

Chris Eide, Chair  
Alison Plante, Vice-Chair  
Ryan Knapp  
Paul Lundquist  
Cathy Reiss  
Chris Smith



## TOWN OF NEWTOWN

The Legislative Council  
Finance and Administration Committee  
met on Monday, April 5, 2021 at 7:30 PM

### Meeting Notes

#### CALL TO ORDER

The meeting was called to order by Mr. Eide, Chair at 7:31 PM.

#### SALUTE TO THE FLAG

#### ROLL CALL

Members in attendance via teleconferencing:

- C. Eide
- A. Plante
- R. Knapp
- P. Lundquist
- C. Reiss
- C. Smith

#### VOTER COMMENT

None

#### COMMUNICATIONS

The Town Finance Director, Robert Tait, sent answers to the committee's questions from the previous meeting as well as further questions posed by Mr. Knapp shared after the meeting.

#### APPROVAL OF THE MINUTES

**Motion to approve minutes from 24 March 2021 made by Ms. Reiss; seconded by Ms. Plante. Motion passes 6-0-0.**

## NEW BUSINESS

*None*

## OLD BUSINESS

*Discussion and possible action on 2021-22 Municipal Budget on items relating to revenue, general government, contingency, debt service, and other financing uses.*

\_\_\_\_\_Mr. Smith shared with the committee that he called the Deputy Assessor for supplemental information regarding the question posed by a constituent, Ms. Slingerland, for the previous committee meeting regarding the timing of new construction landing on the Grand List. The Deputy Assessor indicated that the new construction would not appear on the current grand list, but might be added later. This implies that new revenue that is not reflected on the Grand List could be coming during the budget year.

Ms. Reiss asked if someone was currently paying taxes on the property. Ms. Smith replied that it would not be taxed until it's turned over to the town. Ms. Plante added that they would be paying property taxes on the land. Mr. Smith agreed that they would be paying property taxes on the land, but not the new construction.

Mr. Eide asked about budget implications regarding this line of discussion. Mr. Smith stated that there could be some contingency in the budget, which might allow the town to air on the side of assuming revenues slightly in excess of what's in the budget.

Mr. Lundquist remarked that it may be hard to make direct implications for the budget, but it was good news and good information. It should help the town feel a little better that they can hedge against other revenue questionables.

Ms. Reiss added that, relevant to Mr. Lundquist's comment, she wondered what should be done regarding Mr. Tait's comment about investment income. Mr. Lundquist replied that it did change budget implications, as there could potentially be another additional \$200,000 in revenue that could be assumed based on investment outlook.

Mr. Eide remarked about the proposal from the Municipal Operations Committee regarding funding for capital and non-recurring. The committee then discussed balancing needed tax relief for Newtown residents with saving long-term in order to decrease debt service payments.

**A motion to increase investment income by \$200,000 was made by Mr. Lundquist and seconded by Mr. Knapp. The motion passed unanimously (6-0-0).**

**A motion to increase the assumed tax collection rate from 99.2% to 99.3% was made by Mr. Lundquist and seconded by Mr. Knapp.** Mr Lundquist stated that the motion was meant to align current assumptions with the 5-year historical collection rates, where actual numbers were over the assumed rates several times. This increase was recommended by the Town Finance Director, Mr. Robert Tait. He believed it to be safe and secure to do so. Mr. Tait stated that this change could have about a \$100,000 impact on the final budget. **The motion passed unanimously (6-0-0).**

#### VOTER COMMENT

None

#### ADJOURNMENT

Having concluded the committee's business for the night, **Ms. Plante made a motion to adjourn. Ms. Reiss seconded the motion. The motion passed unanimously (6-0-0) at 8:02 PM.**

Do the property tax numbers on revenue budget summary include apartments and new homes? When does new construction hit the grand list?

Property taxes on the revenue estimates include all property taxes (commercial & residential real estate (including apartments); personal property & motor vehicle). All property is valued on October 1<sup>st</sup> (2020 for the year we are working on). New homes and partial construction is captured on this date.

P 106 - Have we gotten feedback from CIRMA to confirm that this is accurate?

Yes, that amount reflects the final figures from CIRMA.

P 44 - (Investment Income) Is \$300,000 overly conservative? Why use STIF for investments?

Yes, investment income amount can be increased to \$500,000. Estimate was done back in December. Things are changing so \$500,000 is a good estimate at this time.

Municipal operating funds can only be invested in safe investments where the likelihood of loss of principal is remote. The state Short Term Investment Fund is one of those investments. Other investments we do are CD's (mostly out of state – with higher interest rates). These CD are insured with amounts \$250,000 and under. Plus there are municipal mutual funds we can participate in. Typically the STIF fund has the higher rates (because the State has made their own investment rules and allow municipalities to participate).

- Charter 6-05a requires the BOE to “submit an itemized estimate of all revenue other than Town appropriations to be received by the BOE for its use during the next fiscal year.” With grants yet outstanding how do we reconcile this with funding coming from the Town? Should those grants go to the general fund to offset the taxpayer expense if funds are already appropriated to fund the line item? Would the entire BOE line item not be a “Town appropriation” given how it is tracked in the BOS budget?

The revenue estimates in the Board of Education budget are for presentation purposes. They are also included in the Town budget revenue estimates (except for the special education excess cost grant which by state statute has to be applied to special education expenditures. In other words the special education expenditure line item in the BOE budget book is net (gross special education expenditures less the special education excess cost grant); plus any state and federal grant awarded for specific purposes – these grants are properly placed in the BOE grant fund. You see these grants listed on our financial statements. Effectively these grants do keep taxes down. Without them the BOE budget would be larger). The BOE expenditure line item is a Town appropriation. When the Town Budget is passed at referendum the BOE now has permission to spend the education line item for educational purposes.

- Should a grant come in during a fiscal year be “special appropriations” as per Charter 6-35 in that they are “the appropriation of additional funds that are made during a fiscal year that are supplemental to an adopted Town budget?” Why do these not go through the special appropriations process?

Special appropriations, per the town charter, are only those additional amounts requested in the general fund (which is the only legally adopted budget) or in the capital project fund. All other funds have no legally adopted budget however most are grants that have strict expenditure requirements in the grant award documents.

- I see the comment about needing extra personnel for elections and absentees ballots, however do we have reason to expect the same record demand for this municipal cycle as we did with the 2020 Federal elections? Also have there been improvements from the state in the processing of these ballots given the experiences of 2020 and year to prepare?

We do not know how the absentees are going to change however we are anticipating an increase of absentee voting. We are being advised that heavy absentees are here to stay.

The problem was that the absentee applications were sent to all instead of by request. I do not think that will be occurring again. Our two part timers worked many hours supplementing the town clerk's office which was charged to our account. This is part of that money.

We had a plan set up with the town clerk for Election Day. We marked off all ballots received through the weekend on Monday. We were to receive the ballots turned in Monday by noon on Election Day so they could be marked off as voting and added to the second half of the ballots being counted. We did not receive them until the end of the day as well as Election Day turn-ins. Due to late hour we could not cross check if they had already voted until the lists got back to our office after the close and balance of each polling place. This was also after our absentee counters had finished their shifts meaning our office had to check off and then count. This extended the time before we had answers. This was an internal problem not a state problem. A plan for this will be written up once we know what we need closer to that election.

If you have further questions, I would be happy to attend a meeting to explain any of the processes.

Lereine Frampton