

**City of Bristol**  
**Regular Board of Finance Meeting**  
**April 3, 2023**

A regular meeting of the Board of Finance was held on Monday, April 3, 2023 at 6:00 p.m. in City Hall West Meeting Room 1 and via Zoom. The following were in attendance: Chairperson John Smith, Vice Chairperson Marie O'Brien, Mayor Jeffrey Caggiano, Commissioners Glenn Heiser, Craig Kazemekas, David Maikowski, Jon Mace, Ron Burns and Mark Whitford. Also present from the Comptroller's Office: Diane Waldron and Robin Manuele.

1. Call to order

Chairperson Smith called the meeting to order at 6:00 p.m.

2. Public Participation

*None*

3. Presentation and discussion regarding the 2023-2024 budget.

Comptroller Diane Waldron gave a presentation on the proposed 2023-2024 budget reviewing City Expenditures, Capital Outlay, Debt Service and Capital Expenditures, Education, Revenues, Fund Balance and Use of Reserves, Grand List, Mill Rate, Capital Budget, Road Improvement Fund and Open Items.

Diane reviewed the proposed budget for the General City totaling \$82,487,055, increasing \$3,623,175 or 4.59%. The initial requests totaled \$85,117,165 or a 7.93% increase.

Diane highlighted the proposed city expenditure reductions:

- Corporation Counsel Professional Fees - reduced by \$90,000 as there are currently funds that can be carried over in the account.
- A vacancy factor was applied to Police Patrol of 3 positions, also reducing other related accounts such as Professional Fees & Schooling.
- Various reductions were taken in Fire, Public Works and PRYCS based on current trends
- PRYCS requested two maintainers and one was added to the budget
- Special Revenues Funds - the Transfer Station and Solid Waste Funds will be using reserve funds

The TIF program was put into place with the Downtown Bristol TIF District Master Plan - September 11, 2018 the purpose of which is to establish a reserve of the incremental tax increases in value generated through development of properties within the TIF district. The cumulative value in this fund since inception is \$258 thousand. It is treated as a revenue and expense in the General Fund and factored in mill rate calculation

With the increase in values due to the 10/1/22 revaluation the incremental tax revenues are approximately \$1.658 million based on a 30.5 mill rate. Per the TIF program 75% of these funds, or \$1.24 million are to be deposited into the TIF fund. However, there is flexibility with program - excess funds

net of any TIF obligations can be deposited back to the City's General Fund upon City Council approval. The current recommendation is to increase the TIF fund in the amount of \$300,000 for FY24 and transfer the remaining amounts back to the General Fund. Incrementally increasing the amount to keep in TIF in future years can be reviewed annually during the budget process and review of the TIF program projects and obligations.

Capital Outlay requests for City Departments totaled \$1,235,970 and \$912,985 is proposed to be funded from the Equipment Building Sinking Fund. The Public Works Fleet Capital Outlay account stays in the General Fund. The request of \$1,362,000 is proposed to be funded at \$1,000,000.

The Debt Service and Capital Transfers proposed budget totals \$14,088,530 an increase of \$2,097,160 or 17.49%. The majority of this increase is a result of the TIF transfer due to revaluation.

The Board of Education request of \$127,989,000 or a 2.94% increase has a proposed reduction from operations of \$500,000 and an additional reduction of \$500,000 to their health insurance budget through the use of health insurance reserves. The BOE also requesting to use \$1,349,700 of prior year surplus funds, bringing the proposed net BOE budget down to \$125,639,300.

The total General Fund proposed budget is \$223,564,585 which increases 3.89%, with the General City at 4.59%, Debt Service and Capital Transfers 17.49% and Education 2.14%.

Requested revenues totaled \$59,947,155 and after \$2,187,060 of proposed changes revenues total \$62,134,215. The only changes were for the TIF district.

The proposed budget does not use Fund Balance, and maintains the Fund Balance percentage at 13.25%. However, there are \$2,349,700 of surplus/reserves used in the budget. \$1,349,700 of BOE surplus funds and \$1,000,000 from the Mill Rate Stabilization Fund.

The Grand List grew 28.12% due to revaluation. The current FY22-23 mill rate is 38.35 and an approximate equivalent with the 10/1/22 grand list would be 29.70. With the proposed reductions reviewed the budget is at \$223,564,585 and would require a mill rate of 30.45 mills. Diane reviewed the estimated tax increased with Revaluation to a single family for the average and median taxpayer.

The Capital Improvement Committee has reviewed the Capital Budget and Diane reviewed the summary of authorized debt as well as debt service projections and ratios.

Looking ahead to fiscal year 2024-2025 the city will not receive the motor vehicle transition grant of \$3.6 million as the mill rate will be less than the 32.46 statutory cap, debt service is estimated to increase by \$1 million and the BOE surplus of \$1,349,700 will not be available.

There are several open items for discussion including the Police Private Duty Fund, TIF Adjustment, and any other adjustments the Board may want to include.

At this point, the Board of Finance is set to adopt the budget on April 25 and a Joint Meeting of City Council and Board of Finance to adopt on May 15.

Discussion was held on the budget by Commissioners. Commissioner O'Brien questioned if there were any current TIF obligations or any in the upcoming future. Justin Malley confirmed there currently were not. The city has been pretty successful obtaining grant funding for downtown projects, such as Riverside Ave Streetscapes and the parking garage.

Commissioner Heiser questioned the use of \$500,000 of health reserves. Diane explained that it would be up the BOF and Insurance Committee how much of the reserves to use. Expenditures went down because of COVID, and for the City side all employees are not on a high deductible plan effective July 1, 2022.

Mayor Caggiano stated even if the mill rate was brought down to the estimated equivalent of 29.70 homeowners would still have an increase. However, he pointed out that the Senior Tax Credit will give those 65 and older and those that meet the income qualifications up to an additional \$500 credit.

Commissioner Mace commended the staff. There are many fixed costs, salaries, new large maintenance agreements, and the city staff went through each budget thoroughly to come up with the recommendations.

Commissioner Whitford questioned the amount budgeted for the OPEB liability and actuarial assumptions. Chairman Smith stated it is the Board of Finance's job to be as realistic as we can, to keep the city functioning where the people are comfortable living here. If we increase the OPEB liability by \$5 million we have to take away from a program or ask the taxpayers to increase the mill rate by that much. The actuarial assumptions did change last year and got very aggressive. The City has been gradually increased the unfunded ratio of the OPEB liability since 2014 and is currently at a 20% funded ratio. While the funded ratio is going up it is up to this Board and the City, also the Water & Sewer departments to continue annual contributions.

Mayor Caggiano stated Public Safety is the City's number one priority outside of Education and noted the Fire Chief has asked for 16 new firefighters with a new ladder truck.

Commissioner Whitford explained his concerns with the library down 30% in books and the how much the two libraries are used. He has concerns with the BOE budget with every dollar given them locked in forever. Chairman Smith suggested he attend the BOE Finance Committee meetings, and speak with the Chairperson if he wants to dive deeper into their budget and ask his questions at the BOE meetings. They are given a sum of money by the BOF and it is at their discretion how they spend it. This Board needs to focus on things it can control.

Mayor Caggiano stated the Capital Improvement & Strategic Planning Committee has been reviewing projects and there are many projects that would significantly increase the City's debt in future years. Commissioner O'Brien stated the City of Bristol has stability, not volatile ups and down, looking at a significant number of single-family homes being built in Bristol this year and the Oct 1, 2023 Grand List will be even better than the Oct 1, 2022 Grand List. There should be successes looking forward making forecasting better to plan for the future. Commissioner Heiser stated that while the CIP went from 10 years to 5 years and is challenging to predict the future it is very prudent look ahead to determine how projects and growth will be addressed.

Tom DeNoto, Assessor stated with everything that went on with revaluation and the 28% grand list growth, that is not going to happen next year. The only thing you will have next year is the base line of \$5.4 billion and any additions. Bristol currently is able to provide a very favorable economy to its residents as there is a lot of construction going on around the City.

4. Any other matter to come before said meeting

*None*

5. Adjournment

Commissioner O'Brien made a motion seconded by Commissioner Mace

"To adjourn at 7:26 p.m."

Following a voice vote in which there was no opposition, the Chairperson declared the motion carried.

Attest:



Diane M. Waldron  
Board of Finance Clerk