



Board of Finance Regular Meeting

Monday, September 19, 2022
Meeting Room -Town Hall 7:00 p.m.

(Approved)

Attendance

Board of Finance Members Present: Chairman Kevin Houlihan, Vice Chairman James Leahy, Kevin Moffett, Kevin McNabola, and Ajeet Jain

Board of Finance Members Absent: Joseph Nuzzo, Meghan Rabuse

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

1. Call to Order & Introduction

- Chairman Houlihan called the meeting to order at 7:13 p.m.

2. Introductions

- Chairman Houlihan asked all of the Board of Finance members to introduce themselves.

3. Public Dialogue

- There was no public dialogue.

4. Amity Update

- In the absence of Mr. Nuzzo, Vice Chairman Leahy presented the Amity Update. Mr. Leahy spoke on three key points. He advised that the Amity Board of Education approved 1.8% of the 2021-2022 Amity budget surplus to be allocated to their Facilities Capital Fund. He also cited a Connecticut statute that was enacted allowing Regional School Systems to retain 100% of the budget surplus. As a result of this statute, Amity will not be returning any of their 2021-2022 surplus to the respective towns. Lastly, Mr. Leahy reported that Amity will be utilizing a new method of communicating data to the Orange Board of Finance.
- Vice Chairman Leahy noted that the current Amity surplus from their 2021-2022 budget is \$1,536,324. To conclude, Mr. Leahy distributed a copy of Mr. Gigliotti's notice of resignation

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from the Amity Finance Committee.

5. Vice Chairman's Report

- Mr. Leahy made use of PowerPoint visuals to illustrate the historical Amity surpluses over the last four years, noting that these surpluses continue to overtax taxpayers.
- Mr. Leahy discussed the Self-Insurance Fund Analysis that was provided by Ms. Lumas, Director of Finance and Administration. He illustrated the monetary difference between the budgeted dollar amount for medical/dental and the actual claims that were paid. He suggested that the acceptable amount of surplus has changed over the years. Between 2005-2012, a 1% surplus was considered "proper." Between 2013-2017, a 1%-2% surplus was considered acceptable. Between 2017-2021, a 2%-3% surplus is not considered "proper."

6. Discuss and Vote to Return Excess Cost Sharing for Special Education Reimbursement to OBOE-Memo from Christine Koch

Mr. McNabola made a motion to approve the request to reimburse the Excess Cost Sharing for special education reimbursement in the amount of \$201,073 back to the Orange Board of Education. Mr. Leahy seconded the motion and all were in favor. The motion PASSED.

7. Allocate Funds for Land Purchase on Wheelers Farms Road up to \$270k

- Mr. Cifarelli advised that this purchase has been approved by the Board of Selectmen. The purchase will be made in cooperation with the Orange Land Trust.

Mr. Moffett made a motion to approve funds from the Capital Fund for the purchase of property on Wheelers Farms Road not to exceed \$270k. Mr. McNabola seconded the motion and all were in favor. The motion PASSED.

8. Approval to Transfer \$207,142 from Amity Expense Account to Negotiation Reserve

Mr. Leahy made a motion to approve the transfer of \$207,142 from the Amity expense account to the negotiation reserve in order to make the account show the correct payment to Amity for the year. Mr. Moffett seconded the motion and all were in favor. The motion PASSED.

9. Discussion and Approval of June 6, 2022 Special BOF Meeting

- The Commission members reviewed the minutes and made edits as necessary.

Mr. McNabola made a motion to approve the amended June 6, 2022 Board of Finance minutes, seconded by Mr. Leahy. All were in favor and the motion PASSED.

10. Review Revenue and Expense Reports

- The Commission members reviewed both the Revenue and Expense Reports in great detail and the Finance Director took questions. The \$700k revenue shortfall was from not recovering 50%

of the Amity surplus was discussed, as well as the waste disposal contract, which is expected to be higher than what was budgeted. Other issues of concern are Capital Projects that will need funding. The town is having a serious drainage issue affecting several homes and corrective measures will be very costly. In addition, there are several buried oil tanks within the town that can no longer be insured and must be removed. This will be another costly project that must be funded. Chairman Houlihan suggested that a bond may be necessary to do these large projects in spite of the fact that the interest rate on bonds is going up.

11. Adjournment

Mr. McNabola made a motion to adjourn the meeting at 8:52 p.m., seconded by Mr. Jain. All were in favor and the motion PASSED.

Respectfully Submitted,
Deborah Satonick
Recording Secretary