

Updated Statement C.J. Thomas
May 10, 2020

As I stated at the April 28, 2020 meeting, I feel strongly that the Fiscal Year 2020/2021 budget proposed by the Town Council in March simply no longer works for the world we are living in today. The budget we put together in early March is wholly inappropriate for our new reality, where millions have lost their jobs, businesses have shut down, and hundreds of thousands have lost their lives worldwide.

At the April 28, 2020 Town Council meeting, the Town Council members requested that the Board of Education (BOE), Superintendent of Schools and the Town Manager reach out to the bargaining units (unions) to request a salary freeze from Town and school employees for Fiscal Year 2020/2021. The Council also sought cuts to the proposed Capital Improvement Budget and any other reductions that the Town Manager could recommend to achieve the Town Council's goal of no tax increase. The Council felt that these measures would be a positive path to our goal and would not necessitate immediate layoffs.

It has recently been brought to my attention that the Town and school unions have chosen to decline the wage freeze request. While disappointed at this outcome, the municipal unions have expressed a willingness to work with the Town in the future. These units are currently under contract and are within their rights to expect agreed-upon raises.

In consideration of those in our town experiencing financial distress, our goal is still a budget for Fiscal Year 2020/2021 that does not raise taxes.

The Town Manager, Superintendent of Schools, the BOE Chairwoman and I have been working on a proposed path that would include significant cuts to the Capital Improvements Budget, manageable cuts to both the Town and Board of Education budget, debt savings, and a transfer of banked Capital funds earmarked for the potential purchase of the Parson's property. These changes lead us to a budget that meets our 0% tax increase goal without layoffs and with limited service reductions. I have asked the Town Manager to present these changes at the May 12, 2020 Town Council meeting. The Board of Education Chairwoman and I support these changes and I am hopeful that the entire Town Council will approve these recommendations.

I can support these changes for the following reasons:

1. Not balancing the budget by use of the Fund Balance.

While our fund balance is healthy, due to the tax deferral program we anticipate that the Town may need to draw upon cash reserves of approximately 4 million dollars in the first quarter of the fiscal year to meet our cash flow needs. Also, because of the economic uncertainty, there is a potential of not receiving anticipated state grants that we have included in the revenue budget. The fund balance may be needed to balance that revenue shortfall. I feel strongly that the fund balance needs to be preserved because of the fiscal uncertainty as we move forward through the next year.

2. Capital Budget.

Even though these recommendations make significant cuts to the Capital budget, I consider this to be a stopgap measure for this year.

3. Limited impact to services and staffing levels.

Although we do not know what the future will hold, this path will allow services and staffing levels to remain stable at this time.

4. Flexibility in the future for financial uncertainties.

This budget path gives the Town flexibility to deal with additional difficulties that the Town and our taxpayers may face as we go forward during these uncertain times. The Town Council and Board of Education are committed to working together.

I want to thank the Town Manager, Superintendent of Schools, the BOE Chairwoman, and their staffs for working hard to find this new path. I believe that it allows Farmington to be respectful of the current economic climate and lets the Town prepare for an unknown future. It allows services to continue and the school system to move forward in what is certainly a very challenging time.

We will present more detail on these recommended changes to the proposed budget at the Tuesday, May 12, 2020 Town Council meeting.