, however, noted that the land and equipment, such as the UI trucks, are fully taxed.
- First Selectman Zeoli discussed the decrease of State funding, and agreed with the Board of Finance that the SEBAC agreement is horrible. He noted that the Derby-Milford Road Bridge would not be replaced, as State funding for this project is no longer available. The train station as well will not be coming to Orange due to lack of State funding.

## **7. Adjournment**

- The Board of Finance Public Hearing concluded at 9:30 p.m.

Respectfully Submitted,

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Deborah Satonick,  
Recording Secretary