1. **Call To Order, Roll Call:**
   The meeting was called to order by O’Brien, Sr. at 7:00 p.m.

   Members present:
   Julie Blanchard – Ex-officio - virtual
   Matthew O’Brien, Sr. - Chair
   Lisa Thomas - virtual
   Richard Williams - virtual

   Members absent:

   Also present:
   John Elsesser – Town Manager
   Amanda Backhaus – Finance Director – virtual

2. **Acceptance Of Minutes, April 13, 2020:**

   **Motion:** I move to accept the minutes of the April 13, 2020 meeting.

   By: Williams Seconded: Thomas

   With the following corrections:
   - Page 1, item 2 – first sentence, add “no tax increase” after “possible”; second sentence, change “no-growth” to “no tax increase”.
   - Page 3, fifth paragraph, fifth sentence – change “were” to “where”.
   - Page 4, item 5, first sentence – add “2019” after “BOE”.
   - Page 6, item 4.2 – change “$19,757” to “$9,757”.

   Voting:
   For: O’Brien, Sr., Thomas, Williams
   Against: None
   Abstain: None

4. **Reports:**

4.A. **Committee Chair: Matthew O’Brien, Sr.**
   O’Brien, Sr. reported we’ve been reaching out to the BOE for more information necessary to make final decisions on the budget. The BOE was asked to provide any new information available for tonight’s meeting; no additional information has been received. We will make final determinations at the special meeting on Friday. We have until the Monday meeting to vote on the budget.

4.B. **Committee Members:**
4.C. **Finance Director: Amanda Backhaus**
Backhaus provided some details of the reports submitted.
- The collection rate on property taxes is at 99.14%; that is a bit short of prior years.
- The State took back $45,000 from the ECS grant. When received, the BOE returned $12,000 to the General Fund because they figured they had received too much. Other cities had greater expenditures so the percentage reimbursable to Coventry went down.
- Expenditures at 81.26% as of April 30, 2020, is slightly lower than last year.
- Special Revenue Funds (COVRRRA and Sewer Use) are in line with the projected balance.
- Recreation is doing okay with a balance of $56,000 that includes the salaries that have to be paid to get the beaches open and try to hold summer camps. Rubin is trying to get the beaches open on Memorial Day weekend.
- The Tax department has been busy with elderly tax relief.
- Tax sales are on hold.
- Finance/Accounting has been busy with the budget and the proposals for the next budget and tracking COVID-19 costs for possible FEMA reimbursement.
- Backhaus has been working on mailing the letter about the budget presentation. Using rural mailing rates the cost to mail to every household is down to $1,300.

4.D. **Review/Discussion: Monthly Finance Reports**
The Unencumbered fund balance is $268,381. The Library Architectural services amount approved at the May 5, 2020, meeting is reflected in that total.

4.E. **Board Of Education Fiscal Reports: April 2020**
Williams commented we should be able to calculate a number to the end of the year based on the report. He would like to see numbers that are toward the end of the year before Friday.

Thomas reminded the Committee the BOE did say it would not be able to provide information until after their next meeting on Thursday.

5. **Discussion Regarding Communication With The Board Of Education:**
O’Brien, Sr. wanted to clarify the goal set on previously was a preliminary goal. At the last Council meeting it seems people were not understanding that was not a final goal. Additional information was given to the BOE in a letter directed to them from O’Brien, Sr. including having to adjust the collection rate leaving another $265,000 to be found in the budget.

Williams feels the letter is precise in what O’Brien, Sr. was trying to convey to them. The BOE will work through this at their Thursday meeting and we will get information from BOE on Friday.

6. **Redemption Of Tax Sale Property**
This was detailed in the letter dated April 22, 2020, to Linda Greenbacker, Tax Collector, from Adam Cohen from Pullman & Comley.

7. **Consideration/Possible Action: Year-End Transfers FY 2018/19**
   Backhaus reported these include wage overages, IT needs, and building maintenance needs as we move forward with re-opening Town Hall for a total of $74,150 in transfers.

   **Motion:** I move that the Finance Committee recommend to the Coventry Town Council to approve the year end transfers as presented.

   By: Thomas  
   Seconded: Williams

   **Voting:**  
   For: O’Brien, Sr., Thomas, Williams  
   Against: None  
   Abstain: None

8. **Discussion/Continuation Of The Budget Deliberations And Updates**
   - Backhaus commented we asked the library to cut $2,500 and they came back with $10,000 more. The library number on the spreadsheet is a zero increase.
   - All of the proposed changes are in the last tab. Most are salary related.
   - Thomas confirmed with Backhaus that she would feel comfortable with moving $200,000 - $250,000 out of the fund balance.
   - The collection rate to be used after discussion at the last Council meeting creates the need to find $328,625 for a no tax increase budget.
   - Thomas commented we don’t yet know what the BOE will move to the General Fund due to more COVID-19 savings.
   - Williams stated what is not spent by June 30, 2020, will lapse into the General Fund.
   - O’Brien, Sr. stated the other documents in the packet is for informational purposes in what other towns are doing. Thomas suggested to be clear and transparent Coventry has to look at these numbers proportionally as other towns may not be the same size as Coventry. Let’s compare apples to apples.
   - Backhaus and Elsesser had a lot of discussion about the capital budget. Budgets have to be looked at for more than one year. Items removed are not going to be added easily back. Elsesser feels next year’s budget will be worse than this year’s. There are consequences to cuts and are not a one-year number. As the State deteriorate all of the current revenue stream will be interrupted. We don’t want to create a big hole for next year before we even get started.
   - Williams commented this will be an incredible dilemma going forward. The Town and BOE have a lot of duplication. As a group maybe we have to do something a bit differently. Look at consolidation or ways we do business. It would serve well to educate the kids in town to not have duplication. Williams mentioned finance especially; between the Town and BOE it is a lot of people. Thomas stated we should find ways to solve the problem without adding to the ranks of the unemployed. Williams knows there will be some people will have pain. It
could be 5 – 6 years down the road when things have to change. At some point, we have to look at it.

O’Brien, Sr. stated the Town has put forward a pretty strong package. He is not sure we can get the Town to go much further with cuts.

Williams confirmed with Backhaus that she is comfortable with the 98% collection rate. Payments from escrow accounts for 43%. This collection rate is consistent with other towns. During the last recession this is where we were. It is a guess but not making a change would be a mistake. O’Brien, Sr. added we do consider how our finances appear to the rating agencies; using this rate would be more positive than punting. Williams continued that prior Councils have made the Council fund a priority with the goal of getting that to 15%. Moody’s compares us to 16%. Elsesser stated the goal of the fund was moved from 10% to 15% a couple of years ago. It’s not inappropriate to use the fund during this type of event as long as we don’t go below 13%. Williams asked if a year from now that collection rate will hold up? O’Brien, Sr. replied we have no idea. Williams added the State of Connecticut finances are not the best. They are going to be looking for and cutting revenue; municipalities will be affected. Elsesser commented some of the State’s hardship may be smoothed over with federal money and that information is not being shared. Sales taxes have tanked. All of those things may recover faster than income taxes. O’Brien, Sr. stated we must take into consideration that citizens are having a difficult time. This is not easy and not anyone’s wish to have a no-tax increase budget. The unemployment rate will continue to grow. This is the least the Town Council can do. An event like this has never happened before. It is difficult and will get more difficult. This is less than we would like to do in normal circumstances.

9. **Adjournment**

   **Motion:** I move that the Finance Committee adjourn at 8:05 p.m.

   By: Williams  
   Seconded: O’Brien, Sr.

   Voting:  
   For: O’Brien, Sr., Thomas, Williams  
   Against: None  
   Abstain: None

Respectfully Submitted,

Yvonne B. Filip  
Yvonne B. Filip, Town Council Clerk

---

*PLEASE NOTE: These minutes are not official until approved by the Council at the next Council meeting. Please see the next Council meeting minutes for approval or changes to these minutes.*