

2020 MAY 12 AM 10:15

Patrick B. O'Sullivan
TOWN CLERK



Board of Finance Special Meeting

Zoom Meeting

Thursday, May 7, 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 7:06 p.m. introduced the Finance Director, the Board members, and the recording secretary. 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 jcifarelli@orange-ct.gov with questions and/or comments. Participants were asked to include their name, address, and telephone number in the email.
- Chairman Houlihan thanked everyone for their availability during these challenging times and noted that difficult budget reductions have been made in the 2020-2021 proposed budget.

2. Discussion and Approval of Transfer within Public Works

- Mr. Cifarelli explained that he received a memo from Mr. Brinton, Director of Public Works, noting that due to the mild winter there were balances in several snow and ice accounts. Approval is requested to transfer some of the balance in these accounts to the Streets and Bridges account to allow several roads to be milled and repaved this spring.

Ms. Romano made a motion to make the following three transfers, totaling \$90k, into line item 1-010-751-03-151-00 Streets & Bridges:

<i>1-010-130-03-157-00 Overtime</i>	<i>\$20k</i>
<i>1-010-422-03-157-00 Snow Plowing</i>	<i>\$10k</i>
<i>1-010-645-03-157-00 Sand & Salt</i>	<i>\$60k</i>

Mr. Moffett seconded this motion and all were in favor. The motion PASSED.

3. Discussion and Approval of Minutes –April 20, 2020

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

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

4. Amity Update

- Mr. Nuzzo reported that the 2020-2021 Amity budget was unanimously approved. However, taxpayers may not be comfortable with this budget during these challenging times of high unemployment and distant remote learning. Chairman Houlihan expressed his belief that if the budget went to a referendum it might have been voted down. The Board members did not agree with the hiring of two new Amity employees and the numerous budget increases incorporated within the Amity budget during this economic crisis related to COVID-19.

5. Vice Chairman Report

- Mr. Leahy made a PowerPoint presentation using several illustrations and bar graphs to highlight the unemployment statistics within the Town of Orange over a nine week period. As unemployment has been on a continual rise within the Town of Orange, the Bell Curve has had a very similar profile to the overall unemployment for the State of Connecticut.
- Mr. Leahy illustrated unemployment based on age groups and industry sectors. He noted that all ages have been impacted by unemployment. Ms. Romano pointed out that unemployment is filed within the state that you are employed, so Connecticut residents who commute to New York would file unemployment with the State of New York. Ms. Romano also noted that some households have two family members unemployed.
- As Amity unanimously approved a 2.49% budget increase for 2020-2021 in the midst of a pandemic, Mr. Leahy suggested guidelines for future budgets. By working with modest budgets yet maintaining educational excellence, educational leaders need to explore new educational concepts and approaches to bend the curve in the cost of education. He suggested that Amity find efficiencies to institute successful responses to the challenges that lie ahead by working with the resources that they currently have available.

- He noted that after the statewide economic shutdown, Amity proposed a 2.73% increase. Yet the Orange Board of Education, in the same dire economic climate, reduced their budget by \$950k. They have set an example that can be followed.
- Ms. Romano made the following inquires for all to consider:

What is the savings from having schools closed?

What has been purchased that has not been used that can now be applied to next year?

What goods & services have not been purchased due to school closings?

Can contracts be renegotiated as they might be lower due to the lack of current work?

- Chairman Houlihan mentioned that the Town of Cheshire realized \$666,478 in savings in K-12 grade due to remote learning. He suggested that perhaps this might have to do with coaches and sports. The Town of Orange needs to rethink these questions from Ms. Romano when planning future budgets.
- Mr. Shanley does not feel that the economy will switch immediately back to “business as usual” for some time. In light of his qualified prediction, he noted that layoffs, furloughs, and pay freezes might become considerations for the future. Chairman Houlihan added that the Grand List had 1.64 % growth, the stock market was doing quite well, and within two weeks disaster hit the USA. Many folks cannot retire and lots of lives have been changed. Some people will never get their jobs back. Mr. Shanley stated that we have a Food Program in schools but statistics show that one in five children go hungry.
- Revenue next year might be significantly decreased, and the Fund Balance needs to be in reserve for this possible future crisis. Mr. Leahy spoke briefly on the development of commercial properties within the Town of Orange, as they are our assets as reflected in the Grand List.
- Chairman Houlihan spoke briefly on the sizeable Amity surplus over the years, noting that Amity’s inflated budgets are causing residents to be overtaxed. This surplus should be returned each year to the respective towns and back to the taxpayers.
- Amity student enrollment is decreasing and yet Amity staffing is increasing. Also, \$300k was taken out of Amity’s current surplus for technology, but it did not reduce the amount in subsequent years. This is a remaining question for the Amity Finance Committee. Lastly, Mr. Leahy made a comparison of budget increase related to surplus, showing actuals to budget versus the budget to budget approach in preparing the forecasted budget each year.

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

- Mr. Cifarelli spoke with Town Counsel regarding the proper procedures to follow this year for the 2020-2021 budget. He asked for a motion to vote on the 2020-2021 proposed budget at a zoom meeting on May eighteenth, televised on OGAT, at 7:00 p.m. The Board will begin

with their Regular Meeting as a Budget Hearing and then adjourn to begin a Special Meeting to pass the 2020-2021 budget and set the mill rate. Residents can participate in the meeting by emailing questions and comments to the Finance Director at [jCIFarelli@orange-ct.gov](mailto:jcifarelli@orange-ct.gov). All questions will be addressed on OGAT.

- Mr. Cifarelli reported that the full budget will be posted on the Town website by this Monday for viewing. He noted that difficult reductions were made to the budget, as 5 ½ positions have been eliminated within the Orange budget. Mr. Shanley inquired about the next property revaluation, which is done every five years. He noted that property value might decline and be reflected in the revaluation.

Mr. Leahy made a motion to send the proposed 2020-2021 budget of \$73,755,306, with a 2.21% increase of \$1,597,354, to the Budget Hearing on May 18th 2020 for approval. Mr. Shanley seconded the motion and all were in favor. The motion PASSED.

7. Adjournment

Mr. Shanley made a motion to adjourn the meeting at 9:30 p.m., seconded by Ms. Romano. All were in favor and the motion PASSED.

Respectfully Submitted,

Deborah Satonick
Recording Secretary