

**Town of New Hartford, CT
Board of Finance
Regular Meeting
June 14, 2011**

Present: Ben Witte, Jim Fitzgerald, Alesia Kennerson, Reggie Smith Jr., Dan Charest, Bill Rieger, Roy Litchfield, Laura Sundquist, Town Treasurer Gordon Ross, Bookkeeper Annie Witte, Board of Education members: Steve Tuxbury, Elaine Carmelich, Bryan Keilty, Mary Misiorski; First Selectman Dan Jerram, Dr. O'Reilly, Supt. of Schools, Member of the Public Maria Moore and Penny Miller, Recording Secretary.

The meeting was called to order by Chairman Ben Witte at 7:00 p.m.

Seating of Alternates:

Bill Rieger, Alternate, was temporarily seated for Laura Sundquist who arrived during the Bookkeeper's report.

Adoption/Revision of Agenda:

There were no changes to the agenda.

Approval of Minutes:

MOTION: by Kennerson, second Fitzgerald to approve the minutes dated May 10, 2011 as presented.

Aye: All members present, no opposition, abstentions Bill Rieger & Reggie Smith Jr.

Opportunity for the Public to Speak: no comment

Bookkeeper Report:

Bookkeeper Annie Witte reported that no significant revenues are anticipated before the end of the fiscal year. The LOCIP letter has been approved but to date no money has been received.

Conservatively the revenue is \$400,000 over. Chairman Witte pointed out that the email from the Board of Education revealed that they will be looking to appropriate some money that came in on an education grant.

On the Expenditure side we will be well within budget. Bookkeeper Witte is fine tuning the line items as we are coming to the end of the fiscal year and we will not be over the budget.

The state troopers have not submitted a bill yet as they typically wait until the end of the year.

Board of Education:

Dr. O'Reilly passed out their financial worksheet that is used for internal purposes. To assume spending does not exceed budget, he froze up many line items. The nursing supplies, paper, pencils, toilet paper, oil were not ordered. The projection is they will be \$5800 to the good at the end of the fiscal year. That

has been done by freezing lines and not buying for next year. Some of the bills have not come in – for instance the attorney’s bill. If there are funds available it will be paid out of this year’s if not then next year. The out-of-district bills are not all in.

Board of Education Chairman Keilty brought up a letter dated May 13, 2011 from the State of Connecticut, Dept. of Education, Brian Mahoney, CFO sent to the Supt. of Schools, School Business Officials and Town Finance Officers the last paragraph read as follows:

“If, however, insufficient local funds are appropriated to meet such special education expenditures, the town must turn over the new state grant money to the local board of education or credit the amount to the appropriate board of education’s expenditures account, i.e., the state grant funds must be used to support those additional costs.

The Board of Education is looking for \$26,400 to be turned over to them. Per the letter the Board of Education is entitled to them. This is pertaining to the fiscal year we are in now.

Chairman Witte said that if you add up all the numbers you get \$24, 230 over what was planned including the oil of \$30,000. The \$230,603 in part is made up of the Title I, Title 2 and REAP grants. The \$26,400 will go into special education.

Member Smith said If we approve and give you \$20,000 tonight can you assure us that it will go into the special education line item 313 – pupil services.

They could go to a town meeting and ask for their approval of \$26,400 but there is no assurance that it would get approved.

First Selectman Jerram said that in February he went to Dr. O’Reilly and asked them to clean of the roofs at a cost of \$22,000 that was unbudgeted. Dr. O’Reilly agreed and Selectman Jerram said he would support them. Payment for the roof cleaning came out of page 6 emergency repairs. The \$20,503 was for all the shoveling.

Chairman Witte asked does the Board of Education meet the criteria as outlined in the letter. The answer is yes. Member Kennerson said we need more information. What does the statute say? She would like to see the statute. We need to know what the appropriate method is for the years to follow. Chairman Witte said there isn’t enough time – it is 2 weeks before the end of the fiscal year.

How we give them the money is important either through a town meeting (with no assurance they would get it) or tonight for \$20,000, which is the limit of BOF authority. We owe it to the town to let the BOE chose tonight which option to pursue.

It was not built into the budget and will be around for the next two years. The \$26,400 is a supplemental grant and given to each district in the state.

Member Smith asked where the money will come from. Chairman Witte said from the General Fund.

MOTION: by Sundquist, second Witte to agree to give the Board of Education \$20,000 tonight to be appropriated from the general fund.

Member Fitzgerald would agree if the Board of Education would convene and agree to the \$20,000 and not come back for the \$26,400. Member Charest said the \$20,000 is our attempt to be in compliance with the letter.

The motion was revised to include the following....

In lieu of excess cost student based supplement grant as outlined in the 5/13/2011 letter from the State of Connecticut Department of Education Brian Mahoney, Chief Financial Officer.

Member Smith seconded the changes to the motion.

The motion will now read:

To agree to give the Board of Education \$20,000 tonight to be appropriated from the general fund in lieu of excess cost student based supplement grant as outlined in the 5/13/2011 letter from the State of Connecticut Department of Education Brian Mahoney, Chief Financial Officer.

Aye: All members present, no opposition, no abstentions

BOE Chairman Keilty said he will try to find out more. He had one more item to mention. That being potential litigation. There is a neighboring district that put on their agenda last night to commence judgment to State of Connecticut of funding of magnet schools. There is a conflicting issue in reading the statute on pre-school. The towns are responsible for tuition to the magnet school for preschool.

Chairman Witte has checked with the auditors about the capital fund rolling over from year to year for the Board of Education. If it is the same project no action is required. In the current budget the \$85,000 is not project specific. There could be a separate Board of Education Capital Fund or incorporate it into the town's capital fund and set up separate books. The town bookkeeper is doing the books right now for the Board of Education. The money would be used only for capital and kept separate from operating expenses.

MOTION: by Sundquist, second Smith to allow the Board of Education to roll over capital expenditures from one year to the next using the same guidelines as set for the town government.

Aye: All members present, no opposition, no abstentions

Treasurer's Report:

First Selectman Jerram said that a large part of capital is the Winchester road bridge. They are waiting for the invoice.

The Bank of America took a while to make up their minds who to sell the property to. Torrington Savings Bank is the new bank to take over their space. The Torrington Saving Bank also asked if they could be considered as the town bank. They do not currently do commercial business and will not the systems in place for a matter of months. Attention was focused on People's Bank, Northwest Community Bank and Union Savings Bank. Treasurer Ross spoke with State Treasurer and other treasurer's in neighboring towns. He looked at bank rating. Northwest & Union were highly rated. Northwest received 5 stars which is the top rating and Union 4 stars. Investments (didn't want to be a unsecured account), technology, web service, experience, convenience, etc. were all considered. The final decision is for Northwest Bank. This was presented to the Board of Selectman last night.

The Board of Selectman met yesterday and made a motion to endorse the recommendation of Treasurer Gordon Ross to transfer the town's bank accounts from Bank of America to Northwest Community Bank.

MOTION: by Smith, second Kennerson to accept the recommendation of Gordon Ross Town treasurer to move our banking needs from Bank of American to Northwest Community Bank.

Aye: All members present, opposed by Fitzgerald, no abstentions

First Selectman's Report:

Mr. Jerram passed around pictures of our bigger projects. The Winchester Road Bridge has been completed – June 7, 2011 - ahead of schedule and under budget. No change orders on the Winchester Road Bridge. The Salt shed – 99% complete. Some cleanup is needed and it is fully compliant. We will be under budget on this also.

All the DEP & permit work up to meeting the requirements with the State of Connecticut.

No reimbursements yet on the salt shed. A lot of sink holes and drainage on the town roads are being addressed.

Route 219 will be grinded and started later than anticipated. The paving will still be on the schedule set.

The work on Brodie north continues with Lenard on the roof of the building and the turnbuckles. It has been felt they weren't tight enough and will be checked.

He is trying to move forward with Farmington Valley Health on the septic evaluation. There are violations at Brown's Corner and Brodie north. He has filed the paperwork on this.

Selectman Jerram met with the Litchfield Hills Council of Elected Officials and talked to Rick Lynnand. He found out that the town had not applied for any LHCEO grants in about 10 years. He applied for chip seal on Cedar Lane. We have been approved for 2012 chip seal. This is an 80/20 grant. The DOT scopes it and tells you what to do. Last week he applied for West Hill from Niles Road to the town line. This may be delayed if another town comes in and asks for help.

\$200,000 on Niles Road south of the park – the elevation drops and there have been a lot of accidents – he wrote grant to widen the road. They approved this again 80/20 reimbursement.

Torrington Savings Bank has gutted the old Bank of America building. They had hoped to be open for July 1st. They will also fund 5 grants for local organizations.

Selectman Jerram has been working with Bob Switzgable, owner of Ski Sundown, and Wayne Stitzer, representative of the Taste of Litchfield Hills. The Taste of Litchfield Hills will be held at Skin Sundown over the Labor Day weekend. They estimate that 3,000 to 4,000 people will be attending. It is hoped that many of the local businesses will benefit from this.

The Labor contract almost done.

NEPCCO has the remaining grant for \$250,000 to do the intersection . It was to be completed this past April.

Other Items to Come Before the Board:

Member Sundquist said that the regionalization will not be brought to referendum. The main reason is that Barkhamsted (has the lowest) & New Hartford (2nd lowest) has the lower cost per student and we would be supplementing the other students. A report will be coming out. It was the committee's recommendation that it not go to referendum. There were 3 people from each town on the committee.

Chairman Witte has sent a note to Bob Krzys to give a report on the WPCA. He has not heard back from him.

MOTION: by Fitzgerald, second by Smith to adjourn at 8:40 p.m.

Respectfully submitted:

Penny Miller
Recording Secretary