

**BOARD OF FINANCE
MEETING MINUTES
MONDAY, APRIL 17, 2017
7:30 P.M. – GREENE COMMUNITY CENTER**

Vice-Chairman Kenneth Gamerman called the meeting to order at 7:35 p.m.

Present: Board Members: Michael Ayles, Kenneth Gamerman, Jeffrey Beatty, Peter Goletz and Kenneth MacKenzie

Town Officials: Finance Director Maryjane Malavasi and Clerk Traci Brinkman. First Selectman Joseph Mazza joined the meeting in progress.

BOE Officials: Business Manager Linda Trudeau and Dr. Paul Freeman

Media: Mike Graziano, taping for GCTV

1. Public Forum (Limited to 3 minutes on agenda items)

None

2. Approve minutes of:

2.1 Remove from table March 9, 2017 – Budget Workshop Minutes

Motion: Upon a motion made by Mr. Ayles and seconded by Mr. Goletz, the board voted to remove for action the March 9, 2017 Budget Workshop Meeting Minutes.

*Vote: In Favor: Ayles, Gamerman, Beatty, Goletz and MacKenzie
Opposed: None
Abstaining: None*

Mr. MacKenzie requested a revised paragraph of his comments on Page 3 be submitted to replace the current one. It states:

“Mr. MacKenzie said ideally he was hoping they could delay the referendum. It is difficult to craft a budget without more information on what the State budget is likely to look like, specifically regarding revenues to municipalities. He added that he can recommend cuts, but both the BOE and the Town put together good responsible budgets. The State is going to need to collect additional revenues, either through higher sales taxes, income taxes, from municipalities (higher property taxes). While he doesn’t think the town will be saddled with a portion of

the teachers' pension per the original Governor's budget proposal, he does believe that the State will be able to extract money by reducing ECS and ECG monies to municipalities. He thinks the current budget revenue assumptions are overly optimistic in those areas. Mr. MacKenzie said he is, also not in favor of supplemental tax bills. If further State revenue cuts come to fruition, are we planning on using the rainy day fund? An alternative is to lower the revenue expectations from the State and increase the mill rate, thereby preserving the general fund."

Mr. Ayles suggested a correction to Page 3, third paragraph from the bottom. The word "my" should be replaced with "made."

Motion: Upon a motion made by Mr. Ayles and seconded by Mr. MacKenzie, the board voted to approve the minutes of the March 9, 2017 Budget Workshop as amended.

Vote: In Favor: Ayles, Goletz and MacKenzie
Opposed: None
Abstaining: Gamerman and Beatty

2.2 March 13, 2017 – Budget Workshop Minutes

Mr. Goletz clarified his statement on Page 3 with regard to the math coaches. He spoke with a math coach in New York City and two individuals who were administrators in Maine.

Mr. Ayles noted a clarification also on Page 3, fifth paragraph from the bottom. Insert the word "bond" appropriation. He also noted a correction to Page 7. The word should be "side" not "sign."

Mr. Gamerman clarified his statement on Page 2. It should read that they haven't heard from the town regarding the extensive activities that constitute a return on investment, which amounts to the kinds of activities the town has been engaged in.

Motion: Upon a motion made by Mr. Ayles and seconded by Mr. MacKenzie, the board voted unanimously to approve the minutes of the March 13, 2017 Budget Workshop as amended.

Vote: In Favor: Ayles, Gamerman, Beatty, Goletz and MacKenzie
Opposed: None
Abstaining: None

2.3 March 20, 2017 – Regular Meeting Minutes

Mr. Gamerman noted on Page 2 that he didn't abstain, but voted for the minutes.

Mr. Ayles noted a correction on Page 12, second paragraph under Item 10. Change the word “change” to “chance.” He noted a correction to Page 13, second paragraph, change “they do have” to “the town has.”

Mr. MacKenzie noted a clarification in the motion at the bottom of Page 13. It should state \$8,000 annually for a four year period.

Motion: *Upon a motion made by Mr. Beatty and seconded by Mr. Ayles, the board voted to approve the minutes of the March 20, 2017 Regular Meeting as amended.*

Vote: *In Favor: Ayles, Gamerman, Beatty, Goletz and MacKenzie*
Opposed: None
Abstaining: None

3. Correspondence:

3.1 Standing Building Committee Minutes

There was a brief discussion on the March 7 minutes about Silver Petrucelli submitting a bid on the Melissa Jones roof project even though they were not on the On-Call list. They were the lowest, but the SBC went with CWA for \$27,000. Mr. Ayles said he is curious as to why a firm not on the On-Call list submitted a bid.

Mr. Gamerman questioned if there was any concern with Orlando Annuli performing the Baldwin windows project because the Adams project they worked on was delayed.

Mr. Ayles explained that with the Adams project, one of the subcontractors, who is no longer in business, said they could get the materials in time. They were not able to however, and it put the project behind. Other projects Orlando Annuli has done have been very successful.

There was discussion surrounding the low bidder on the project and the cost of \$200,000 to \$300,000 related to brick work that was left out of the bid.

3.2 Pension Committee Minutes

Mr. MacKenzie stated that these minutes are useless. He noted on Page 6.1 that the quarterly report was distributed and that it was a weak quarter for all managers. There was a discussion about the pension report. Ms. Malavasi explained she could provide a copy of the report each month for the board, but it will be the previous month’s report since the current one is not available by the time Board of Finance packets go out.

4. Review and accept report of expenditures for the Town Government for April 2017.

Ms. Trudeau said they have expended 68.33% at the end of March compared to 67.32% last year at this time. She added that the main reason for the difference is that there were three payrolls in March, when last year they didn't hit until April. Ms. Trudeau said they received \$6,500 in revenues which are donations toward playground equipment and a bench in a former Cox principal's memory.

Mr. MacKenzie asked if they were still anticipating all of the \$1.5 million in ECS funding.

Ms. Trudeau said the ECS grant goes to the Town. The Excess Cost Grant money goes to the BOE and they are expecting more funds at the end of May.

Ms. Malavasi reminded the board that the state reduced the ECS grant by \$171,000 this year so they will be a bit short on that.

It was noted that Tuition is 67% encumbered versus 101% the previous year at this time.

Ms. Trudeau explained that this is just due to timing and the receipt of Excess Cost Grant funds. They received everything in May last year, but received it in February this year.

Dr. Freeman cautioned the board that they are running over in special education, but not as much as last year.

There was a discussion about contracted services for special education students and how this is also a volatile account because in-house students' needs and support can change over time in the same way as the outplaced students.

Mr. Goletz noted that the Upkeep of Building and Grounds is over.

Ms. Trudeau said a lot of this is required maintenance, service inspections and testing they have to do. They have also had some large HVAC repairs, which they need to contract out since they no longer have anyone on staff that can perform that work. In addition there is a number of encumbrances. Many of those may be cancelled at the end of the year.

Mr. MacKenzie asked about warrants under Food Service for United Health.

Ms. Trudeau explained that they switched over to their own medical plan there through the union.

Mr. Goletz asked about an \$18,500 invoice for tuition settlement.

Dr. Freeman explained that in the PPT process, which includes parents and school officials, sometimes they initially don't come to an agreement. Eventually they have to come to an agreement which sometimes involves a settlement or cost.

It was noted that the energy usage in the old high school totaled \$340,000 and the new GHS is about \$390,000. Dr. Freeman explained that the new high school is larger and more complex as well as fully climate controlled throughout the school year. He added that it is also more energy efficient so they are getting more for not much more money.

Motion: Upon a motion made by Mr. Ayles and seconded by Mr. Beatty, the board voted unanimously to accept the report of expenditures for the Board of Education for April 2017 in the amount of \$5,950,822.

*Vote: In Favor: Ayles, Gamerman, Beatty, Goletz and MacKenzie
Opposed: None
Abstaining: None*

The board decided to move item 6 up on the agenda since they already had the BOE at the table.

6. Consider and take possible action on request for the distribution of the 2015-2016 Excess Cost Grant prior year adjustment in the amount of \$288,795 to the Board of Education.

Ms. Trudeau explained that this has been done in the past, but it has been a while and they are usually smaller amounts. They did request and receive it in 2005. She explained that the \$288,795 of a prior year Excess Cost Grant adjustment was distributed to the town in the final ECS payment. The BOE is asking that this Excess Cost Grant portion be transferred since that normally goes to the BOE budget.

Dr. Freeman said they would like to use it to offset some of the deficit they are experiencing in special education.

Motion: Upon a motion made by Mr. MacKenzie and seconded by Mr. Beatty, the board voted unanimously to allow the transfer from the Town to the Board of Education of the \$288,795 2015-2016 Excess Cost Grant prior year adjustment.

*Vote: In Favor: Ayles, Gamerman, Beatty, Goletz and MacKenzie
Opposed: None
Abstaining: None*

5. Review and approve expenditures for the Town Government for April 2017.

Revenues

Ms. Malavasi said they are 75% through the year and have collected 97.9% of the revenue budget, which is where they were last year so all revenues are on track.

Expenditures

Ms. Malavasi said they are 73.3% expended.

Mr. Ayles asked about where Engineering and Public Works were after the winter.

Ms. Malavasi said she did an analysis and of the department and they should be fine by the end of the year. As a result Mr. Mazza did release the hold he had on capital.

Mr. MacKenzie noted that expenses are up at the golf course and revenues are down. Memberships are down 71%.

Ms. Malavasi explained that last year the course opened on March 10 and this year it opened April 1. In addition last year the commission offered an incentive for members to pay their dues earlier so the memberships came in sooner. She added that they should see that number rise next month.

Medical Benefits

Mr. Mackenzie said they are still running a large projected surplus.

Ms. Malavasi added that the number was up a bit this month and it could be that they are seeing many of the employees' finishing on paying their portion of the HSA plans and now it is hitting the town.

Motion: Upon a motion made by Mr. Ayles and seconded by Mr. MacKenzie, the board voted unanimously to approve the expenditures for Town Government for April in the amount of \$2,292,355.

*Vote: In Favor: Ayles, Gamerman, Beatty, Goletz and MacKenzie
Opposed: None
Abstaining: None*

7. Committee Reports

None

8. Old Business

None

9. New Business

None

10. Public Forum (Limited to 3 minutes on any item)

Board of Finance Regular Meeting Minutes of April 17, 2017

None

Motion: Upon a motion made by Mr. Ayles and seconded by Mr. MacKenzie, the board voted unanimously to adjourn the meeting at 8:45 p.m.

*Vote: In Favor: Ayles, Gamerman, Beatty, Goletz and MacKenzie
Opposed: None
Abstaining: None*

Respectfully submitted,

Traci K. Brinkman
Clerk
Board of Finance