

**Board of Finance
Regular Meeting Minutes
Wednesday, March 15, 2017
7:00pm Clifford B. Green Memorial Center**

Present: Jeff Otto, Drew Dionne, Ken Dykstra, Sandra Brodeur, and Melissa Bradley; Recording Secretary Kim Conroy; arrived at 7:26pm

Absent: Heather Allen, with notice

Also Present: Bob Kelleher, Joe Voccio, David Fuss, Sherry Holmes, Aaron Kerouack, Walter O'Connell & Albert Celentano from O'Connell, Pace, & Company P.C., and Fran from the Bulletin

1. **Call to Order:** Mr. Otto called the meeting to order at 7:00pm.
2. **Adoption of revised Agenda:** Drew Dionne made a motion to adopt the revised agenda. Sandra Brodeur seconded the motion. Motion passed 4-0.
3. **Public Comment:** None
4. **Approval of Minutes:** Sandra Brodeur made a motion to approve the minutes of February 15, 2017 as presented. Drew Dionne seconded the motion. Motion passed 4-0.
5. **Presentation by Town Clerk:** Ms. Mainville was not ready to present this evening, this will be on next month's meeting agenda.
6. **Finance Director's Report:** Sherry Holmes introduces Walter O'Connell and Albert Celentano from O'Connell, Pace, & Company P.C., to present the audit for year ending June 30, 2016.
 - During the fiscal year ending June 30, 2016, the net position was decreased by \$2,002,347. The total fund balance decreased by \$1,395,152 and total expenditures exceeded revenues by \$1,091,154. The short fall was due to lack of revenues, mainly the decrease in grants received and collections were down. The Town's net position decreased by \$2,002,347 compared to the balance one year ago, capital assets decreased by \$109,9954 due to depreciation expense of \$1,155,322 and the addition of capital assets totaling \$1,045,327. Liabilities increased by \$299,052 due to an increase in accounts payable of \$301,718, mainly in the general fund. The net cost of all programs increased by 4.43% due to the decrease in capital grants. Revenues were lower than budgeted, \$1,216,912 and the expenditures were \$125,758, less than budgeted.

The Town gets 37% of its budgeted revenue from the State, and they are in poor fiscal condition. 61% of the budgeted revenue comes from property taxes and the real estate market is not growing. In the past four years, the taxable grand list has grown an average of 1.1% per year. The Town's unassigned fund balance in the general fund is 3% of total expenditures for the year. This is below the 5-8% range the Board of Finance has targeted as a threshold.

GFOA (Government Finance Officers Association) recommends that governments establish a formal policy on the level of unrestricted fund balance that should be maintained in the general fund for GAAP and budgetary purposes. GFOA recommends at a minimum, to maintain no less than two months of regular general fund operating revenues or regular general fund operating expenditures in the general fund. Examples of adopted policies are given to the board to reference when forming their own.

The school has an excess of \$306,094 from the school wall project which has been completed. The Board of Education must vote to move the funds to the Board of Finance and the Board of Finance would then vote to place the funds. This would increase the fund balance.

7:26pm – Kim Conroy arrived.

Discussion held on the Auditors Recommendation letter. Some items have been addressed or are in the process of.

The Pension information needed yearly from Hooker and Holcombe is consistently holding up the audit process. This information should be received by the Town no later than November 1st after the close of the fiscal year. The board will be meeting with Hooker & Holcombe to discuss.

The board agrees to review the audit and will hold a special meeting on Thursday, March 23rd at 7:00pm to discuss and approve.

- Discussion held on the revenue and expense report. Question is raised why there is no revenue for the bus garage rent. Ms. Holmes explains no rent was negotiated with this company.
- The board would like to see the Recreation fees for before and after school, summer camp, etc. broken out like how the transfer station fees are. Sherry explains they must be re-coded and can do this starting July 1st.
- The Resident Trooper revenue from the Brooklyn Fair event does not match the expense report. Ms. Holmes will research this.
- Kim Conroy made a motion to hold a special meeting on Thursday, March 23rd at 7:00pm. Drew Dionne seconded the motion. Motion passed 5-0.
- A capital project report will be presented at the April meeting.

7. **Selectman's Report:** There will be a special meeting next Thursday, March 23, 2017 to discuss the Solar Ranger agreement. Mr. Ives is working with a consultant regarding the MS4 permit process and should have an update for the next meeting.

8. Review Future Meeting Schedule: All dates are set tentatively and will be discussed with appropriate departments

- March 29 – Board of Fire Commissioners and Recreation
- April 5 – General Government
- April 12 – Board of Education
- April 19 – Capital
- April 26 – Consolidation of budgets
- May 3 – Open date
- May 17 – Possible budget hearing
- June 21 – Regular meeting
- July 19 – Regular meeting

9. Liaison Reports

- Housing Authority – Meeting was cancelled. Discussion was held at the Board of Selectmen’s meeting as follows: The Housing Authority has been working on funding for buildings but has been a challenge. Because they are smaller projects, it is harder to find funding or investors. The Town may need to look at a larger scope. Mr. Ives will set up a meeting to discuss further and how to go about it.
- Capital – Four requests were presented from the school, Mortlake Fire Department and recreation. A couple more requests are anticipated.
- Recreation – The second portion of the 3 year grant for the Teen Center was received. A grant was also received and used to install cameras in the center. There is a fundraiser for a disc golf tournament which will go towards the Jim Boyle fund, which funds kids to attend summer camp. The before and after school was moved because the superintendent and finance offices are moving in the space the programs were held.
- Resource Recovery – The board is discussing increasing fees. The earth day event will be held on April 29th. A composting program was presented to the board and they are considering the options.
- Board of Selectmen - They will be appointing a roof building committee for the school. MS 4 storm water permitting is still in process. Selectmen voted to change the name of School St. to Dr. Louise Berry Drive. The salt fund in the budget will be increased this year, it has not been in several years. Discussion was held on a possible procedure to deal with fracking waste. Budget workshops have been held to discuss the upcoming budget.
- Board of Fire Commissioners – Both departments approved their budgets. East Brooklyn will remain the same as this year and Mortlake is reduced by \$20,000 because they will not be asking for an ambulance subsidy. They also have 5% and 10% reduction plans if necessary.
- Board of Education – Policies are still being reviewed. The superintendent search committee has narrowed candidates to 5 applicants and will begin the interview process soon. The superintendent’s office, finance department and special education offices will be relocating. This will give more access to these offices from the elementary school.

10. Other Business

- Sandra Brodeur questions if there is plan to cover the LOCIP money we did not receive. The Board of Selectmen are under the understanding the Town will be given those funds.

- Discussion held on an email circulated by Mary Conway regarding the possible budget problems. Ms. Conway generated an exercise to show the severity of a \$1,136,338 cut in their budget.

11. Public Comment: Aaron Kerouack questions if the issue of not receiving tuition bills in a timely manner was resolved. Mr. Voccio states a schedule has been received from KHS.

12. Adjourn: Sandra Brodeur made a motion to adjourn the meeting. Ken Dykstra seconded the motion. Meeting adjourned at 9:17pm.

Respectfully Submitted;

Melissa J. Bradley
Recording Secretary