

**Litchfield Board of Finance  
Special Meeting Minutes  
April 8, 2020 ~ 7:00 pm  
Remote Meeting by Live Internet Video Stream and Telephone**

**Call meeting to order and appoint alternates:** Chairman James Stedronsky called the remote meeting to order at 7:00 p.m. with a full board in attendance: Jodi Tenney, Erich Marriott, Pat Donovan, Ed Gadowski, James Stedronsky and Richard Quay. Alternate Dan Morosani was present, but Alternate Matt Blasavage was absent. Also present was First Selectman Denise Raap, Selectman Anne Dranginis, Superintendent of Schools, Chris Leone, as well as members of the Board of Education.

**Approve Meeting Minutes of Regular Meeting of March 9, 2020: Motion:** Jodi Tenney moved to adopt the meeting minutes of 3/9/20, and Erich Marriott seconded. All voted aye and the motion carried.

**Consider and act upon the proposed Litchfield Board of Education's 20-21 annual budget:** Chris Leone summarized the Board of Education's 2020/21 proposed budget including enrollment, academic performance, revenues, expenses and capital needs.

Total revenue as of 3/1/20 is \$19,682,790. For 2020/21 they are proposing a budget of \$19,277,500. The reduction stems from a \$194,000 reduction to electric, as the Town will take over the electric bills and will derive the benefit from the solar project, as it carries the PPA agreement.

Expenses as of 3/1/20 are \$19,682,790, including savings on benefits and salaries. They are halting capital projects until the pandemic is past. They expect to end the year with a left-over contingency of 2%, or \$380,000 to \$400,000, which will go into the Town's surplus account. For 2020/21 they are proposing total expenses of \$19,439,000.

Upon question by Selectman Anne Dranginis, it was noted there will be further discussion on bid process restraints with this level of contingency and whether this level of contingency and capital is appropriate. J. Stedronsky said perhaps there will be a memorandum of understanding. He also commended Mr. Leone for bringing in \$50,000 surplus to the Town after the Board of Ed's past practice of spending most of its surplus and returning \$7,000 to the Town. Chris Leone said they are now trying to match up their bid policy regulations and process with the Town's to be more of a partnership. Richard Quay asked about the transportation company and its contract. Mr. Leone said we cannot continue on as we have, and next year we must seek a regional transportation solution. In discussing salaries, Mr. Leone said that this budget shows a reinvestment in ourselves and the students in the district. Cost per student is high, \$22,000/pupil, and it is important to hold that now, looking toward more savings to be gleaned in the future. Regarding employees, C. Leone said there were too many. In a reduction of 6.5, four were early retirements due to the incentivized early retirement offer. School resource monitors will be added. A regional shared academic office is slated for 2021/22. Other shared services are being looked at for more savings. All budget category line items are lined up between the two districts. Out of \$870,000 in capital needs for the next two years, the district believes it can self-fund \$500,000 from capital reserves. J. Stedronsky said there would be a discussion about this within the Board of Finance. He also commended the Board of Education and Mr. Leone's work this past year.

**Motion:** Richard Quay moved to approve the Board of Education's 2020/21 budget in the amount of \$19,277,500. Erich Marriott seconded, all voted aye and the motion carried.

**To establish dates for the publication of the Annual Budget, the on-line budget comment period in lieu of the annual budget hearing, and the date for acting upon the Town 20-21 annual budget and mill rate:** There will not be a budget hearing, but there will be a comment period after the budget has been published. The annual budget meeting will be held by the Board of Finance to act on comments, adopt the budget and set the mill rate. Proposed timeline is as follows.

Budget published by: 4/24/20  
Public Comment Period: 4/29/20 - 5/13/20  
Annual Budget Meeting: 5/20/20

**Motion:** Jodi Tenney moved to adopt the above dates for the budget process and Erich Marriott seconded. All voted aye and the motion carried.

**Motion:** R. Quay moved to approve the 2020/21 Annual Budget, which includes the Board of Selectmen, Capital Improvements Program and Board of Education budgets as submitted by the Finance Director. Jodi Tenney seconded, all voted aye and the motion carried.

**Finance Director's Monthly Report:** Finance Director Amaechi Obi recommended we try to spend less for the remainder of the year as we are unsure of how much of the remaining \$303,118 in taxes due we will collect. He also said the assumption is that the State will give us the balance of the Education Cost Share for this year. We have collected 85% so far, and expect 15% more. He is optimistic we will break even this year. On the expense side, we are on target and it should not be a problem, but he said we will spend only on essentials for the balance of the fiscal year.

**Motion:** Erich Marriott moved to accept the Finance Director's report. Jodi Tenney seconded, all voted aye and the motion carried.

**Discuss Town borrowing plans for potential income shortfall:** First Selectman Denise Raap explained the two options for Towns under Executive Order 7-S. The first is a deferment of taxes for 90 days with proof of hardship from COVID-19 with the signing of an attestation. The second is a low interest rate of 3% for ninety days after taxes are due, reverting back to 18% after that. This is available to everyone. The Board of Selectmen must choose one or both options and report back to OPM by April 25th. There was much discussion about both options. A. Obi thought we would be fine either way, as our fund balance is 17%, or about \$900,000, from which to borrow to cover a cash shortfall. A. Dranginis suggested the Finance Director look at our cash flow needs per month. J. Stedronsky suggested 3 pro formas for July through October. We should have a cash flow analysis on each option.

#### **New Business**

- a) Financial Transfers:** None
- b) Payment of Bills:** None
- c) Future Agenda Items:** None noted

**Adjourn:** R. Quay moved to adjourn at 9:15 p.m. and Erich Marriott seconded. All voted aye and the motion carried.

Ann Combs, Recording Secretary