City of Bristol
Regular Board of Finance Meeting
April 3, 2024

A regular meeting of the Board of Finance was held on April 3, 2024 at 5:30 p.m. in City Hall Council Chambers and via Zoom. The following were in attendance: Chairperson Dave Maikowski, Vice Chairperson Marie O'Brien, Mayor Jeffrey Caggiano, Commissioners Glenn Heiser, Jon Mace, Mark Peterson, and Mark Whitford. Ron Burns was absent. Mike Massarelli on Zoom. Also present from the Comptroller's Office: Diane Waldron, Robin Manuele and Jessica Pilgrim.

1. Call to order

Chairperson Smith called the meeting to order at 5:30 p.m.

2. Public Participation

None

3. Presentation and discussion regarding the 2024-2025 budget.

Comptroller Diane Waldron gave a presentation on the proposed 2024-2025 budget reviewing City Expenditures, Capital Outlay, Debt Service and Capital Expenditures, Education, Revenues, Fund Balance and Use of Reserves, Grand List, Mill Rate, Capital Budget, and Open Items.

Diane reviewed the proposed budget for the General City totaling $85,043,690 increasing $3,027,635 or 3.69%. The initial requests totaled $87,715,450 or a 6.95% increase.

Diane highlighted the proposed city expenditure reductions:

- Corporation Counsel Professional Fees - reduced by $40,000 as there are currently funds that can be carried over to that account.
- A vacancy factor was applied to Police Patrol and Public Works Streets Division of 1.5 and 1 position, respectively.
- Fire Department Regular Wages and associated costs with the requested hiring of 16 new firefighter positions.
- Various reductions were taken in Police, Fire, Public Works and PRYCS based on current trends
- PRYCS requested two maintainers and one is recommended, as well as the recommendation of a full time Arts & Culture Supervisor to be funded in the Arts & Culture Fund
- Operating Transfers Out - removing the transfer to Special Revenue for the $100,000 reserve for the Fire Truck, certain Capital Projects for the Capital Budget and an increase in use of reserves from the Internal Service Fund.

Capital Outlay requests for City Departments totaled $1,357,655 and $673,765 is proposed to be funded from the Equipment Building Sinking Fund. The Public Works Fleet Capital Outlay account stays in the General Fund. The request of $1,378,000 is proposed to be funded at $500,000 but additional funds may be appropriated from FY2024 surplus or receipt of unanticipated grants in FY2025.

The Debt Service and Capital Transfers proposed budget totals $14,932,395, an increase of $1,098,865 or 7.94%. The majority of this increase is a result of a $1 million increase in Debt Service. Debt Service by purpose was reviewed, 36% is for School, 63% for General Improvement and 1% for Sewer.

Discussion was held on the Assessor Personal Property Audits; the funding request is for year two. The program has started, and the City anticipates billing for any adjustments by June 30, 2024.

Diane reviewed the Tax Increment Financing which was created with the Downtown Bristol TIF Master Plan in 2018. The current TIF balance is $258,000. The 10/1/23 Grand List incremental tax amount is estimated at $1.377 million, it is treated as a revenue and expense and factored in the mill rate calculation. The recommendation is no TIF allocation for fiscal year 2025. Mayor Caggiano stated no one has been interested in this program to date.

The Board of Education request of $132,232,600 or a 4.13% increase has a proposed reduction of $3,143,600, bringing the proposed net BOE budget down to $129,089,000 an increase of $2,100,000 or 1.65%.

Dr. Carbone stated last year they requested $127,989,000 and they received $126,989,000. The proposed increase of $2,100,000 does not cover what the Board needs. Alliance Funding, State Entitlement Grants follow very different rules. A $129 million budget will have tremendous impact on the Board side, and will come before the Board of Finance next year with a deficit. Special Education can not be cut as it's a mandated service. Mayor Caggiano stated there is a $3.2 million increase in the Alliance Grant, the total the BOE is receiving between the City and the additional Alliance Grant funds is an increase of $5.6 million. Dr Carbone stated 12.5 positions were moved within the alliance district. The Board of Education needs $2.7 million to meet all contractual obligations and will need to make considerable cuts without that amount, including the possibility of layoffs. The budget presented is what was approved by the Board of Education, and Dr. Carbone cannot make any changes at this point.

Chairman Maikowski stated no one on this Board wants to set anyone up for failure. The question was to clarify how many new hires were in the budget. Dr. Carbone stated there are two new positions for English as a second language, funds that are currently in the budget will be used for programs to mitigate out of district costs. Dr. Carbone stated there is a Security Officer, 2 Teachers, 12 people being moved out of General Fund. Mayor Caggiano asked what the contractual labor contract increases are. Discussion continued on the Board of Education budget.

The total General Fund proposed budget is $229,065,085 which increases 2.79%, with the General City at 3.69%, Debt Service and Capital Transfers 7.94% and Education 1.65%.

Requested revenues totaled $58,206,690 and after $1,250,000 of proposed changes revenues total $59,456,690. There were two changes for Tax Motor Vehicle Supplemental and an additional $1,000,000 use of the Mill Rate Stabilization Fund.

The proposed budget does not use Fund Balance, and maintains the Fund Balance percentage at 13.25%. However, there is a recommendation to use $2,000,000 from the Mill Rate Stabilization Fund. $1.2 million will be left in the MRSF after this use.

The Grand List grew 0.35%. The current FY23-24 mill rate is 30.35. With the proposed reductions reviewed the budget totals $229,065,085 and would require a mill rate of 31.85 mills to balance the budget.

The recommendation is to use the statutory motor vehicle mill rate cap of 32.46, and a mill rate of 31.85 for Real Estate and Personal Property.

Diane reviewed the estimated tax increase to a single family for the average and median taxpayer.

The Capital Improvement Committee has reviewed the Capital Budget and Diane reviewed the summary of authorized debt as well as debt service projections and ratios. 2029-2030 the percentages do increase. An assumed interest rate of 3.75% was used for the projections. Currently rates are between 3.2%-3.4%, so these are conservation projections. Diane stated that there are many factors that would affect actual debt service, including cash flow for the projects, timing of the issuances and the final interest rate.

Next year, there is a planned debt service increase estimated at $1 million, the use of the Mill Rate Stabilization Fund may not be available if not replenished and there is use of $1.5 million of the Health Benefits Fund to offset the health insurance increases.

At this point the Board needs to decide if there are any other adjustments, and to monitor if there will be any other adjustments to State revenues. There is another workshop scheduled for April 17. The Board of Finance is set to adopt the budget on April 23 and a Joint Meeting of City Council and Board of Finance to adopt on May 20.

The Mayor stated he will be the loudest voice if the BOE says they are cutting teacher positions. They have a $5.6 million increase in their budget. Chairman Maikowski stated the Alliance Funding has restrictions, but has fluidity within the budget where it can be absorbed within programs that qualify. Commissioner Mace stated the BOE can be creative with other expenses, it will take some work on their part and require better explanations of what it can be used for.

4. Any other matter to come before said meeting

None

5. Adjournment

Commissioner O'Brien made a motion seconded by Commissioner Mace

"To adjourn at 7:26 p.m."

Following a voice vote in which there was no opposition, the Chairperson declared the motion carried.

Attest:

Diane M. Waldron

Diane M. Waldron
Board of Finance Clerk