

Town of Willington

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BOARD OF FINANCE

Meeting Minutes

Via Public Online GoToMeeting - https://youtu.be/Ax7P_Vu3VYo

May 7, 2020

7:00 PM

**Minutes are not official until approved at the next regular meeting*

Members Present (a quorum of 4 members is required to conduct business):

Mike Makuch
Geoff Prusak
Peter Tanaka
Matt Clark
Stef Summers
Mike Perry – Alternate
Lisa Woolf – Alternate
Christina Mailhos

Members Absent:

Also Present:

Selectwoman Erika Wiecenski
Superintendent of Schools Phil Stevens
Director of Public Works Troy Sposato
Business Manager Donna Latincsics
Revenue Collector Janice Clauson
Fire Chief Alex Moore
Members of the Public

Chairman Mike Makuch called the meeting to order at 7:05pm.

SEATING OF ALTERNATES

Geoff Prusak made a motion to seat Mike Perry for Christina Mailhos.

Peter Tanaka seconded the motion.

Vote: 5 Yes (G. Prusak, P. Tanaka, M. Clark, S. Summers, M. Makuch), 0 No

PRESENT TO SPEAK

Laurie Semprebon of 271 Turnpike Rd. stated: as a citizen, I want the Board of Finance to consider carefully that yes, we need to be concerned with people who are hurting and struggling with monetary issues right now, but we shouldn't devastate the rest of the town because we have some people who are hurting. I hope that you'll consider a reasonable budget and support the programs in town. For example, I think there may be a lot more issues in the fall with students.

It's too bad the Board of Education didn't accept the free mental health services, but who knows what other problems we're going to have. I think we need to support our Board of Education and our budget in town.

Peter Latincics of 97 Trask Rd. stated: I want to express my gratitude to the town leadership, Selectwoman Wicewski and the Board of Finance, for working so hard on this issue and recognizing, particularly in the last meeting, the intense economic environment we're in. If you look at the State website, our Comptroller Kevin Lembo agrees with you. He's forecasting \$170 million deficit in the state's budget and just forecasted an additional \$30 million drop in sales revenue. Kevin Lembo says "the scope and suddenness of this crisis is without precedent in living memory". I don't think he's exaggerating and his last comment on his summary page from his April 1 report is that he feels the biggest risk for policymakers is not doing too much, but rather doing too little in the face of these enormous challenges. I appreciate your efforts and wish you all well.

Peter Tanaka stated: The Hartford Courant from April 25 2020 had a large headline that said "Connecticut Stands to Lose Billions in Taxes". It says that Connecticut stands to lose as much as \$2 billion in taxes over 2 years due to the virus. Lamont's budget office is projecting a deficit of \$500 million in the current year and \$1.4 billion in the year that starts July 1, 2020. 85% of the deficit is due to loss of revenues. Lamont said that not only have income taxes disappeared but also the sales tax. The amount of future money from congress is uncertain. There's no way to get the economy moving again if you have states across the country forced to slash services and raise taxes. I don't believe that this is the time to raise taxes.

NEW BUSINESS

1) Suspense List from Tax Collector

Attachment #1

Chairman Makuch explained that the suspense list is a list of taxes on properties or motor vehicles deemed by the tax collector through a typical process to be uncollectible for various reasons. The list totals almost \$12,000 over 4 fiscal years.

Revenue Collector Janice Clauson added that the real estate for FY18 is due to one property. Motor vehicles for this year are deceased people or international students who may have gone back in March due to COVID-19. Others from former suspense years are unable to locate. She noted that it is on par with what's been done the last few years.

Matt Clark asked if the town is writing off property taxes for international students who have been gone just a couple weeks. Janice replied that they are people who may not come back. Her office sends out delinquent statements every month and these are the same ones over and over and they cannot be located. If they do return, the town can still collect the tax, but at this point it is put in suspense as they may not come back to the states therefore the town may not see the funds.

Selectwoman Wicewski noted that this is the 2018 Grand List, so these people may have been students who left last year, not current residents.

Stef Summers made a motion to approve the memo sent from the tax collector and put the included taxes into the suspense book.

Geoff Prusak seconded the motion.

Vote: 6 Yes (P. Tanaka, G. Prusak, S. Summers, M. Perry, M. Makuch, M. Clark), 0 No
Motion passes.

2) Review and discuss revised budget requests

Attachment #2

Chairman Makuch stated that there are various revised requests from budget-submitting agencies resulting from the letter from the board's last meeting asking the agencies to try to produce a 0% and -3% budget as compared to last fiscal year's budget. There were varying levels of success and justifications. Many budgets included cover letters and explanations. He noted that certain budgets unsurprisingly can't take a hit. He noted that he shared information with board members about the Board of Education Minimum Budget Requirement (MBR) situation. He shared that the MBR essential states that towns can't go backward in educational spending from one year to the next. In itself, a -3% budget would likely invoke a penalty and that penalty is removed from revenue in the Educational Cost Share (ECS) grant.

Matt Clark stated that he looked at the MBR calculation that Superintendent Stevens requested from the state and that he believes a 3% reduction in the Board of Education budget will still meet Willington's MBR requirement. Superintendent Stevens clarified that the MBR has not been calculated yet for the upcoming year; the referenced e-mail is a rough estimate but there are still unknowns for 20-21. He elaborated that the process is not as easy as looking at a flat budget number from the previous year, as it takes different factors into account. The state looks at ways towns can have a reduction, including loss in numbers of students. Additionally, the number is 2 years off, not based off the current year. He added that the reduction from Region 19 will be factored in as well, but as stated in the e-mail, he believes the education budget needs to be at least \$8,689,095, which is flat from last year's Prek-8 budget.

Matt Clark inquired when the final number will be available. Superintendent Stevens replied that he doesn't know when they publish the numbers. Pete Tanaka clarified whether in normal times, the town votes on a budget without the MBR information from the state and could therefore violate it without knowing. Chairman Makuch confirmed.

Chairman Makuch asked Superintendent Stevens to seek more clarification from the state before the next meeting. Superintendent Stevens agreed and noted that the town doesn't usually look at MBR as the go-to number.

Matt Clark asked to present data from the Connecticut Council of Municipalities (CCM) webinar so the board understands the background and that this is more about matching ability to pay with what the town needs. It won't be helpful to just dive into budgets. In his opinion, the board should look at what it expects to have happen then ask specific questions; what's expected as income in the coming year and what's expected to happen with state revenues and reimbursements; then plan where the town needs to be in its budgets.

Stef Summers commented that in addition to the information from the webinar, the board needs to be clear about overarching expectations for this budget process. Personally she doesn't need a

lot more information about the drama of what's going on personally and financially for people. She continued that she has put some thinking toward what the board's principles might be. In addition, she has received advice that the board should be transparent with its philosophy and approach instead of getting down in the weeds and start cutting. Across-the-board cuts aren't good because you need to engage stakeholder views on that and don't want to move the town in a backward motion. Stef continued that one principle for her is to keep the staff as whole as possible, but that this is not the time to add staff or hours. There is a conservative approach the board can take which is careful, and if the town has to do some things in the future when we really realize what's unfolding, then we're prepared to make that decision. She feels strongly about keeping the mill rate as it is. She concluded that if the board discusses things like that, there is a guide for how to go about this.

Matt Clark shared the presentation (Attachment #2) which he put together after attending the CCM webinar recommended by Selectwoman Wiecenski, including the final slides with green headers that are his own economic projections for Willington. Chairman Makuch noted that though the title page says "Board of Finance," it was not released by the board.

Chairman Makuch noted that he also distributed the full presentation from the CCM meeting to the board and noted that new unemployment numbers are due to be released on May 8; the situation is dynamic and the CCM presentation numbers are from March. He continued that this meeting is the board's opportunity to walk through some of the budget revisions that have been submitted and look at major topics of concern such as salaries, particularly if the board thinks there may be questions, so they can be answered by the next meeting.

Chairman Makuch asked Selectwoman Wiecenski if there is there a cover letter to go with the government budget outlining the changes that have been made. He also asked for a copy of what projects have been kept or cut back within the Capital Improvement Plan (CIP), as there have been different versions in different budgets. Donna Latincics agreed to send those items to the board.

Selectwoman Wiecenski detailed that in order to get to 0%, cuts came from the salt budget. To get to -3%, the Selectmen made cuts from Capital and road funds. She continued that Director of Public Works Troy Sposato presented the Board of Selectmen with not his ideal plan, but a unique plan in the event that there were less funds than he hoped. Selectwoman Wiecenski reminded the board that the initial Public Works plan asked for much more money for roads, but that Troy presented a plan to stretch money because it would be better than some of the other cuts that were on the table but which they felt would be detrimental. That led to a decrease of \$84,000. \$346,000 was the change in Capital, and \$19,654 in the chip seal plan.

Chairman Makuch inquired as to the reason for a jump in transfer station costs. Selectwoman Wiecenski responded that the increase is due to truing up those numbers, as they have been under-budgeted. She continued that this year may be even more under budget in that area as people are home and working from home and weekends aren't occupied spending time with friends and family or attending youth events. There has been an increase in people at the transfer station with more trash and bulk waste since people are cleaning things out, completing renovations, etc. Selectwoman Wiecenski continued that it's a difficult area to budget for as it's

an estimate as to the amount people will utilize it. Additionally, tipping charges have gone up a little bit.

Chairman Makuch noted that the bulk waste disposal line for the current year is already over budget. Troy Sposato added that bulk waste is up 50% right now from what it was last year at this time; they've seen an increase every month since the pandemic began. He confirmed that the transfer station will run way over on its bulk budget. Selectwoman Wiecenski noted that Troy has been working on projections with Donna and the question came up whether those expenses will be reimbursable as the increase is directly related to COVID-19. She concluded that the thought is no, it is just an unintended consequence.

Chairman Makuch asked Chief Moore about the contracts for employees at the fire station. Chief Moore replied that they are in the first year of a 4-year contract, so there are 3 more years.

Stef Summers stated that she is curious about the lines that have whole number (100% and 200%) increases like repairs, parts, and equipment lines and whether there is some flexibility in some of those. Selectwoman Wiecenski replied that they have looked them over and have presented the board with the budget they believe is necessary, e.g. maintenance at the Old Town Hall was budgeted for \$1000 and the town has so far spent \$4,006 this year and spent \$2,500 last year, so it was increased 100% to \$2,000 for next year. Selectwoman Wiecenski pointed out that the numbers after adjustment equal out to flat spending.

Matt Clark recognized that the town budget does not have a lot of extra and thanked Selectwoman Wiecenski for doing the work to trim to 0% and -3%.

Peter Tanaka expressed that he agreed with what the selectmen did as far as rounding under-budgeted numbers to realistic bounds. He noted that there were several lines that are over-budgeted every year due to the fact that they are difficult areas to project for and asked whether the selectmen could decrease those lines to more realistic numbers as well, e.g. Town Counsel has been around ½ of what's been budgeted over the past 3 to 4 years.

Selectwoman Wiecenski replied that she would not recommend decreasing legal line items, especially now, as the kinds of items coming up cause the town to contact the lawyer and that the town never knows what type of situation it's going to find itself in.

Matt Clark stated that it would help him to have a consensus of where board members stand and asked if everyone agreed that the budget should be between 0% and -3% from last year's budget.

Chairman Makuch replied that he believes that goes against the consensus to not make broad stroke comments. He continued that he can't see the board having done its job of taking prudent care of the taxpayer's money if it raises taxes. Even though Willington has kept 3 years of flat mill rate, he does not believe this is the year to change that.

Peter Tanaka agreed with not adding taxes. He added that the town raised taxes 3 years ago to cover itself should the state cause towns to pay into teacher retirement benefits; now isn't the time to do it again. He continued that the board should look at not going into the fund balance to

balance the budget because that's the town's shock absorber; that's the number the town will need should problems arise.

Selectwoman Wiecenski shared data from CCM's poll of municipal CEOs that the majority of municipalities across the state who chose to participate are looking at flat budgets and mill rates. None are looking to cut unless as a result of a re-evaluation. The majority answered yes to the question of whether they plan to dip into the fund balance to balance the budget as well.

Stef Summers expressed that the board should hold the mill rate at 30.09 because of duress for the taxpayer and for unforeseen, but she doesn't value the idea of going too deep in cuts at this point. The board is operating without much information and should think about slowing things up and being considerate of spending, but holding the budget flat will already do a certain amount of harm. It's important not to feed into unemployment by keeping staff in town and services intact as much as possible. Stef continued on the topic of the education budget that schools play a huge role in the recovery of our community. Relationships between teachers and families are like no other relationships in town; there is a value there you can't put a dollar figure on and she doesn't agree with messing with that.

Geoff Prusak agreed with keeping the budget as flat as possible or maybe going lower. He gave the opinion that the town should keep the fund balance as high as possible because we will invariably have to dip into that at some point, whether for emergencies that always come up later this year or farther down the road; don't use it just for the sake of balancing the budget or keeping a flat mill rate because the town is going to need that.

Christina Mailhos arrived to the meeting. Mike Perry was relieved of his seat in her place.

Lisa Woolf commented that she mirrors Stef in her thoughtful response. On the topic of the fund balance, it's her understanding that if you're not utilizing any of it to keep the mill rate then it's almost over-taxation. The board doesn't want to keep hoarding all that cash because then it's not clear what the value of running the town is. Even if the board dipped into it a little bit, there's still a lot left.

Chairman Makuch noted that the original budget plan included \$410,000 from the fund balance in its calculations, the same figure as the current fiscal year. He asked Donna how much remains in the fund balance after that transfer. Donna Latincics replied that after the \$410,000 is applied, the estimated fund balance will be \$2.5 million or 14.6% of the total budget. The policy states it should be between 8% and 12%. Chairman Makuch asked for the board to be provided with that formula so they could perform their own calculations and see the effect on the numbers. Donna agreed.

Mike Perry expressed that he agrees with Stef and Lisa about schools with a caveat; only in the best way can you build a community up with the relationships in the school system. At the same time, if the board is going to keep the education numbers the way they are, then the board will have to look at the rest of the budget and make cuts so it doesn't inflate the rest of the budget. He mentioned the possibility of a freeze in hiring and cutting back the pay raises that the town has control over about 10%. He added that if the town has anyone or anything that isn't actually

necessary, it should be cut back; the board should discuss line by line and item by item and see what can be cut back.

Matt Clark expressed that he thinks the board needs to have the flexibility in case something goes wrong to be able to move funds around. In this case, the unexpected expenses could be millions of dollars and the town won't be able to move funds around unless the budget is below 0%. If Willington doesn't get all the money it anticipates from property taxes or the State. If the board makes hard decisions now, then it will be able to react; if not, we might run into problems. He asked Selectwoman Wiecenski to send the results of the survey of municipalities.

Matt Clark commented that he was happy that budget-submitting organizations were able to get back to the Board with some very hard decisions about where they would cut in order to give the board flexibility in structuring a town budget that meets our needs. He singled out the Board of Education and said that they did not do that. Matt continued that it is not the best way to go about things to say we're going to cut unilaterally. He asked the Board of Education to go back and figure out how they would reach 0% and -3% and said that it doesn't mean the Board of Finance will do it, but allows the board to figure out how much it can go down. He concluded that it isn't helpful for the Board of Education to come back and say no and to still present an increase of \$126,000, especially when the general government budget provided a bunch of band-aids to meet the request.

Chairman Makuch responded that the letter provided from the Board of Education explains what they felt they were able to do, that they did their job as best they could and gave the Board of Finance the information. Though the exact MBR number is unknown, it's pretty clear the likelihood of going under 0% is off the table. He expressed hope that there would be more information about that at the next meeting. Chairman Makuch stated that submissions ranged across the board as to what cuts, if any, were provided from organizations, and he doesn't think the Board of Education ignored the request. He concluded that it's the Board of Finance's job to look at why organizations submitted what they did and see if it all works together at next week's meeting.

3) Next steps-how to move forward in compliance with Governor's directives

The timeline moving forward was discussed. Chairman Makuch detailed that if all appropriations are made at the next meeting (May 14), it gives the public one week for further review and comment, then the week after that (May 21) could be the public hearing and, if there is no reason to change the budget, the final votes to approve the budget and set the mill rate. The public will be welcomed to view and comment both in the public video meeting itself and via e-mail beforehand at meetingcomments@willingtonct.org. He noted that if the appropriations can't all be made on May 14, the timeline could be adjusted.

Selectwoman Wiecenski confirmed that that timeline should give time for a public hearing and for the assessor and tax office to prepare tax bills for mailing. She reminded the board that the Assessor's office needs at least a week between setting the mill rate and moving forward. She noted that everyone's operations, including those who print tax bills, are running less efficiently during the pandemic than normal circumstances, so they may need more time.

OLD BUSINESS

No old business.

CORRESPONDENCE

All correspondence was distributed to board members prior to the meeting via email.

PRESENT TO SPEAK

Peter Latincsics of 97 Trask Rd. stated: I took the liberty during the MBR discussion to understand it better by visiting the website. They have a helpful Frequently Asked Questions section. In there, there's a section that outlines the exceptions to the MBR. The fourth bullet is if high school enrollment drops. We can reduce our MBR by that amount when that enrollment decline occurs. I would ask the Board of Education or Board of Finance when they get that calculation to see if they can include that data because we have that large \$176,000 decrease in the Region 19 budget, which doesn't happen very often, so hopefully can help the education budgets. More interesting to me was the actual calculations sheet I found. I couldn't find the 20-21 version, but I found the 19-20 sheet. On the sheet are categories for reductions. Most striking is #13 "Closed School Deduction" (right now Willington is showing 0) and "Catastrophic Event Deduction" (which is showing 0). I can't think of two more relevant categories than "closed school" and "catastrophic event" loss based on where we are. If you could also visit those items as well, I'm sure we would all benefit from it.

Michelle Doucette Cunningham of 41 Liska Rd. stated: I also serve on the Board of Education. I wanted to clarify Peter's question about closed school. I have to point out that schoolteachers are continuing to provide classes and education, we are continuing to provide lunch to our students. Classes are cancelled, but the schools are not really closed and we are still doing a lot of distance learning. That particular piece in the MBR calculation is meant if you close one school in a district, you redistrict, or there are other changes where a building ceases to serve students for the entire year. This is not the case this year, so that particular one is not going to be anything that helps to save next year. The MBR is notoriously difficult to calculate and notoriously rare for them to give waivers for any purpose. We have tried in previous years unsuccessfully. We will continue to make a strong case should conditions allow, but do not be at all surprised if the state doesn't provide additional information. The state does not move that quickly, we've never had these numbers this early in the year; typically that's much later, so please don't hold out for that information to give you clarity by the end of May. I also wanted to point out in terms of process that the Board of Education did take your comments very seriously, had a lot of discussions, and gave you the cuts that we thought made the most sense given the fact that we have to live within the MBR. If you also look at some of the other choices that are going to have to be made, I want to note that a lot of the teachers and staff who work in Willington schools also live in Willington. I urge you to consider cutting staff last and to make it a priority to keep all the staff on because it will only add to the unemployment problem if you start cutting services and people both in the schools and on the town side.

Christina Mailhos apologized for being late as she was on a work call and she is sorry she missed all the conversation. She wanted to say that going below last year's mill rate would be a big deal to do. She noted that the 6 people on the Board of Finance, some of whom weren't even elected,

but appointed, aren't in a position to vote to make some serious changes to the town without the townspeople having the ability to be at meetings like they usually are. The board is talking about doing bit things that need a lot more thought. Anything the board can do to keep things the same should be the goal.

GOOD & WELFARE

Chairman Makuch expressed thanks to the public for listening, the budget presenters who joined the meeting, the board, and the town administration. He stated that everyone is working in this weird environment of not only virtual meeting environments but the unexpected and odd public health and financial environment and he appreciates that everyone is working hard to keep it together.

Peter Tanaka made a motion to adjourn the meeting at 8:40pm.

Stef Summers seconded the motion.

Vote: 6 Yes (P. Tanaka, G. Prusak, S. Summers, C. Mailhos, M. Clark, M. Makuch), 0 No

Respectfully submitted,
Marysa Semprebon
Recording Secretary

TO: Board of Finance
DATE: April 16, 2020
FROM: Revenue Collection Office
RE: Suspense Request for 19/20 fiscal

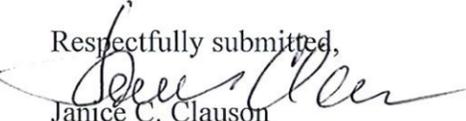
Tax Collector's recommendation to transfer uncollected property taxes to the suspense tax book, per SS#12-165 and SS#12-195, regarding the transfer to suspense for real estate acquired by Tax Sale.

The attached list of uncollectible taxes for transfer to the suspense tax book is respectfully submitted for your examination and approval. I hereby certify to the best of my knowledge and belief each tax attached has not been paid, is uncollectible and should be transferred to the suspense tax book.

PROPERTY CATEGORY	TAXES DUE	YEARLY TOTAL
2018 REAL ESTATE	\$1576.72	
2018 MOTOR VEHICLE	\$1691.05	
2018 MOTOR VEHICLE SUPP	\$56.87	\$3324.64
2017 REAL ESTATE	\$0.00	
2017 PERSONAL PROPERTY	\$108.03	
2017 MOTOR VEHICLE	\$2021.14	
2017 MOTOR VEHICLE SUPP	\$385.21	\$2514.38
2016 REAL ESTATE	0.00	
2016 PERSONAL PROPERTY	\$1092.29	
2016 MOTOR VEHICLE	\$4306.79	
2016 MOTOR VEHICLE SUPP	\$654.79	\$6053.87
2015 PERSONAL PROPERTY	\$0.00	
2015 MOTOR VEHICLE	\$0.00	
2015 MOTOR VEHICLE SUPP.	\$0.00.	
GRAND TOTAL		\$11,892.89

Dated at Willington Connecticut, April 16, 2020.

Respectfully submitted,


Janice C. Clauson
Revenue Collector

Action taken by the Board of Finance, to Janice C Clauson Revenue Collector.

An examination has been made of the attached statement, dated April 16, 2020 recommending the transfer of certain uncollected tax to the suspense tax book. The taxes listed in each statement and numbered on attached sheets are believed to be uncollectible and pursuant to section 12-165 and 12-195 of the General Statutes. Authority is hereby given to transfer such taxes, in accordance with law, to the suspense tax book.

The total amount to be suspended is **\$11,892.89**.

Dated at Willington, Connecticut the _____ of _____ 2020

by Board of Finance Chairman _____

Process Suspense Report

TOWN OF WILLINGTON Date: 04/15/2020 Time: 12:20:53
 Condition (s): Year: , Type: 00 - ALL BILLS, Order: Bill Number, Total Only: No, Recap by Dist: No

Bill #	Dst	Name	Code	Reason	Date	Town Due/Susp	Dist Due/Susp	Sewer Due/Susp	Total
2016-02-0040079		CORMIER JASON	03	PRIOR SUSPENSE	04/15/2020	42.73			
2016-02-0040134		FYLER EDWARD	03	PRIOR SUSPENSE	04/15/2020	442.32			
2016-02-0040159		GRYLLS TIMOTHY	03	PRIOR SUSPENSE	04/15/2020	234.40			
2016-02-0040193		JANK AMY	03	PRIOR SUSPENSE	04/15/2020	171.22			
2016-02-0040318		POWER SHACK	07	UNABLE TO LOCATE	04/15/2020	26.48			
2016-02-0040333		RICHTMEYER GARY	07	UNABLE TO LOCATE	04/15/2020	123.38			
2016-02-0040352		SHABBY CHIC HOME DECOR	07	UNABLE TO LOCATE	04/15/2020	5.72			
2016-02-0040360		SOUCY MARC	07	UNABLE TO LOCATE	04/15/2020	26.48			
2016-02-0040378		SWEENEY MAX	07	UNABLE TO LOCATE	04/15/2020	19.56			
PERSONAL PROPERTY # Of Acct: 9						1,092.29			
2016-03-0050081		ALQAHTANI SALEM M	07	UNABLE TO LOCATE	04/15/2020	77.93			
2016-03-0050393		BIDWELL AURORA L	07	UNABLE TO LOCATE	04/15/2020	106.52			
2016-03-0050651		BRODERICK CINDY L	03	PRIOR SUSPENSE	04/15/2020	14.44			
2016-03-0051201		CUI YI	07	UNABLE TO LOCATE	04/15/2020	296.39			
2016-03-0051333		DEMAY STEVEN M	03	PRIOR SUSPENSE	04/15/2020	60.48			
2016-03-0051460		DONG MENGNI	07	UNABLE TO LOCATE	04/15/2020	294.88			
2016-03-0051657		FAN ZHENHUAN	07	UNABLE TO LOCATE	04/15/2020	233.80			
2016-03-0051685		FELTENBERGER JUDSON F	04	DECEASED	04/15/2020	141.72			
2016-03-0052141		GROVER NATHAN H	03	PRIOR SUSPENSE	04/15/2020	14.44			
2016-03-0052142		GROVER NATHAN H	03	PRIOR SUSPENSE	04/15/2020	79.44			
2016-03-0052143		GROVER NATHAN H	03	PRIOR SUSPENSE	04/15/2020	163.69			
2016-03-0052856		KENNETH TAMMY S	03	PRIOR SUSPENSE	04/15/2020	31.29			
2016-03-0052857		KENNETH TAMMY S	03	PRIOR SUSPENSE	04/15/2020	47.24			
2016-03-0053124		LAMONT JOHN R	07	UNABLE TO LOCATE	04/15/2020	129.69			
2016-03-0053344		LONDONO LOURDES D	03	PRIOR SUSPENSE	04/15/2020	39.72			
2016-03-0053345		LONDONO LOURDES D	03	PRIOR SUSPENSE	04/15/2020	195.89			
2016-03-0053346		LONDONO LOURDES D	03	PRIOR SUSPENSE	04/15/2020	62.59			
2016-03-0053677		MCKINNON JAMIE E	03	PRIOR SUSPENSE	04/15/2020	77.93			
2016-03-0053678		MCKINNON JAMIE E	03	PRIOR SUSPENSE	04/15/2020	336.11			
2016-03-0053928		NAJJAR NAYEFF A	07	UNABLE TO LOCATE	04/15/2020	106.82			
2016-03-0054570		RACINE MARK R	03	PRIOR SUSPENSE	04/15/2020	62.89			
2016-03-0054901		SANTO-CHRISTO STEVEN	03	PRIOR SUSPENSE	04/15/2020	64.69			
2016-03-0055054		SHEN XIAOYING	07	UNABLE TO LOCATE	04/15/2020	169.11			
2016-03-0055420		SUN SICHENG	03	PRIOR SUSPENSE	04/15/2020	329.79			
2016-03-0055674		UPTON RUSSELL J 3RD	03	PRIOR SUSPENSE	04/15/2020	213.34			
2016-03-0055707		VASILIS FINANCIAL DEVELOPMENT LLC	07	UNABLE TO LOCATE	04/15/2020	64.69			
2016-03-0056087		WUETZ BRIAN P	07	UNABLE TO LOCATE	04/15/2020	52.66			
2016-03-0056181		ZHENG GUANGFAN	07	UNABLE TO LOCATE	04/15/2020	251.85			
2016-03-0056182		ZHENG YIMING	07	UNABLE TO LOCATE	04/15/2020	209.13			
2016-03-0056211		ZUO XINMENG	07	UNABLE TO LOCATE	04/15/2020	377.63			
MOTOR VEHICLE # Of Acct: 30						4,306.79			
2016-04-0080179		COCHRAN SABRINA E	07	UNABLE TO LOCATE	04/15/2020	46.49			
2016-04-0080360		GROVER NATHAN H	03	PRIOR SUSPENSE	04/15/2020	53.26			
2016-04-0080392		HERNANDEZ-REQUENA DAVID	07	UNABLE TO LOCATE	04/15/2020	86.93			
2016-04-0080575		LUKAS EDWARD M	07	UNABLE TO LOCATE	04/15/2020	49.05			
2016-04-0080903		SONG RENYUAN	07	UNABLE TO LOCATE	04/15/2020	419.06			
MOTOR VEHICLE SUPPLEMENTA # Of Acct: 5						654.79			
YR : 2016 TOTAL : 44						6,053.87			
Grand Total: 44						6,053.87			

Process Suspense Report

TOWN OF WILLINGTON Date: 04/15/2020 Time: 12:28:25

Condition (s): Year: , Type: 00 - ALL BILLS, Order: Bill Number, Total Only: No, Recap by Dist: No

Bill #	Dst	Name	Code	Reason	Date	Town Due/Susp	Dist Due/Susp	Sewer Due/Susp	Total
2017-02-0040018		BARTH JERRY & HEATHER	03	PRIOR SUSPENSE	04/15/2020	45.44			
2017-02-0040318		POWER SHACK	07	UNABLE TO LOCATE	04/15/2020	29.49			
2017-02-0040360		SOUCY MARC	07	UNABLE TO LOCATE	04/15/2020	33.10			
		PERSONAL PROPERTY		# Of Acct: 3		108.03			
2017-03-0050670		BRODERICK CINDY L	03	PRIOR SUSPENSE	04/15/2020	12.94			
2017-03-0051272		CUI YI	07	UNABLE TO LOCATE	04/15/2020	239.52			
2017-03-0051740		FAN ZHENHUAN	07	UNABLE TO LOCATE	04/15/2020	204.31			
2017-03-0051769		FELTENBERGER JUDSON F	04	DECEASED	04/15/2020	114.64			
2017-03-0052229		GROVER NATHAN H	03	PRIOR SUSPENSE	04/15/2020	78.53			
2017-03-0052230		GROVER NATHAN H	03	PRIOR SUSPENSE	04/15/2020	155.26			
2017-03-0052231		GROVER NATHAN H	03	PRIOR SUSPENSE	04/15/2020	12.94			
2017-03-0052232		GROVER NATHAN H	03	PRIOR SUSPENSE	04/15/2020	51.15			
2017-03-0053439		LONDONO LOURDES D	03	PRIOR SUSPENSE	04/15/2020	54.16			
2017-03-0053477		LUKAS EDWARD M	07	UNABLE TO LOCATE	04/15/2020	74.92			
2017-03-0053478		LUKAS EDWARD M	07	UNABLE TO LOCATE	04/15/2020	65.90			
2017-03-0053479		LUKAS EDWARD M	07	UNABLE TO LOCATE	04/15/2020	146.54			
2017-03-0055175		SHEN XIAOYING	07	UNABLE TO LOCATE	04/15/2020	139.02			
2017-03-0056302		ZHAO ZIHANG	01	RETURN MAIL/BAD ADDR	04/01/2020	671.31			
		MOTOR VEHICLE		# Of Acct: 14		2,021.14			
2017-04-0081055		WU ZHUQUAN	07	UNABLE TO LOCATE	04/15/2020	385.21			
		MOTOR VEHICLE SUPPLEMENTA		# Of Acct: 1		385.21			
YR : 2017		TOTAL : 18				2,514.38			
Grand Total: 18						2,514.38			

Process Suspense Report

TOWN OF WILLINGTON Date: 04/15/2020 Time: 12:33:22

Condition (s): Year: , Type: 00 - ALL BILLS, Order: Bill Number, Total Only: No, Recap by Dist: No

Bill #	Dst	Name	Code	Reason	Date	Town Due/Susp	Dist Due/Susp	Sewer Due/Susp	Total
2018-01-0000323		CADLEROCK PROPERTIES JOINT VENTURE LP	09	NON SALEABLE PROPERT	04/15/2020	1,050.44			
2018-01-0000324		CADLEROCK PROPERTIES JOINT VENTURE LP	09	NON SALEABLE PROPERT	04/15/2020	526.28			
		REAL ESTATE							
		# Of Acct: 2				1,576.72			
2018-03-0053922		MORAN LISA	04	DECEASED	04/01/2020	224.77			
2018-03-0053923		MORAN LISA	04	DECEASED	04/01/2020	106.82			
2018-03-0056226		ZHAO ZIHANG	01	RETURN MAIL/BAD ADDR	04/01/2020	558.17			
2018-03-0056229		ZHOU MINGYONG	01	RETURN MAIL/BAD ADDR	04/01/2020	349.04			
2018-03-0056230		ZHOU YI	01	RETURN MAIL/BAD ADDR	04/01/2020	84.85			
2018-03-0056251		ZOU FEI	01	RETURN MAIL/BAD ADDR	04/01/2020	62.59			
2018-03-0056395		ZHANG LING Y	01	RETURN MAIL/BAD ADDR	04/01/2020	304.81			
		MOTOR VEHICLE							
		# Of Acct: 7				1,691.05			
2018-04-0080911		STEBBINS KEITH A	04	DECEASED	04/15/2020	56.87			
		MOTOR VEHICLE SUPPLEMENTA							
		# Of Acct: 1				56.87			
YR : 2018						TOTAL : 10			3,324.64
Grand Total: 10									3,324.64

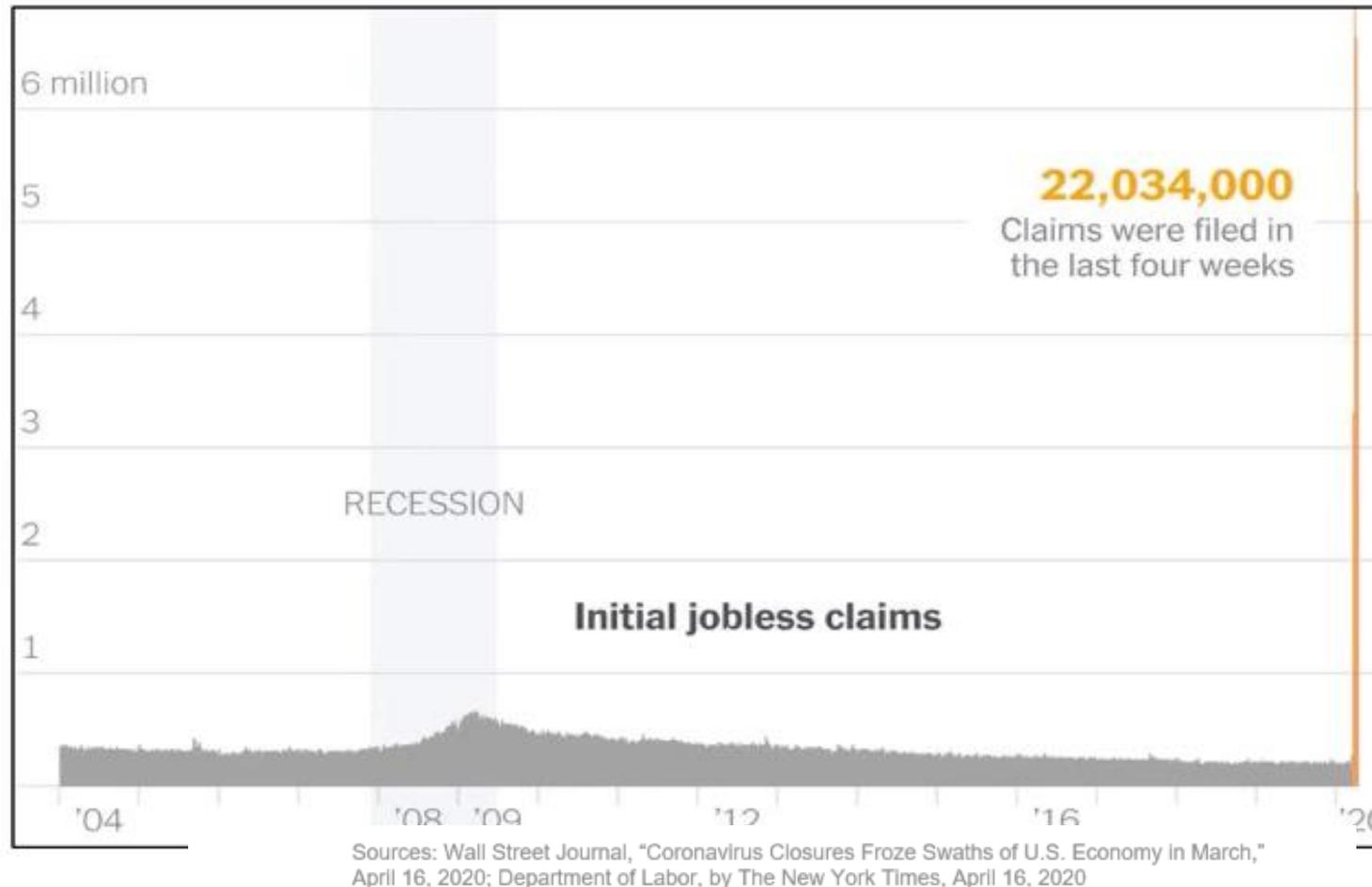
Wilmington Board of Finance

Matt Clark

MClark@Wilmingtonct.org

May 7, 2020

Unemployment continues to climb, surpassing some early estimates



“Sharpest economic contraction in history”

More than 30,000,000 unemployed

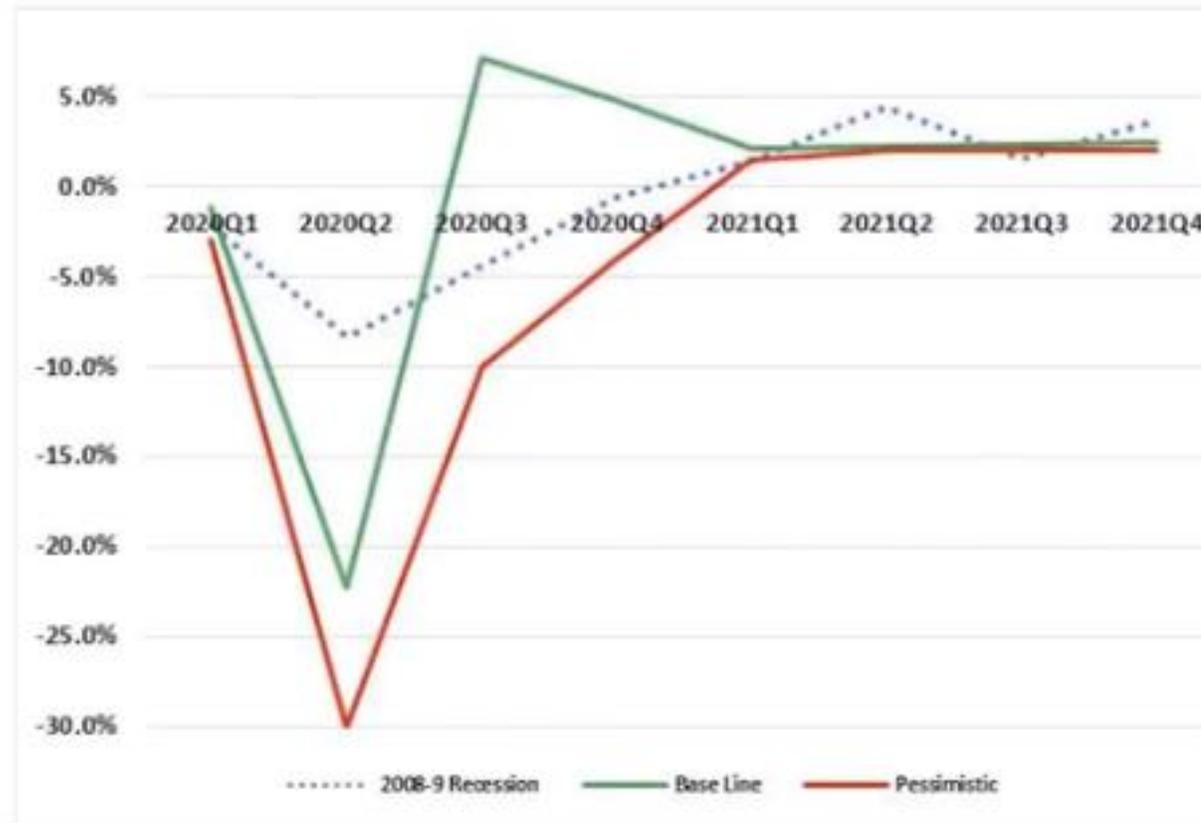
PFM recommends planning budgets using “baseline” and “pessimistic” economic assumptions

“Ground your thinking in multiple scenarios.”

“What kinds of contingencies to include.”

“Analysis of budget under more than one economic scenario”

Impact of COVID-19 on Real GDP



“Pessimistic case is more dire with extended recovery process and depression.”

Graph is based on data from BOA/Merrill and Wells Fargo and BEA

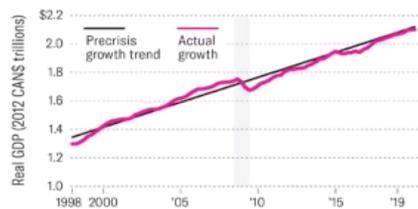
“Many people are projecting a Nike swoosh recovery.” Steep drop with a long, slow recovery

Economic Uncertainty

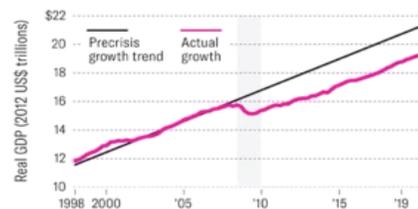


2008 experiences

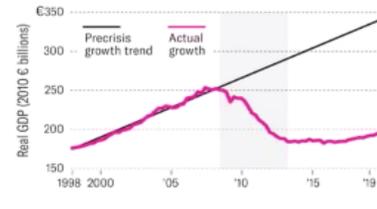
V-shaped (Canada)



U-shaped (United States)



L-shaped (Greece)



Source: Statistics Canada, NBER, BEA, Hellenic Statistical Authority, BCG Center for Macroeconomics Analysis © NBER

When and what shape the recession takes is uncertain:

V – Steep, fast decrease. Steep, fast increase

U – Steady decrease with a long bottom followed by steady increase

L – Steady decrease with almost no recovery

Swoosh – Steep drop with a long, slow recovery

Unemployment could reach 20% and GDP could fall by almost one-quarter

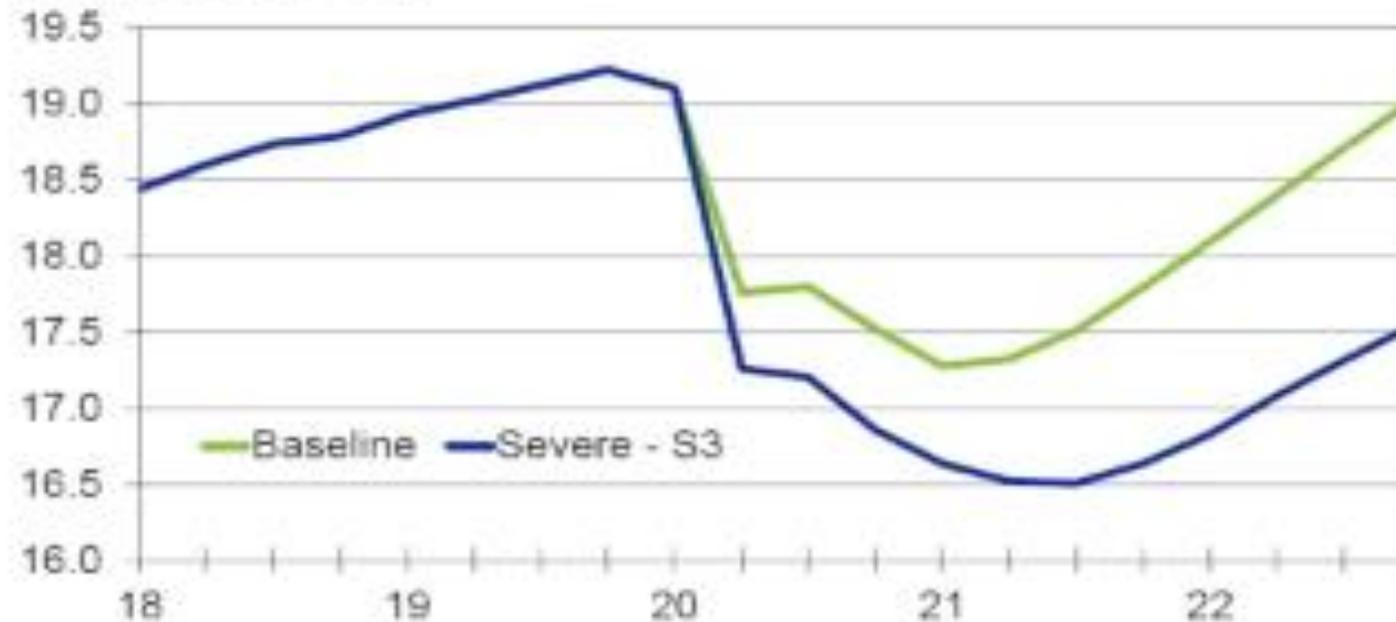
	Months of Duration	Total Fall in GDP	Unemployment: Peak Rate
Great Depression	43	-30.0%	25%
Great Recession	18	-4.3%	13%
COVID-19 <i>Projected (baseline)</i>	6	-23.5%	20%

6 months is too short. It doesn't match other forecasts

Moody's forecasts "baseline" GDP recovery in Q4 2022 and "severe" GDP recovery in 2023

Chart 1: Varying Levels of Stress

U.S. real GDP, \$ tril



Sources: BEA, Moody's Analytics

“What we are seeing many individual governments do”

- Baseline scenario
- Downside scenario
- Dynamic in terms of multiple scenarios
- Plan for impacts to property taxes and state aid

Projecting Revenues

- Property tax – Stability in short term b/c taxes held in escrow. Small business bankruptcies will impact property tax receipts
- Education and other intergovernmental funding - There is going to be a trickle-down affect – “If the pie is smaller, the slices are going to be smaller”
- Moody’s projects -13% revenue for State of Connecticut under “moderate recession” and -17% revenue under “severe recession”

Cost containment - 1

- Engage with departments and agencies to identify savings
- Reconfigure work
- Quantify monetary impact of actions
- “At a practical level, early department and stakeholder engagement can help to identify smarter and more enduring opportunities than across the board reductions”

Cost Containment - 2

- Hiring freeze
- No seasonal hires
- Furloughs
- Layoffs
- Vacancies not filled
- Attrition
- Early analysis predicts health insurance costs will be higher in 2021 - 4% to 40%

Emerging best practices and approaches

- Transparent budget assumptions
- Clear disclosure
- Timeline assumptions
- Record of what assumptions were based on
- Why you cut what you did
- Document

PFM recommends “buying time to manage uncertainty”

- Different levels of appropriation control
- Target budgets
- Iterative, ongoing course corrections
- Account and document everything. No detail is too small (Potential bailout)

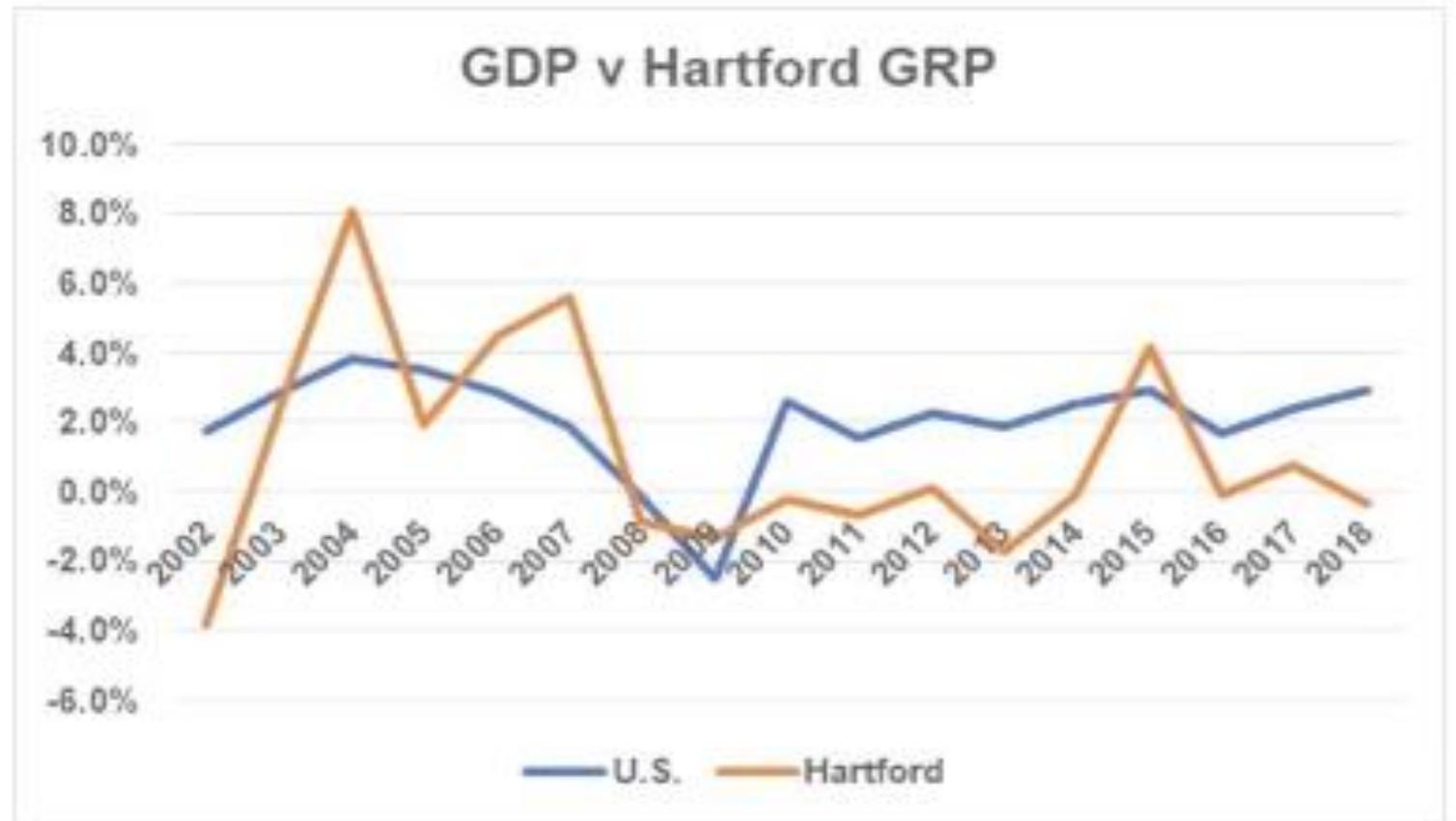
Use of Reserves

- It's pouring
- Other risks don't go away, such as natural disaster
- Health emergency could get worse instead of better
- Using reserve for one-time costs is preferable to covering ongoing shortfall

What does all this mean to Willington?

PFM: Correlation between US GDP and Hartford GDP is .49.

Historically, Hartford GDP contracts more and the contraction lasts longer than US GDP.



We need to understand what our town will experience moving forward

- Population change
- Length of contraction
- Depth of contraction

- US population grew by 11.4% from '05 – '15
- US unemployment rate started to drop immediately after great recession
- US unemployment declines to pre-recession level after 5 years

										-----USA-----		
										<u>Pop</u>	<u>% Change</u>	<u>Unemp Rate</u>
2005										295.5	--	4.9
2006										298.4	0.010	4.4
2007										301.2	0.009	5
2008										304.1	0.010	7.3
2009										306.8	0.009	9.9
2010										309.3	0.008	9.3
2011										311.6	0.007	8.5
2012										313.9	0.007	7.9
2013										316.1	0.007	6.7
2014										318.4	0.007	5.6
2015										320.7	0.007	5
2016										323.1	0.007	4.7
2017										325.1	0.006	4.1
2018										327.2	0.006	3.9
2019										328.2	0.003	3.5
2020*										329.2	0.003	4.4
										% change 05-19		11.4

- CT unemployment kept rising after 2008 recession ended
- CT unemployment declines to pre-recession levels after nine years
- CT population grew by 1.5% '05 – '15

	-----Connecticut-----			-----USA-----		
	Pop	% Change	Unemp Rate	Pop	% Change	Unemp Rate
	(4)		(5)			
2005	3510297	--	4.9	295.5	--	4.9
2006	3510787	0.0001	4.4	298.4	0.010	4.4
2007	3502309	-0.0024	4.6	301.2	0.009	5
2008	3501252	-0.0003	5.6	304.1	0.010	7.3
2009	3518288	0.0049	8.3	306.8	0.009	9.9
2010	3577845	0.0169	9.1	309.3	0.008	9.3
2011	3580709	0.0008	8.8	311.6	0.007	8.5
2012	3590347	0.0027	8.3	313.9	0.007	7.9
2013	3596080	0.0016	7.8	316.1	0.007	6.7
2014	3596677	0.0002	6.6	318.4	0.007	5.6
2015	3590886	-0.0016	5.7	320.7	0.007	5
2016	3576452	-0.0040	5.1	323.1	0.007	4.7
2017	3588184	0.0033	4.7	325.1	0.006	4.1
2018	3572665	-0.0043	4.1	327.2	0.006	3.9
2019	(2) 3565000	-0.0021	3.7	328.2	0.003	3.5
2020*	3563077	-0.0005	4	329.2	0.003	4.4
	% change 05-19		1.5	% change 05-19		11.4

- Willington unemployment kept rising after 2008 recession ended
- Willington unemployment declines to pre-recession levels after nine years
- Willington population decreased by 5% '05 – '15

	Pop	% Change	Unemp Rate		Pop	% Change	Unemp Rate		Pop	% Change	Unemp Rate
	(4)		(3)		(4)		(5)				
2005	6216	--	3.8		3510297	--	4.9		295.5	--	4.9
2006	6205	-0.002	3.2		3510787	0.0001	4.4		298.4	0.010	4.4
2007	6139	-0.011	3.5		3502309	-0.0024	4.6		301.2	0.009	5
2008	6114	-0.004	4.2		3501252	-0.0003	5.6		304.1	0.010	7.3
2009	6169	0.009	6		3518288	0.0049	8.3		306.8	0.009	9.9
2010	6035	-0.022	6.9		3577845	0.0169	9.1		309.3	0.008	9.3
2011	6033	0.000	6.9		3580709	0.0008	8.8		311.6	0.007	8.5
2012	5994	-0.006	6.7		3590347	0.0027	8.3		313.9	0.007	7.9
2013	5965	-0.005	5.8		3596080	0.0016	7.8		316.1	0.007	6.7
2014	5934	-0.005	5.7		3596677	0.0002	6.6		318.4	0.007	5.6
2015	5908	-0.004	5.8		3590886	-0.0016	5.7		320.7	0.007	5
2016	5872	-0.006	4.6		3576452	-0.0040	5.1		323.1	0.007	4.7
2017	5921	0.008	3.7		3588184	0.0033	4.7		325.1	0.006	4.1
2018	5887	-0.006	3.6		3572665	-0.0043	4.1		327.2	0.006	3.9
2019	5912	0.004	2.8	(2)	3565000	-0.0021	3.7		328.2	0.003	3.5
2020*	--	--	3.5		3563077	-0.0005	4		329.2	0.003	4.4
change 05-15	-4.9				% change 05-19	1.5			% change 05-19	11.4	

Unemployment rate forecast

<u>Nationwide*</u>		<u>Willington**</u>	
Q1	3.8	3.8	
Q2	14.0	10.5	
Q3	16.0	13.5	
Q4	11.7	13.5	

* *US Congress, OPM*

** *Matt Clark*

Topics for BOF and/or Willington Finance

- ❑ Estimate state approved property tax delay program cost
- ❑ Estimate property tax payment shrink
- ❑ Estimate change in fee income
- ❑ Estimate reduced intergovernmental transfer payments
- Hiring freeze
- Limit capital improvements to safety only
- Formally contact unions to strongly urge postponing salary increases
- Negotiate bus contract to pay driver salaries, not profits

What is our BOF process?



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