

A **REGULAR MEETING** of the Board of Finance was held on Monday, May 11, 2020. In response to the Governor's Executive Orders regarding COVID-19, this meeting was held remotely using the ZOOM online meeting platform. Participants included Mayor Elinor Carbone and Board of Finance Members James Wright, Laurene Pesce, Lance Boynton, Christopher Beyus, Mark Bushka and Christopher Anderson. City Comptroller Alice Proulx and City Treasurer Daniel Farley also joined the meeting.

Mayor Carbone called the meeting to order at 6:04 p.m.

FY 2020-2021 REVENUE PROJECTIONS: REVIEW & DISCUSSION

Mayor Carbone presented an overview of projected revenues from the State for the fiscal year from July 1, 2020 through June 30, 2021 and the Board discussed the projections. Mr. Boynton expressed concern that the COVID-19 crisis may have disrupted the anticipated revenue from the C & H PIOLT grant, while Mrs. Pesce expressed similar concerns regarding the Mashantucket Pequot/Mohegan and Town Aid Road grants. Mayor Carbone informed Mr. Boynton that the projected revenue from the C & H PIOLT grant was legislatively set and she discussed the potential impact of COVID-19 on funding from the other State grants. Mr. Bushka and Mr. Boynton requested clarification regarding funding through the ECS grant and the Mayor clarified that the funding level was frozen when Torrington was designated as an Alliance District. Mr. Anderson also requested clarification regarding the transition grant for car taxes and the Mayor explained that the grant was established because Torrington had a mill rate that was higher than the maximum that the state legislature adopted.

Mayor Carbone outlined several anticipated reductions to revenue, including \$266,812 for motor vehicle supplemental revenue and \$205,000 for investment interests. She also stated that the City was budgeting flat for other fees including building fees, City real estate, City Clerk fees and insurance refunds. Mr. Beyus requested clarification regarding the anticipated reduction to motor vehicle supplemental revenue and Ms. Proulx explained that the projected reduction was based off of data from the State's 2008 fiscal crisis. Mayor Carbone also explained that there would be no more State reimbursements for construction projects that were completed and she stated that absent any appropriations from the Fund Balance, the total estimated revenues would be down \$3,245,506 for the 2020-2021 fiscal year.

Mrs. Pesce and Mr. Beyus requested clarification regarding the Fund Balance and the amount that was appropriated for the current fiscal year. Mayor Carbone explained that the City did not use any of the funds that were appropriated from the Fund Balance for the 2019-2020 fiscal year and she reported that the balance of the account as of June 30, 2019 was \$15,906,863. Mr. Anderson asked how much of the Fund Balance would be available to help offset expenditures for the 2020-2021 fiscal year and Mayor Carbone provided projections if the Board was to allow the Fund Balance to be reduced to 12%, 11.5%, 11%, 10.5% and 10%. Mr. Wright asked what level of funding the Fund Balance should be kept at or above and the Mayor explained that bond rating companies look for the Fund Balance to be sufficient enough to cover two months of operating expenses. She further explained that the Board of Finance adopted a policy to not let the Fund Balance fall below 7% and to limit its availability to only one-time expenses when the funding level drops to 10%.

Mayor Carbone also discussed the Internal Service Fund. She informed the Board that there was reduced activity with the Fund due to COVID-19 and stated that she would be comfortable reallocating up to 1.4 million dollars to offset some of the expenses for the 2020-2021 budgets. Mr. Anderson and Mr. Boynton expressed their support for a reasonable allocation and Mr. Wright questioned whether additional cuts would still be needed to achieve no mill rate increase. Mayor Carbone explained that additional cuts would still be needed if the total increase for all budgets was reduced to a 2.5% increase over the current fiscal year, even with 1.4 million dollars reallocated from the Internal Service Fund and 2.3 million dollars reallocated from the Fund Balance.

The Board discussed the budget adoption process and upcoming meeting schedule and agreed to have the meeting to set the mill rate on May 26, 2020. Mr. Bushka requested that public comments be solicited and read into the record at the joint meeting with the City Council on May 18, 2020 and Mrs. Pesce and Mr. Anderson agreed.

Mr. Beyus requested an update on the reports which he requested regarding the impact of COVID-19 on the City and Board of Education budgets. Mayor Carbone stated that the City was in the process of compiling the report for an application for reimbursement from FEMA and Ms. Proulx reported that the City's reported expenses to date totaled \$152,000. She anticipated that 75% of the expenses would be reimbursed. Mr. Beyus and Mrs. Pesce questioned what would happen if the City's budget for the current fiscal year ended in a surplus and Mayor Carbone explained that any surplus funds go into the General Fund.

FY 2019-2020 BUDGET PERFORMANCE REPORT: REVIEW & DISCUSSION

The Board discussed the budget performance report for the 2019-2020 fiscal year through May 7, 2020. Mr. Beyus requested condensed monthly reports and detailed quarterly reports. Mrs. Pesce requested both summarized and detailed monthly reports.

ADJOURNMENT

On a motion by Mr. Anderson, seconded by Mr. Beyus, the Board voted unanimously to adjourn at 7:19 p.m.

Respectfully Submitted,
Jonathan Draper, Asst. City Clerk

ATTEST: *Carol L. Anderson*
CAROL L. ANDERSON, MMC
CITY CLERK