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*Kevin H. Houlihan*  
TOWN CLERK



### **Board of Finance Special Meeting**

Zoom Meeting  
Monday, March 8, 2021 6:00 p.m.

*(Unapproved)*

#### **Attendance**

**Board Members Present:** Chairman Kevin Houlihan, Vice Chairman James Leahy, Kevin Moffett, Patricia Romano, P. J. Shanley, and Joseph Nuzzo

**Staff:** John Cifarelli, Finance Director; Deborah Satonick, Recording Secretary

**Guests:** Dr. Vince Scarpetti, Superintendent Orange Board of Education

#### **1. Call to Order & Introductions**

- Chairman Houlihan called the meeting to order at 6:06 p.m. and made the introductions of everyone in attendance. He reviewed Governor Lamont's Executive Order 7B regarding the COVID-19 pandemic. The meeting will be remote and will be broadcast live on OGAT and Frontier and streamed on YouTube.

#### **2. Public Dialogue**

- There was no public dialogue at this time.

#### **NEW BUSINESS – Budget Presentations**

##### **3. Orange Board of Education 2021-2022 Budget Presentation – Dr. Scarpetti**

- Chairman Houlihan thanked Dr. Scarpetti and his team for all of their hard work during this difficult time. Dr. Scarpetti began his presentation by introducing the Orange Board of Education members, staff, and principals in attendance. He reviewed the Mission Statement, noting that the OBOE faced a daunting task of maintaining in-person learning, five days per week, while offering remote learning for those who chose this option.
- Dr. Scarpetti explained that they have been COVID conscious throughout the year by striving to

maintain a safe environment with a quality ventilation system that would supply excellent air quality. In addition, there was the Munis financial software implementation which was labor intense, requiring extensive training. Dr. Scarpetti thanked Mr. Cifarelli and all of the staff for their help and hard work during this time period.

- Dr. Scarpetti included the student enrollment over the previous eight years with the estimated projection of 150 students to be enrolled in kindergarten for next year. There are currently 144 students enrolled next year for kindergarten. The total projection from K-6<sup>th</sup> grade for next year is 1166 students. In light of the pandemic, many families last year did not register their children for kindergarten and 19 families elected to home school.
- Dr. Scarpetti stated that the proposed 2021-2022 budget has a 4.38% increase, which is a \$938,617 increase. Their total 2021-2022 budget is \$22,353,196. Dr. Scarpetti displayed a pie chart graph illustrating that 85% of their budget is attributed to employee salaries and benefits.
- Dr. Scarpetti explained that over the previous summer they hired a Reopening Committee to brainstorm different scenarios in order to create systems in place. The committee included staff, teachers, the First Selectman, Dr. Mohammed, and others. The Board hired permanent substitute teachers and ordered one-on-one devices for students and advanced webcams for remote learning. Classrooms were reorganized for safe distancing and plexiglass installed in strategic locations within the school. The permanent substitutes assisted in keeping schools open and provided a cost savings to the town. Mr. Leahy commended the OBOE and felt that they have provided a “benchmarking” opportunity for other school districts to learn from.
- Dr. Scarpetti reviewed the entire budget by individual line items and took all questions from the Board of Finance members. He explained how Professional Learning line items will increase and decrease over the course of time. Special Education was discussed in detail. This segment of the budget has a 5% increase based on changes in the population. There are currently four Registered Behavioral Technicians and the OBOE is looking to hire two more. The intention is to educate students in-house, as it is very costly for outplacements. Four students are currently outplaced.
- Dr. Scarpetti explained the reasons for the increases in technology. Network Service increased to provide a wider bandwidth for greater speed when there are multiple users on the Internet. Web Hosting at \$16,828 and District Utilities Software at \$121,309 also had increases.
- Dr. Scarpetti reported that Health Supplies are for the nurse’s station. Regular transportation is increasing by 6%, in part due to radio repairs. Custodial supplies increased due to COVID. Building repairs increased but these are not Capital items. These costs include filters for the ventilation system to provide a better quality of air. Electricity costs also increased as the school fans are now running more frequently to provide circulation of air flow due to the pandemic. Electric rates also went up.
- Health insurance decreased as many employees have chosen not to go to the hospital due to the pandemic. People have also have remained at home due to COVID so they are less apt to mishaps. Mr. Cifarelli pointed out that the OBOE has about 100 more people paying copays into the plan so they have a better rate than the town. Mr. Shanley suggested that this line item might increase next

year as many people have put off elective procedures and surgeries.

- Mr. Cifarelli explained the reasons behind the increase in Workman's Health Compensation. He added that many people who have gone out on Workman's Compensation due to COVID have been denied coverage, right across the entire state. However, these claims are now being reconsidered in Hartford and if they are covered, this could result in a substantial cost to the town.
- Dr. Gray explained that there is less participation in the lunch program at the schools in spite of the fact that the state is offering free lunch until the end of the school year. As a result, this line item of Café Subsidy has doubled.
- Mr. Leahy made a brief slide presentation regarding the OBOE budget. He highlighted the effect of compound interest, pointed out the town's AAA rating that results in lower bond rates, and noted that the town has a solid fund balance. Mr. Leahy also displayed the DRG average for the town of Orange compared to similar neighboring towns. Based on historical norms, Mr. Leahy felt that by increasing class size taxpayers dollars could be saved.

*Mr. Shanley made a motion to recess for a five minute break, seconded by Mr. Moffett. All were in favor and the motion PASSED.*

#### **4. Budget Discussion**

- Mr. Nuzzo assumed that the Amity Finance Committee approved their proposed 2021-2022 budget, although he did not have a definitive answer at the time of the meeting. The bond for purchase of Racebrook Country Club will be added into the budget. Mr. Cifarelli and Ms. Geer will look at the total proposed budget for any Capital items that can be removed from the general operating budget. Chairman Houlihan indicated that he does not yet have the audit but indicated that there will be a surplus. Mr. Cifarelli felt that with the Amity surplus they may not need to use the Fund Balance to cover the budget increases this year.
- Mr. Cifarelli indicated that he will review each line item in the budget looking for potential decreases and he will present a revised budget on Monday at their regular Board of Finance meeting. The request for police cars and the \$225k for property revaluation will be removed from the operating budget and put into Capital items. The two defined benefit plans have gone up and the rate of return has decreased, having a direct effect on next year's budget.
- Mr. Leahy indicated that he called Mr. Branchesi and the Grand List has a 0.7 increase. United Illuminating is in the 6<sup>th</sup> year of tax credits and received a credit of \$282k for this year. Mr. Cifarelli intends to contact Mr. Branchesi regarding the Grand List as Mr. Houlihan suspects an error in the real property Grand List.
- The tennis courts at High Plains Community Center have not yet been approved. Mr. Cifarelli indicated that insulation and leaking pipes in the tunnels at High Plains will be fixed for about \$200k as a Capital expense. Approval for this is expected at the Board of Selectmen meeting in April.

## **5. Setup Next Budget Workshop Meeting**

- Mr. Leahy and Mr. Shanley felt it was extremely important to keep the “Next Steps” on every Agenda, even if there is nothing to discuss. The next Board of Finance meeting is on Zoom this Monday, March 15<sup>th</sup>. All Zoom meetings are required to be televised. Chairman Houlihan asked Mr. Cifarelli to obtain the dollar amount in the Capital Reserve Fund and the projected Fund Balance for their next meeting.
- The Board members discussed the location of future in person meetings. The Orange Board of Education Meeting Room, which is very large, would allow the Orange Board of Finance to use this room for meetings and at the same time have proper social distancing. This is an option that might be considered in the future. Chairman Houlihan will ask Dr. Scarpetti about holding some Board of Finance Budget Workshops at this location.
- Mr. Leahy will send out the PowerPoint presentation and the updated mill rate file to the team. He will also contact Mr. Branchesi in an attempt to have a joint meeting with Mr. Houlihan and Mr. Cifarelli to discuss the Grand List.

## **6. Discussion & Approval of Minutes – February 22, 2021 Regular Meeting**

- The Board members reviewed the February 22, 2021 minutes and made revisions as deemed appropriate.

*Mr. Nuzzo made a motion to approve the amended February 22, 2021 Board of Finance minutes, seconded by Ms. Romano. All were in favor and the motion PASSED.*

## **7. Adjournment**

*Mr. Shanley made a motion to adjourn the meeting at 9:55 p.m. Ms. Romano seconded the motion All were in favor and the motion PASSED.*

Respectfully Submitted,

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Deborah Satonick  
Recording Secretary