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**EAST HAVEN BOARD OF FINANCE
BUDGET WORKSHOP MEETING MINUTES
MARCH 14, 2023**

The East Haven Board of Finance held a Budget Workshop Meeting on Tuesday, March 14, 2023, at 6:30 P.M. in the Senior Center in order to transact the Following:

Roll Call

Mayor Joseph Carfora, Richard Esposito, Beth Purcell, Al Purzycki, Chris Perdo and Ralph Vitale (by phone) were present. Jim Keeley, Finance Director was also present.

a. Revenue Review

Jim Keeley stated that he did get an official copy of the Audit this evening which will be filed with the Town Clerk's office's tomorrow. The General Fund surplus was \$1.5 million. We ended the year on a good note. As most of you know, there are other things. We are doing a lot of other things in Town to cut down costs, but it will take time. On the plus side our fund balance has gotten increasingly better; we are at about \$7.2 million now. We are well above the 5% threshold that we have been aiming for for a number of years.

Revenues: The collection rate is 98.1%. We have steadily increased it over the last few years since COVID hit. When COVID hit, nobody knew where we were. I looked back at last year and it was 98.05. The 3 years prior to COVID, that is the number we were hitting collection wise. You will see all the increases in tax dollar amounts are due to the collection rate going up and an increase in the assessment. I take all that information given to me from the Assessor's office and it just basic calculation. You will see a slight increase of about \$800,000.00 in taxes this year. Education ? grant and it is the same amount as it has been. If you look at it on the State website it appears we get more but a portion goes directly to the Board of Education. Their amount has increased over the years, ours has not. We fall in a category where some of that goes directly to the Board of Ed.

Ralph asked what this does for cost of inaudible. Jim stated he did not know and the BOE would need to be asked. Beth stated with the grant, she did the calculation last night, it is about \$19,000.00 per student. Beth also stated without the grant, just the \$50 million it was like \$16,900 ?. The special education is \$110k per student approximately.

Jim stated section 3, payment in lieu of taxes. These are numbers given to us from the State, GNHPCA the second line item, that was an agreed upon dollar amount years ago when we sold our pollution control authority. The water authority I do not have exact figures on that yet. That is based on our mill rate and any additions or deletions they have in ? inaudible. It is a small difference.

State property is a line item that originally, they had cut in our budget and it took some calls from the Mayor. Mayor Carfora stated we are getting stuck with this airport and now cutting our state property. The Mayor spoke with the Governor and it was put back in our budget. They cut ours at first and increased New Haven from 41 to 91 million. They reviewed it and amended their original number that they sent out after a couple of conversations. We are flatlined but better than being cut.

2nd page Department of Children this is a steady amount that we get every year; you will notice a big change in interest income. Interest rates have gone through the roof combined with the fact that we really had surpluses for a number of years now, plus the ARPA monies we have money in the bank and we can see the interest as a positive thing.

License, permits and fees.

ZBA: That number came up a little bit in our budget.

Police Permits and Tags. Increased, if you look year to date, it is warranted.

Town Clerk Fees: I decreased this a bit because the market is starting to scale back. I had a conversation with our Town Clerk and I asked her what her thoughts were as to what it was going to be, and I had my own thoughts on what it was going to be and we had a difference of about \$1,000.00. I feel very comfortable that we are on the same page.

Landfill: This has been a big area of improvement for us. We are raising it up to \$100,000.00. We are at \$84,000.00.

Building Dept. Fees. Jim brought that number down. Jim stated he wanted real numbers as we go through this. We are at \$195,000.00 now. The last couple of years we were over \$300,000.00. I feel comfortable at budgeting it for \$275,000.00.

Recreation fees. If you look at Recreation and Athletic Complex fees, they have gone up considerably. Jim spoke with Andrea and Liz about the dollar amounts and I looked back in years past when we had the ice skating rink, I don't think we have

never been this active as we have been so it harder to judge because it has been 3 or 4 years since we had a real season so with inflation we were averaging over \$300 so I think that is a sound number. Beth asked if the recreation fees were camp fees. Jim stated they are not camp fees because now we are doing the YMCA. All the programs they run, so if they do the roller skating, classes, and stuff like that which is a nominal fee. So, say if it is \$50.00 for a class, the instructor will be paid 80% and the town will get 20%.

Employee cost sharing: that number is budgeted downward, just looking at where we are, we have had a lot of turnover the last few years as far as employees. Employees that are coming now, their plan is not as high as the plans of the people that retired.

Police Special Assignments; the number keeps growing. We collected over \$1,000,000. this year and this is a 7 month number and we usually do our biggest billing at the end of the year. Jim feels confident in the number we have.

Worker's Compensation reimbursement: We are up slightly based on this year's numbers but WC is an area where we have been doing very well with the past few years. As much as health insurance has gone up, with WC we have been able to keep employees working now.

? property misc. Those are variable numbers. When we have things that are no longer useful. We have a new procedure since I started as Finance Director before anyone can get rid of anything, there is an asset disposal form that they have to submit to Jim so we can look into it to make sure what they are disposing of and making sure it being disposed of properly so they are accountable for the equipment that they have. We have been using the State sites to go out to bid which I think is a great idea. We have received a lot more money doing it that way vs. just having a bid in Town.

Mayor Carfora stated we were auctioning off and only getting \$200 or so now we are getting \$4,000. or \$5,000. which is great.

Al stated it looks like the building department permits went down by 16%. He asked why the zoning fees went down by 90%. Jim stated it may be an error and will look into it.

Chris asked with everything in front of us, does it look like the mill rate will stay the same? Jim stated yes, this will keep the mill rate stable as is. This is a tight budget, and doable, but we wanted to keep the mill rate as is. We went into the budget

wanting to lower the mill rate but with the prices of everything, this is the best that we could do.

Ralph asked how is it that everything goes up and we are able to keep the budget the same. Jim stated some of the things we just talked about. The total taxes, although the mill rate has stayed the same it is still increased by \$800,000.00. Some by assessments and some by the realization ? Some other things would be interest income. The last couple of years were really conservative, around \$50,000.00. We have collected \$340,000.00 in 7 months. So this is not a fictitious number at all, it is just that we are in a different time than we were a year or 2 years ago. Ralph asked how confident is Jim on the expense side. Jim stated he does a lot of research on the revenue side, and I can pretty much guarantee most of the monies coming in providing the State does not cut us in any exorbitant way, the ? inaudible side there is always a lot of questions there. We have safety concerns. I trust the department heads to run their departments individually and give us a realistic idea of where their budget is. All we can do is use their best estimates. I do always feel more confident on the revenue side than expense side. Because we have more control over that side of it. Ralph asked how much is budgeted for the self-insurance fund. Jim asked Ralph on the Revenue side or Appropriation side. Ralph stated appropriations. Jim believes it is 7.5. Last year was 7.4.

Rich Esposito stated it sounds like it is really good news. More money coming in. Jim stated we are making positive strides. We look at different sources of revenue, vs. just tax increases. Some of it takes time to work in. The landfill has been good for us.

The Mayor stated “inaudible” We are negotiating with North Branford for Animal Control. We may be able with all of our expenses we would have to go out and get another van and ACO. We are always looking for revenue sources. Beth asked if they had a shelter. Chris stated he believes they do. Chris asked if that would? inaudible. The Mayor stated we are not going to do anything that would cost us money.

Beth asked if we have a pro shop/sharpening skate shop and concession stand, do we collect rent. What is the income we get from that? Jim stated we went out to bid but he does not remember the dollar amount for the rental amount. Anything in the shop, that is our revenue. We have a separate account for that to see exactly what is coming in and where we are making money.

b. General Budget Review

Rich stated it is good to be able keep the mill rate the same, the department heads all seem happy. Beth stated there was just one change with the Police Department the 155k. Jim will change that at the Town Council level.

Beth asked if the Registrar's office ever came back up to speak with the Mayor. The Mayor stated no, they never came to talk about their budget.

Adjournment

Al made a motion to adjourn. Beth seconds. All in favor.

Board of Finance Clerk

Susan Mauro

3/21/2023