

**MINUTES**  
**BOARD OF FINANCE SPECIAL MEETING**  
**MONDAY JUNE 1, 2009**  
**8:00 PM**  
**BOYD BUILDING CONFERENCE ROOM**

Present: William Drakeley, Chairman  
Deb Fuller, Vice Chairman  
Richard Famiglietti  
Deb Tietz  
Andrew Sherman

Absent: Richard W. Anderson

Also Present: Paul Hinckley; First Selectman and Muffy Gomes; Fiscal Officer

**1. Call Special Meeting to order**

Chairman William Drakeley called the special meeting of the Board of Finance to order at 8:00 PM in the Boyd Building Conference Room.

**2. Set Mil Rate**

Board members were informed that the proposed \$5 million shortfall in the Grand List has now reached \$10 million. D. Fuller asked where further cuts to expenditures could be made. The employees have agreed to a wage freeze, we, therefore, have to have savings. The collection rate is currently at 98.5%, noted R. Famiglietti, if we want to keep the mil rate at 21.13 mils, we will have to use money from the rainy day fund. P. Hinckley stated that he had spoken with Attorney Margaret Hollon who said foreclosures are really bad now. D. Fuller was in favor of making a course correction when tax collections are in, see what happens, and make the decision then. Base the decision on fact instead of assumptions. W. Drakeley was in favor of biting the bullet now; we're locked into an \$8.5 million budget. P. Hinckley noted that the 21.13 mil rate was discussed, but that number is not locked in. A. Sherman agreed with that statement, technically, but the Board characterized that amount as appropriate subject to the Town Meeting.

W. Drakeley felt that the collection rate could come down. P. Hinckley said the Grand List will come down, three big cases are in the works, one big assessment is being contested. A. Sherman felt an adjustment to the collection rate was fair game, but not an appropriation from the undesignated surplus. That, then, W. Drakeley observed, would lock us into a higher mil rate. A. Sherman wanted to stick with the 7.5% fund balance. He did not think of the undesignated fund as a rainy day fund, it is supposed to be used for catastrophic, unexpected expenses. Like foreclosures, asked W. Drakeley. Anecdotal information is out there about the 98.5 % collection rate. To be cautious and prudent the collection rate should come down. A. Sherman felt if the collection rate is to

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be lowered the mil rate has to go up. W. Drakeley thought that would create a worse situation. But, D. Tietz pointed out, we have new information since the Town Meeting that the Grand List has decreased by \$10 million. D. Fuller agreed with D. Tietz, but we need to make sure we document this, she noted, if we're going in this direction we have to make sure the townspeople understand that the Grand List decreased by \$10 million instead of \$5 million and there are three significant lawsuits pending over the assessments. But the Grand List changed by less than ½ %, pointed out A. Sherman. If we don't have revenues to support the expenses we have to cut. He was not in favor of making an appropriation out of the fund balance. Is there money to roll into the budget? P. Hinckley did not think there was much. D. Tietz suggested lowering the collection rate down to 98%, which would equal \$130,000. Lowering the rate has to be made up by either increasing the mil rate or using the surplus, commented W. Drakeley. The difference, countered A. Sherman, is how much is to be financed; costs are on the backs of the taxpayers. And increasing the mil rate will be on the backs of everyone, W. Drakeley replied. If we miss the collection rate there will be a deficit. D. Tietz observed that would be mismanagement and would show up on our audit. If the collection rate were lowered to 98% the mil rate would increase to 21.42, without using funds from Undesignated. Would the average taxpayer understand this? They have the reasonable assumption that because assessments went up the mil rate would decrease. D. Fuller wanted to know how the Board would answer the question "why did you do what you did?" Are we overreacting? P. Hinckley said that at the budget Town Meeting we knew about the \$5 million, now we know it is closer to \$10 million, the Board has to act.

A discussion followed as to what the Board is responsible for, according to the Charter, and adjusting the appropriations. What increases will the Town face next year, salaries for one, probably. And if the economy gets worse next year we'll have to change how we do things, stated D. Fuller. We'll have to make temporary alterations. A. Sherman felt the solution was on the expenses side, not the revenues side. But, D. Fuller added, we have to fund the \$8.5 million. And, added A Sherman, we didn't say we would change the 7.5%! W. Drakeley felt the rainy day fund was being used for what it was meant to be appropriated for. The cloud on the horizon is now the \$10 million. We didn't know about this before. Is the expense side sacrosanct, asked D. Fuller. Why isn't it coming down? What modifications are being made? W. Drakeley told her that P. Hinckley would make those necessary modifications during the fiscal year if things get worse. D. Tietz suggested a collection rate of 98% and a mil rate of 21.13 mils. She was flexible on the 21.13 but did not want the rate to increase to 21.43. D. Fuller agreed. People are on the edge, let's stay closer to that number. R. Famiglietti thought that was a prudent decision, 98% is a step in the right direction, we're proactive. 21.13 was presented at the Town Meeting.

**MOTION:** A. Sherman moved to reduce the collection rate to 98%. D. Tietz seconded.  
**UNANIMOUSLY APPROVED.**

**MOTION:** R. Famiglietti moved to appropriate \$839,766 from Undesignated Surplus to balance the budget. D. Tietz seconded.

**VOTE: FAVOR – W. Drakeley, D. Fuller, R. Famiglietti, D. Tietz**

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**OPPOSED** – A. Sherman because the fund balance should stay at 7.5%, if there is a problem with revenues, the First Selectman should reduce expenditures.

**MOTION CARRIED.**

**MOTION:** D. Tietz moved:

WHEREAS the municipal appropriation of \$8,500,474 for the fiscal year 2009-2010 as submitted by the Board of Finance to the Regular Town Meeting on May 18, 2009 was approved; and subsequently to referendum on May 28, 2009 was approved and;

WHEREAS the Region #14 appropriation of \$19,780,579 for the fiscal year 2009-2010 was approved at referendum on May 5, 2009; and

The budget for the Town of Woodbury for fiscal year 2009-2010 is set at \$28,281,053; the following estimates are made for FY 2009-2010; revenues other than current taxes \$2,435,697(including a LoCIP grant from the State of \$0 and an appropriation of undesignated fund balance of \$829,766), from the supplemental motor vehicle taxes \$175,000 and collection of interest and liens for taxes; and

WHEREAS, the collection of current property tax is estimated to be 98% (\$25,005,590 and the State of Connecticut reimbursement for tax relief is estimated to be \$43,231 and the Town of Woodbury Elderly tax relief is estimated as \$50,000; the Board of Finance sets a mil rate of 21.13 mils to be levied against the Grand List of October 1, 2008 of \$1,209,934,141 to generate tax revenue of \$25,005,590.

**VOTE: FAVOR** – W. Drakeley, D. Fuller, D. Tietz, R. Famiglietti

**OPPOSED-** A. Sherman, the fund balance should stay at 7.5%.

**MOTION CARRIED.**

**3. Adjournment**

**MOTION:** D. Tietz moved to adjourn the meeting at 9:10 PM. D. Fuller seconded.  
**UNANIMOUSLY APPROVED.**

FILED SUBJECT TO BOARD APPROVAL

Respectfully submitted,

Linda Leigh, Clerk