

BOARD OF FINANCE
SPECIAL MEETING MINUTES
MAY 20, 2002

I. CALL TO ORDER - The meeting was called to order by Chairman Harrison at 7:00 P.M. in the Avon Room, Town Hall. Members present, Tom Gugliotti, Bill Hooper, Steve McGuff, Michael Monts, Jim Speich and Mark Zacchio.

II. OLD BUSINESS

01-02-22 FY2002/2003 Budget

The Chairman opened the meeting by saying this is out of the ordinary, for us to deal with the results of the referendum last week. The budget was defeated 53% to 47% roughly. We now have to go back to the Town with a recommended budget and it is very necessary NOT to have a second referendum defeated. We need to decide how much of a cut to recommend. It is absolutely essential that we come up with a number that would be approved by the voters. We do not want to have another defeat because in July we will go to the bond market on the school and if the referendum is approved on June 6th, for the purchase of open space land; those proceeds would be included. It would be difficult to maintain our AAA Bond Rating - the rating companies will be in Town to review our finances about two weeks before the referendum and they will not be pleased to think the Town is not willing to fund its obligations. In response to a question from the Chairman, the Town Manager reported there are no additional revenues available.

The members each stated their desire not to cut too much; not to cut services. It appears our job tonight is to calculate just how much can be adjusted without causing major problems for any of the departments. They considered the original budget of \$52,091,000; last year \$47,650,130 was acceptable to the voters; this shows an increase of \$4,440,870.

The Board indicated they would like to have the Town Council and the Board of Education present at the Public Hearing to answer questions from the audience. Of particular interest will be just where cuts are indicated in each budget - the Board of Finance feels this will be of prime interest to the citizens.

The Chairman reiterated that the budget that was rejected last week carried a tax increase of 7.5%, or 1.95 mill increase. His personal opinion is that the percentage of tax increase will have to begin with 5%; members discussed their individual opinions, noting mostly that over 1 million has already been cut; that the new school will have a definite impact on this budget and that the citizens have indicated that they fully supported the school budget and did not want to see programs cut. These deliberations resulted in a total budget of \$50,898,068 or a 6.8% increase over what has already been cut.

Further discussion resulted in a 50/50 reduction by the Town Council (including the Capital Program) and the Board of Education. This will necessitate \$600,000 be cut from each budget. The Chairman reviewed what the final decision of the Board of Finance is, and advised the Town Council and the Board of Education that they were

not yet prepared to make a resolution to the Town Council regarding this decision, but would like to have the full Town Council and Board of Education consider these decisions and report back to the Board of Finance tomorrow evening at the combined meeting.

Both the Town Council and the Board of Education indicated this will be a very difficult task and they will confer to see if it can be accomplished.

On a motion made by Mr. Gugliotti, seconded by Mr. Hooper, it was voted:

RESOLVED: That the Board of Finance adjourn at 8:30 p.m..

Messrs. Harrison, Gugliotti, Hooper, McGuff, Monts, Speich and Zacchio voted in favor.

Respectfully submitted,

Thomas A. Gugliotti, Secretary

Attest:

Elinor Burns, Clerk