

Board of Finance
Regular Meeting Minutes
Wednesday, May 18, 2016
7:00pm Clifford B. Green Memorial Center

Present: Gene Michael Deary; Jeff Otto; Ken Dykstra; Sandra Brodeur; and Shelley Hopkins, Recording Secretary. Kim Conroy arrived at 7:12pm. Drew Dionne was absent.

Also Present: First Selectman Rick Ives; Selectmen Bob Kelleher and Joe Voccio; Finance Director Sherry Holmes; and members of the public.

1. Call to Order: Mr. Deary called the meeting to order at 7:09pm.

2. Public Comment: None

3. Approve Previous Minutes: Jeff Otto made a motion to approve the meeting minutes of May 12, April 27, April 20, and May 9. Sandra Brodeur seconded the motion. Motion passed 5-0.

Jeff Otto made a motion to move Other Business up on the agenda as Item No. 4. Ken Dysktra seconded the motion. Motion passed 5-0.

4. Other Business: The fire departments presented their quarterly reports. The East Brooklyn Fire Department has spent approximately 76% of its budget. There are two credits for damaged gear and an equipment return. Replacement gear and equipment have been ordered.

Ms. Brodeur presented on behalf of the Mortlake Fire Company because the Fire Chief was unable to attend this meeting. She stated that they are underspent on the Safety Program. Items have been ordered but they have long lead times. Fire department expenses are basically right on budget and the expectation is that fire department expenses for the year will be at or under budget. Ambulance had much higher than anticipated receipts in the first quarter of 2016. They are currently approximately \$21,000 underspent. Mr. Otto questioned why the actual expenditure for the loan to purchase a new ambulance is significantly higher than the budgeted expenditure each quarter. He requested that Mortlake provide more information on this purchase and how it was financed. Mr. Deary inquired whether Vintech staffing is a one-time number or a year-to-date number. The answer is year-to-date. Ms. Brodeur noted that vehicle maintenance is overspent because there have been problems with the old ambulance, which is slated to be refurbished next year. Vintech staffing can go over budget since they get paid overtime after 6 PM. The overage in equipment is at least partly attributable to the purchase of a Thumper, a mechanical CPR device. Mr. Deary inquired whether, in the line items that are overspent, additional expenses are expected. Ms. Brodeur does not know the answer to this question. Mr. Otto reiterated his request for more detail concerning the purchase of the ambulance. He would also like more information regarding why the fire and ambulance had a total of \$7,500 in unbudgeted inventory expenditures.

The East Brooklyn Fire Department introduced the new District President, Matthew Bomster, to the Board.

5. Discuss Options with 2015/2016 Capital Funds:

Ms. Holmes stated that she spoke with the auditor regarding the unspent funds that remain in the school building fund. The auditor requested that the funds remain where they are until he has done some additional research. The original grant documents must be located at the school and then reviewed in order to determine whether the Town must return the funds to the State or may use them and if so, for what purpose. Ms. Conroy said the Building Committee should have made that determination. Mr. Ives said that Marcia Marien of O'Connor Davies brought it to their attention a year ago that the Building Committee did not make that determination. Mr. Deary stated that the minutes of the auditor's presentation and the audit findings from the previous year should be reviewed. There was a sum of money and the Board chose to use \$400,000 of that sum to pay down short term debt. It seems unlikely that the Board would have arbitrarily left the rest of the money in the account. Ms. Holmes suggested that she reach out to Ms. Marien to inquire about the spreadsheet she supposedly used to keep track of project spending. Mr. Ives think the Town has a copy of that spreadsheet. Mr. Otto asked when O'Connell Pace will be coming. Ms. Holmes replied October. There was consensus by the Board that this issue needs to be resolved as soon as possible. Mr. Deary requested that Ms. Holmes do whatever it takes to get a timely determination on this matter so the Board knows what its options are before the Town Meeting. Mr. Deary recalled that there was a recommendation from Ms. Marien on how to divide the funds. Ms. Holmes said she has an e-mail that Ms. Marien sent. She left the room to obtain it. Mr. Dykstra said it does not sound as though the Board will have an answer on this issue before the Town Meeting. Mr. Deary noted that without an answer the funds cannot be used to offset anything. Ms. Holmes returned and read the e-mail from Ms. Marien. \$404,305 was used to pay bond debt. Ms. Marien refers to the remaining amount of \$319,790 as bond proceeds. Mr. Ives stated that this means the funds have to go back to the bonding company. Mr. Deary noted that the funds have to go back in age appropriate, that is, as BANS are due. Ms. Holmes stated that the oldest are paid off first. Mr. Deary raised the issue of whether the Town could reduce its short term debt line by \$319,790. Mr. Ives stated that he assumes those funds are obligated to certain BANS. Mr. Deary discussed the possibility that the BANS associated with the funds may have been retired. Mr. Ives stated that this is possible, in which case the Town might have access to the money. This can be determined by checking the schedule to see when it was paid off. A review of the e-mail in conjunction with the spreadsheet and schedule may provide the new auditor with enough information to make a determination.

6. Discuss 2015/16 Budget: No discussion.

7. Finalize 2016/2017 Budget Presentation for Hearing: Mr. Deary reviewed the changes that have been made to the budget. The total revenues number is higher than the Board has been talking about because it includes the increased property tax collection that would result from the increased mill rate. The entire \$258,000 change that was made has been added to the contingency fund as recommended by the auditor. Mr. Deary stated that there will be a 4.02 mill increase. Ms. Holmes noted that the new mill rate will be 27.45. Mr. Otto questioned why the contingency fund is shown at \$276,311 and not

\$278,000. Ms. Holmes stated that it is a rounding number and needs to be reconciled. The auditor will address this when he comes out. Mr. Ives noted that the budget being presented tonight reflects the cuts that the Board decided on at its last meeting. Ms. Holmes reviewed the detail sheets. \$100,000 has been removed from roads; the contingency has been increased by \$258,000; \$2,000 has been added to short term debt; and \$60,000 has been removed from capital. No capital will be expensed. The generator, driveway and two vehicles will be bonded.

8. Approve Capital Resolution for Hearing: Mr. Ives said it is not necessary to approve the resolution this evening. The Board may wish to change it after the budget hearing. Mr. Voccio questioned whether the resolution should refer to the \$44,200 for 2017 capital program.

9. Liaison Reports: Mr. Dykstra reported on the Housing Authority. There was a presentation on the status of the Tiffany property. Based on the bids they received, the cost of the project is \$4.8 million. The Authority is short approximately \$930,000. They have rebid the project. They then plan to request additional funding from the Department of Housing.

10. Public Comment: Austin Tanner said he is disappointed with the proposed budget's 4 mill increase, low reserve fund, and increased borrowing.

Aaron Kerouac inquired whether signs bearing the time and date of the budget hearing will be posted. Mr. Ives said the answer is yes. He is considering doing a robocall.

Aimee Genna suggested that the PTO could promote the budget hearing on its Facebook page.

Austin Tanner inquired about the pension obligation. Mr. Deary stated that the pension obligation is an exact calculation and includes a catch-up mechanism. Mr. Ives stated that the school was not paying its number. The pension has now been allocated correctly.

Sandy Brodeur stated that she shares Mr. Tanner's unease with the direction in which the Town is headed fiscally.

11. Adjourn: Sandra Brodeur motioned to adjourn the meeting. The meeting adjourned at 8:25pm.

Respectfully submitted,

Shelley Hopkins
Recording Secretary