

From: James D McNair III <jmcnair3@comcast.net>
Sent: Monday, August 28, 2017 3:41 PM
To: 'Migliaccio, Andrea'
Cc: Robert Tarlov
Subject: FYI BOE year end-better accountability needed??

Andrea,

Here is the BOE agenda from last year. Typically, this is when the BOE shows year end stuff. Notice, no issue releasing unaudited financials last year. I am just curious why year end reporting goes dark for months after year end close. Here is reply from Martha that I assumed meant you guys were given a verbal heads up on the amount. It appears I was wrong. My fear is the BOE is not pumping their brakes on spending this potentially large surplus. Their May 31,2017 report showed over \$800K in unspent and unencumbered funds for last fiscal year. Here is the link. <http://www.colchesterct.org/page.cfm?p=30>



Colchester: Monthly Budget Reports

www.colchesterct.org

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As a point of reference, their May 2016 report showed \$315K that eventually resulted in a \$146K surplus.

James,

The FY 2016-2017 year end report was not presented at the August 3rd Budget Committee meeting as items are in the process of being posted and verified. CFO Cosgrove provided a verbal update to the Committee.

The Budget Committee reviews each year's June 30th Unaudited Year End Budget Report before it is sent to the full Board. In prior years the reports have been available for review between September and December.

Martha

MARTHA L. INGVES
SECRETARY TO THE SUPERINTENDENT

From: Sen. Linares, Art <Art.Linares@cga.ct.gov>
Sent: Monday, August 28, 2017 1:58 PM
To: Robert Tarlov
Subject: RE: Colchester-State revenue History

Dear Rob,

Thank you for your heartfelt email regarding our state's budget crisis. I agree that towns with responsible budgets and planning should not be held financially responsible.

Please see attached our Republican budget proposal to address the budget crisis. We are in the process of updating the numbers after the SEBAC agreement was passed, but this should give you a good idea of our approach to solving the issues without raising taxes or passing teacher pension costs to the towns.

Sincerely,

Art Linares
State Senate –33rd District

From: Robert Tarlov [mailto:BOFChair@colchesterct.gov]
Sent: Saturday, August 26, 2017 9:37 AM
To: Rep. Orange, Linda; Rep. Ziobron, Melissa; Sen. Linares, Art
Cc: Art Shilosky; Ronald Goldstein; Board of Finance Members
Subject: Colchester-State revenue History

Linda, Melissa, Art,

I read that the Governor has defended cutting aid to towns by saying that State Aid has increased by 21% over the last 5 years. Both in the Governor's reports and my numbers (attached), for Colchester we are getting less money now than 5 years ago. In addition the State has cut funding of state programs like libraries and fire prevention schools, already shifting those costs to us outside of any of these numbers. Add to that we are shown as getting the second largest ECS cut in the state in the Democrat's numbers released on Tuesday.

The Governor has stated that towns with fund balances should bear a greater share in the sacrifice to balance the State budget. Although Colchester has worked hard to build our fund balance back up since 2011, when Moody's downgraded our rating because of our use of fund balance, there are MANY Connecticut towns getting increases in their ECS that have higher unassigned fund balances, (both \$\$\$ and %), higher ratings, higher reserves and much larger per capita commercial grand lists.

Not only is it fiscally responsible to have a rainy day fund, the rating companies demand it. For Colchester, with a school project under construction and a large bonding for it within the next 12 months, maintaining our unassigned fund balance is critical as the new ratings coming with that bond issue will determine the interest we pay on that debt for the next 25 years. The State's mismanagement of the state budget and the rainy day fund has resulted in the State's ratings being reduced and that will negatively impacted the ratings for towns seeking new reviews. Because the State and other towns have mismanaged their budgets and rainy day funds, taxpayers in towns like Colchester, who have paid additional local taxes to build and maintain responsible fund balances and avoid borrowing, should not be asked to now pay even more taxes to offset the State and those towns where taxpayer have not done the same.

As stated, Colchester has continued to see their State revenues fall absolutely, and in relationship to increasing costs. Also, the State has a long standing history of putting legislated mandates upon the towns that have significantly increased our costs. I have always wondered if the past legislators had to figure out how to pay for

these mandates, how many would have seen the light of day. As individuals, there are many "good" things we all want to buy and do, but can't because we don't have the money to do so.

In regards to the Teacher's pension fund, the State created the ground rules with no input from the towns and then proceeded to underfund it for years. I believe we are second only to Illinois in per capita underfunding. The underfunding of both the state employee and teacher pension funds is much worse than represented. To assume 8% and 8.5% return on investment is not prudent in any environment, but are especially high moving forward, and overstate the funding levels of both pensions. Over the last 10 years, the State has not achieved that average annual return.

If the towns are going to be asked to share in the teacher pension fund, it should be phased in over time, and it should be used to increase the funding levels to responsible levels of the pension, not lower the state's contribution of an already unacceptable underfunded amount.

Also, I recently read where Denise Napier, when referring to a good investment year just ending 6/30, said that this gives us extra money to spend on other needed programs. This is wrong. Funding levels should not be decreased based on one year's performance. Funding levels should be maintained to decrease the underfunding and are also needed to offset the years that will have performance under the assumed investment return (as most years will) or even a negative year. If the investments are down 20%, are we going to add that on to that year's budget? This is dangerous and the practice will increase funding volatility and increase the underfunding. Funding levels should be reduced only when long term past performance has been higher than the assumption and only when funding levels are at acceptable levels.

CT is on a downward spiral, and without major changes, there are no better times coming to fix these problems later.

Over the past several months I have read the Speaker, the Governor and others state that towns are being selfish and need to share in the sacrifice. What these statements fail to acknowledge is that those that pay the cost of running the State budget and those who pay to run the towns are the same people. To pass the responsibility for figuring out how to pay for the State's financial mistakes down to the local level, where in most towns, these decisions will be made by unpaid volunteers is unconscionable. The problems created by the State, should be solved at the State. Local leaders should not take the heat for the past actions of State leaders. If that requires increased income tax and increased sales tax, so be it. As local taxpayers we are going to pay the price for the State's overspending, over-borrowing and poor negotiating, regardless, either in increased taxes or in a loss of services and programs.

Rob

Rob Tarlov, Chairman, Board of Finance, Colchester
860-608-4293

From: Merja H Lehtinen <ctmlhr@yahoo.com>
Sent: Monday, August 28, 2017 8:00 AM
To: Robert Tarlov
Cc: Robert Tarlov
Subject: Re

Hi Rob,

I highly recommend Tearice Peters for the opening on BOF. You can work with her and she with you.

Best,
Merja

From: deee bouchard <deeedeee1963@yahoo.com>
Sent: Friday, August 25, 2017 9:53 AM
To: Robert Tarlov
Cc: Donald Peters
Subject: BOF CIP VACANCY

Dear Chairman Tarlov,

As you are now aware CIP BOF Member, Stefani Lowe has resigned from the BOF effective 8/25/17, due to an increase in her work responsibilities.

The Colchester Independent Party recognizes that due to the fiscal uncertainty of the CT State Budget and it's potential impact on the Town of Colchester, it is vitally important to have a full Board of Finance to address these unprecedented fiscal issues.

Having already adjudicated the question over who the vacant seat belongs to, the CIP moves to submit CIP Member Tearice Peters for the BOF vacancy.

Although there are several CIP members whom would be eligible to serve, CIP believes Ms Peters appointment to the BOF is fair and in the best interests of the BOF and the Citizens of Colchester.

Ms Peters was already interviewed by the BOF and you and VC Kane had expressed your recommendation to appoint her to the BOF if she was eligible to serve.

I respectfully ask that you move to make this appointment at your next BOF meeting on September 6th, 2017, or that you call a special meeting for this purpose as your September 20, 2017, meeting is cancelled due to the holiday.

This will ensure that the BOF adheres to the provisions set forth in the Colchester Town Charter.

Should you have any additional questions, please feel free to call me at 860-222-4617.

Sincerely,

Deanna E. Bouchard
Chairman
Colchester Independent Party – CIP

From: James D McNair III <jmcnair3@comcast.net>
Sent: Thursday, August 24, 2017 6:42 AM
To: Robert Tarlov
Subject: seeking official clarification-discretionary spending

Rob,

With the Democrat Plan on the table it appears the range of ECS reduction has a floor of about \$1 million. I find it interesting the Democrat plan seems to hit Colchester really hard versus other towns. Minutes have stated there is a spending freeze. Is this only discretionary spending, which is a small percentage, or extended to hiring freeze and other large expenses?

Thanks,

James

From: Robert Tarlov
Sent: Thursday, August 24, 2017 1:21 PM
To: James D McNair III
Cc: Art Shilosky; Ronald Goldstein
Subject: Re: seeking official clarification-discretionary spending

James,

On the Town, Art can provide you a more current report, but as discussed at our last two meetings, in those departments where we can hold off hiring, we have done so. As of the last meeting, we had eight vacancies. Where we have only one position or where we have had to hire a temp due to workload we are interviewing for replacements and will hire if we find a candidate. In Public Works we have had 3 vacancies, and we have held off hiring, but now with a fourth, we must hire, and as we approach the snow season we will have to do so also. People have complained about the embarrassment of weeds on the green around the gazebo, monuments and trees and also along the roads where mowing has been less frequent, a result of having been down 3 people.

I understand many projects have been delayed or slowed down and purchases like the Opengov software and hiring the part time clerk in the Planning Office are on hold.

Ron or Brad can probably provide more details for Board of Ed, but from talking with Ron, I understand that they have not hired replacements for vacant positions, including the Superintendent, unless mandated.

The current net number for the town is about -885,000.

Rob Tarlov, Chairman, Board of Finance
860-608-4293