

**New Hartford
Board of Finance Meeting
April 12, 2011**

Present: Board of Finance Members Ben Witte, Alesia Kennerson, Laura Sundquist, Dan Charest, Reggie Smith, Jr., Alternate: Roy Litchfield, First Selectman Dan Jerram, Town Treasurer Gordon Ross, Bookkeeper Annie Witte, Supt. of Schools Dr. Philip O'Reilly, Board of Education Members Bryan Keilty and Steve Tuxbury, Members of the Public: Denton Butler, Maria & Bob Moore, Recording Secretary Penny Miller.

Absent: Jim Fitzgerald

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

Seating of Alternates:

Roy Litchfield, Alternate, was seated for Jim Fitzgerald.

Chairman Witte said that Member Fitzgerald had proposed a 4-point motion and asked that it be read at this meeting by BOF Member. Chairman Witte asked that the board not read that motion tonight because it was not part of a scheduled BOF meeting where the public were able to attend. If someone wants to make their own motion regarding Region 7, they are free to do so.

Approval of Minutes:

MOTION: by Sundquist, second Charest to approve the minutes dated March 8, 2011 as presented.

Aye: All members present.

MOTION: by Sundquist, second Smith to approve the minutes dated March 22, 2011 as presented.

Aye: All members, no opposed, one abstention Roy Litchfield.

MOTION: by Litchfield, second Sundquist to approve the minutes dated April 5, 2011 as presented.

BOF Member Kennerson would like to add the following to the Region 7 Budget Presentation on the surplus line item –

Question: Did they look at what constitutes un-expenditures in their surplus and could they shave off some of their budget to reduce their surplus.

Answer: Roger Newberry answered I think you will find it will be disappearing.

MOTION: by Litchfield, second Kennerson to amend the minutes as stated.

Aye: All members present as amended, no opposed, one abstention Dan Charest

Aye: All members present on the minutes, no opposed, one abstention Dan Charest

Opportunity for Public Comment:

Denton Butler has sent his commentary to the board in an email. That email is part of the record of these minutes.

Maria Moore commented that the board is here doing the town's business and would encourage them to come up with a budget that is fair to all. She urges them to adhere to all formal accounting practices.

Superintendent's Report:

Dr. O'Reilly handed out the fiscal statement and a report on additional special education costs showing additional unbudgeted expenses. These are costs that he would like additional money for.

The ESL tutor is for two foreign students. According to the McKinney- Vento Act, the two New Hartford children living in Torrington shelter and the Torrington students living here must be provided bus transportation to their schools. These additional transportation expenses were not budgeted for.

The Oak Hill student was not in the financial statement/forecast. Currently the 3 schools have near empty oil tanks. Dr. O'Reilly would like to put fuel into them before the summer. Member Kennerson would prefer not to give a specific cost but would like to monitor it and see what happens in June.

Dr. O'Reilly has frozen most accounts until we see where we are going. All non-essential spending will stop. All the oil tanks were filled last year and the only tank needing additional oil this year is the one at the Antolini school.

Member Smith asked are you looking for \$170,000? Is this what it will be? We can only give you \$20,000 out of surplus. You need to make some significant cuts to stay within your budget.

First Selectman Jerram said there are some revenues coming in possibly for snow removal from FEMA.

Chairman Witte asked Dr. O'Reilly – do you anticipate needing help with the out of district placements? Yes, Dr. O'Reilly knew about the Grade Six Out of District Placement but not the Grade One and the Oak Hill Out of District Placements.

The Grade 6 placement was done in September and adjustments were made to the budget to accommodate this person. The Grade one student was a February placement and the Oak Hill student moved into town in March.

Dr. O'Reilly is asking for the \$24,872 (Grade One) & \$39,947 (Oak Hill). Member Smith asked has the Board of Education made a formal motion to request the funds? Dr. O'Reilly answered no. Member Smith suggest we refer this back to the Board of Education for a formal motion. The next scheduled Board of Education meeting is the first part of May. Dr. O'Reilly believes that the Grade One is in the financial statement/forecast. He will confirm this and let the Board of Finance know.

Chairman Witte asked him to present it to the Board of Education board and then come back to the Board of Finance with a specific request.

Bookkeeper's Report:

Bookkeeper Witte went through the expenditures. She is up \$25,000 baring any emergency problems. There were a lot of overages in the snow removal budget. We have applied for \$95,000 from FEMA.

Other Income – Revenue: Member Kennerson asked how is it looking for the rest of the year. Bookkeeper Witte replied that we may be a little short. If we got the other \$9,000 we would be all set.

Revenue side – applied for LOCIP (Local Capital Improvement) and received the information this week. She will keep the board advised. The \$30,000 grant money came in for the boilers.

First Selectman Report:

Bookkeeper gave the budget analysis. Selectman Jerram had hoped that the money from FEMA would come in quickly. The remediation package on the salt shed should be done by the end of May. Selectman Jerram has talked to Tim Traub and the Winchester Road Bridge is still on schedule and the contractors would like to start on May 9th. At Brown's Corner there still is about 1,000 cubic yards of fill left and they hope to be done by the end of this year. The union contract is being worked on. On the court cases – the settlement on the Planning & Zoning Action was \$4,500 revenue. In the Nielson case (memo attached) he is making restitution.

Treasurer's Report:

The short term is down to \$3,714,982 – similar to other years. Everything else is looking good.

2011-12 Budget – finalize budget recommendation:

Chairman Witte asked for feedback on the changes – comments – discussion points?

Member Kennerson commented that we don't need to make changes to the town side. The Board of Education held to the agreement for 0% plus the special education student. She had hoped the Region 7 budget would have been lower. Revenue & capital are the only projects we have control over.

The Antolini doors/windows are a large project and she doesn't see a way to get it into this year's capital budget. Too much of a question mark at this point – she would like to see us bond it with the roofing and grounds project. Dr. O'Reilly is fine with this as long as we have a solid plan.

Chairman Witte recommends we have a Plan B in place if the Board of Finance doesn't want to do this whole project.

Chairman Witte suggested we get the members of the Building Oversight Committee - specifically Denton Butler to look at this.

Member Kennerson passed out Board of Education Capital Plan B – included with these minutes. The Bakerville roof & replacement of piping are included – the air handlers are not. The air handlers can be put with the windows as a bond project. It is felt that the two classroom ventilators should be done.

The ventilators & asbestos to be finished are from previously started projects.

Member Smith suggested we remove the windows & doors all together. Do the ventilators through bonding when we do the windows & doors.

The asbestos to be removed is in a ceiling and does not pose a threat to the children. The removal is part of the 5 year plan.

He suggests we go more conservatively on this now. He prefers to see it tied in to the Bakerville school bond in two years.

BOE member Tuxbury commented that earlier this year we hired an engineering firm to look at this and give us a cost to do the doors/windows. We have spent about \$20,000 on this consultation. We were going to do a partial. We are spending money on this project and it is not getting us anywhere.

The Bakerville roof is the section over the original building. They are attempting to address the old section – there are 3 sections. The roof was questionable in 2001 and at that time they said it would last 10 years.

MOTION: by Smith to remove the window/doors capital expenditure from the 2011 budget. Sundquist seconded.

Member Smith wants to see how the board feels on funding the window/door project this year. After discussion Smith agreed to withdraw his motion and Sundquist her second.

Chairman Witte said we need to talk about what we want for capital and what we want for budget.

We need to focus on the collection rate – at a bare minimum – correct an error in our formula. If we have a 1.8% tax increase we need a 97.15% collection rate. It was 96.5% collection rate. He would like to move the collection rate at a bare minimum to 97.15% but would like it to be 97.5%.

If you want a 0% tax increase you need \$300,000. Either reduce expenditures or increase revenue.

MOTION: by Litchfield to increase revenue by \$22,000, reduce the Board of Education capital to \$85,000 total, eliminate the revalue \$40,000, increase collection rate to 97.5% - total expenditures of \$21,502,637. Smith seconded.

The total new budget number will be \$21,502,637. Selectman Jerram shares the same concerns as Chairman Witte on the capital.

Member Kennerson would like to leave in the revaluation. Revaluation doesn't happen every year. It happens every 5 years.

Aye: Smith and Litchfield Opposed: Kennerson, Sundquist, Charest

MOTION: Made by Smith to increase revenue by \$22,000, reduce the Board of Education capital to \$85,000 total, increase the collection rate to 97.5% - total expenditures of \$21, 542,637. Sundquist seconded.

Aye: Kennerson, Sundquist, Charest Opposed: Smith and Litchfield

Other Items to Come Before the Board:

Member Kennerson commented we will give the Board of Education the \$30,000 (excess capital from this year). Chairman Witte said we are not in the business of telling them what to do with the money.

The \$30,000 for the furnaces is revenue for this year. It may be surplus for next year's budget. Member Smith said that the Board of Education should come back a specific request for this money.

Member Smith asked are we inclined to do an advisory ballot: for instance – ask in the ballot if the budgets are too high or low for Region 7, the Town Government, Board of Education budget and capital.

Would it be a simple question? Did you vote 'no' because it is too high or low? Chairman Witte will ask Town Clerk Donna LaPlante advice on what we did the last time.

Member Kennerson said we have allowed a 0% budget with an additional cost of \$129,000 for the special education student. If this child only costs \$115,000 she wants the Board of Finance to take the extra money back and put it into a non-lapsing account for special education unanticipated costs.

The new state statute is: **Sec. 10-248a. Unexpended education funds account.** For the fiscal year ending June 30, 2011, and each fiscal year thereafter, notwithstanding any provision of the general statutes or any special act, municipal charter, home rule ordinance or other ordinance, the board of finance in each town having a board of finance, the board of selectman in each town having no board of finance or the authority making appropriations for the school district for each town may deposit into a non-lapsing account any unexpended funds from the prior fiscal year from the budgeted appropriation for education for the town, provided such amount does not exceed one per cent of the total budgeted appropriation for education for such prior fiscal year.

(P.A. 10-108, S. 32.)

History: P.A. 10-108 effective July 1, 2010.

Chairman Witte suggests we have this for discussion at our next meeting.

Chairman Witte submitted the following to accompany these minutes: Letter to the Board of Selectman from Denton Butler dated March 22, 2011. Letter from Denton Butler dated April 11, 2011 re: his comments on the budget process, letter from Maria & Bob Moore and other letters.

An auditor will be appointed at the next meeting.

Re: the letter from Maria & Bob Moore, member Smith has looked at their letter and he suggests that it be referred to the Board of Selectman. He has some misgivings as to how things are handled at the town meeting and it is not the place of this board to take legal action and it should go to the Board of Selectman.

MOTION: by Sundquist to adjourn the meeting at 9:06 p.m. Smith seconded.

Respectfully submitted,

Penny Miller
Recording Secretary