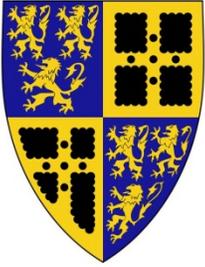


TOWN OF OLD SAYBROOK
SELECTMEN'S OFFICE



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To: Board of Finance
From: Carl P. Fortuna, Jr., First Selectman
Subject: Revision of Fiscal Year 2021 Budget
Date: March 25, 2020

Recommendation

At the March 31, 2020 Board of Selectman meeting, I will present for your consideration a revision of the Board of Selectman budget given the feedback received at the March 17, 2020 Board of Finance meeting.

Background

By way of background, the Town's budget calendar for fiscal year 2021 is modified by the events associated with the Coronavirus. Specifically as it relates to the budget process and the mandate to avoid congregations, Governor Lamont's Executive Order 7c states as follows: "The legislative body of the municipality, or in a municipality where the legislative body is a town meeting, the board of selectmen, may alter or modify the schedules and deadlines pertaining to the preparation and submission of a proposed budget and the deliberation or actions on said budget by the legislative body or other fiscal authority, including any required public hearing(s), publication, referendum or final budget adoption." Subsequently, the Governor issued Executive Order 7i, which states: "Notwithstanding any contrary provision of the Connecticut General Statutes, including Title 7, or any special act, municipal charter or ordinance that conflicts with this order, the legislative body of a municipality or, in a municipality where the legislative body is a town meeting, the board of selectmen, shall authorize the budget-making authority within said municipality to adopt a budget for the July 1, 2020 - June 30, 2021 fiscal year and to set a mill rate sufficient, in addition to the other estimated yearly income of such town and in addition to such revenue surplus, if any, as may be appropriated, not only to pay the expenses of the municipality for said fiscal year, but also to absorb the revenue deficit of such town, if any, at the beginning of said fiscal year without holding votes required by charter or without complying with any in-person budget adoption requirements, including but not limited to, annual town meetings requiring votes, referendum, and special town meetings." The gist of these two orders is that, for this year in these times, the board of finance will vote on a budget and set the mill rate without the need for the annual town meeting or the referendum to which the annual town meeting adjourns. Fortunately, from a public notice requirement, the town has already posted the draft budget on the town's website and, critically, held multiple public meetings on the budget as well as the charter required public hearing on the budget.

A modified Board of Selectman budget (attached hereto) will be presented at the March 31, 2020 Board of Finance meeting and the Board of Finance will then deliberate on the budget. (Please bear in mind that this modified budget has not been endorsed by the Board of Selectmen, but simply reflects the First Selectman's

suggestions as a result of conversations at the March 17, 2020 meeting.) Once a majority of the board agrees on the proposed budget, the mill rate can be set. We will not place an ad in the local newspaper as this step is not necessary given this year’s process. However, the final budget documents will be placed on the website once approved for public review.

Budget for FY21

The revised Town-wide budget for FY21 now stands at \$47,020,426 which projects an increase of \$500,235, or up 1.08%. This new budget is inclusive of a \$75,000 budget cut to the Board of Education which was approved at the March 17th Board of Finance meeting as well as suggested budget reductions, as requested at the March 17, 2020 meeting, totaling \$77,950 for a total reduction from the original budgets presented to the Board of Finance of \$152,950.

FY21 Expenditures

	FY 2020	BOS FY 2021 (version 1)	\$ Increase version 1	BOS FY 2021 (version 2)	\$ Increase version 2	Percentage	Change from version 1
General Government Operating Expense	16,761,338	17,159,658	398,320	17,101,708	340,370	2.03%	-57,950
Debt Service	3,238,104	3,232,695	-5,409	3,212,695	-25,409	-0.78%	-20,000
Total General Government Expense	19,999,442	20,392,353	392,911	20,314,403	314,961	1.57%	-77,950
Board of Education Operating Expense	26,520,747	26,781,023	260,276	26,706,023	185,276	0.70%	-75,000
Total Government	46,520,169	47,173,356	653,187	47,020,426	500,237	1.08%	-152,950

The following adjustments (above as version 2) have been made to the budgets.

Amount	Department	Comment
(41,150)	Capital Outlay	<ul style="list-style-type: none"> • PW Sinking Fund (\$5,000) • P&R Sinking Fund (\$10,000) • Named Projects (CNR not increased): • Street Scan (\$15,550) • Maple Ave Irrigation (\$10,600)
(16,800)	PW Highway & Street	<ul style="list-style-type: none"> • \$6,800 annual street scan maintenance • \$10,000 reduction paving budget
(20,000)	Debt Service	The Town will transfer \$20,000 from the debt service reserve fund to cover the annual debt service budget
(75,000)	Board of Education	Voted to reduce the BoE budget at the March 17 th meeting.
(\$152,950)		Total

I realize this is a stressful time for all residents and is a challenge given the unknown circumstances of when this will end and what repercussions we will face at the Federal, State and Local level. I hope to assure you that I will work with all of you as this unfolds to be flexible to manage the financial situation of the Town for the benefit of all of our residents. We must also remember that the town will emerge from this health care crisis in months, not years, and we should not be short-sighted about making appropriate investments in the

town's future. In the near term, it is quite possible that more people than ever may look to Old Saybrook as their primary residence or weekend retreat as a result of COVID-19. **Now is not the time to stagnate.** Investing in our community will benefit both our current and future residents, and those that visit our town.

I want to take this opportunity to remind you that Old Saybrook is a financially strong Town and that all of the work we have done over the past several years has built our reserves to the point where we have the financial might to work through this very scenario

Respectfully,

Carl P. Fortuna, Jr., First Selectman