

**New Hartford Board of Finance
Regular Meeting – Session Conference Room
Tuesday, October 11, 2016 @ 7:00 pm**

Present Chairman Jim Fitzgerald, Members: Bart Baxter, Ben Witte, Dan Charest, Steve Tuxbury, Reggie Smith, Jr., Alternates: Bob Nilsson, Maria Moore, First Selectman Dan Jerram, Selectman Alesia Kennerson, Auditor Chris King (King, King and Associates, P.C., CPAs), Town Treasurer Gordon Ross, John Burdick (Director, Beekley Library Board), Members of the Public: Kerry Guilfoyle, Gina Maroney and Bob Moore.

Chairman Fitzgerald opened the meeting at 7:04 p.m.

Seating of Alternates None

Adoption / Revision of Agenda None

Approval of Minutes

MOTION by Smith to table the approval of the Board of Finance Regular Meeting minutes dated September 13, 2016, seconded by Tuxbury.

Unanimous

MOTION by Tuxbury to approve the Board of Finance Special Meeting Minutes dated October 4, 2016, seconded by Charest.

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

BOF Discussion with Auditor, Chris King: King, King, CPAs

Mr. King explained how the 27th pay period is calculated and how other towns handle it. Some towns set up a reserve and draw on that reserve to fund the year that has 27 pay periods. A line could be added designated solely for the 27th pay period. The audit is continuing with nothing unusual to report. Mr. King suggested using electronic purchase orders explaining they are good for budgetary control and bad for efficiency. Using this type of purchase order would require purchase orders to be approved prior to buying. It would require line item transfers to be done throughout the year. Mr. Smith asked if there was a benefit to use a time clock. Mr. King replied there are many variations of electronic timekeeping. Mr. Smith suggested setting up a sub-committee with the Selectman that would improve the system and accountability. Mr. King said the software vendor, Tyler, has programs they can offer and vendors that they use.

Mr. King left at 8:14 pm.

Treasurers Report on FY-End June 30, 2016 and any other items to be brought to the BOF

Mr. Ross reported in November 2015 we asked for a BAN for funding for renovations to Antolini School and the bridge project. The bridge wasn't completed by November, 2016 and the projects are not ready to be bonded. They will be rolled over and additional monies will be borrowed to cover the expenditures. Municipal Advisor, Dennis Dix, has been consulted about rolling over this BAN and

expanding it to cover additional expenditures refunding some bonds to save some money. They are doing \$4,000,000 in general obligation BANs to pay for both the renovations and bridge project. This delay works to our advantage as interest rates are down on short-term loans. Keeping it on a BAN basis for additional year saves the town about 1%.

Mr. Ross, Mr. Jerram and Mr. Dix were interviewed by Standard & Poor's. Following this interview it is hoped that the town's rating will be increased to AA (double A) which would have an impact on our borrowing costs.

Line item transfers, if any, for consideration and approval by the BOF for FY 2016-17 YTD

First Selectman Jerram said there are no current requests. Mr. Tuxbury asked about the FICA on the Line item Transfers. Mr. Jerram said it is attributable to the 27th payroll in conjunction with higher payroll costs at the beach & camps last year. The expenses were probably underestimated. The Town Attorney defended a property tax appeal court case at a cost of approximate \$10,000. The amount shown of \$12,499.00 is the attorney & court costs. Ms. Moore asked about the \$2,041.40 transferred to the Senior Bookkeeper line. Mr. Jerram said it is related to the 27th pay period. With the exception of the elected officials and the part-time Registrar of Voters all employees are hourly. Mr. Tuxbury inquired about the Ambulance line item. Mr. Jerram replied the money wasn't requested at the end of the fiscal year. They are buying an ambulance but the difficulty of this line item is that we have a mutual aid situation where there is unequal funding between the two municipalities. Ms. Moore asked if next year would we fund a lower amount and if they needed additional money it would be appropriated. Mr. Jerram replied not necessarily. Their budget estimate was done in conjunction with Barkhamsted and was based on a higher figure.

Mr. Jerram said, for the minutes, the specifics of the interest payment were done with our objection. We were told by our consulting CPA, in junction with the auditors, despite the fact that we believed it is in the appropriation to pay for the school and bridge that all bonding costs would be rolled into the debt. They said we couldn't do it and want us to expense out the costs. Our consulting CPA that works with King & King said to do it at the end of this fiscal year.

Reports:

Bookkeeper's Report

Fist Selectman's Report - Mr. Jerram said we are in good shape and refinance work is being done. The Carpenter Road Bridge construction is starting. The framing is going up soon on the Pavilion. The majority of the work during the summer was paving. The summer rapped up well with the purchase of beach stickers going up.

Ms. Moore asked if the second payment went out to the organizations that had their monies cut. Mr. Jerram said money wasn't cut. Standard & Poor's applauded the towns approach to funding the non-profits. We are very cautious with our spending. Mr. Tuxbury asked besides Beekley & Bakerville Libraries who else receives delayed payments. Mr. Jerram replied all the non-profits.

Mr. Fitzgerald said on the last Revenue sheet it showed surplus revenue of \$54,598 and we underspent the budget \$214,477 for a total of \$269,075.90. That also includes \$518,000 approved by the town and BOF taking it from Surplus and applying it to the budget. Without that surplus we would have been negative.

Opportunity for Public Comment

John Burdick, Director –Beekley Library Board, said we have some benefactors and endowments from private individuals. We spend less than 1/3 on our libraries based on comparable towns. We have state funded sources but the state is also cutting some items we have received before – such as free internet. The question is why is a service to the community in an unbalanced way being penalized for what is an unknown action. We have to plan for the money that is being cut. It should be cut across the town and not just certain agencies.

Chairman Fitzgerald read a letter from Superintendent Brian Murphy regarding a mediated settlement with the money for the settlement coming from within their budget.

Other Items to Come Before the Board

The next meeting date will be Thursday, November 10th, at the town hall.

Adjournment

MOTION by Smith to adjourn at 9:08 pm seconded by Witte.

Unanimous

Attachments:

Revenue & Expenditures – September, 2016

Supt. of School Brian Murphy's letter

Respectfully submitted,

Penny Miller

Recording Secretary