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Patricia S. Romano
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Board of Finance Budget Hearing

High Plains Community Center Gym
Wednesday, April 21, 2021 7:00 p.m.

(Unapproved)

Attendance)

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

Board Members Absent: Joseph Nuzzo

Staff: John Cifarelli, Finance Director; Audrey Geer, Assistant Finance Director; Art Williams, Treasurer; Deborah Satonick, Recording Secretary

Guests: Dr. Scarpetti, Superintendent of OBOE; Dr. Byars, Superintendent of Amity School District

1. Call to Order

- Chairman Houlihan called the meeting to order at 7:00 p.m. and made introductions. Mr. Leahy explained that all questions/comments could be addressed by emailing the Finance Director at jcifarelli@orange-ct.gov or speaking at the podium in person. He also demonstrated how the meeting could be viewed on YouTube directly from the Town website.
- The meeting began with the Pledge of Allegiance and Chairman Houlihan proceeded to review the Agenda for the evening. He thanked all of the contributors who assisted in the preparation of the 2021-2022 budget. Mr. Houilhan explained the budget process and Mr. Leahy elaborated on this topic with a brief slide presentation.
- Vice Chairman Leahy discussed the impact of compound interest and the factors that have contributed to the AAA credit rating for the Town of Orange. Chairman Houlihan listed the three components of the budget: Town of Orange, Orange Board of Education, and Amity. The revenue from the Grand List was 0.7% and the spending was 3.2%, which equates to a 1.56% tax increase.
- Factors impacting the new budget were the pandemic, wage increases, safety and security, medical insurance, business slowdowns and closures, and unemployment uncertainty. Mr. Leahy displayed a pie graph illustrating the segments of budget spending, noting that over 60% of the proposed budget goes toward education.

2. Orange Board of Education 2021-2022 Budget – Dr. Scarpetti

- Dr. Scarpetti thanked everyone who was a part of the budget preparation. He reviewed their Mission Statement and spoke on some of the challenges they faced during the COVID pandemic. Their objective this year was to provide a safe in-person environment for learning as well as simultaneously offer distance learning. He added that the new Munis Financial software was also a huge undertaking.
- Dr. Scarpetti reviewed student projections over the past years, noting that these projections are estimates at best and historically tend to be underestimates.
- The 2021-2022 budget has an increase of 2.78%, or \$594,837. Dr. Scarpetti reviewed the budget in greater detail, noting the budget decreases and the contractual obligations, of which comprise 3.05% of the total budget.

3. Amity 2021-2022 Budget – Dr. Byars

- Dr. Byars spoke on their 2021-2022 budget, noting that they had to consider not only Department requests, but also contractual obligations with the food service, the bus companies, water and fuel, as well as State and Federal mandates. Dr. Byars continued to explain their budget process.
- Dr. Byars spoke on the many accolades of Amity High School in academics, athletics, and the arts.
- The Amity 2021-2022 budget has a 1.8% increase, or \$51,698,207, with the Town of Orange having a 0.93% increase proportionally of the three towns. The Town of Woodbridge carried the higher percentile of the budget this year due to greater student enrollment. Dr. Byars also noted that Amity continues to return end-of-year surplus to the respective towns.
- Dr. Byars explained that the budget this year will include a Middle School Special Education Program with a Mental Health Clinician and Special Education Teacher. Currently, some students are placed in out-of-district programs as they are unable to be taught within the school district. This results in a tuition cost for Amity. In developing an in-house program, students can then be taught within the school district and tuition and transportation costs would be eliminated. This program will be extended to the high school in two years.
- Dr. Byars noted the other increases to the budget, which include increases in technology and textbooks. The Amity referendum is scheduled for May 5th and absentee ballots can be requested if desired.

4. Town of Orange Budget – Mr. Leahy

- Vice Chairman Leahy reviewed the revenue side of the budget, noting that revenue from interest decreased. He also added that \$850k has been added to the budget as the Amity surplus refund. On the expenditure side of the budget, the Orange Board of Finance reviewed each line item and found a total of \$607,175 in reductions.

- Debt Service had a substantial increase due to the purchase of 287 acres of Racebrook property. Employee Benefits increased due to the funding of the Pension Plans, as the rate of return has decreased.
- Capital Expenditures total \$1,432,780 as follows:
 - OBOE \$243,780
 - Town \$389k (Includes Police Recording System, Revaluation of Property, & Munis Payment)
 - Other \$800k (\$200k for High Plains Repairs & \$600k for road paving)
- Mr. Leahy noted that \$600k from Town Aid Road and \$100k from the Highway Department Budget will also be used for paving, making a total of \$1,300k for road paving.
- Mr. Leahy discussed the economic development within the Town. He displayed some of the highest tax payers in town. Mr. Houlihan added that some of these companies getting tax credit benefits are being phased in and will be paying more taxes in future years.
- The mill rate is 33.25%, an increase of 1.56%. Chairman Houlihan reviewed some important dates to remember, including the Town Meeting scheduled for May 12th.

5. Questions & Comments from Audience

- Mr. Goldblatt, 291 Drummond Road, thanked the Orange Board of Finance, the Orange Board of Education, and the Amity Board of Education for their hard work in preparing the 2021-2022 budget. He indicated that he will support the budget and encouraged others to follow suite. However, Mr. Goldblatt suggested using an additional \$500k of Fund Balance for road paving. He did not feel the need to bond for this expenditure and felt that it is a dangerous precedent to use \$700 of the Fund Balance toward the operating budget. The current Fund Balance is healthy at 16.77%.
- Mr. Cifarelli received one email questioning the roads that would be paved this year. There were no other emails or questions from the audience.

5. Adjournment

Mr. Shanley made a motion to adjourn the meeting at 8:15 p.m. Mr. Moffett seconded the motion and all were in favor. The motion PASSED.

Respectfully Submitted,
Deborah Satonick
Recording Secretary