

**Legislative Council**  
**Fiscal Year 2021-2022 Budget Deliberations**  
**(Budget Changes)**

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(Line item changes and the meeting recording link can be found at the end)

**April 26, 2021** – Out of recess at 6:06 PM

Members Present: Dominique Baez; Marjorie Bonadies; Kristin Dolan; Justin Farmer; Valerie Horsley; Brad Macdowall; Mick McGarry; Berita Rowe-Lewis; Kathleen Schomaker; Adrian Webber; Betty Wetmore; Jeron Alston; Jody Clouse (@ 7:48pm)

Members Absent: Austin Cesare; Athena Gary

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**Debt Service:**

Tonight's Debt Presentation includes Barry Bernabe, Financial Advisor; David Panico, Bond Counsel; Alex Shih, Underwriter; Scott Jackson, Finance Director; Rick Galarza, Deputy Finance Director

Mr. Bernabe said a normal debt service would be around \$30,000,000 a year and we've lowered that quite a bit through debt restructurings which has provided a lot of budget flexibility to the Town and has helped to mitigate the mil rate. He said the plan they have in place is to continue to increase the debt service payment and try to get back up to that normal rate. He also said this plan will replenish the fund balance with a positive number and potentially grow it to between \$15,000,000-\$20,000,000 over the next several years. He said with debt budgeted at \$22,000,000 this year there should be some excess funds right after that that falls into fund balance to get it back to a positive and have it grow over the next couple of years, and in order to do that he thinks we'll have to do a few more debt restructures over the next couple years to help mitigate it a little more but the Town is on track to grow that fund balance. Mr. Bernabe said they're proposing to keep debt service at \$22,000,000 for FY 2022.

Mr. Jackson said we should be clear about the difference between a refinancing and a restructuring. He said in a matter of days they will be receiving a refinancing package which is not kicking the can down the road, it's just a reduction in interest rate. Mr. Bernabe said this will save the Town 1.1 million, but no for FY 2022, they'll start in FY 23 and thereafter.

Mr. Bernabe said remember that natural debt service is closer to \$30,000,000 and right now the Town is going to be at \$22,000,000 so to reach 30 his recommendation is after FY 22 to

increase debt service by \$2,000,000 each year. Once \$30,000,000 is reached it'll stay that way for about 10 years.

Mr. Galarza gave an "upcoming". Ms. Bonadies asked for a flow chart.

There was some discussion on the Deficit Mitigation Plan line and where it should be located in the budget. Mr. Jackson stated he thinks it's important to live up to the Connecticut General Statutes that pertain to the managing of a deficit and that's this line which reflects the negative in the audit but he thinks they should recognize last year's debt and address it in this budget and that can be anywhere in the budget. There was also discussion on increasing a line by 2.3.

Ms. Dolan said she would like to table this and let them ask more questions but she'd let others speak first. There was a little more discussion on the debt and the audit, as well as discussion on increasing a line by 2.3 to help pay into the debt service and where they might do that.

Mr. McGarry then requested a motion to accept the Mayor's Debt Service as proposed. Moved by Ms. Horsley, seconded by Mr. Macdowall.

Ms. Dolan then moved a motion to table the Debt Service page, seconded by Mr. Macdowall and approved with 4 opposed (Horsley) (McGarry) (Rowe-Lewis) (Schomaker) – It was clarified that the entire tab of Debt Service was **TABLED**

Mr. Farmer asked if they could get what the other plans were for their other restructurings before the next conversation on restructuring comes to them. Mr. Shih said he would work with Mr. Bernabe to put that together.

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### **I.T. Department:**

#### **Positions:**

Mr. Macdowall requested a motion to accept the mayor's positions as proposed. Moved by Mr. Farmer, seconded by Ms. Horsley and approved unanimously.

#### **Expenditures:**

Mr. Macdowall requested a motion to accept the Mayor's expenditures as proposed. Moved by Mr. McGarry, seconded by Mr. Farmer and approved unanimously.

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**Pension:**

(Ms. Clouse joined the meeting here)

Ms. Horsley requested a motion to accept the pension as proposed by the Mayor. Moved by Ms. Schomaker, seconded by Ms. Rowe-Lewis. After a brief discussion a vote was taken and it passed with 1 abstention (Clouse)

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The meeting then recessed at 7:58 P.M.

Respectfully submitted,

Kim Renta, Clerk

Meeting recording:

[https://zoom.us/rec/share/ye3T-NJ1in\\_1IXAEHOOjavNSZLAreRYkC3G\\_7PsLZKwre8RyqdaxjYEy-uw8Pe8f.X\\_9CfZcF6J2wbJBe](https://zoom.us/rec/share/ye3T-NJ1in_1IXAEHOOjavNSZLAreRYkC3G_7PsLZKwre8RyqdaxjYEy-uw8Pe8f.X_9CfZcF6J2wbJBe)

Password: 2Q2B.2kj

**FY 21-22 Budget changes on April 26, 2021**

**TABLED:**

All of Debt Service (full page)