

Board of Finance
Regular Meeting Minutes
Wednesday, November 19, 2014
7:00pm Clifford B. Green Memorial Center

Present: Gene Michael Deary; Sandy Brodeur; Kim Conroy; Drew Dionne; Jeff Otto; Ken Dykstra; and Shelley Hopkins, Recording Secretary

Also Present: Joe Voccio and Bob Kelleher

1. **Call to Order:** Gene Michael Deary called the meeting to order at 7:00pm.

Point of order: Jeff Otto motioned to amend the agenda and add *Brooklyn Schools Fire Alarm Project* and *Brooklyn Schools Cable Wiring* to the agenda as items 9a and 9b, respectively. Drew Dionne seconded the motion. Motion passed 6-0.

2. **Approve Previous Minutes:** Jeff Otto made a motion to accept the meeting minutes from 10/15/14 as presented. Drew Dionne seconded the motion. Motion passed 6-0.
3. **Public Comment:** Jeff Otto reported that Planning & Zoning application ZRC14-002, which requests to allow multi-family dwellings by special permit in the planned commercial zone, has been withdrawn.
4. **Introduction of Finance Director:** Gene Michael Deary introduced Sherry Holmes. The board members introduced themselves. Sherry Holmes reported that she is presently gathering information about all aspects of the Financial Department. Gene Michael Deary stated that he has challenged the board members to bring their thoughts and ideas on what they would like to see from the Financial Department. Jeff Otto requested that Ms. Holmes develop a rational quantitative philosophy with regard to the converting of debt carried as bond anticipation notes to debt carried by the issuance of long term municipal bonds. Jeff Otto noted that it would be helpful if Ms. Holmes could evaluate whether new enterprise financial software is needed prior to budget season. Ms. Holmes noted that she is working on this and there may be grant money available to fund it if needed. Jeff Otto would like to see order imposed on the monthly closing so that the board receives the financial reports sooner. He would like Ms. Holmes to review the audit reports of the last few years with a view to remedying weaknesses and areas for improvement. Sandy Brodeur inquired whether it is the Finance Director's intention to make the audit reports GAAP compliant. The answer is yes. Drew Dionne would like the Finance Director to assist the Board of Finance in cultivating a relationship with the Board of Education. He noted that there are a lot of outstanding years past.
5. **Pension Review with Art Meizner:** Art Meizner presented a review of the current status of the pension plan. He recommends that each of the Foreign Large Blend funds be reduced from 8% to 6% and that each of the US Large Growth & Value funds be increased from 6% to 8%. Within US Large Value, he recommends selling the Schwab Institutional Large Cap Value because the fund has moved to Large Blend. He recommends adding the Schwab Fundamental US Large Company Index. With regard to Emerging Market equity, his recommendation is to replace BlackRock Emerging Markets Equity Index Fund with Vanguard Emerging Markets Stock Index Adm. With regard to Intermediate Term Bond Funds, it is his recommendation to sell the

PIMCO Total Return Fund because its manager Bill Gross has resigned and the new management team does not have a proven track record. This fund can be replaced with Metropolitan West Total Return Bond I. Gene Michael Deary inquired whether he should be concerned about the amount of dollars being changed. Art Meizner replied that there are no buying and selling fees associated with the proposed changes. Gene Michael Deary asked whether the proposed changes represent a change in philosophy. The answer is no. Drew Dionne inquired about the other PIMCO funds. They were not managed by Bill Gross. Joe Voccio inquired whether a team management approach has been used successfully elsewhere. The answer is yes. Jeff Otto motioned to forward the proposed changes to the Board of Selectmen for their consideration. Drew Dionne seconded. Motion passed 6-0.

6. **Selectman's Report:** Joe Voccio reported on the progress and scheduling of budget workshops. He would like to present the budget earlier than has previously been done. He noted that the capital program is being launched on a rolling basis beginning in December.
7. **Discussion on 2015 Meeting Schedule:** Drew Dionne suggested adding two additional meetings to the schedule during budget season. The board usually ends up calling special meetings during this time whereas if scheduled as regular meetings, this would give the board the flexibility to amend the agenda if needed. Gene Michael Deary suggested tabling this item until he can speak with Melissa Bradley regarding additional meeting dates in April and May.
8. **Discussion on 2014/15 Budget:** There were no comments.
9. **Liaison Report:**
 - a. Sandy Brodeur presented the Resource Recovery Report. The commission was concerned about whether Jack Burke's land was filled according to their requirements. The commission is reluctant to sign off on this project. The property is currently for sale and commission members want to ensure that they will not be held accountable should something go wrong in the future.
 - b. Kim Conroy presented the Recreation Department report. Spooky Nights was a success. While the event did not sell out on Friday, it did sell out on Saturday, when extra rides were held. The Teen Center has six members as of two weeks ago. Sixteen applications have been requested. The Director is going to the high schools to make presentations about the Teen Center. The 7th and 8th graders were given a tour of the center. Jeff Otto expressed concern about the lack of membership. There should be a plan in place to shut down the center if goal membership cannot be attained. Gene Michael Deary, Joe Voccio, and Kim Conroy feel that the center should be given more time to grow membership. Kim Conroy said the goal is to have 20 members within three months. Sherri Soucy stated that as of today there are 13 members.
 - c. Ken Dykstra did not have a Housing Authority report.
 - d. Drew Dionne did not have a Capital report.
 - e. Jeff Otto did not attend the Board of Education meeting due to a scheduling conflict. Joe Voccio reported that the speech pathologist resigned.

Jeff Otto stated that a settlement agreement has been reached with the noncertified staff. It has yet to be ratified by the Board of Education and union, but is expected to be closed out by mid-December.

NFA made a pitch for their high school to become a designated high school for Brooklyn. The Board of Education is reluctant to do so because if it is a designated high school, they then have to provide transportation to the school. Drew Dionne noted that NFA's tuition is cheaper than that of Woodstock Academy. Kim Conroy inquired whether the town would be obligated to contribute to any improvements if NFA became a designated high school. Jeff Ottos stated the answer is presumably yes, if public funding is involved. Gene Michael Deary inquired whether the town could provide transportation to the school without designating it. Jeff Otto stated the answer is yes. Kim Conroy noted that other schools would request the same treatment.

At Gene Michael Deary's request, Jeff Otto asked Dr. Berry why there was no response to the letter from the headmaster of Woodstock Academy. Dr. Berry was unaware of the existence of any such letter. Dr. Berry's secretary asked the business manager of Woodstock Academy how the censuses were obtained from the various sending towns. Some towns use enrollment numbers from the previous October; other towns use the same systems they have used all along. These systems involve a preliminary estimate during the budget process and an adjustment based on actual enrollment on October 1. The business manager would prefer that the towns use enrollment numbers from the previous October because it takes the guesswork out of budgeting for both the academy and the sending town.

- f. Jeff Otto presented the Board of Fire Commissioners report. He presented a revised Mortlake Fire Company budget. The ambulance operations equipment expenditure has been reduced from \$27,556 to \$2,000. Three AED's and a cardiac press are going to be capitalized and a current portion of the capitalized cost will be added back in. With regard to the fire company operations budget, the \$20,000 building expenditure includes \$18,000 for a new roof for the station in West Wauregan. That expenditure will be capitalized and the budget will be reduced to show only the current capitalized portion of the repair. The equipment expenditure was reduced by \$21,201.52 to account for a skid pump/tank unit and equipment for the new R-490. The Mortlake Fire Company will pay for these items with its own funds. With regard to the apparent overspending in the safety equipment budget, the expenditure line includes payments made in 2014 for equipment ordered in 2013. Funds were carried over to cover the expense.

Jeff Otto presented a report detailing the number of fire and medical runs made by the fire companies each month. The rationale for increasing the budget due to a larger number of calls does not hold up under scrutiny. Over four years, Mortlake responded to 1.5 medical calls for every one call to which East Brooklyn responded.

Jeff Otto stated that the commissioners have decided that the apparatus replacement plans are going to be based on 25 years for most pieces of apparatus rather than the 20 years that was previously used.

The decision was made to eliminate a supplemental disability insurance policy in favor of a policy offered by CIRMA that provides a lower cost.

Ken Dykstra discussed whether the town should be aware of how much the fire companies already have in funding when they approach the town during the budget process.

9a. Brooklyn Schools Fire Alarm Project: The board discussed a \$6,600 invoice for fire alarm plans. The board is not going to authorize payment of this invoice. Sherry Holmes will provide the board with the report that Hughes Associates was supposed to prepare as well as the invoice for that report. Gene Michael Deary stated that the board will pay this invoice because that is what the board authorized and requested.

9b. Brooklyn Schools Cable Wiring: Sherry Holmes stated that the school has spent \$13,500 of \$29,100 appropriated to purchase computers. That leaves a balance of \$15,600. Cable wiring is needed for the school computer system. The proposed cost is \$60,225. If the school can use the balance of \$15,600 to pay for the wiring, an additional \$44,625 is required to fund the proposal. The computer system is needed for state mandated testing. Jeff Otto stated that this item needs to go to a town meeting. Joe Voccio stated that before this can go to a town meeting, the Board of Education needs to get two additional bids. Gene Michael Deary stated that the needed process must be communicated back to the Board of Education. Sherry Holmes will speak to the Board of Education.

10. Old Business: None

11. New Business: None

12. Public Comment: None

13. Adjourn: Kim Conroy motioned to adjourn the meeting at 9:15 pm.

Respectfully submitted,

Shelley Hopkins
Recording Secretary