BLOOMFIELD TOWN COUNCIL
FINANCE SUBCOMMITTEE

There was a regular meeting of the above referenced subcommittee held on Monday, September 16, 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 (via phone) and Mayor Suzette DeBeatham-Brown

Also present were: Robert E. Smith, Town Manager, Philip K. Schenck, Jr., Immediate Past Town Manager, Keri Rowley, Director of Finance and India Rodgers, Clerk of Council

Absent was: Councilor Joseph Merritt, Deputy Mayor Rickford Kirton

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

Discussion regarding current Capital Projects Funding Allocation Transfers

Mrs. Keri Rowley, Finance Director presented a memorandum outlining details of current Capital Projects Funding Allocation Transfers. The State of Connecticut are stricter with their guidelines for compliance of the Town’s Municipal Capital Grant.

Mrs. Rowley presented a list of all projects that were either funded in the FY 2019-2020 Capital Improvement Budget with the Municipal Capital Grant or “Other” funding source. The “Other” funding source are projects that have been identified as having surplus funds that can be transferred to fund the projects that were designated in the current year capital improvement budget. The residual balances that have been identified were also projects originally funded by the Municipal Capital Grant.

Projects:

- Public Works Heavy Equipment - $210,000
- Town Green Renovations - $50,000
- Filley Park Restoration - $25,000
- Water Splash Pad - $135,000
- Park School Complex Tennis Courts - $80,000
- Pershing Park Revitalization - $104,000
- Golf Course Improvements - $16,647
- Rockwell Basketball Courts - $30,000
- Information Technology Improvements - $90,000
- Conversion of BOE Financial System - $70,900
- General Park Maintenance - $35,000
The total of the above projects equals $846,547. Mrs. Rowley requested to transfer these projects from the Municipal Capital Grant to the General Fund. There are three projects that are currently funded by the general fund that qualify as allowable expenses for the Municipal Capital Grant:

- Mountain Avenue Sidewalk - $395,580
- Bloomfield Greenway Project - $79,062
- Woodland Avenue - $371,905

These projects will be transferred from the General Fund to the Municipal Capital Grant. The total budget and scope of these projects will not change.

**Discussion regarding FY 2019 Year End Update**

Mrs. Rowley reported that FY 2019 was a strong year for revenue collected. The tax collection superseded the budgeted amount by almost $1.6 million. In addition, the Real Estate Conveyance revenue totaled more than $755,000 over the targeted $450,000 budget. The Town finished the year collecting $91,383,268 which is $3.26 million over the anticipated amount.

Overall, expenditures for FY 2019 were well below budget. At year-end, over $1 million was remaining town-wide in unexpended balances. This amount is after an additional transfer to the OPEB fund of $765,650 was completed from the balances in various departments that were trending below budget in the fourth quarter of FY 2019.

The year-end results net an increase to unassigned fund balance of $1,922,713. The supplemental appropriation to the Board of Education for $975,000 and the original assignment of fund balance to the FY 2019 budget of $1.4 million are reflected in the net increase. In addition, last year the Town of Bloomfield assigned $421,000 to offset the increase in future debt service as a result if the two building projects. There is $200,040 remaining in debt service for FY 2020. The remaining $1,722,673 would increase the Town’s fund balance to $20,470,837, which would be 22.76% of the FY 2020 operating budget.

This subcommittee discussed an option to assign FY 2019 surplus to offset capital projects in the upcoming budget year. If the $1,722,673 is assigned to fund future capital projects, it will assist in bringing the general fund contribution to capital to a long-term sustainable amount.

It was noted that the Town held a Tax Sale on September 19, 2019 for the sale of properties with delinquent taxes. Of the 14 properties up for sale:

- 5 were sold at or above their reserve
- 5 others sold below their reserve, will be added back to the tax roles
- 4 properties were postponed (no acceptable bids)

The Town should receive over $300,000 and return ten properties to the tax rolls.
Mayor DeBeatham-Brown indicated that more research could have been done on all tax sale properties, to inquire if the town could possess ownership or not.

**Discussion regarding August 2019 Financials**

Mrs. Rowley gave a status update on August 2019 Financials:

**Revenues**
- Tax Collection Rate through August 31st was 61.43%
- Building/Demolitions Permit surpassed anticipated collections - $367,252 or 43.2% of the budget
- Interest on Investments earned just under $10,000
- Real Estate Conveyance Tax collected $112,000 or 23.7% of the projected revenue
- Summer Program revenue collected over $31,000, which is almost $17,000 more than the budgeted

**Expenditures**
- For July, expenditures were about 13.50% of the year’s total budget
- Substantial payments have been made thus far to MDC, Police Pension, Town Pension and Debt Service payment for two bond issuances

Councilor Gough expressed his concerns regarding current Labor Contract negotiations. He also asked about an update on Debt Service and discussion about timing and lower interest rates, in connection with the proposed Library project.

Mr. Robert Smith, Town Manager noted that there are other budgetary concerns that need to be addressed as well.

Mrs. Rowley noted that the Town cannot increase per the Debt Policy from 6% and year end balances could be applied to Debt Service.

She also explained the purpose of Open Finance, which is now posted on the town’s website for more information.

Mrs. Rowley informed the subcommittee of communications with the Board of Education about receiving financials on a quarterly basis; with the integration of MUNIS by July 2020.

Councilor DeLorenzo expressed concerns about 20% fund balance and BOE requesting more funding.

**Public Comments**

There were no public comments.

**Approval of Minutes**

3
It was moved by Mayor DeBeatham-Brown, seconded by Councilor DeLorenzo and voted unanimously to approve the minutes of July 15, 2019.

**Adjournment**

It was moved by Mayor DeBeatham-Brown, seconded by Councilor DeLorenzo and voted unanimously to adjourn the meeting at 7:15 p.m.