

**APPROVED BOARD OF FINANCE MINUTES – REGULAR MEETING
TUESDAY, JANUARY 17, 2017**

A regular meeting of the Board of Finance was held on Tuesday January 17, 2017 in the large conference room in Town Hall at 7:30 a.m.

Members Present: David Ulmer, Chairman; Jessica Mancini, Vice-Chairman; Marty Heiser; Mike Raduazzo and Sean Connelly

Town Officials: Kevin Redmond, Controller; Jane Berendsen Hill, Tax Collector; Dr. Karen Baldwin, Supt of Schools; Paul Hendrickson, BOE Business Director

Guests: Fran Walton, Chairman, BOE

A G E N D A

Comments From the Public

Election of Officers

Approval of Minutes – December 13, 2016 Tri-Board meeting; December 13, 2016 BOF Special Meeting

Treasurer's Report

BOE Financial Report

Tax Collectors Report

Controller's Report

Fiscal 2017 YTD Revenues and Expenses

Financial Analysis 6 + 6

Old Business

New Business

Communications & Correspondence

Adjournment

Mr. Ulmer called the meeting to order at 7:30 p.m.

COMMENTS FROM THE PUBLIC

None

ELECTION OF OFFICERS

Mr. Ulmer turned the meeting over to Ms. Mancini.

A motion was made by Ms. Mancini and seconded by Mr. Connelly to nominate Mr. Ulmer as Chairman of the Board of Finance for the upcoming (calendar 2017) year.

Vote: 5-0. **MOTION APPROVED**

A motion was made by Ms. Mancini and seconded by Mr. Connelly that the nominations for Chairman of the Board of Finance be closed and a vote taken to approve Mr. Ulmer as Chairman of the Board of Finance.

Vote: 5-0. **MOTION APPROVED**

Mr. Ulmer resumed control of the meeting.

A motion was made by Mr. Connelly and seconded by Mr. Ulmer to nominate Ms. Mancini as Vice Chairman of the Board of Finance for the upcoming (calendar 2017) year.

Vote: 5-0. **MOTION APPROVED**

A motion was made by Mr. Connelly and seconded by Mr. Ulmer that the nominations for Vice Chairman of the Board of Finance be closed and a vote taken to approve Ms. Mancini as Vice Chairman of the Board of Finance.

Vote: 5-0. **MOTION APPROVED**

APPROVAL OF MINUTES

Mr. Heiser made and Mr. Ulmer seconded a motion to approve the December 17, 2016 meeting minutes with changes.

Vote: 4-0. Mr. Connelly abstained. **MOTION APPROVED**

The Board agreed to postpone approval of the December 17, 2016 tri-board meeting minutes so the audio tapes could be reviewed and additional remarks by Mr. Raduazzo be included in the record.

TAX COLLECTOR'S REPORT

Fiscal Year Ending
30-Jun-17

| | | | | | | | % | | | | |
|----------------------|----------|---------|---------|--------|--------|---------|----------|---------|---------|---------|---------|
| | Budget | Q1 | Oct. | Nov. | Dec. | Y-T-D | Clctd | Prior | 13-14 | 12-13 | 11-12 |
| Current Taxes | \$ 123.3 | \$ 39.5 | \$ 24.3 | \$ 2.4 | \$ 5.0 | \$ 71.3 | 57.79% | 58.45 % | 57.09 % | 56.85 % | 55.69 % |
| Supplemental MV | \$ 0.8 | \$ - | \$ - | \$ - | \$ 0.1 | \$ 0.1 | 16.84% | 35.64 % | 14.88 % | 2.57% | 31.89 % |
| Prior Year | \$ 0.9 | \$ 1.0 | \$ 0.1 | \$ 0.5 | \$ - | \$ 1.7 | 179.17 % | 74.99 % | 76.33 % | 82.97 % | 79.06 % |
| Interest & Lien Fees | \$ 0.5 | \$ 0.3 | \$ 0.1 | \$ 0.3 | \$ - | \$ 0.7 | 148.51 % | 54.85 % | 56.30 % | 58.72 % | 64.91 % |
| As of 12/31/2016 | \$ 125.5 | \$ 40.8 | \$ 24.5 | \$ 3.2 | \$ 5.2 | \$ 73.7 | 58.74% | 58.63 % | 57.27 % | 57.15 % | 56.07 % |

Ms. Berendsen-Hill informed the BOF that the supplemental motor vehicle rate book came in after the BOF's last meeting in December and it is about \$1MM rather than \$800k, which has to do with the conversion that the Department of Motor Vehicles did, resulting in some vehicles that would ordinarily have been on the July list, showing up on this list.

Ms. Berendsen-Hill noted that the on-line-payment capability added in July is having a nice build up of customers. The on-line provider charges a \$.95 fee. Credit card companies charge 2.5%.

Mr. Heiser asked about conveyance tax revenues stating that they seemed okay last time he looked. Mr. Ulmer responded that there is no upward movement of the average of the last five years, no trend for being significantly better. The first and fourth quarters are the strong quarters for real estate transactions.

TREASURER'S REPORT

DECEMBER 31, 2016

| | | Month | | 30-day | Y-T-D |
|-----------------------------------|----------------------|------------------|--|------------|------------------|
| | Balance | int/div. | | Yield Rate | Interest |
| Fairfield County Bank | | | | | |
| Money Market (...0134) | \$ 1,415,721 | \$ 627 | | 0.23% | |
| NOW (...0142) | | \$ 471 | | 0.21% | |
| Ambulance Fees (...0222) | \$ 330,490 | \$ 58 | | 0.23% | |
| Subtotal | \$ 1,746,211 | \$ 1,156 | | | \$ 8,087 |
| | | | | | |
| STIF | | | | | |
| (CT- Short-Term Invstmnt Fnd) | \$ 8,838,687 | \$ 4,038 | | 0.54% | \$ 20,055 |
| | | | | | |
| People's United Bank | | | | | |
| Municipal (...0055) | \$ 501,118 | \$ 206 | | 0.50% | \$ 1,118 |
| | | | | | |
| Union Savings Bank | | | | | |
| Investment (...0501) | \$ 750,000 | | | | |
| Investment Repo (...0501) | \$ 9,163,096 | \$ 3,565 | | 0.44% | |
| Tax Collector (...2672) | \$ 10,000 | | | | |
| Analyzed CKG (...2525) | \$ 2,425 | | | | |
| Repurchase (...2525) | \$ 13,483,289 | \$ 5,185 | | 0.44% | |
| Subtotal | \$ 23,408,810 | \$ 8,750 | | | \$ 52,205 |
| | | | | | |
| Capital One (@Wells Fargo) | | | | | |
| 6-mo. CD due 5/23/2017 | \$ 245,000 | | | 0.65% | |
| | | | | | |
| Wells Fargo | | | | | |
| 24-mo CD 4/6/2018 (...7870) | \$ 246,802 | \$ 222 | | 1.10% | \$ 1,351 |
| | | | | | |
| TOTAL | \$ 34,986,628 | \$ 14,372 | | | \$ 82,816 |

F/Y 2016/2017 Budget

\$ 66,000.00

Budget Surplus

\$ 16,816.00

Mr. Raduazzo noted that it appears the Treasurer has not yet invested the \$5MM.

BOE FINANCIAL REPORT

Mr. Henrickson reviewed the November 30, 2016 financial report. Salaries were under budget by \$213,000 due to late hires and higher turnover than budgeted.

Employee benefits are estimated at \$200k below budget for the year due to delayed hiring and employees changing status to less expensive coverage. The BOE's expense is between \$20k/\$25k per employee and enrollment can change month to month.

Excess cost reimbursement has been budgeted at \$1,928,571. The District submitted claims of \$2,079,904 to the State on December 1, 2016 (\$575,993 less than last year). Based on the reduced claims and the budgeted 72.6% reimbursement rate, the District would receive \$1,510,316, or \$418,255 less than budgeted. The first payment from the State is anticipated for the last week in February.

Energy, over all categories, is on budget. The District received an \$81,357.40 energy rebate from Eversource for completing Phase Two of the energy project. That rebate goes to the Town. Mr. Ulmer: "It's netted against the bond." Mr. Redmond noted that the rebate amount is higher than anticipated. "You are looking at a credit in the capital account, it won't touch operating at all." What to do with it will be decided in the next round of closeouts.

Transportation costs are a little under budget to date.

Mr. Heiser asked which school buildings use natural gas. The answer was East Ridge and Veterans Park. Mr. Heiser then asked if the high school still uses electric power. Mr. Hendrickson responded: "partially, yes."

Dr. Baldwin said she thinks all the upgrades at the high school are completed. The computer controls and lighting and ballasts have been upgraded.

The vagaries of special education costs were discussed as well as restructuring. The BOE is reluctant to restructure if it doesn't result in cost savings and/or an improvement in the educational experience of the students. Dr. Baldwin stated that the BOE has not yet made a decision regarding restructuring, but should have one by the end of February.

Mr. Heiser reiterated his enthusiasm for achieving cost savings by lowering head count, preferably through attrition.

Ms. Mancini voiced her frustration with the BOE's constant discussing and never deciding. The BOE seems to have a myriad of excuses against doing anything. She noted a lack of trust in doing what is right for all the taxpayers in Town, not just the families with kids.

CONTROLLER'S REPORT –

Mr. Redmond reported \$1.75MM to the good in tax revenue. He noted the \$234k cut from the State in ECS saying that would have to be looked at in the 2018 budget.

Conveyance tax revenue is favorable. December was a good month. Mr. Redmond is projecting \$75k favorable to budget. He expressed concern over increased mortgage rates because recording fees have been flat without refinancing.

The sales tax grant is \$515k offset by anything exceeding the 2.5% budget cap. \$512k is what is at risk.

Mr. Raduazzo asked about the two Slumberger leases currently under consideration by the Board of Selectmen. Mr. Redmond said he will bring a Slumberger accounting to next month's meeting.

Mr. Raduazzo asked if the proposed eight-man staffing had begun at the Fire Department. Mr. Redmond said there are five new hires and he was not sure if all five were fully ready. He noted that the new hires are not attributable to the eight-man staffing change, but rather to turnover in the department.

Mr. Ulmer asked if there is a way to separate overtime related to the eight-man staffing from other overtime. Mr. Redmond said the Fire Department is tracking it. Fire Department overtime was running high even before the eight-man staffing went into effect.

Registrar costs are running high. The State selected two polling districts for audit, and that drove additional costs. There will be a year-end transfer of \$7k/\$10k.

Mr. Heiser asked if the change at the top in the Fire Department resulted in any salary savings. Mr. Redmond responded: "Yes." Mr. Ulmer confirmed that there was a settlement that included a confidentiality clause.

OLD BUSINESS -

NEW BUSINESS

COMMUNICATIONS & CORRESPONDENCE

ADJOURNMENT

A motion was made by Mr. Heiser and seconded by Mr. Ulmer to adjourn the meeting at 9:45 p.m.

Vote 5-0. **Motion APPROVED.**

Respectfully submitted,
Karen Rodgers,
Recording Secretary