

Town of Goshen
BOARD OF FINANCE
REGULAR MEETING
Wednesday May 1, 2024

CALL to ORDER: Chair Allan Walker called the meeting to order at 7:30 p.m.

Attendance: Chair Allan Walker, Vice Chair Ned Bixler, Paul Collins, Pat Reilly (alternate), Scott Tillmann, Robert Valentine, Russell Murdock (alternate) and First Selectman Todd Carusillo.

Excused: Jim Korner

Others: Chris Leone Superintendent of Region 20, Erin Reilly Parks and Recreation Supervisor, Fire Chief Barry Hall and Fire Company members, Residents Marissa Wright and Sarah Leonard.

A motion to seat Pat Reilly was made by Ned Bixler, Scott Tillmann seconded, it passed unanimously.

APPROVAL of Minutes

The motion was to SEAT (not unseat) Pat Reilly was rescinded. Scott Tillman noted several items he would like changed:

- Attendees included Fire Commissioner Donald Sage and Seth Breakell.
- Scott had asked a question - is it common to give raises mid-year? Bob Valentine replied, no.
- Public works budget increased by \$57,028
- Strike the comment "regarding Rt 63 in West Goshen"
- Fire Company conversation should be included in the minutes.

Scott Tillmann made a motion to have the clerk provide amended minutes to include the above. Seconded by Paul Collins and the motion was adopted.

Bob Valentine motioned to table approval of the minutes until next month. It was seconded by Allan Walker and adopted unanimously.

VISIT BY THE SUPERINTENDENT OF SCHOOL DISTRICT 20

Presentation by Chris Leone of the report, titled "2024-2025 Superintendent's Recommended Budget Presentation" dated March 14, 2024" and discussion with the Board

The Budget meeting is on May 6th at WAMOGO, and he asked everyone to vote.

Five year enrollment trend is an overall downward trend with a total of 1387 students compared to 1507 in 2019-2020, with Goshen below three hundred students. This reduction is especially seen in the elementary schools with Goshen total [for kindergarten through fifth grade] at with 112 students enrolled. This is the reality of a declining student population and ageing population locally. The secondary school is doing better; with the Middle school with three hundred and thirty-four students and the High school six hundred students.

The legislation for Ag recruitment is important, as Region 20 has developed a Designer AG program. There is currently a bill to end the 3 average laws that will stop districts sending students to Ag that will create a free market economy for Ag programs. They currently have applications for Ag from outside of the local area and these students would provide their own transportation to have the opportunity to participate.

Discussion of the General assembly and their budgeting and revenue.

They [Region 20] do a good job keeping special needs students in the district, the last few years this was funded 60-70% .

Grants: \$ 178,000 for Right to Read to revise the elementary school reading curriculum. \$ 120,000 mental health grant, \$ 22,000 for Connecticut Grown for Connecticut Kids providing incubator animals for the Arethusa farm project.

PreK tuition is up. Non-resident tuition is up. Interest of average daily balance is up. This is a \$35,700,000 budget and 21.2% is Goshen, down from 50% in past years. This net difference is \$ 630,000 in savings to Goshen, \$ 1,825,000 to Litchfield, \$ 710,000 to Morris, \$ 402,000 to Warren.

Inflation: Everyone is seeing increases and districts are asking for 2-8%, one district in Fairfield County asked for 18%. There will be many layoffs in many districts and Litchfield is holding the line and beating inflation.

Long term sustainability is important. We have to make it a destination in some of our elementaries to offset the vacancies

Region 20 looked at being cost conscious of health insurance. Overall savings by town, Goshen is saving of \$ 631,000 and will receive a refund of \$ 247,000 in capital when audit closes, approximately in October.

Four hundred redundant accounts were canceled out of this budget.

\$ 523,000 of certified salary increases. \$ 870,000 of classified increases.

There is over \$ 800,000 of benefit savings, a 10% savings in Health and all benefits and savings on district tuition.

Saving on transportation. Implementing a two tier system of busing to eliminate 2-3 buses, at \$66,000 per bus not including fuel.

The farm is a new expense as they are looking to expand Ag with this proposal. Budget includes one Million in capital for all seven school. A \$100,000 minimum contingency and it balances out at \$ 41,156,724 total expenses.

Bob Valentine asked Chris Leone about the capital refund of \$ 247,000 and what projects were going to be done with those funds that are not being done and how is that being addressed? Will the district ask for those funds back? Chris Leone stated that No, this was part of the referendum that was approved \$ 1,480,000 returned to the three towns. Those monies were not earmarked for anything. The big issues for Goshen, the big items will be a potential boiler in 10 years, windows need to be looked at in the next 5-15 year and hard water issues. They will redo the cafeteria floor in Goshen.

Big issues for Goshen will be windows, air handlers, and the furnace will be a Region 20 expense.

Goshen can do whatever it wants with the money returned.

Bob Valentine asked Chris Leone about debt service - because Region 6 didn't bond projects and Litchfield did not bond some projects, he has read in newspaper lately that Goshen would be taking on some of the town of Litchfield debt for education? Chris Leone responded that there were two outstanding pools of debt. There was debt for roofing projects from 8-9 years ago, that was Region 6 debt, Region 20 absorbed it at about 1.7 million on the books. Litchfield has educational debt at about 1.8 million on the books. The town of Litchfield borrowed some extra money last summer and it was picked up by some Region 6 and Region 20 employees. They realized that they weren't passing that on because that was not the agreed upon number, so they ate the extra expenses. The debt they have is old debt and it will be amortized out.

The chairperson Allen Walker called for public questions

Chris Leone stated his greatest concern right now was being in the building as of July 1 as they need to start working on the buildings.

They have not completed the Litchfield property transfer.

Pat Reilly asked Chris Leone about benefits - \$ 800,000 saving in benefits, was that health insurance? Chris Leone responded that the majority was health insurance. Chris said they were aggressive about bidding, got better contracts, are not paying into old pension plans that now cease to exist, Less employees, better coverage, less numbers.

The chairperson Allen Walker called for public questions.

Marissa Wright, resident, thanked Chris Leone for a thorough report. She asked if asbestos remediation will be done? Chris Leone responded Yes. They have to test anything and test before the bidding processes. The

cafeteria tiles are fine. Some hot spots are left, such as some pipe insulation behind walls and a couple of rooms in WAMAGO that will be costly.

Todd Carusillo asked Chris Leone if the capital projects of one Million dollars is divided by four towns, or does it go by a percentage? Chris Leone responded that it is a Board decision.

Bob Valentine asked Chris Leone if the budget is done by student number, students based on the assessment for the one Million. Chris Leone responded that it was as part of the budget, but prioritization for capital improvements are done by need.

Chris Leone, Superintendent of Region 20 was thanked for his good work and for doing a wonderful job.

TAX COLLECTORS REPORT: The Board received and reviewed The Tax Collectors reports dated March 31, 2024 Motion by Bob Valentine, seconded by Ned Bixler and all voted in favor.

BUDGET PROJECTION REVIEW:

Bob Valentine stated that the summary sheet shows that there is a 7.39% increase in operating costs, 19.92% increase in capital; combined for an 11% increase. He stated he could not support the budget presented at 20% last week and cannot support the 11% increase this week. And it will be baked into the baseline going forward.

RECREATION - DEPARTMENT 22

Current Budget 2023/2024 \$ 212,285.00 Proposed budget 2024/2025 \$ 248,114.00

Summer Camp Revenue - \$85,735.00
Recreation Revenue - \$13,000.00
Total Projected Revenue - \$98,735.00

CAPITAL EXPENDITURES REQUESTS 2024-2025

Camp Coch Facilities Projects	5,000.00
Exterior Painting	1,500.00
Playground	15,000.00
Roof	2,000.00
Surveillance	3,700.00
Track Repair	500.00
<u>Weed Control</u>	<u>1,000.00</u>
Total Recreation	28,700.00

Bob Valentine said that months ago we should reduce the number of out of town students to reduce the need for staff. The additional \$30,000 plus added to the budget for staff, negated any increase that was offered for out of town students. And the cost per camper goes up substantially. Reduce the out of town campers to reduce the need for staff and eliminate the \$30,000 plus increase.

Erin Reilly discussed a potential plan to reduce salaries. The 16-17 year olds make minimum wage and we have five applicants so far. A couple of them would only work 3 1/2 weeks at \$15.69 and hopefully the lower cost CIT would be able to cover the remaining time.

Camp salaries at \$ 59,560 or about a \$4,000 decrease.

Erin says her concerns are if we shut down the out of town people who pay the higher rate, how would that affect people. There is still an opportunity to get an increase in campers and covers salaries. The questions are where to cap, what grades to cap? They try to maintain a 10:1 ratio of CIT to campers and one counselor per activity and that is a cap of twenty campers per group. It is hard to predict at this time.

Bob Valentine states that this is \$ 26,697 over last year. Erin says that paying minimum wage helped increase the costs. About 50% of campers are from out of town.

Bob Valentine said the concern is for Goshen residents. If we ask all the Board and commissions for adjustments, they need to make the ones that don't affect our residents and the services we provide to them. The budget is 11% higher than last year. If there are fewer campers, then we will need fewer CITs and fewer counselors. Stop subsidizing out of town campers.

Discussion on the differential of cost for resident and out of town campers. Erin Reilly says the costs per camper is \$150/week for one hundred campers and \$ 6.50/hr. for resident campers and \$ 7.83/hr. for out of town campers. The camp prices are \$195 for residents and \$235 for out of town campers. Ned Bixler asked about the revenue and the off sets to the costs. Bob Valentine is concerned we won't cover the costs

Erin says she predicts \$ 85,000 in revenue from the camp and says she was \$5,000 shy last year. The budget has \$74,000 for all salaries and wages. The actual revenue last year was \$64,000, and then we added \$ 20,000 in additional revenue.

Pat Reilly asked if do not allow campers this year, will that impact future years?

Paul Collins asked if the expected donations were in the revenue projections? Erin said revenue was solely from income from campers and the donations of \$10,000 are in addition. Paul Collins asked if this was realistic?

CAPITAL EXPENDITURES REQUESTS 2024-2025

The capital budget is up 19.92% from last year.

Ned Bixler said that we are getting the money back from Region 20 and isn't capital a reasonable place to invest these funds as we've held people back in previous years. He stated he was comfortable with the numbers as presented.

Bob Valentine said that we have asked for reductions in the past when faced with big increases. He has no confidence that we won't end up in the same boat next year. He stated that we need to find a way to minimize the amount of increases in capital.

Alan Walker stated that over the years the Capital request were reasonable. A 20% increase is a lot.

Todd noted reductions from the Fire company, Public Works and Recreation are in the new sheets, Todd made changes late on Tuesday night. The Fire Company took the boiler out, so \$ 373,000 went down to \$ 318,000.

Ned Bixler said that the capital is now \$ 1,039,230 about 13.8%. Todd Carusillo said that was a \$ 126,000 increase from last year.

Allan Walker asked the Board what they feel is a reasonable percentage increase, excluding capital.

Scott Tillman said he doesn't have a percentage, he said that everything everywhere has gone up, the larger percentage is not from a want but just what is needed has gone up. People didn't ask for more stuff, the costs went up. He said that the percent increase of 11% on total budget increase is probably an acceptable percentage.

Bob Valentine says other towns have 3-5% increases and have the same pressures we have, except for the unique waste issue in Goshen. He suggested a 5-6% total increase would be comfortable. We have favorable numbers on revenue, for interest, and Region 6 and refund of the capital. It's not [a question of] can we afford it? it is a matter of fairness as townspeople have substantial increases too. .

Ned Bixler agrees with Scott Tillman that forces are at play that are reflected in the budget, and he doesn't know what to cut. Pat Reilly says we have always been on a tight budget, and everything requested seem reasonable. Allan Walker noted a couple items are driving the increase such as Waste removal.

The Fund Balance is currently at \$2.4 Million. Bob Valentine stated that the projected year end fund balance is \$ 2,550,958. Allan Walker noted that it is recommended that the fund balance is two months of operating expenses. Bob Valentine noted that it equates to roughly 17% fund balance or \$2,136,918.

Todd Carusillo said a healthy fund balance would be a savior if another pandemic ever hits, as employees have to be paid every week. Allan Walker noted it could be any unforeseen catastrophe. A healthy fund balance sometimes looks like excessive taxation, but a healthy balance also draws a good rate of interest so it's not zero sum.

The Grand List as projected now is 1 Mil at a 99.125% collection rate is \$ 738,522.

Bob Valentine says can we afford this budget given our fund balance? Yes. Should the townspeople expect savings having received \$ 680,000 in savings from Region 6? Yes too.

There is \$ 247,000 coming back and we don't need future Region 20 expenses. We have favorable financial numbers and a substantial increase in budget, but we could lower the Mil Rate and maintain a 17% fund balance. The Mil rate can be lowered to approximately 15.2-15.0 from 15.6 and still have enough fund balance.

Bob Valentine said some departments ask for more than they need every year and line items are unspent. In the previous year the budget was done stating monies would be used from the fund balance knowing that some of the money would not be spent. He would like to see a Mil rate reduction as we received a refund from Region 6. Hold the 17% fund balance and hold the Mil rate so we are looking to give the taxpayers a break

We must be careful as we don't want to bake in large percentage increases every year. Bob Valentine will share his numbers when he receives the updated numbers.

Bob Valentine suggests that the numbers be publicized so the residents know what we are thinking and can respond at the public hearing.

Pat Reilly asks Bob Valentine if the Mil rate is kept the same at 15.6 it will we meet the budget? Bob Valentine responded Yes, and it would substantially increase the fund balance.

Bob Valentine will provide the Board with numbers on fund balance, grand list, and revenue.

Allan Walker noted that people like things to be predictable, and need a steady Mil rate

Pat Reilly asks Bob Valentine if the Mil rate is lowered would it meet the budget, Bob Valentine says yes.

Allan asks the Board if they will be happy going to the public meeting as it is? And worried that the budget increases the baseline for the following year.

Todd Carusillo said the residents voted for the Region 6, Region 20 merger and expect a benefit.

The Mil rate number needs to be calculated.

A motion was made by Pat Reilly seconded by Ned Bixler to accept the budget as presented, Allan Walker and Bob Valentine voted nay, and the others voted in favor.

Ned Bixler stated we cannot vote on this budget as these numbers are inaccurate. **Motion by Pat Reilly seconded by Ned Bixler to withdraw the motion to accept the budget as presented.**

The Board of Finance will meet again on Wednesday May 8th 7:30 for a SPECIAL MEETING.

May 15th is the budget hearing. The agenda for the special meeting will be Review of Budgets.

CORRESPONDENCE: None

EXECUTIVE SESSION: At 9:02 pm the Board entered into Executive Session. The Board returned to regular session at 9:16 pm .

A motion was made by Bob Valentine and seconded by Ned Bixler to adjust the clerk's compensation for current work to \$18.29/hr, and then 19.20/hr as of July 1, 2024, given the review. The motion was unanimously adopted.

OTHER BUSINESS: None

ADJOURN: A motion was made to adjourn the meeting by Bob Valentine, Allan Walker seconded, and the motion was unanimously adopted. The meeting was adjourned at 9:17 p.m.

Submitted by

Lee M. Kennedy - Board of Finance Clerk

Received May 3, 2024 10:46 AM
Attest [Signature]
asst. Goshen Town Clerk