

Minutes of the Board of Finance Regular Meeting and Budget Review Meeting

Town Hall – April 11, 2016

Members present: Justin Donnelly, Ryan Anderson, Chris Childs, Eric Harrington, Dr. Ann Huntington Mickelson, and Brian Kost; alternates Tracy Eccles, John Sullivan and J. Michael Stevens.

Also present: First Selectman Melissa Mack, Director of Finance Deborah Cerrato.

Chairman Donnelly called the Board of Finance Regular Meeting to order at 7:00 p.m.

Correspondence: None

Citizen Comment: None

Minutes of the Regular Meeting & Budget Meeting, March 14, 2016 and Budget Meetings March 7, March 21 and March 28, 2016

First Selectman Mack noted that on Page 3 of the March 28th the “social studies commission” should be “social services commission”. Dr. Mickelson made a motion to approve the minutes as amended. The motion was seconded by Mr. Harrington and passed unanimously.

Discussion and approval of Tax Ordinance to abate up to 50% of the property taxes of (1) dairy farm, (2) fruit orchard, (3) vegetable farm, (4) nursery farm, (5) any farm which employs nontraditional farming methods, including , but not limited to, hydroponic farming, (6) tobacco farms.

First Selectman Mack handed out information about the Four Season Farm to the Board members. She stated that Suffield was a desirable site for their hydroponic operation since Suffield has flat land, access to natural gas and existing greenhouse zoning regulations. Four Seasons plans to utilize 11 acres and employ 35- 40 people in Phase I. A full buildout could be 40 acres and up to 170 jobs. Four Seasons Farm is seeking a predictable tax structure. The CT General Statutes allow for optional tax abatements and Suffield currently has a dairy farm abatement. By expanding the abatement to other types of farming 50 farms could apply and qualify for the abatement. Farms would have to reapply annually.

First Selectman Mack handed out a spreadsheet with many scenarios. She pointed out that the new tax revenue for Four Seasons Farm would offset the abatements for all 50 potential farms and still remain a tax gain. She proposed a phased in abatement schedule of 30% for year 1, 40% for year 2-3 and 50% for year 4+. Dairy farms would be grandfathered in at the 50% rate with no phase in.

Mr. Joe Geremia of Four Seasons Farm was in attendance to answer questions.

Chairman Donnelly said that the proposal was a win-win for the Town since there were many benefits. Mr. Childs asked if farm equipment would be classified as personal property and subject to taxation. The answer was yes.

Mr. Anderson made the motion to approve a Tax Ordinance to abate property taxes of (1) dairy farm, (2) fruit orchard, (3) vegetable farm, (4) nursery farm, (5) any farm which employs nontraditional farming methods, including , but not limited to, hydroponic farming, (6) tobacco farms in a phased approach year 1 30%, year 2-3 40%, and year 4+ 50% and send to Town Meeting, The motion was seconded by Mr. Harrington and passed unanimously.

Treasurer Report

The report was distributed and reviewed. The Treasurer was not in attendance.

Budget Update through 3-31-16.

Ms. Cerrato handed out a spreadsheet showing revenue through 3-31-16 as compared to 3-31-15. Total revenues and other funding sources this year are 86% of budgeted amounts as compared to 89% for the same date last year. She noted that we haven't received the 2nd of 3 payments from the state for the Mashantucket/Pequot Grant. Chairman Donnelly stated that he didn't think state aid was in jeopardy for the remainder of the current fiscal year based on his discussions with Rep. Zawistowski. Ms. Cerrato said expenditures are on track except for the Police Department budget where limited resources remain. She pointed out that funds were spent on employee searches in that department which were not anticipated during the budget process.

First Selectman's Report

First Selectman Mack said she was working on four major items currently:

- 1) Possible purchase of streetlights from Eversource
- 2) Negotiations and discussions with Lodestar regarding Virtual Net Metering
- 3) The Bid & Purchase policy. She noted that it was revised on 10/7/15 by the Board of Selectmen (BOS) and the Board of Finance (BOF) requested copies of the Board of Education (BOE) and Water Pollution Control Authority (WPCA) which she will provide in the future.
- 4) Decision on whether or not to join the Regional cooperative for Stop Loss insurance. Bill Hoff has been the Town of Suffield representative meeting with the cooperative.

At 7:20 p.m. Dr. Mickelson moved to adjourn the regular meeting. The motion was seconded by Mr. Harrington and passed unanimously.

Budget Review Meeting

The Budget Review meeting was called to order at 7:20 p.m.

Citizen Comment: None

Correspondence Received: Chairman Donnelly outlined the information he received from Rep. Zawistowski about next year's budget.

Director of Finance Cerrato passed out the 2015 final Grand List reflecting changes by the Board of Assessment Appeals showing a final increase of 1.38%. She also passed out the latest information on the FY 17 State budget from Connecticut Conference of Municipalities (CCM). Ms. Cerrato provided updated handouts of changes made to the Selectmen's budget along with a new positions worksheet and a non-union executive salary list.

A discussion took place about expected changes to state aid, released on April 6th, and it was agreed that the cuts proposed will offset the two new expected grants to keep the budget revenue neutral. Governor Malloy is releasing a revised budget next week. More will be sent to the board once that has been released.

Ms. Beth Chafetz of Mapleton Avenue asked about Citizen Comment and Chairman Donnelly opened the floor for comment although he had previously asked for it and heard none.

Lauren Life of 2910 Mountain Road pointed out that in previous years there was money in the capital budget for abatement of the Bridge Street School. She said that the Community Center proposal didn't include a figure for abatement since it was assumed to be the responsibility of the Town whether the building was repurposed or razed. She was concerned that there were no funds in the capital budget for abatement. Mr. Anderson noted that the project was on the list but never was appropriated. Based on recent estimates the cost is expected to be about \$2,000,000. First Selectman Mack said that there were three possible appropriation processes outlined in the Tri-Board meeting that took place last week.

Ms. Beth Chafetz of Mapleton Avenue said some level of funding should be included in the budget. She said the \$2 M figure was inaccurate since \$365,000 was identified for asbestos abatement in the roof which would not be necessary. Chairman Donnelly said he'd want to do all abatement to avoid the situation at the library. Ms. Chafetz said that the abatement costs would be borne by the Town if the building was demolished too.

Tom Frenaye of Warnertown Road said that it would be a disservice to the Town if no funds were included in the budget for Bridge Street School remediation.

At this point the discussion of the budget continued.

Mr. Kost questioned how the BOE budget showed a 9.6% reduction in health insurance while the Selectman budget showed a 1.6% increase. School Business Manager Bill Hoff explained that the budget has reduced the number of full time equivalents (FTE), employee contribution percentage will be rising and it is a good year for claims. Mr. Kost asked that insurance reps provide a reconciliation since it represents \$6M of the budget.

With no changes to the presented budgets there would be a 2.35% increase and a mill rate of 28.43.

A lengthy discussion took place about the capital budget including fire apparatus, pavement management and drainage projects. First Selectman Mack passed out a memo about receiving equipment in lieu of cash from landfill cover soil requested by the Department of Public Works. These items could be removed from the capital budget saving approximately \$190,000.

Mr. Harrington made a motion to remove the Reserve Fund Appropriation for fire apparatus item at a cost of \$350,000 from the capital budget and replace with a transfer of \$350,000 to the Capital Non-Recurring Expenditure Fund. The motion was seconded by Mr. Kost.

Discussion followed about transferring the funds to Bridge Street School remediation instead. Mr. Anderson said that the Town perceived the Bridge Street School project as a turnkey figure of \$8.4 million. He believes that the Town should vote on the true total all in cost including remediation.

The motion passed 4-2 with Mr. Childs and Dr. Mickelson voting against.

Mr. Childs made a motion to include \$350,000 in the capital budget for Bridge Street School remediation. The motion was seconded by Dr. Mickelson. The motion failed (2-4) with Mr. Childs and Dr. Mickelson voting in favor.

There was discussion regarding the availability of funds given to the town for accepting dirt from a construction project. The dirt is certified to be "clean". The amount we would receive is \$19 a ton for 10,000 tons. Public Works has identified 8 capital project items that total to \$189,045. These could be purchased with the funds received.

Discussion turned to the high school bleacher project. Mr. Hoff explained that the Board of Education (BOE) would like to remove \$115,000 worth of capital projects from the request to include the high school bleacher replacement project which they considered a high priority.

Mr. Harrington made the motion to add the \$115,000 high school bleacher replacement project and reduce the McAlister Auditorium renovation project from \$35,000 to \$0; to reduce the Spaulding Gym renovation project from \$41,000 to \$0; to reduce the bathroom renovation (all wings) project from \$20,000 to \$0 and to reduce the Spaulding auditorium renovation from \$35,000 to \$16,000. Mr. Anderson seconded the motion and it passed unanimously.

A brief discussion took place regarding ADA accessibility of bathrooms in pre-k and the nurse's office. Building official Ted Flanders said it is not an ADA compliance issue but could be good to provide for student accessibility.

Discussion began about the capital request for \$765,000 for Remington Street Bridge replacement. This is a federal bridge project which is reimbursable at 80%. Mr. Anderson noted that some of the monies were transferred from that account to cover library overruns. Mr. Kost suggested not adding additional funds and retaining the balance in the project account for design costs. Mr. Childs suggested that a two year bond be issued to cover the cost that will ultimately be reimbursed. Mr. Kost made the motion to eliminate the funding for year 3 of the Remington Street Bridge replacement of \$765,000 and its associated grant revenue. The motion was seconded by Mr. Anderson and passed unanimously. Ms. Cerrato will check with Gerry Turbet to make sure this will not adversely affect the project and report to the Board of Finance at the next meeting.

After adjustments the effective mill rate increase was estimated at 1.11%. It was noted that no fund balance transfer was included in the budget.

Mr. Kost made a motion to adjourn with these changes and reconvene next week with the insurance reconciliation to finalize the budget. First Selectman Mack also noted that she expects a further reduction in her budget. The motion was seconded by Mr. Harrington. By unanimous vote the meeting was adjourned at 8:47 p.m.

Respectfully submitted,

Lisa Trase