

Town of Willington

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BOARD OF FINANCE

Special Meeting Minutes
Via Public Online Video Conference

June 8, 2021
Following Close of Referendum

**Minutes are not official until approved at the next regular meeting*

Members Present (a quorum of 4 members is required to conduct business):

Mike Makuch – Chairman
Geoff Prusak – Vice Chairman
Pete Tanaka – Secretary
Matt Clark
Stef Summers
Christina Mailhos
Lisa Woolf – Alternate

Members Absent:

Brenda Abrams – Alternate

Also Present:

First Selectwoman Erika Wiecewski
Donna Latincsics – Business Manager
Members of the Public

Chairman Mike Makuch called the meeting to order at 8:19pm.

SEATING OF ALTERNATES

All regular members present.

PRESENT TO SPEAK

Peter Latincsics of 97 Trask Rd. stated: thank you all for convening tonight after the referendum and for your diligence and perseverance throughout the budget process; we all appreciate it. I wanted to urge the BOF this evening to attempt to, in some way, remedy the hardships that the townspeople have experienced throughout this pandemic. Connecticut continues to suffer from the effects of the last recession, compounded now by this pandemic. You have an opportunity tonight to address that. Townspeople were not so fortunate as our town government was to receive large sums of money from the federal and state government, and I'm hoping that by applying the surplus that traditionally occurs at this meeting, you can bring the increase to the townspeople to a 0-level increase. I think that would go a long way toward helping the many people in our town who are unemployed, underemployed, or who have lost their businesses and livelihoods. Thank you for your consideration.

OLD BUSINESS

1) Set Mill Rate

Attachment #1

Selectwoman Wiecenski shared the results of the referendum: Question 1 and 2 passed. There were 247 total votes, 4 absentee and 243 in-person, which is 7.27% of our total population who is eligible to vote.

Question 1, General Government budget: 156 yes, 91 no

Question 2, BOE K-8 budget: 156 yes, 91 no

Chairman Makuch referenced Attachment #1 indicating a favorable variance in the updated numbers for the current fiscal year and final fund balance. With the updated numbers, the fund balance would be at 17.3% of the budget, which is way above the 8-12% policy range. Chairman Makuch shared a spreadsheet with updated numbers so meeting attendees could see a scenario in which the fund balance applied allowed for no increase in mill rate and still maintained over 11% fund balance for the upcoming year.

Pete Tanaka clarified whether last year's mill rate was 29.99. Chairman Makuch confirmed.

Christina Mailhos asked to hear from Donna Latincsics about why the numbers have changed so much in the last few weeks; what hasn't been spent and why is there such a significant difference in the revenue numbers?

Donna explained starting with the revenue that she is forecasting \$329,000 more than budgeted:

- education cost-sharing is favorable by \$186,000
- Love's Travel Center permit fee of \$143,000 was paid
- Property taxes will be favorable, as they were budgeted for 98% collection rate and have already exceeded that.

Donna detailed that expenditures are approximately \$236,000 less than budgeted:

- BOE is anticipating returning a minimum of \$100,000
- general government expenditures are under budget across all departments, but of note:
 - Selectman's budget; \$12,000 under budget due to salary turnover
 - Legal; \$12,000 under budget
 - Public Works snow budget was under budget
 - Miscellaneous, which has health insurance and social security is under budget by \$27,000.

Donna continued that forwarding the \$329,000 extra revenue and \$236,000 less expenditure to the fund balance forecast enabled the town to only apply \$108,000 from the fund balance instead of the budgeted \$673,000. Donna took the beginning fund balance of \$2.6 million and added back the unused portion of the applied fund balance, which comes out to a fund balance of \$3.2 million. Last time the fund balance calculation was done, it was done assuming all numbers as budgeted, but is now being trued up as the fiscal year comes to a close and the numbers are finalized.

Christina asked what percent of tax collection is assumed in the upcoming year's budget. Donna replied that next year is factored at 99% tax collection rate.

Lisa Woolf spoke about her opinion on the importance of the BOF and town considering using the fund balance and incoming pandemic relief funds for responsible growth.

Chairman Makuch presented a scenario via the spreadsheet where approximately \$1,055,000 was applied to the budget from the fund balance, which brings the mill rate to 29.99 or no change in taxes from the current year, while maintaining approximately 11.4% in the fund balance, which is healthy and allows the town to react to any surprises in the upcoming year, such as the questions surrounding the school roof project. Specific numbers in the scenario were discussed.

**Mike Makuch made a motion to set the mill rate to 29.99 for FY21-22.
Matt Clark seconded the motion.**

Stef Summers commented that she likes that there's still room in the fund balance, given these things falling in a favorable way, to figure out the school roofs when necessary.

Chairman Makuch commented that to be able to tell the taxpayers that we were fortunate enough to be able to keep the mill rate flat is a great situation.

**Vote: 6 Yes (G. Prusak, S. Summers, C. Mailhos, P. Tanaka, M. Clark, M. Makuch), 0 No
Motion passes.**

GOOD & WELFARE

Chairman Makuch thanked everyone, as this was another difficult budget season. He is looking forward to getting back to meetings in person, though everyone will have to factor in travel time again, as the board will have to shoot for being there to start meetings on time. He commented that while we are used to working by zoom now, it's not the same as being in the same room. He highlighted that we are in better shape than we even planned on being in. Even before this updated budget forecast, he thinks the board did a careful and thoughtful job with the budget. He encouraged everyone to take care of themselves.

Pete thanked Mike Makuch for leading this in a difficult time and coming up with these numbers.

**Pete Tanaka made a motion to adjourn the meeting at 8:46pm.
Matt Clark seconded the motion.**

**Vote: 6 Yes (G. Prusak, S. Summers, C. Mailhos, P. Tanaka, M. Clark, M. Makuch), 0 No
Motion passes.**

Respectfully submitted,
Marysa Semprebon
Recording Secretary

To: Mike Makuch, Chairman Board of Finance
From: Donna Latincsics, Business Manager
Date: 6/8/2021
Subject: General Fund Budget Forecast and Fund Balance Forecast FY 2020-2021

Budget Forecast

Revenues are forecasted to be approximately \$329,000 more than budgeted

Result of favorable ECS funds (186,000)

Love's Travel Permit fee (143,000)

Favorable collections on property taxes (budgeted 98% collection percentage)

Expenditures are forecasted to be approximately \$236,000 less than budgeted

BOE anticipates a minimum return of 100,000

General Government 50,000 (expenditures under budget across all departments)

Selectmen- 12,000

Legal- 12,000

Public Works 40,000 (snow budget)

Miscellaneous 27,000

Health Ins- 18,000

Social Sec- 5,000

Fund Balance Forecast

329,000	revenue more than budget
236,000	expenditures less than budgeted
<u>108,000</u>	needed from fund balance vs 673,000
673,000	

2,644,892 Beginning Fund Balance, which represents 14.9% of the fiscal year 2021
budgetary expenditure appropriations. Source: CAFR FY 19-20 p.15

673,000 Add back FB Applied by Design

(108,000) Subtract

3,209,892 Ending Fund Balance forecast, which represents 17.3% of the fiscal year 2022
budgetary expenditure appropriation.

TOWN OF WILLINGTON, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (UNAUDITED)
FORECAST FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Forecast	Variance With
	Original	Final	6/8/21	Final Budget Over (Under)
REVENUES				
Property taxes	\$ 13,242,171	\$ 13,242,171	\$ 13,263,916	\$ 21,745
Intergovernmental	3,613,348	3,613,348	3,772,844	159,496
Licenses, fees and permits	131,000	131,000	334,010	203,010
Investment income	75,000	75,000	6,772	(68,228)
Other revenues	38,000	38,000	51,035	13,035
Total revenues	<u>17,099,519</u>	<u>17,099,519</u>	<u>17,428,577</u>	<u>329,058</u>
EXPENDITURES				
Current:				
General government	1,239,173	1,251,373	1,196,706	(54,667)
Public safety	149,425	149,425	144,529	(4,896)
Public works	1,418,081	1,418,081	1,371,954	(46,127)
Education	8,860,828	8,860,828	8,760,828	(100,000)
Regional School District No. 19	4,020,967	4,020,967	4,020,967	-
Miscellaneous	505,586	471,386	444,280	(27,106)
Debt service:				
Principal payments	169,411	169,411	169,411	-
Interest and fiscal charges	40,997	40,997	40,997	-
Capital outlays	63,565	45,765	42,556	(3,209)
Total expenditures	<u>16,468,033</u>	<u>16,428,233</u>	<u>16,192,228</u>	<u>(236,005)</u>
Excess of revenues over expenditures	631,486	671,286	1,236,349	565,063
OTHER FINANCING SOURCES (USES)				
Designation of fund balance	673,000	673,000	-	(673,000)
Transfers out	(1,304,486)	(1,344,286)	(1,344,286)	-
Total other financing uses	<u>(631,486)</u>	<u>(671,286)</u>	<u>(1,344,286)</u>	<u>(673,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(107,937)</u>	<u>\$ (107,937)</u>
Fund balance - beginning 07/01/2020 (CAFR 6/30/20 page 15)			2,644,892	
			2,536,955	
			673,000	
Fund balance - ending 6/30/2021 (Forecast 6/8/21)			<u>3,209,955</u>	

Forecasted fund balance is 3,209,955 which represents 17.3% of the fiscal year 2022 budgetary expenditure appropriations (18,507,969).

It is the goal of the Town to achieve and maintain an unassigned fund balance in the general fund in the range of 8 - 12 % of expenditures.
The Town considers a balance of less than 8% to be cause for concern, barring unusual or deliberate circumstances.

Fund	21-22	% of
Balance	Budgetary	Budgetary
Ending 6/30	Expenditure	Appropriation
Forecast	Appropriation	
6/8/21		

3,209,955 18,507,969 17.3%

Fund Balance Applied to 21-22	Net to be raised	Adjusted Grand List	Collection Percentage	Mill rate to fund budget			
700,230	13,664,362	448,264,890	99.0%	30.79	2,509,725	13.0%	
800,000	13,564,592	448,264,890	99.0%	30.57	2,409,955	13.0%	
900,000	13,464,592	448,264,890	99.0%	30.34	2,309,955	12.5%	
1,000,000	13,364,592	448,264,890	99.0%	30.12	2,209,955	11.9%	

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2021 JUN 14 P 12: 15


TOWN CLERK