**New Hartford Board of Finance**

**Regular Meeting**

**Tuesday, June 9, 2015 @ 7:00 pm**

**Present** Chairman Jim Fitzgerald, Members: Steve Tuxbury, Reggie Smith, Jr. Dan Charest, Maria Moore, Alternate Steve Roth, Bookkeeper Annie Witte, First Selectman Dan Jerram, Selectman Alesia Kennerson, BOE Chairman Josh Adams, Supt. of Schools Brian Murphy, Director of Student Services Paula Gladu-Morabito, EDC member John Burdick, Members of the public: Bob Moore, Bob Neilson, Bob Howson, Kathryn Boughton (local reporter), Recording Secretary Penny Miller.

**Absent** Bill Coates, Ben Witte (in at 7:06 pm)

Chairman Fitzgerald opened the meeting at 7:04 pm.

**Seating of Alternates** Steve Roth for Ben Witte

**Approval of Minutes from May 12, 2015**

**MOTION:** by Charest, second Tuxbury to approve the minutes of May 12, 2015.

*Unanimous*

**New Hartford Board of Education**

Chairman Fitzgerald introduced Superintendent Brian Murphy, BOE Chairman Josh Adams and Director of Student Services Paula Gladu-Morabito.

BOF Member Witte arrived at 7:06 pm and Mr. Roth was unseated.

Mr. Fitzgerald and the board received a letter, dated May 25, 2015, from the Board of Ed. regarding unanticipated costs in Special Education services in the amount of $110,000. (Copy attached) The BOF asked for numbers to show where they are YTD and projections through the end of June for all their expenses over and under to help them understand how the BOE can finance and appropriate for unanticipated costs. Interim Supt. Dr. Paul Smotas had sent a letter to the BOF on November 5, 2014 re: the current financial status of the BOE budget for f/y 2014-2015. (Copy attached.) Ms. Gladu-Morabito sent a letter to BOF re: projected figures related to tuition, transportation and pupil services in the special education budget. (Copy attached.) Dr. Smotas projected a $138,000 deficit in the Special Education Tuition and Transportation accounts. Dr. Smotas did transfer $60,000 from the Health Insurance account to offset some of this money. He anticipated receiving partial grant reimbursement for these costs through the Excess Cost Grant. They also set aside monies from the BOE operating budget to help offset this projected deficit. Mr. Murphy continued that there is still a deficit in the two line items - outplacement for special education and special education transportation costs of $110,000. They did reduce part of that money through their operating budget. Dr. Smotas had talked about a freeze and they did institute a soft-freeze. Mr. Murphy continued that by the end of this month the Town of New Hartford will receive $143,000 in the Excess Cost Grant. That money is there so the BOE is seeking a reimbursement of those monies. Currently now in the budget we have $727,000 now - $482,000 is encumbered for the final payroll of the year. There are some balloon checks in there for some of the teachers. Out of that money that leaves about $245,000 and we have expenses that are not encumbered. The cafeteria line item will be in a deficit – a little under $20,000. The legal fees are higher because we are going through negotiations with 3 bargaining units. It is going slower and the costs are higher than anticipated. Fuel for buses is a high expenditure. Electric & internet is also an expense that needs to be dealt with. There is an issue with the sidewalk at Bakerville. We anticipate with all this a small surplus of $40,000 - $50,000 by the end of this fiscal year. It is our intention to give the town back some of the additional money by the end of the fiscal year. There is still 2-1/2 weeks to go and we hope that there will not be any unanticipated costs moving forward.

Mr. Smith asked Mr. Murphy is the grant coming from the state not being listed in the current revenue sheets. Mr. Murphy said it is not in the budget. Mr. Witte said if you appropriate the money and the surplus comes in it goes into the general fund. If you cover it now and stick to your plan to try and have the $40,000 surplus it will come out of the general fund and then go back into it. Mr. Tuxbury said you brought this to us in November and then we didn’t hear anything until after the budget was over. There are some questions that he has. Mr. Adams said they were busy with the budget. We told you we were looking for $140,000 two months before that.

Ms. Moore has a couple of other questions. She keeps coming back to the pre-school program. It was in the budget for two sections and only 1 came about because of low enrollment for the 2014/2015 school year. Where is the 50% savings of the school program – the teacher, para-professional, etc.? That would be a savings of $30,000 - $40,000 if you eliminate one pre-K section. The budget was based on having two sections. Looking at the special ed. teacher there is a difference. We don’t know how many you are budgeting for. Ms. Gladu-Morabito said there are 9 full-time and 1 half-time (pre-K). Ms. Moore would like to see those savings. Mr. Murphy said one spec. ed. teacher left and a new spec. ed. teacher was hired at lower rate. With the Bridges Program does that mean we could send some of our children to the Bridges Program instead of outplacement? Ms. Gladu-Morabito said since the Bridges Program has moved in we haven’t had to send any children out. Mr. Fitzgerald said there are 3 weeks left to the end of the fiscal year. He doesn’t know what time frame the bookkeeper needs to close out the year. Mr. Murphy said the line item transfers will be done at the next BOE meeting – June 16, 2015. The final line item transfers will be done at the August BOE meeting.

Last year Dr. O’Reilly asked for $90,000 for unanticipated costs and $68,000 was returned. Mr. Fitzgerald would like to wait until the BOE has their final budget numbers. Ms. Moore would like to see the savings from the pre-K program.

Mr. Fitzgerald said you are asking for $110,000 but if you have $40,000 - $50,000 left over, what is the risk. Mr. Murphy said we can’t be in a deficit at the end of this fiscal year. He is worried about unanticipated costs coming in over the next 2-1/2 weeks.

**MOTION:** by Witte, second Smith to approve a request by the New Hartford Board of Education for an additional appropriation in the amount not to exceed $72,000 from the general fund for unanticipated costs related to special education for the fiscal year June 30, 2015 subject to the approval of said appropriation at a special town meeting.

Discussion followed.

*Aye: Witte, Tuxbury, Smith, Charest, Fitzgerald; Opposed: Moore; Abstained: none*

*Motion passes.*

**Economic Development Commission - John Burdick**

Mr. Burdick will be brief on the June 18th event. He was part of the Gateway Group that helped Mr. Jerram with the use of the property across from Dunkin Donuts. He became aware of the Connecticut Main Street Center whose purpose is basically to help assist in revitalizing their downtowns. The event June 18th will open with refreshments & a meet and greet. Ms. Kim Carsons Whitaker, Associate Director, will then spend about 1 hour and go through what they have done in other communities. It will open up to a forum after the presentation to the community. Lots of businesses have signed up to attend. The presentation will talk about what will go into the plan for the center of town. Mr. Fitzgerald said that Putnam is loaded with shops & we know what Collinsville has. We are interested in what is going to offset the residential tax base in town. This event on the 18th is about what other town are doing. Mr. Jerram said we do a lot of other event oriented things around the village center. This weekend is the opening of the tavern in the Hurley Building. Through the zoning office, 443 Main, the Mobil property just passed the architectural review. The building will be knocked down and a new convenience store will be built. Ms. Moore asked about getting some grants to help pay for this. Mr. Burdick said that we could definitely get some.

**Bookkeeper Report**

Ms. Witte reported that the tax collection rate is 98.4%. In the new fiscal year there will be a problem as we need to do a 27th payroll. Normally we do 26 payroll periods. We will have a deficit of around $50,000 (not to exceed) because of the 27th pay period due to leap year. The BOE is also aware of this. This only hits the hourly people. Mr. Tuxbury was looking at the revenue. He was hearing that it would be short. Ms. Witte said you will be short in the WPCA because of the split but the tax collection rate is 98.4%. Mr. Tuxbury asked in all the other accounts there isn’t a problem, Ms. Witte replied no. Mr. Jerram said that the past due taxes from prior years is up $8,000 and we are having a tag sale tomorrow of 5 properties with a sum total of past due taxes of $250,000.

Mr. Fitzgerald asked on the Ambulance Association were there any items that weren’t closed on this? We never got an accounting from Mr. Hayes. Ne never showed up to the BOF meeting and there was a cut in that line item. There wasn’t any real forthcoming information. No justification for what their demand is. Just a report from King & King on their records. Mr. Smith asked can we go through the chairman to send them a letter to come visit us as a board. Mr. Witte asked can we ask them to give us an update on their finances. Mr. Fitzgerald will contact Ms. Hayward for their contact information and send them a letter.

**First Selectman’s Report**

Mr. Jerram said he is getting quotes for the new trucks and bids for the police car and small trucks. The Highway Department is doing drainage & tree work one day a week. They are working on West Road – from South Rd to Southeast Rd - getting it prepped for a 7/1 job. Four properties will be sold at auction tomorrow. We are still involved on the corner property. Mr. Fitzgerald asked how much do we have into the corner property. Mr. Jerram replied a rough estimate about $15,000. We did an environmental assessment for contamination issues. There is a cesspool that needs to be removed. But no on-going sources of contamination. Ms. Moore did an FOI request for expenditures on that property and they are at $17,539 and the Selectman have voted to give you the authority to spend another $2,500 on it, which would put you over the $20,000. Ms. Kennerson said that the BOS did not authorize him to spend any more money on the Griffin Property. In the scope of larger projects the bids were opened on the school roof. It was awarded to Greenwood Industries and the base bid came in at $840,500. The windows and ADA have not gone through the screening process. We are self-funding we have about $100,000 into the total project. Carpenter Road Bridge is through all the design. We are about $50,000 into that project. It will be the box culvert option. They will start working on bonds and it will be a fall project.

**Opportunity for the Public to** Speak

None

**Other Items to come before the board**

Mr. Fitzgerald said that the last time we met he sent a letter to the local Board of Education & Region 7 for controlling costs and consolidation. A copy of the email to Judith Palmer and Molly Sexton Reed will be sent to the BOF.

With regards to King and King it was unanimous to approve them as auditor and Bob King agreed to hold to last year’s rates.

Mr. Fitzgerald asked which month the board would like to take off. It was agreed to take the month of August off. The next BOF meeting will be on July 14th.

**MOTION:** by Witte, second Smith to adjourn at 8:37 pm.

Respectfully submitted,

Penny Miller

Recording Secretary

Attachments:

BOE letter to Ben Witte dated 11/5/14

Memo from Paula Gladu-Morabito to Dr. Smotas dated 10/29/14

BOE letter to Jim Fitzgerald dated 5/25/15

Revenue Reports, May 2015

Expenditure Reports, May 2015

EDC Handout

Letter to Dr. Palmer dated 6/3/15 from Jim Fitzgerald re: Cost control & expenditures

King & King

Appointment of Auditor Annual Notification