



Town of Groton, Connecticut

45 Fort Hill Road
Groton, CT 06340-4394
Town Clerk 860-441-6640
Town Manager
860-441-6630

Meeting Minutes

Town Council Committee of the Whole

Mayor Heather Bond Somers, Councilors Dean G. Antipas, Bruce S. Flax, Bill Johnson, Karen F. Morton, Deborah L. Peruzzotti, Rita M. Schmidt, James L. Streeter, and Harry A. Watson

Monday, September 30, 2013

7:00 PM

Senior Center - Classrooms 1 & 2

SPECIAL MEETING - JOINT MEETING WITH RTM

1. CALL TO ORDER

Mayor Somers called the meeting to order at 7:05 p.m.

2. ROLL CALL

Members Present: Mayor Somers, Councilor Antipas, Councilor Flax, Councilor Morton, Councilor Peruzzotti, Councilor Schmidt, Councilor Streeter and Councilor Watson
Members Absent: Councilor Johnson

Also present were Town Manager Mark Oefinger and Executive Assistant Nicki Bresnayan.

RTM: Reps. Ambroise, Adams, Aument, Baril, Bauer, Conley, DeMatto, Granatosky, Kotowski, Massett, McDermott, Merritt, Newsome, Pasqualini, D. Semeraro, R. Semeraro, Steinfeld, Streeter, Swindell, and Watrous.

3. NEW BUSINESS

2013-0224

Preliminary Results of Operations - FYE 2013

Discussed and Recommended no action taken

Town Manager Oefinger distributed a referral memo on the FYE 2013 Preliminary Results of Operations and other budget-related information.

Sal Pandolfo, Director of Finance, reviewed the preliminary results of operations for the FYE 2013 General Fund noting that the figures are unaudited. Expenditures were approximately \$1.6 million under budget due primarily to Town departments' personnel savings (position vacancies) and operating budget savings. Mr. Pandolfo reviewed specific expenditure variances.

On the revenue side, revenues were approximately \$2.23 million over budget due to a number of factors. The tax collection rate was higher, which is attributable to more stability in the Tax Collection division. State Grants in Aid-Education were over budget due to magnet school transportation funding. State Grants in Aid-General Government was approximately \$200,000 more than the governor's budget estimate due to legislation sponsored by State Representative Elissa Wright that protected Groton from a previous OPM adjustment. Non-budgeted funds came from FEMA and Pupil Impact Aid was higher than expected.

As a result of the increased revenues, the Town did not need to use Fund Balance Applied in FYE 2013.

A recent Fitch Ratings review affirmed the Town's AA rating and stable outlook. At 7.5% the Town's Fund Balance remains well below the mean average of 11% for its peers. Mayor Somers noted that the savings prompted discussions about not funding personnel at 100% and increasing the Town's Fund Balance. The Council has asked staff to evaluate the Town's debt ratio as compared to its peers.

Mr. Pandolfo explained that the FYE 2014 budget anticipates using approximately \$2 million in

Fund Balance. The savings from FYE 2013 can be applied in FYE 2015 to avoid a shortfall.

Discussion followed on the impact of fund balance on the Town's bond rating. Mr. Pandolfo explained that staff would not recommend a jump to 11%, but would recommend incremental increases. The Town Manager expressed concern having been through a number of bond ratings that the Town received a pass on a couple of issues. He would not be surprised if the Town's bond rating goes down in the future because of regional economics. One way to combat that is increasing the fund balance. Rep. Aument noted that a lower bond rating will mean higher interest rates for borrowing.

Discussion followed on the demolition of Building 118 at Pfizer which will impact the FYE 2015 budget by about \$2 million. The Town hopes the loss will be offset by budget cuts, growth in the Grand List, higher interest rates, and receipt of more state and federal funding.

It was noted that if personnel budget was intentionally underfunded transfers may have to occur during the years instead of waiting until the fourth quarter. Mr. Pandolfo explained that when the budget is prepared, the numbers are calculated to include vacancies if they are known. Rep. Granatosky suggested that underfunding personnel would not be looked upon favorably by bond rating agencies. Rep. Swindell noted that excess funds are returned to the General Fund and are available to be applied to the future year's budget to reduce taxes.

In the event the shortfall associated with Pfizer cannot be made up, Councilor Peruzzotti stated that the taxpayers count on the Town Council and RTM to make the hard choices about what services to keep and which ones to eliminate. It is important that both bodies be on the same page. The Town Manager and staff can provide advice, but they cannot make the final decisions.

2013-0232

FYE 2015 Budget

Discussed

Mayor Somers reiterated that the purpose of the meeting was to discuss how to prepare for the FYE 2015 budget. During the FYE 2014 budget process, it appeared that the information received by the RTM was different from what the Town Council heard. It was suggested that the initial budget presentations by departments be done with both the Town Council and RTM so that everyone hears the same information and is starting from the same baseline.

Rep. Granatosky stated the RTM is an autonomous body, and although she agrees that it is valuable to hear the same information as the Council, it is not necessary for representatives to be present with the Town Council's budget sessions televised. She noted that a lot of the Town Council's deliberations were done in executive session so there would be no benefit to being in the same room anyway. Rep. Conley agreed and expressed support for the current system. She noted it would be helpful if the Town Council would communicate to the RTM the rationale that is discussed in caucus. Rep. Swindell noted that the RTM committees do consider staff's comments, but the main body of the RTM ignores the committees' recommendations and the committees need to be more proactive in answering questions.

Councilor Flax expressed the feeling that Town Councilors were not welcome at the RTM meetings. He said the two bodies do not have to agree, but they should talk and respect each other. Mayor Somers clarified that the RTM would still deliberate on the budget independently.

Discussion followed on examples of miscommunication and misunderstanding and the impact on some accounts in the FYE 2014 budget. Rep. McDermott expressed support for the RTM participating in joint informational budget meetings. Rep. Baril suggested it would be more efficient if Town Councilors attended the RTM committee meetings. Rep. Ambroise expressed support for RTM chairpersons attending the Town Council budget review sessions. Mayor Somers

stated that all RTM members are welcome at the Town Council budget sessions and they can speak. The goal is to increase communication.

Councilor Watson noted that unlike Town operations, the subdivisions did not return any money to the General Fund.

Discussion followed on the benefit of televising the Town Council budget session, the use of caucuses by both bodies, and the need to communicate the rationale for budget decisions.

Rep. Ambroise reiterated that the goal is to open up the lines of communication going into the FYE 2015 budget. Mayor Somers explained that all things being equal, the Town will not be able to fund everything so it must decide what services to provide and which ones to cut. It would be helpful to establish common ground with the RTM before making decisions.

Discussion followed on past attempts to identify opportunities for shared services and the need to identify priorities, which are often different in the Town's districts. Topics mentioned by various attendees included middle management, merging of functions, appropriations to the subdivisions, the fleet and computer replacement funds, and outsourcing of functions.

Rep. Granatosky stated that the Town Council and RTM cannot force independent entities to do anything. The Town must be careful in its approach, recognize the entities as equals, and foster better relationships.

Another joint meeting of the RTM and Town Council was tentatively scheduled for Monday, December 16th at 7:00 p.m. in CR1 at the Town Hall Annex.

4. ADJOURNMENT

The meeting adjourned at 9:05 p.m.