There was a regular meeting of the above referenced subcommittee held on Monday, June 17, 2019 at 6:30 p.m. in Conference Room #5, Bloomfield Town Hall, 800 Bloomfield Avenue, Bloomfield, CT.

Committee members present were: Councilors Kevin Gough, Chair, Patrick DeLorenzo, Kenneth McClary and Deputy Mayor Rickford Kirton

Also present were: Councilor David Mann, Philip K. Schenck, Jr., Town Manager, Keri Rowley, Director of Finance, David Melesko, Director of Leisure Services, Jose Giner, Director of Planning and Economic Development and India Rodgers, Clerk of Council

Absent were: Mayor Suzette DeBeatham-Brown and Councilor Joseph Merritt

The meeting was called to order at 6:30 p.m.

Discussion and Review of the Final Draft regarding the Self Insurance Fund Policy

The Self Insurance Fund Policy is a joint policy with the Board of Education and the Town of Bloomfield. It reserves funding for both the Town and Board. In the past when reserves build up, funding was used to invest in OPEB.

Mrs. Keri Rowley, Finance Director presented suggested language changes within the policy as well as the addition of an appendix with a definition of terms.

Mrs. Rowley informed the subcommittee that Mr. William Guzman, Chief Operating Officer at the Bloomfield Board of Education did not present to Policy Committee. He noted that this policy should be formally adopted by Council first. Mr. Guzman will present this policy at the September meeting with the Board of Education.

Deputy Mayor Kirton inquired if the Board had an opportunity to review the initial policy. The Board’s Finance Team agreed to policy changes.

It was moved by Councilor DeLorenzo, seconded by Deputy Mayor Kirton and voted unanimously to recommend to the full Council approval of the suggested language changes in the Self Insurance Fund Policy memorandum dated June 2018.
Discussion and Possible Recommendation to the Council regarding the Cigna Tax Abatement Request

Mr. Jose Giner, Director of Planning and Economic Development gave a status update regarding the Cigna Tax Abatement Request.

Mr. Giner presented the updated term sheet from Cigna outlining what the Council is looking for. The Council requested more measurable outcomes in regards to community investments. Mr. Giner noted that Cigna stated it is difficult to commit to “hard numbers” because they are unpredictable.

Mr. Giner recommended approved of Cigna’s Tax Abatement request. The items listed in the term sheet can be numerated as aspirational goals and best efforts. He suggested the approval of a 7-year tax abatement at 50%.

Mr. Philip K. Schenck, Jr., Town Manager expressed his opinion for a positive recommendation from the Finance and Land Use & Economic Development subcommittees, to the full Council to authorize the Town Manager, Director of Planning and Economic Development and Town Attorney to develop a draft agreement with Cigna by July 8, 2019 Council meeting.

There has been some discussions regarding a 5-year option with 2 additional years or 7-year tax abatement agreement based on good faith efforts with community investments. He noted that the 5-year, 2-year option offers more leverage in obtaining some of the aspirational goals that interest the Council.

Mr. Schenck, Jr. also noted that the CEO of Express Scripts has a three year potential change date and Cigna has stated that they are on hold with making major discussion regarding the St. Louis headquarters.

He also mentioned the creation of reporting format to analyze their best efforts.

He strongly recommended the development of a Draft Agreement with Cigna as soon as possible.

Councilor Gough noted that Economic Development Commission made a positive recommendation with the expectation that Cigna would negotiate substantial community investments.

He also inquired on how the Council will evaluate substantial community investments?

Mr. Schenck, Jr. noted that Cigna has proposed to consider the following:

- Volunteer opportunities within the community
- Financial support for Community Programs
- Town acquiring the Gillette House - $326,000
- Recruitment/Hiring - outreach efforts - quarterly reports
- Working with the Bloomfield Chamber of Commerce
- Potential move of Express Scripts
- Internship Program
- STEAM Program support
- Participating in contractor job fairs

Councilor Gough expressed concerns about amount of abatement given, should we start at the maximum (50%) per Tax Abatement policy. The maximum can be considered as the percentage of abatement, length of time or other variables.

Deputy Mayor Kirton stated that the Town must be cautious in comparing new businesses and Cigna. He expressed concerns about Cigna’s unwillingness to commit to anything. Deputy Mayor Kirton is willing to support the 7-year, with negotiation efforts to have Cigna consider substantial community investments.

Councilor McClary expressed his concerns that the offer of a tax abatement to Cigna is “corporate welfare”. He noted that Cigna has no commitment or creativity for the Bloomfield community. In addition, Councilor McClary suggested the option of a 5-year for 30%. He commented on Cigna receiving $15-$19 million in incentives from the State of CT as well.

Councilor Mann expressed his disappointment in Cigna’s inability to offer substantial community investment for an additional 2 years. Councilor Mann noted that he is in support of approving a 5-year abatement based on them being a premier corporate citizen and no public expense.

Councilor Gough stated that Council should review this request in terms of what the Town would like Cigna to commit to for community investments for 5 years and how those investments can be measured to consider an additional 2 years.

He also asked about the status of acquiring the Gillette House - why would the town want it? Mr. Schenck, Jr. replied that is an historic property with value, such as the potential use for a restaurant.

Councilor Gough also noted that in the updated term sheet several items need to be removed such “If re-evaluation of improvements to Wilde Building comes in high enough, community investments may not be warranted.”

Councilor Gough would also like to see parameters (on what we expected in negotiations) of the offer developed by Town staff and Town Attorney. He suggested a comment period open to the public at the June 24, 2019 Council Meeting for public comments with a final decision to Council on July 8, 2019.
Deputy Mayor Kirton stated that there is no need for a formal public hearing prior to approval of this tax abatement.

Councilor Gough expressed his support of this Cigna Tax Abatement agreement. He suggested the inclusion of Claw backs into 5 years of accomplishments, to consider an additional 2 years.

It was moved by Deputy Mayor Kirton, seconded by Councilor Gough to refer the Cigna Tax Abatement Request to the full Council, to authorize the Town Manager and Town Attorney to enter into negotiations to develop a draft agreement outlining the terms of a 5 year abatement with an option for an additional 2 years, if Cigna can meet sufficient community investments.

VOTE: AYE: K. Gough, R. Kirton
       NAY: K. McClary
       ABSTAIN: P. DeLorenzo

The motion passes 2-1-1.

Councilor McClary reiterated that this course of action will create a bad precedent for future developments. He stated that this model may be used for negotiations of future tax abatement requests.

**Discussion and Possible Action Regarding Final Year-End Transfers**

David Melesko presented an update regarding the status of the STEM Program with Leisure Services.

Leisure Services began to incorporate STEAM based programming in the after school program. Some of the workshops introduced were: Imagination Creation, CT Science Center, Tech Trep, Ace My Interview and Mad Science.

Mayor DeBeatham-Brown has been working on developing Bloomfield Bridge Committee. Mr. Melesko presented a list of names for this committee. This committee will create their own by-laws, STEAM Program functions, select officers, develop partnerships with local industries and businesses and research grant opportunities to support the mission of the program.

Some goals that have been identified for the creation of this program include: work study, scholarships, internships, Ace My Interview, Tech Trep (web based) program, organized educational bus trips and other hands on related workshops.
Councilor Gough noted that Leisure Services is already participating in administering these programs. However, the town should not be in charge of this program long-term, it should self-sustaining.

The Bloomfield Bridge Program currently has allocated funding of $200,000, thus far, $18,038 is being spent on new computers for the computer lab at the new Human Services Facility. Mrs. Rowley noted that a Special Revenue Fund was created for the STEAM program. Currently, there has been $100,000 allocated from the FY 18/19 budget and an additional $100,000 has been earmarked from the FY 19/20 budget, totaling $200,000.

Deputy Mayor Kirton encouraged continued conversations with the school system, to discuss collaboration and long term goals of this program. He does not agree that this program should be based in Leisure Services.

Councilor McClary expressed concerns about the initial discussions with the BOE to match the allocation of $100,000. He noted that there is no concrete program to invest funding into. Councilor McClary compared this level of commitment to the funding needed to fund a Small Business Program.

Councilor DeLorenzo inquired about the financial accounting for this program thus far.

Councilor Mann suggested the hiring of a consultant would make sense to determine the evolution of this program.

Deputy Mayor Kirton noted a conflict with using funds to purchase computers for Leisure Services from funds specifically designated for the STEAM program.

Councilor Gough asked if this is the proper use of funds from the STEAM Program. It was noted that Leisure/Senior Services could cover year end transfers of this computer of approximately $19,000 with funds not dedicated to the STEAM program.

It was moved by Deputy Mayor Kirton, seconded by Councilor DeLorenzo and voted unanimously to recommend to the full Council, authorization to transfer $129,500 in appropriations within the 2018-2019 budget from the department below. The total adopted budget of $90,495,557 (total reflects the approved BOE supplemental appropriation) remains the same.

There was a friendly amendment of the original motion to include $18,038 for computer purchases for STEM programming in Leisure Services.

The amended motion is as follows:
It was moved by Deputy Mayor Kirton, seconded by Councilor DeLorenzo and voted unanimously to recommend to the full Council, authorization to transfer $147,538 in appropriations within the 2018-2019 budget from the department below. The total adopted budget of $90,495,557 (total reflects the approved BOE supplemental appropriation) remains the same.

**Discussion on Prefunding for Long-Term Capital Projects**

The subcommittee also discussed some general strategies for the Town’s healthy fund balance.

There was a brief discussion regarding prefunding for long-term capital projects and making extra contributions to the OPEB Fund. Currently, the general fund balance is $18.75 million, 20.8% of the required reserve.

Councilor Gough noted that certain projects were not completed this fiscal year. It was suggested that funding should be allocated in budget FY 2021-2022 to finance Roads and Sidewalks Improvements and other capital projects.

**Discussion regarding May 2019 Financials**


- The tax collection rate through May 31st was 98.31%, which is slightly lower than the rate of 98.42% for the same period in FY 17/18. The collection rate is still on track to reach the budgeted 98.5%.

- There is currently no update on the tax sale outside of Pulman & Comley continuing title searches for 24 properties.

- The Town has received two special education grants from the State of Connecticut during the month of May. The two payments total just over $60,000 and go directly to the Board of Education. The town is only anticipating a State grant funding for the last installment of the Mashantucket Pequot Grant that is received in June.

- The Building/Demolitions Permit revenue has surpassed the budgeted amount of $950,000 and collected a total of $985,000 with one month of revenue collections remaining. The projected revenue was increased to $995,000 in anticipating of continued in the month of June.

- The Real Estate Tax Conveyance Tax is still trending favorable, collecting about $40,000 this month. This line item has exceeded the budgeted amount by over $464,000 to date. The projected budget was increased by $470,000 to $920,000.
List of revenue projections were decreased as a result of slower than expected collections:

- Ambulance Service - decreased $45,000
- Library Receipts - down $6,000
- Town Clerk Fees - down $13,000
- Parking Fines - down $6,500
- Tower Rent - decreased $10,000

It was also noted that prior to the recent Supplemental Appropriation to the Board of Education to cover $975,000 overage in Special Education costs, actual income exceeded budgeted income by $2.95 million. The town is expecting to receive an additional $2 million of income for the year.

**Expenditures**

Overall, expenditures (including encumbrances) for the month of May are 88.3% of the year’s total budget compared to 91.6% of where they would be on average after eleven months.

**Approval of Minutes**

It was moved by Deputy Mayor Kirton, seconded by Councilor DeLorenzo and voted unanimously to approve the minutes of May 14, 2019 Special Joint Meeting and the May 20, 2019 regular meeting with corrections.

**Adjournment**

It was moved by Deputy Mayor Kirton, seconded by Councilor DeLorenzo and voted unanimously to adjourn the meeting at 8:30 p.m.