

**BOARD OF FINANCE
MEETING MINUTES
MONDAY, MARCH 21, 2016
7:30 P.M. – GREENE COMMUNITY CENTER**

Chairman Matthew Hoey called the meeting to order at 7:35 p.m.

Present: Board Members: Michael Ayles, Louis Federici, Kenneth Gamerman, Matthew Hoey, Jeffrey Beatty, Peter Goletz and Kenneth MacKenzie

Town Officials: First Selectman Joseph Mazza and Finance Director Sheila Villano

BOE Officials: Account Manager Linda Trudeau, Asst. Superintendent Jason Beaudin and BOE Member Katie Balestracci

Media: Mike Graziano, taping for GCTV

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

None

2. Approve minutes of:

2.1 Regular Meeting Minutes of February 16, 2016

Mr. MacKenzie asked about the sidewalk replacement schedule they requested on Page 5. Ms. Villano said she would follow up on that.

A correction was noted to Page 7 it should read the town refinanced approximately \$15 million not \$50 million of existing bonds. The next line should read, "In addition the Grand List has grown .8%, **which is an increase of \$24 million in value.**"

Motion: Upon a motion made by Mr. Ayles and seconded by Mr. Goletz, the board voted to approve the minutes of the February 16, 2016 Regular Meeting as amended.

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

2.2 Budget Public Hearing Minutes of March 8, 2016

Mr. MacKenzie noted a similar change to the previous minutes on Page 2. It should read, "In addition the Grand List has grown .8% **which is an increase of \$24 million in value.** Correct Spelling of Tractor Supply.

Mr. Beatty noted a clarification on Page 3; insert the word estimates in the last paragraph so it reads, “built on enrollment **estimates.**”

Mr. MacKenzie noted a correction to the second to last paragraph, should be “out” not “our.”

Mr. Beatty noted on Page 5 second paragraph – insert the word of. It should read “enrollment decrease in the current year **of** 100 students.”

Motion: Upon a motion made by Mr. Beatty and seconded by Mr. Ayles, the board voted to approve the minutes of the March 8, 2016 Budget Public Hearing as amended.

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

2.3 Budget Workshop Minutes of March 10, 2016

Mr. Ayles noted a clarification to Page 3. It should state, “You can’t add a new **Guilford Commons** every year” instead of “rock pile.”

Mr. Ayles clarified his statements on Page 4, second to last paragraph. It should read, “in response to a question the previous night that the IT budget is going up, due to a major increase in the education and training for MUNIS, which has been upgraded.”

Mr. Hoey noted a correction to Page 1 should read “what **we** were facing.”

Mr. Beatty noted on Page 2, second to last paragraph. Insert the word “likely” so sentence reads “most **likely** be spending.”

Mr. Beatty noted on Page 5 it should be “restraint,” not constraint.

Mr. Gamerman added to his comments on Page 5. It should state that “he is hopeful the same sense of restraint will be shown in the submission of bonding proposals for next year’s budget.”

Mr. MacKenzie noted a correction to Page 2. It should be 10.6 FTE reductions in staffing, not 10.6%. Also on Page 6 it should be “weighed” not weight.”

Mr. MacKenzie clarified his statements on Page 3. It should read, that “those who can afford it stay, but they need to be mindful of those people who are finding it increasingly difficult to live here due to high taxes.”

Motion: Upon a motion made by Mr. Ayles and seconded by Mr. MacKenzie, the board voted unanimously to approve the March 10, 2016 Budget Workshop minutes as amended.

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

3. Correspondence:

3.1 Standing Building Committee Minutes

Mr. Gamerman asked about the On-Call Architect process and if there are any budgetary implications.

Mr. Ayles explained that they send out an RFP and then select a group of consultants that they will use when projects come up. This way they don't have to go out to bid for every project under \$25,000 that comes up. It's a pre-qualification and there is not cost related to that, just the cost for the projects themselves.

Mr. Mazza later added that the selectman approved four firms for On-Call Architects this morning.

Mr. MacKenzie asked about the change order for electrical work completed by Board of Education staff. He questioned what the dollar amount was for that and who on the BOE staff is a certified electrician.

Mr. Ayles said he can follow up on that cost. He is aware there is a certified electrician on staff, but he does not know exactly who that is.

Mr. Gamerman asked about a payment to Aresco for \$29,000 for 90% completion and then \$53,000 for 97% completion.

Mr. Ayles explained that is just a rolling, cumulative total.

Mr. Gamerman asked if the PCB's found at Baldwin could be a major concern.

Mr. Ayles said they can be. Almost every school in CT deals with it, which is why they are doing additional testing. It could just mean having to scrape it off of areas or having to take out the brick around the windows, which can be very costly.

3.2 Pension Committee Minutes

Mr. Hoey said a statement was made by a Board of Education member at the meeting that "the BOE doesn't plan to address pension contribution in negotiations as all pension plans are closed. The amount associated with the pension is small against the amount of growth in healthcare cost." He asked if he could get clarification on that.

Ms. Balestracci said she couldn't speak to that person's comments, but she would try to get more clarification for the board.

4. Review and accept report of expenditures for the Board of Education for February 2016.

Ms. Balestracci said expenditures and encumbrances approximate 59.86% compared to 57.46% the prior year. She stated that Employee Benefits is where it should be, Purchased Services is down and that Salaries, Tuition, Supplies and Materials, Capital and Transportation are above.

Mr. Gamerman asked where the budget transfers were.

Ms. Trudeau explained that \$400,000 was taken out of the teacher salary line and put into the Tuition line so that column is now revised.

Mr. Ayles said the Upkeep of Building and Grounds is over, but there are a lot of encumbrances.

Ms. Trudeau said they have cancelled a few, but that should get them through the end of the year.

Mr. Gamerman noted that Tuition is up at 99%. He asked where they expected it to be at the end of the year.

Ms. Trudeau said right now they are looking at it being \$500,000 over for the year.

Mr. Beatty said special education transportation is less encumbered than last year at this time.

Ms. Trudeau explained that part of it is due to a change in the budget over the previous year and some of that is just the delay in bills. She added that they come in very late.

Mr. Hoey asked if Ms. Trudeau's estimate for the overage on Tuition includes the state rescission of the excess cost grant in the amount of \$131,000.

Ms. Trudeau said it did not so they will probably be \$631,000 over budget. She added that they have implemented a spending freeze to make up the anticipated overages.

Mr. Hoey said substitute teachers are at 48%. It was noted that this is an area where they might have some savings.

There was a discussion regarding the para-professionals line. Ms. Trudeau explained that they will be over in that line even though they have less paras because the cost for the paras for the summer program came out of that line, even though they were budgeted in the teacher line. She added that going forward they will adjust the budget.

Mr. Ayles asked about Food Service.

Ms. Trudeau said they projected a \$20,000 surplus in February. There was a projected loss of \$4,000, due to some unusual expenses in January.

Motion: Upon a motion made by Mr. Beatty and seconded by Mr. Ayles, the board voted unanimously to accept the report of expenditures for the Board of Education for February 2016 in the amount of \$4,537,210.

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

5. Review and approve expenditures for the Town Government for February 2016.

Revenues

Ms. Villano said they have collected 98.5% compared to 98.8% last year at this time, so they are right where they were last year. She added that last year they ended the year with \$720,000 over the revenue budget and they are heading in that direction. The Fire Department is above where it should be and that is due to an increase in call volume.

Ms. Villano said the \$40,000 state Pilot money was cut, however the municipal aid they didn't budget for they received so that helps offset the cut. She added that there will be minimal impact as a result.

Mr. MacKenzie asked about unpaid tax amounts. He questioned if the town sells tax liens.

Ms. Villano said they have had tax sales in the past. She added that every property was redeemed and they didn't have to sell any. There was about \$200,000 to \$300,000 in tax liens last year.

Expenditures

Ms. Villano said they have obligated 73.7% versus 73.0% last year at this time. On the debt service interest line they are over \$170,000. They knew they would be and had set aside \$200,000 in debt reserve for FY2016. She hasn't transferred the money from reserve and may not. They will need to cover the department, but they can do that with contingency or other department surpluses and leave that money in reserve. She added that they will discuss this in May.

Ms. Villano noted that FEMA money came in. There is \$85,000 she put in Public Works and some in the Finance Department for her time. In total they received just under \$100,000 which was unanticipated.

Mr. Gamerman asked about \$8,800 for Tyler Technologies that was charged to the Board of Education.

Ms. Villano said that was for the MUNIS software that they split with the Board of Education.

Mr. Gamerman asked about \$15,000 for medical exams for the Fire Department.

Ms. Villano said she believes these are occupational exams, but can get more information. Mr. Mazza added that they are exams for career and volunteer firefighters.

Mr. MacKenzie asked about multi-year reimbursements to Rover Realty.

Ms. Villano said these are issued if either the bank or taxpayer overpaid. They usually refund in February. She added that it could be a tax appeal, but she didn't think so. She can check on that.

Mr. Gamerman asked how much Fusco has received for the school project.

Ms. Villano said there is still a retainage balance left and some money that has not been committed, but she did not have the numbers tonight.

Medical Benefits

Ms. Villano said the stop-loss has covered \$771,000 in claims. It has been the best month of the year due to the stop-loss covering larger claims. She is projecting a \$581,000 surplus and a \$673,000 fund balance this year. The total projected fund balance at June 30 is \$1.25 million.

Golf Course

Mr. Hoey asked about the request for proposal.

Mr. Mazza said the commission decided not to make a recommendation to award to any company. When they ran the numbers they would be losing more money going with a management company. In addition one of the respondents pulled out of the running, because a current client asked him to due to a conflict of interest. He added, however, the commission did receive a lot of free advice during this process that they will be using. They are going to make a lot of improvements. They are going to increase the yearly membership fees as of April 16. They are going to get an apprentice professional to move things along and are going to be doing a lot more marketing. Mr. Mazza said the course did open this weekend. In addition they received good comments from the bidders, who were amazed at the shape, layout and condition of the course.

Mr. Hoey said they still need to address the long term deficit.

Mr. Mazza said that is correct. He added that this is an asset like any other recreational facility and if they have to subsidize it they should.

Ms. Villano said they need to explore options with the auditors.

Mr. Hoey added that they should have a plan in place by the fall.

Mr. MacKenzie asked about a \$600 electric bill for the golf course for January and February. There was also a heating bill and a phone bill, but the building is closed.

Ms. Villano said the town doesn't turn utilities off. There are also business fees that are charged even if you don't use it. She added that she can check on it.

Mr. Beatty recused himself from voting on the payment to his firm.

Motion: Upon a motion made by Mr. Ayles and seconded by Mr. Gamerman, the board voted unanimously to approve the expenditures for the Town Government for February 2016 in the amount of \$3,416,827.

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

6. Discuss and take possible action on appointment of Auditor.

Ms. Villano said they are in the last year of the contract with Blum Shapiro.

Mr. Hoey noted that they need to appoint the auditor no less than 90 days before the end of the fiscal year.

Motion: Upon a motion made by Mr. Federici and seconded by Mr. Gamerman, the board voted unanimously to appoint Blum Shapiro for the FY 2015-2016 audit.

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

7. Committee Reports

7.1 Report on Guilford High School Building Committee

Mr. Ayles said there is not much to update. He was copied on some email correspondence by members of the community regarding synthetic turf. He added that the issue is in the committee's hands at this point.

Mr. MacKenzie noted that there was discussion on this at the selectmen's meeting this morning.

Mr. Mazza explained that the Board of Selectmen acted on a petition requesting the synthetic turf issue be sent to Town Meeting. He added that on the advice

of counsel, it was not an appropriate subject for Town Meeting so they voted to reject it. The resolution of 2011 that approved funding for the high school gave the Guilford High School Standing Building Committee complete authority over the project. The Board of Selectmen, Board of Finance and Board of Education have no authority. It is strictly in the hands of the building committee.

Mr. MacKenzie said the petition referred to a federal study in the fall and asked to delay any decisions until the release of that study.

Mr. Hoey said there has also been discussion regarding the Department of Health backtracking on the study. They have clarified that they stand by their original reports that synthetic turf is a safe and not harmful surface.

Mr. Mazza said the building committee has not made any decision on the type of filler for the field. He added that crumb rubber is not the only option.

Mr. Federici asked if there is an installation and completion date.

Mr. Mazza said that is still under discussion.

8. Old Business

None

9. New Business

None

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

Motion: Upon a motion made by Mr. Ayles and seconded by Mr. Beatty, the board voted unanimously to adjourn the meeting at 8:43 p.m.

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

Respectfully submitted,

Traci K. Brinkman

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Clerk
Board of Selectmen