

**Board of Finance  
Regular Meeting  
March 8, 2011**

**Present:** Board of Finance members: Ben Witte, Alesia Kennerson, Jim Fitzgerald, Laura Sundquist, Reggie Smith, Jr., Dan Charest, Alternates: Bill Rieger, Roy Litchfield, First Selectman Dan Jerram, Bookkeeper Annie Witte, Treasurer Gordon Ross, Region #7 Board Member Noel Gauthier, Members of the Public Denton Butler & Maria Moore, Recording Secretary Penny Miller.

Board of Finance Chairman Witte opened the meeting at 7:00 p.m.

BOF member Fitzgerald introduced Noel Gauthier to the Board. Mr. Gauthier is the new representative for the Region #7 Board of Education.

As all committee members were present, the seating of alternates was not necessary.

The agenda was adopted as presented.

**Approval of Minutes:**

**MOTION:** by Sundquist, second Fitzgerald to approve the minutes dated February 8, 2011 as presented. The following changes were made to those minutes:

Under the First Selectman's report:

Sixth paragraph – replace the words R2D2 with RRD1 and also include the rebate amount of \$52,276.36. The 2<sup>nd</sup> sentence will then read: We will be getting a rebate of \$52,276.36 on RRD1.

Under 2011-12 Budget Discussion:

Second paragraph – change 8% to 0.8% increase and change \$682 to \$682,000. The sentence will now read: The Grand List shows a 0.8% increase. The cell tower is in personal property and the increase in that may be \$682,000 for the cell tower.

**MOTION:** by Smith to approved the amended minutes as so stated, second by Sundquist.

*Aye as amended: Witte, Kennerson, Fitzgerald, Sundquist, Smith. Abstention: Charest*

**Opportunity for Public Comment:**

Denton Butler voiced the following concerns:

(1) After observing the business affairs of the WPCA for more than two years, I remain concerned in their ability to meet their debt service and operating expense obligations. I suggest that the BOF continue to give this their due diligence.

(2) I am disappointed that the Superintendent, following his announcement of Kate Reiger's retirement, "immediately" announced that a search for a replacement would commence without regard to any other options that could possibly save money. I believe he can't even humor us taxpayers into thinking that such an option was possible. According to an un-named BOE member that I spoke to, the BOE had not and was not intending to ask the Teacher's Association to give back its 6.25% increase in what is a difficult budget year. Such an act was ignoring the 800lb gorilla in the room.

(3) I remain a skeptic of the current discussions by the State of CT concerning the disposition of their budget and what revenues will ultimately be delivered to the Town of New Hartford. I suggest that the Legislature's deliberations could extend beyond the traditional budget planning period, causing towns to "guess" what their revenues might be.

(4) Did I correctly understand that the BOF had asked that each budget submitting agency to also have a "zero increase" option as an alternative that would show what it would take to get to that objective? Has the BOF adopted a policy statement that says the BOF is expecting to implement no increase in the tax rate to yield a zero increase in taxes?

**Superintendent's Report:**

He was not scheduled to present.

**Bookkeeper's Report:**

Bookkeeper Witte reported that a few line items were over budget – salt, sand, overtime in the highway department. An order has been placed that will clear out the salt line item. \$104,000 has been identified as good money to be used for overages through the year. The RRD1 is included.

First Selectman Jerram noted that FEMA has approved funding to Connecticut to help offset expenses incurred during the winter storm that occurred in January. The Town of New Hartford submitted costs that totaled approximately \$84K. Applications for reimbursement will be available shortly and the Town will submit documentation as required.

**Treasurer's Report:**

Treasurer Ross has been working on proposals for a banking relationship with a new bank for the town. He has handed out some information to these banks and is waiting for their input before making a decision. He hopes by the April meeting to have a recommendation. BOF Member Smith asked who makes the decision to change. Treasurer Ross said it is not clearly spelled out. In the past the Board of Finance has approved it. In absence of clear direction a general consent would be good. BOF Witte asked that once the recommendations are ready that he be notified so it can be put onto the agenda.

**First Selectman's Report:**

Bank of America is closing the branch located in the center of New Hartford. There has been interest in the space and there is a bid process in place, Jerram feels that it most likely will remain a bank.

The Town Meeting was well attended. The Land Use and Building Fee Schedules were both approved and new fees will be in effect 15 days after the ordinances are published in the newspaper. Approval to use \$50,000 of the CRRA funds to purchase a used road grader was granted. Mr. Jerram has contacted H.O. Penn, a local Caterpillar equipment dealer to assist in finding a used grader.

Town Hall Employees Union negotiations are underway. The budget will be impacted by the results - specifically wages and health care costs. Additionally, the budget is being impacted by having to replace one resident trooper. Trooper Tranquillo has been promoted and is no longer assigned to New Hartford. First Selectman Jerram has been involved in the interview process and has been informed of who the new trooper will be. The new trooper is at a higher wage scale than Trooper Tranquillo was at, therefore there will be an increase in the line item. The New Hartford Ambulance Association has submitted a budget request; however, Dan has asked for a copy of their audit and is waiting for that prior to making a decision on the level of funding that will be provided by the Town.

Dan has met with Galasso to discuss road paving projects and chip sealing. He is waiting for their estimates. Mr. Jerram noted that he will still be seeking approval of the use of additional CRRA funds to help with Steele Road. He also feels that economic development is important. He met with Mary Grasso of the USDA to discuss possible uses of the remaining grant funds from the WWTP loan/grant. Ms. Grasso gave verbal approval to filing an application for use of the remaining funds and stated that the Town would have until the summer to get this application in.

The heavy rains over the weekend pummeled New Hartford. Several roads were washed out and suffered severe damage including Pussy Lane and Stub Hollow. The Carpenter Road Bridge was underwater. A pre-assessment of damages has been submitted to FEMA.

The WPCA had a very productive meeting last week. They will be asking the billing company - COMPUTIL- to generate a report that shows how much of the fees collected should be "set-aside" for capital improvements. An effort will be made to separate operations collections from capital collections so that co-mingling of fees does not occur. The good news is that the WPCA is on solid ground with respect to having funds available for their debt service payment. However, if no new users are added to the system, it will be necessary to increase fees. Roy Litchfield questioned the amount of the debt service payment due in year 3. The response was \$196,400. Board of Finance member Smith encouraged the WPCA to move ahead with using the remaining USDA funds towards sewer line extensions. Member Fitzgerald feels that the WPCA is still headed for trouble. The Board agreed to invite the WPCA to the next BOF meeting. Member of the Public Denton Butler commented that while he would like to see sewer lines in place in order to encourage economic development, he felt that better use of the

funds would be to perform a system wide sewer assessment in order to determine the condition of the lines already in place.

**2011 Budget Discussion - 2011-12 revenues:**

Bookkeeper Witte handed out the projected revenue sheet, filed with these minutes, which contained the 2010-2011 budget approved, 2010-2011 projected and the 2011-2012 budget proposed.

The line item "Lieu of Taxes Manufacturer" member Kennerson has talked to Beth Paul and she hasn't heard it was going down to 0 but going from 80% down to 65%. The telephone access is part of the grand list.

The school construction from this year is all done and the reimbursement of the Antolini roof was done long ago.

The revenue from WPCA is 61%.

**Other items of interest:**

Land use fee structure – the revenue is under building inspector fees and zoning wetlands fees. The fees are going up as approved at the recent town meeting.

Member Fitzgerald asked if Region 7 is projecting a 3/4 million dollar surplus and some of it belongs to New Hartford – why do they continue to run a surplus. He would like to see the surplus reduced and given back to the tax payers.

Region 7 Representative Gauthier will ask the Region 7 Superintendent why is the surplus is required – what is the history behind it. What has it been historically?

Member Witte handed out "Reserves analysis 3-7-11" taken from the town audit report. It shows what makes up the ending fund balance of \$3,519,887 -- \$355,733 designated for current year revenue, \$147,833 designated return of CRRA settlement fund, \$171,500 designated for capital improvement, \$2,844,821 undesignated reserve.

Planned/potential draws against the fund balance are:

\$144,979 surplus to fund 2011-12 budgets, \$355,733 prior year surplus, \$30,000 additional surplus, \$50,000 road grader and \$150,000 to get to a 13% fund balance.

This shows we are using a lot of surplus. We haven't designated what to do with the \$150,000.

**CAPEX Proposals:**

Member Kennerson handed out the Capital Expenditure Plan which is part of these minutes. The projects have always been in 5 year plan. A quote of \$315,000 was received from Silver Petrocelli for the doors/windows but this is a not a solid figure. If there are PCB's to be

removed then the cost will be higher. The carpet needs to be replaced because of a tripping hazard. The roof at Bakerville needs to be done and the contractors have told Steve Nadeau that it should be done now. At Antolini the ventilators & air handlers will need to be done once the windows are done. The two wings are about 20 years old and the main portion around 40 years. It is possible that only the older portion will be done now. The playscape does not need to be done this year. The shelves/furniture at Antolini can also wait.

On the town side – the grader came out. Mr. Jerram thought he could come in with a lower cost for the new conference room. Brown's Corner remains the same to finish it off. Brodie improvements – they are going to concentrate on the field house roof. Town hall equipment is typically put into the budget. Member Kennerson has talked to Dennis Minor, Recreation Department, and it looks like a septic system and not just the tanks. Those are the projects being looked at.

The capital items will go in at their full amount. Estimated state reimbursement is \$112,000 against the \$315,000 cost.

**Other Items to Come Before the Board:**

Member Witte read an email on Unexpended Education Fund Account.

Molly Sexton Read, Chairperson for the Board of Education, has invited members of the BOF to attend their Budget Workshop on March 16, 2011.

A letter from Member Witte sent to Judy Palmer, Superintendent of School, Northwestern Region 7 and Philip O'Reilly, Superintendent of Schools, Town of New Hartford and Dan Jerram, First Selectman, Town of New Hartford asking them to show as an option a zero budget increase over the current year expenditures.

These three letters are entered as part of these minutes.

Member Sundquist said that it doesn't look like the regionalization of K-6 will go through. Barkhamsted has indicated they will not be doing it. They have the lowest cost per pupil. Norfolk & Colebrook may combine. The study won't end until the fall.

**MOTION:** by Smith, second by Sundquist to adjourn at 9:30 p.m.

Respectfully submitted,

Penny Miller  
Recording Secretary