



TOWN of THOMPSON
North Grosvenordale, CT 06255
Board of Finance

THOMPSON Board of Finance Special Meeting/Budget Workshop

Monday, April 20, 2020 - via Zoom

MINUTES

1. The call to order by Chair Aaron McGarry was at 7:06 PM.
Present: Aaron McGarry, Robert Werge, Steve Herbert, Rhonda Rooney, Robert Mann, Jim Bellavance. The chair noted all members are present via Zoom. Orla McKiernan-Rahtery (Finance Director), Amy St Onge (First Selectman), Ken Beausoleil and Susanne Witkowski (Selectmen), Kathleen Herbert (Chair, Board of Education), Rene Morin, Tax Collector), Melinda Smith (Superintendent of Schools). Rich Benoit (Director, DPW), Lesley Munshower (Recreation Director), Bob Gentes (Schools Finance Director), Bill Birch (Schools Facilities Manager). Many Board and Commission members, and members of the public, Recording Secretary Dotti Durst
2. Correspondence and 3. Citizens' Comments (Co-mingled, as many comments came by email)
 - emails from the Finance Director with requested information re: line items under discussion
 - email through the Inland Wetlands Agent: Salt Shed documents from CT Water (March, 2020) and DEEP, all concerning water pollution testing, suggesting salt shed replacement in 2008
 - S. Herbert/BOF: these letters sound adamant. The problem began in 1985; he supports R. Werge's request for current hard data regarding salt migration and *all* possible options for a safe solution
 - email Assessor Diana Couture, per the Tax Collector's memo: revaluation usually brings the mill rate down, but that may not be the case consistently; some properties will see a harder impact
 - email Danielle Carlson, 3 Rachel Dr: a flat budget is setting up failure (ex: FY19-20's high Special Ed & Contractual costs). A flat budget will cancel other projects/rob the children, seeks sound long-term logical planning. She supports the needed salt shed
 - emailed Lawrence Labonte, 141 Church St: only a flat budget is acceptable, given the circumstances
 - emailed Tracy Walker, 1160 Town Farm Rd: urges caution as State funding is not certain; budget needs that arise mid-year can always be approved
 - utilizing CHAT-Dick Trudeau, 192 Wagher Rd: suggests a possible flat budget with a town meeting/referendum to modify it in the future if necessary
 - utilizing CHAT- Jessica Bolte 1081 Riverside Dr: reiterates position about Citizens' Comments on the BOF agenda; *the BOE has presented a contractual-increase-only budget (she asks for no cuts) and has asked for Capital items to be handled by the town (she supports); *questions BOF response to costs of out-placed students; * hopes false information can be stopped; * concerned about long-term repercussions to the town and schools
 - utilizing CHAT-Shawn Brissette, Whittemore Ave: the BOE presented a status quo proposal, to keep staff and programs stable; there is no way to cut healthcare/other costs: *asks the BOS and BOF to work in the best interests in the entire town; *asks what the state calls an acceptable surplus level



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- K. Herbert, BOE Chair: Reductions- changed insurance plans to reduce the increase; *as a host for the Bradley Special Ed Program, bussing costs are being reduced; *now negotiating with DATTCO;
* looking for grants and other ways; *trying to serve taxpayers effectively, efficiently, economically

3. Budget Workshop: resume discussion p. 101 Capital Expenses: the BOE sent a spreadsheet of expenses to the BOF with the request they be moved to Town Capital Expenses. S. Herbert: advocates moving these expenses to the town budget. Extended discussion followed. R. Rooney asked what constitutes a Capital Expense, the difference between a Capital Expense and a repair/maintenance,, and if there is an established definition/differentiation. Comments from BOF: Often there is a dollar amount to establish a threshold, or the item must be “new” or must extend the life/upgrade or change the use. The town has no definition or parameters; BOF members call for one to be established. R. Rooney: confirmed that these budget items were previously been in the Schools operating budget. Given the schools budget failure at referendum, year after year, in order to move forward with this matter, we will need to overcome a trust issue. B. Birch provided background and data, including the need for an exhaust and filtration/scrubbing system to remove volatiles in the new programs in Manufacturing Tech. J. Bellavance: the two “Capital Improvements” the Schools have put forward which seem to be pressing are the Air Purification system in the high school shop line item and the leaking through the masonry causing additional damage, totaling \$80,235. A. McGarry and R. Werge requested clarification in the Schools budget of ambiguous line item terminology. M. Smith discussed possible impacts of the Capital projects on accreditation. The concept of a single town Long-Term Capital Plan was posed, with discussion about the role of the current Building Committee, creation of a process for listing and prioritizing work needed over a period of years with timelines, resulting in a big-picture/macro approach.

Debt Retirement, page 103: S. Herbert advocates paying off the DPW equipment, saving the interest costs. R. Rooney asked the source for that: Cash or Fund Balance? An appropriation would be required; remember the schools will be over-spent in Special Ed. S. Herbert: reductions in obligations/debt are factored into the town’s Bond Rating. These DPW lines are at 5-6% interest. He asked the lowest cash balance ever in the town: the Finance Director - \$3.16 million August 2019. R. Werge: the town is required to maintain a minimum balance for the Bond rating. Finance Director: The new Roll-off landfill truck can be financed at 3.96%, down from the before-Covid rate of 4.2%. She will list all debt and the financing rate for each; BOF members advocate paying off those with the highest interest rates.

Contingency, Page 106: Finance Director –the FY 19-20 balance of \$75,000 has been partially utilized for repairs; she was asked to list what is expected to be utilized by year end; whatever has remained has historically rolled into the Fund Balance. The \$135,000 proposed will cover the unknown payroll costs, to be determined after the union contract work is completed. Then the amounts will be shifted from Contingency to the appropriate payroll lines in the budget.

Schools Budget proposal: the proposal was distributed at the opening of the Public Hearing in early March R. Rooney: given the covid situation, how are contract negotiations proceeding? M. Smith: One contract is completed, two are underway, and one is due to begin; all sessions are halted. Contractual obligations include salaries and healthcare. B. Gentes provided data documenting increases in these two



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budget lines. R. Rooney expressed concern that residents may have difficulty with any increases. The history of funding was presented in the BOE budget handout (p. 12) which shows low increases but simultaneously programs have eroded. M. Smith: the current situation may mean students need more support but if the budget is cut, requiring staff reductions.

The pending Tax Deferral Program: R. Morin- extending tax payments until as late as September 30; there will be losses to the town because of the slower cash flow. There will also be a loss of fees or penalties on car/property taxes not paid on time. He believes that many taxpayers will send payment on the customary schedule, with others, including those who have received mortgage extensions, utilizing the deferral. The question about the status of escrow accounts and their forwarding of taxes to the town has no clear answer. A. McGarry wonders does the Deferral language cover reimbursement to the town for the interest lost during the 60-day extension. Point of interest- A. McGarry: in the mid-1990s, an ordinance required that budgets/expenses above a certain threshold go to referendum.

4. **Motion R. Werge seconded by S. Herbert to adjourn carried unanimously.** Chair A. McGarry adjourned at 9:08 PM.

To hear the meeting via Zoom- Copy/paste the link into your Search bar:

https://us02web.zoom.us/rec/share/1OBVLjrQ3XNJGp3n6GjwGZM_Q7XFeaa8gXVP-_pfykuBV58LKQQRk44ttuPfkIZE If asked for a Password: 6V=03.F^

Respectfully submitted by Dorothy Durst, Recording Secretary Dorothy Durst

These minutes have not yet been approved by the Board of Finance. Please refer to next month's meeting minutes for approval of and/or amendments to these minutes.