

## TOWN MANAGER'S REPORT

TO: Honorable Town Council Members

FROM: Karl F. Kilduff, Town Manager

DATE: January 18, 2023

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Please find my report concerning various items of interest to the Town Council and community.

### 1. Council Business:

- FY2023-24 Budget – The budget is now front and center. Staff time will be focused on developing the budget and refining assumptions up to the presentation of the budget to the Town Council. A draft meeting schedule will be on the agenda for the Council to approve the schedule of workshops to review the budget and the build up to the referendum vote. Major assumptions are in a state of flux as I write this.

The Governor will deliver his budget in early February which is an important starting point for us to understand how local grants-in-aid are assumed in his budget – particularly the Education Cost Sharing grant which by statute is supposed to decrease funding to Clinton. How that grant formula is applied to other programs will be of significance to us. There is some talk of accelerating the schedule that implements the change in ECS funding. For cities that will get more, that is of assistance. Clinton will get less so accelerating the formula without a hold harmless provision will create a hole in revenues

Healthcare under the State Partnership Plan is also in a state of flux and updates will be provided in January and February which will give us some insight into the direction of health expenses.

- Possible Sale of 36R Killingworth Turnpike – As decided by the Council and reported earlier, all of the abutting property owners to 36R Killingworth Turnpike received written notification of their ability to purchase the property from the Town. One proposal was received in time for the January 9 cut-off date which will need to be discussed in Executive Session prior to moving forward.
- Sale of Bond Anticipation Notes (BANs) – The Town will be in the market to sell short-term notes or BANs on January 19. The interest rate environment going into this sale is radically different from where we were last year. It is expected that the cost of funds will be much higher compared to the same time last year. Comparing year-to-year the number will be higher which will have an impact on the budget. Looking at rates historically however, the current rate environment is not too far out of line when looking at a 20-year perspective. However, many people got used to the artificially long period of low rates that have been in place since the 2008 recession.

- EDC Goal Setting – the EDC has been making good progress in setting its goals and building a focus for their activities. I am hoping that they will be able to wrap up their efforts by February which will give them a clear focus and an agenda going forward with discipline.
- Tree Re-planting – As a follow-up to the last meeting, I did get an update from the Tree Warden on tree re-planting at Liberty Green by Eversource. The stumps for the prior trees were ground and topsoil and seed were placed on the Green. Tree planting will take place in the spring. The Tree Committee was advised by the Tree Warden that the replacement tree would be a maple. The Tree Committee was comfortable with that decision.

## 2. River COG:

The Council of Governments will meet again on January 25, 2023.

## 3. Estuary Transit District:

The Transit District held its board meeting on January 13. An update was provided on branding materials that would support the new name of River Valley Transit. Additional reports were provided on pending technology and route updates that are under evaluation, and possible fare changes.

## 4. Miscellaneous:

- Middlesex County Revitalization Committee – After a long vacancy, I am attending meetings of the Middlesex County Revitalization Committee (MCRC) as Clinton's representative. The MCRC has played a role in administering grants and loan funds from the State for the region. Their activity slowed as the older loan programs started to wind down. A new grant program is going to be rolled out from MCRC using State funds to help small businesses. MCRC will be supplying the outreach materials to help promote the program in Clinton, which we can add to the website/social media and ask the Chamber of Commerce to include in an email blast.
- Union Contract Negotiation – Union contract negotiations are starting up this month. Negotiations need to be completed for entire successor agreements to the Police and Dispatchers Unions. Public Works, Clerical and Supervisors all have wage re-openers where only wages are subject to negotiations. Additionally, the Police Union wants to continue pension negotiations which were put on hold in 2018.
- Coastal Resiliency – As I have reported previously, Clinton was part of a successful regional grant application for funding from the National Fish and Wildlife Foundation to develop a regional coastal resiliency plan (which includes Clinton, Westbrook, Old Saybrook and the Borough of Fenwick). The staff across all the communities are going to have a kick-off meeting to outline next steps. The Council may want to think about creating a Coastal Resiliency committee which includes representation from the Council and different boards and commission which could be impacted by such efforts to help participate in the process and guide the recommendations as it relates to the needs of Clinton.