

**LEGISLATIVE COUNCIL
FINANCE AND ADMINISTRATION COMMITTEE**

Special Meeting

Newtown Police Department Community Room 191 S Main St, Newtown, CT

Wednesday, April 6, 2022

Minutes

PRESENT: Jeff Capeci, Ryan Knapp, Charles Gardner, Michelle Embree Ku, Matthew Mihalcik, Angela Curi (arrived 6:55pm)

CALL TO ORDER: Mr. Mihalcik called the meeting to order with the Pledge of Allegiance at 6:37pm

VOTER COMMENT: None

MINUTES:

Mr. Knapp moved to accept the committee meeting minutes of March 16th, 2022. Mr. Capeci seconded. All in favor. Motion passes (5-0)

Mr. Knapp moved to accept the committee meeting minutes of March 23rd, 2022. Mr. Capeci seconded. All in favor. Motion passes (5-0)

Mr. Knapp moved to accept the committee meeting minutes of March 29th, 2022. Mr. Capeci seconded. All in favor. Motion passes (5-0)

COMMUNICATIONS: Mr. Mihalcik shared that Bob Tait responded to follow-up questions from the previous meeting (**Attachment A and B**).

OLD BUSINESS: *Discussion and Possible Action – 2022-23 BOS Budget*

The responses to questions (**Attachment A and B**) were reviewed and discussed

Ms. Ku moved to recommend to the Council the reduction of the BOS budget by \$100,000 in Debt Service by applying \$100,000 from the Debt Service Fund to the interest payment. Ryan Knapp seconded. All in favor. Motion passes (6-0)

Ms. Ku said that in the time since budget preparation, the Debt Service Fund balance increased due to favorable results of recent bond sales and that she felt this would reasonably allow the use of more of the fund balance toward reducing the budget.

Mr Knapp noted the need for future discussion regarding policies to address fund balances and outside agency contributions. Ms. Ku noted the need for future discussion regarding a plan for vehicle/truck replacement.

ADJOURNMENT: There being no further business, Mr. Capece moved to adjourn the meeting at 7:16pm. Seconded by Mr Knapp. All in favor.

Respectfully submitted,

Michelle Embree Ku

Vice Chair

Finance and Administration Committee of the Legislative Council

THESE MINUTES ARE SUBJECT TO APPROVAL BY THE FINANCE AND ADMINISTRATION COMMITTEE. ANY EDITS WILL BE REFLECTED IN THE MINUTES OF THE MEETING AT WHICH THEY ARE APPROVED.

ATTACHMENT A

Following up on Q1 response: Where does 1,070 tons of salt ultimately go? Environmental concern for watershed.

Newtown public works makes an effort to limit how much we use by mixing with sand. We have not had the well issues that other towns have had that just use salt.

Follow up: Regarding Lake Authorities, what planned capital expenditures do they have that cannot be covered by their existing fund balances?

I have emailed the Lake Authorities this question and am waiting on their response.

Follow up: "The mission of the agencies are not conflicting, both want to ensure Newtown is developed in the best way for the Town." Respectfully disagree as there is a natural tension between development for Grand List growth and conservation, and a system of checks and balances should be in place. I have personally been at meetings where these dual responsibilities of the single individual were confusing to say the least. However, this is more of a long term policy question we can discuss elsewhere, the budget question was specific to if one individual had salary coming from multiple lines.

There are no wages charged to multiple accounts.

Follow up: If the Library salaries are increasing why would that come from the Town side? Library did not have interrupted revenue from Town, but applied for PPP to presumably cover donations. Library has been running a surplus and has significant reserves. I'm not suggesting a reduction in Library services, rather questioning why the tax payers should shoulder spending increases for anybody consistently running a surplus.

The library contribution BOF recommended is 1.81% more than the prior year. In the prior year it decreased 1.3%. The library has stated, prior, that the PPP loan was to cover salaries. The library director has stated that he would be happy to sit with the committee (or full LC) to discuss the library budget.

What is an appropriate level of debt service fund balance, should we be using more of principal payments?

Good question. The principal source of revenue for the debt service fund is bond premiums created from bond issues. Bond premiums are not guaranteed. You see them usually in low interest environments. The debt service fund, fund balance is planned to be used over the next ten years to take out the bumps in the debt service schedule (to even out year to year debt service payments). The forecasted debt service schedule in the CIP shows the use of debt service funds over 5 years.

is there a plan to have a formal replacement timeline for PW or P&R vehicles

I think there could be some type of formal replacement timeline indicating estimated replacement time periods depending on usage. Doesn't have to be a specific time. Could be a period (let's say within this 5 year time slot). This would at least give us a look into the future and give us an idea of capital replacements.

ATTACHMENT B

Fwd: Town of Newtown question LZA

1 message

Matt Mihalcik <mattmihalcik@gmail.com>
To: "Ku, Michelle" <michelleku.newtown@gmail.com>

Wed, Apr 6, 2022 at 6:48 PM

----- Forwarded message -----

From: **Robert Tait** <robert.tait@newtown-ct.gov>
Date: Mon, Apr 4, 2022, 9:07 AM
Subject: Fwd: Town of Newtown question LZA
To: Matt Mihalcik <mattmihalcik@gmail.com>
Cc: Dan Rosenthal <dan.rosenthal@newtown-ct.gov>

Hello Matt,

Below is the email response from the Lake Zoar Authority.

thanks

Bob

----- Forwarded message -----

From: **Bill May** <billmay2@live.com>
Date: Fri, Apr 1, 2022 at 9:40 AM
Subject: Re: Town of Newtown question LZA
To: Robert Tait <robert.tait@newtown-ct.gov>

Bob,

There no planned capital expenditures at this time.

At some point in the future, we will be looking at replacing one or both of the patrol boats and or motors.

Our continuing cash on hand at the end of the season should be more than adequate for us to handle buying boats and or motors. Our current cash on hand is \$118.798.00.

When we do look to replace one or both of the boats and or motors, we will be looking at getting used equipment.

There are usually a good number of boats available that would be appropriate for us at the end of the summer.

Bill

Bill May

(Home) 203-364-1844

(Cell) 203-376-7999

(Office) 203-267-8711

From: Robert Tait <robert.tait@newtown-ct.gov>

Sent: Thursday, March 31, 2022 3:20 PM

To: info@lakelillinonahauthority.org <info@lakelillinonahauthority.org>; lakezoar@gmail.com <lakezoar@gmail.com>

Subject: Town of Newtown question

Hello,

Could you answer the following question from our Legislative Council budget committee. I think it's best coming from you (I was going to attempt by looking at your budget). I appreciate your response.

What planned capital expenditures do they have that cannot be covered by their existing fund balances?

Bob Tait
Finance Director
Town of Newtown
203-270-4226