

**New Hartford Board of Finance  
Regular Meeting – Senior Center  
Tuesday, June 13, 2017 @ 7:00 pm**

**Present:** Chairman Jim Fitzgerald, Members: Bart Baxter, Dan Charest, Reggie Smith, Jr, Steve Tuxbury, Ben Witte, Alternates: Bob Nilsson, Maria Moore, First Selectman Dan Jerram, Selectmen Laura Garay, Alesia Kennerson, Administrative Assistant Christine Hayward, Bookkeeper Annie Witte, Superintendent of Schools Brian Murphy, BOE Chairman Jenn Benaitis, RTC Chairman Rob Jerram, Members of the Public Linda Goff, Tim Goff, Tom Buzzi, Robyn Buzzi, Kelly O'Dell Longhi, Bob Howson, Steve Unger, Aulay Carlson, Sarah Wilkinson, Peter Anderheggen, Member of the Press Kathryn Boughton (Republican American) and others; BOF Recording Secretary Penny Miller.

Chairman Fitzgerald called the meeting to order at 7:01 pm

**Seating of Alternates:**

As the full board was present no alternates were seated.

**Adoption / Revision of Agenda:**

No revisions were made to the agenda.

**Approval of Minutes from the May 9, 2017 BOF Meeting:**

Before a motion could be made to approve the minutes Ms. Moore asked about the Motions only and the full minutes filed from the May meeting. Mr. Fitzgerald responded he only had one set to approve and that was the full board minutes. She had a question about the motion only and the fact that a detailed discussion about the motion on page two was included. She felt it wasn't necessary. She has never seen discussion on motions only before. She felt it would help to have a standard manner for sending out motions only and minutes. She questioned whether Mr. Fitzgerald looked at the motions only and minutes before they were sent out. She felt that the discussion between the motion being made and the vote shouldn't have been included as it didn't relate to the motion. It appeared to her that it was just fueling gossip. Mr. Fitzgerald said when we get the motions only it is because we need to get them out according to state statute. Going forward when the motion are filed it will just be motions only with the minutes reflecting any discussion on the motions.

**MOTION** by Charest to approve the minutes of the May 9, 2017 meeting, second Smith.

*Aye: Fitzgerald, Charest, Smith, Witte, Tuxbury; Abstained: Baxter; Opposed: None  
Motion passes.*

**Opportunity for Public Comment**

Rob Jerram, West Hill Rd, read a letter dated May 19, 2017 from the Republican Town Committee (RTC) that addressed the conduct of Board of Finance Member Reginald Smith, Jr. and Chairman James Fitzgerald at the May 18<sup>th</sup> Board of Finance Meeting. The RTC requested that Mr. Smith apologize to First Selectman Jerram and the New Hartford community for his conduct. They also asked Mr. Fitzgerald to apologize to the New Hartford Community for allowing this conduct and not maintaining decorum during the meeting. Letter submitted with the minutes.

Steve Unger, West Hill Rd, is on the board of the Beekley Library and the property owners association for West Hill Lake. He commented on two organizations that contribute to the quality of the life in New

Hartford. West Hill Lake and Brodie Park are used by several town residents as well as the Beekley Library. He said that the dam at West Hill Lake needs repairs. Those dam repairs will cost from \$20,000 to \$40,000. In the past, the Town of New Hartford has helped with the water quality issues. With what is happening with the dam and the fact that the Town of Barkhamsted has not helped with the dam he would like this board to keep this in mind when they make their final decision. The Beekley Library is the one town asset used by many town residents. The Library was resigned to live with a 0% increase last year and now it looks like a -10% increase from last year's budget for this coming year.

Aulay Carlson, 455 West Hill Rd, is concerned about the budget impasse in the state and the threat of costs being transferred to the towns. Based on the numbers the town is funding three schools when only one is needed. It is the Board of Finance's duty to review and challenge the budgets submitted. The Board of Education is failing its duty by unwarranted stressing of the town's resources. Letter submitted with the minutes.

Sarah Wilkinson, 42 Stub Hollow Rd, has lived here all of her life. She spoke about the great things available to our residents. She asked the Board of Finance not to make such drastic cuts to the town that is so special to all of us.

Mr. Witte spoke on the request for the public apology as it is quite significant. He asked if Mr. Smith and Mr. Fitzgerald would be making a comment and Mr. Fitzgerald said there wouldn't be any comments. Ms. Moore commented that she when a board member is crafting the language of a motion, just before they vote the only ones allowed to speak and participate are the seated members of that board. The public and Board of Finance alternates have to sit quietly. The incident that was being referred to was the members were crafting the language of a motion. At that point no members of the public or ex-officio members, no one interrupts their work. Unfortunately, emotions were running high – nobody likes to have the budget cut. We did have persistent interruptions from an elected official who is an ex-officio member. He was asked to stop, he persisted and that resulted in a member of the board to respond in an uncharacteristic manner for him. At that point a comment was made from a member of the public and Ms. Moore stated to them. "You may not agree with what I am saying but we are in a meeting now and unless you have something to say in public comment you will keep your reactions to yourself. That's another problem we are having in public meetings." To finish my comment – two individuals were speaking out of line. The first individual who did so, if there is a need for an apology, that person should be apologizing. Personally, the whole thing should be let go and let us continue with the work of this board. Please remember when a motion is being made and a vote is taken, only those seated members are allowed to speak and no one else.

Mr. Witte said he will let it go. While Ms. Moore's comments are eloquent and convincing and he finds them inaccurate he is going to let it go as suggested.

Linda Goff, Maple Hollow Rd, said if this was Ms. Moore and things were said to her she would not sit here calmly thinking she didn't deserve an apology. From what she has heard you have a different recollection of what happened at that meeting you wouldn't like to be spoken to like that. It isn't fair to speak to any other public official like this. It is disheartening for a Board of Finance member to say it is okay to speak like that to a public official.

Bob Howson, Stub Hollow Rd, said if he was at the RTC meeting he would have opposed the letter being sent. He said he was at that meeting and Ms. Moore's recollection was an accurate interpretation of

that evening. The outspoken comments tonight coming from the audience are from those who do not respect the tenor of this meeting.

Mr. Charest said in fairness to everyone, decorum hasn't always been followed. First Selectman Jerram has always been part of our discussions. To say it wasn't fair that he wasn't seated at the table or interrupting that should have been said to him. I agree that it was an emotional. We do need to move on.

Reports:

Bookkeeper's report:

Ms. Witte monthly report showed:

1. All expenditure and revenue reports have been submitted to BOF.
2. All departments are within budget limits. However, we do have some individual line item overages. Line item transfers attached.
3. Short Term Interest line item on the upswing due to Gordon (Town Treasurer) setting up a new Platinum Money Market Account.
4. Tax Collection rate as of April 30, 2017 is 98.6%.
5. ECS received in April of \$1,556,539.00. Includes known cut to New Hartford of (\$42,570.00).
6. Municipal Grants in Aid received June 6, 2017 of \$139,174.00

Ms. Witte reported the tax collection rate is 98.6%. All of the ECS money expected was received and the Municipal Grants in Aids for \$139,174.00. On the Projected Revenue sheet the \$90,077 (bottom of Change from Prior Year column) does not include the \$1,000 for surplus. On the Line Item Transfers – she explained that she color coded the expenditures. Mr. Tuxbury asked about the year-end projection for 2016/2017 and noted that the WPCA split for upgrades is substantially lower. Ms. Witte replied we haven't received that last payment. Mr. Fitzgerald asked if we have access to their budgets: the cash flow, expenditures, and revenues. Ms. Witte said she doesn't have access to them. Mr. Fitzgerald asked the First Selectman and he said that the WPCA revenue situation is a longer discussion. Mr. Jerram said they don't have the revenue. They lost their biggest customer – Avanti Cleaners. So what was the biggest flow is now the least. Out of their user base on the water side there are between 25 – 35 user residents that aren't using any water they just pay the base fee and no flow fee. They didn't make their scheduled payment since we refinanced their debt. This is the first time they haven't paid. Mr. Fitzgerald asked if it was appropriate to have a full accounting of this. Some people are using conservation so that they don't need to use the water from the town. Raising rates to cover the shortfall will not work. Ms. Moore said until recently members of that board came and reported to the BOF. . Mr. Jerram said they have been making ends meet until now. Ms. Moore said she was at budget meeting and they said there is no way they can make up this money. She would like to have them come here. Mr. Fitzgerald reached out to their Chairman, Denton Butler, a few months ago to come and he didn't. Mr. Jerram said that they are an autonomous agency appointed by the Board of Selectmen and report to the people not the Board of Selectmen.

First Selectman's Report:

First Selectman Jerram reported the Selectmen had just met to review the budget. We are doing well in managing the budget. We anticipate having a nice surplus at the end of the year. With regard to budget we have a tentative reduction list totaling \$128,081. These reductions are not approved and subject to change. As there hasn't been any further budget information from the state, the selectmen on the advice of counsel, worked with the Tax Collector and Assessor to issue tax bills at the present level we are at now. A request for Line Item Transfers has sent out to the Board of Finance. Through re-financing

the debt we do have savings that can be used to purchase and outfit a police cruiser. The cost is around \$45,000 and we have \$44,063.50. Mr. Tuxbury asked if there was any reason why they can't share cars. Mr. Jerram said it isn't desirable. Ms. Moore asked if the non-profits had been paid the money that was withheld from their last check. Mr. Jerram replied they had. There are no obligations outstanding. Ms. Moore asked if you had to choose would you want a new car for the police or the Land Use Department. Mr. Jerram replied that the town mechanic has temporarily fixed the land use vehicle. The projected cost to purchase a new one is slightly over \$25,000. Mr. Tuxbury asked if there was any information on the Carpenter Road Bridge. Mr. Jerram said the water level is dropping rapidly. The contract completion date is mid-July. We are on budget and have had no expenditures. The contractors are looking for a considerable drop in water level before starting again. Ms. Moore would like to see an accounting of the building project at Antolini School when it is completed. Mr. Jerram said it will be under budget by about 10%.

Mr. Fitzgerald asked if the list of cuts sent to the BOF has been endorsed by the Selectmen. Mr. Jerram said it wasn't and that the list is a work in progress. There is a level of discomfort and no one wanted to endorse it. On July 1<sup>st</sup> the tax bills will be in the mail and revenue will start coming in. With regard to operational budget we will be doing a bit of a holdback.

Ms. Moore asked if Regional will receive the full increase budget or will they be flat. Mr. Jerram said we have to pay the full amount or we can be fined. Their increase of 3% is over the entire year. The money crunch is usually at the end of December and June. Those first few months we will have more than enough revenue to pay our bills. She asked if the Board of Education is going with a flat budget. We had made cuts to their budget and had sent to them. Mr. Jerram replied between Supt. Murphy, Town Treasurer Ross and himself it will be worked out and the bills will be paid this summer.

**Discuss and take any action regarding line item transfers for consideration and approval by the BOF for the current 2016-2017 fiscal year**

Mr. Fitzgerald said we have to discuss the Line Item Transfers and look at the Revenue side. The Board of Selectman came up with \$128,081 in cuts. It may be worth tabling the line item transfer discussion until we get to further on in the agenda. What we have to work with is the last revenue projection from Governor Malloy on May 15<sup>th</sup> which is the worst case scenario for us. Our revenue hole is \$2.5 million between the Aid cut and Teacher's Retirement Pension of \$800,000. If we try to move this budget to a Town meeting and then referendum it is a 12-14% tax increase.

Mr. Witte said the proposed line item transfers should not be tabled. It can only help the budget to take something out of the capital budget and getting something done in this current year without any additional expenditure. He thinks there is money in Surplus to put at least another \$200,000 in surplus for revenue from this year.

Mr. Tuxbury said we did look at paying the building inspector mileage instead of a new car. We need to look at changing the way we do things.

**Treasurer's Report:** – No report was given as Mr. Ross wasn't present.

**MOTION** by Witte to endorse the line item transfers for a total of \$50,220.37 as presented, second Charest.

Discussion followed. Mr. Fitzgerald is not willing to move money from Operating to Capital for two vehicles when we have a \$2,500,000 hole and no answer for it yet. Looking at the email from Ms. Witte the proposed transfer is to purchase a police car and a land use vehicle. Mr. Jerram said it is for only one car. The Selectman's motion was specific that it was to purchase a new fully-stocked police car. Mr. Baxter asked if you are suggesting that we roll the money over into surplus for next year? Mr.

Fitzgerald said we need to do this so that the townspeople aren't hit with a large tax increase. We do not have a budget that has been approved to go to referendum.

*Aye: Witte, Baxter, Charest; Opposed: Fitzgerald, Tuxbury, Smith; Abstained: none  
Motion fails.*

**Discuss and take any possible action on the revenue projections for the 2017-2018 budget**

Mr. Fitzgerald said the big hits are ECS, LOCIP, Municipal Revenue Sharing, Transportation, Special Education, Grants for Municipal Projects and Teacher's Retirement pension. The total is \$2,513,893.00. Mr. Smith asked about the \$90,000 left over. Mr. Jerram said that goes to the general fund. He went on to say you can't use the revenue money to close out the line items. According to Supt. Murphy projections there will not be a deficit for this current year. There is a slight surplus. As far as capital there is \$39,000 left over. There is also a slight surplus on the operating side.

Mr. Fitzgerald asked should we wait until the state has a budget or do something now. Mr. Witte said we could debate this all night but the relevant thing is at what rate will the town and the local school spend on July 1<sup>st</sup>. The rest of it we won't know. Mr. Jerram said we are obligated to pay \$55,000 on July 15<sup>th</sup> for the last truck payment. We just opened the RFP for the bids for the revaluation and they are at \$124,000. They are being reviewed and a payment schedule hasn't been set-up. When asked how the bills that haven't been approved are paid, he replied by Statue 12-123 the Selectmen are authorized to pay the bills of the town. Mr. Smith said you are taking money out of something that hasn't been approved. He suggested that they hold off on the RFP for revaluation until we have a budget. Mr. Fitzgerald asked about the obligations going into July 1<sup>st</sup>. We know salaries based on union contracts will be paid. Mr. Jerram replied the operations of the town are something the Board of Selectmen and Town Treasurer handle. The issuance of tax bills at the current mill rate will result in revenue coming in. The town will be operational. On some lines there will be hold back especially on the non-profits. Mr. Jerram will work with Supt. Murphy and the schools will be funded. We have to pay Region 7. If we don't pay them we will incur a fine.

Mr. Fitzgerald said the only change we can hope for is if the state shifts Municipal Aid from the larger cities back to Litchfield County and New Hartford. Mr. Witte asked about the Board of Education cuts. Mr. Fitzgerald said we gave the BOE a number and they haven't put them in and they need to do it. The BOE was given the cuts last month from the BOF and they need to put those numbers into their budget. He continued by saying 'You are misleading the public by saying you are only cutting \$97,000 because what has been approved by the Board of Finance was that cut of May 9<sup>th</sup> and the capital. '

Mr. Fitzgerald asked should we continue on or wait until the end of this fiscal year and see if something happens with the state by midnight on June 30<sup>th</sup>. Mr. Smith suggested that we wait until June 30<sup>th</sup> and if the state hasn't come up with a budget then we will have a meeting the first week of July. Then we can look at the situation with the teacher's pension and come up with a budget. At some point we need to move forward. Mr. Fitzgerald asked for comments on doing something tonight or not taking any further action until July 1<sup>st</sup>. Mr. Tuxbury feels as some point we need to move forward and it is now. Mr. Witte said he doesn't think we can come to an agreement tonight and should wait. Mr. Charest said we should wait another month and see what we have. He would rather make decisions with what we know. Mr. Smith is okay either way. We could split the difference with the pension money, put it in the budget and pass it. He doesn't hear any support other than waiting. Mr. Baxter said if you are going to add money in or reduce the pension number he is willing to have that discussion. He isn't comfortable waiting but can wait for two weeks. Mr. Fitzgerald said it is June 13<sup>th</sup> and he doesn't know what will happen with the state. He asked if there was a motion to not take any action on the three items on the agenda and move to adjournment. The board members felt a motion was not needed. Ms. Moore asked

if she heard correctly some board members saying if we can cut back some money you might be able to reach a deal and move forward tonight. Various board members replied it may be the Governor's budget after July 1<sup>st</sup>.

**Adjournment**

**MOTION** by Tuxbury to adjourn the meeting at 9:10 pm, second Smith.

*Unanimous*

Respectfully submitted,

Penny Miller  
BOF Recording Secretary

Submitted with minutes:  
RTC letter dated May 19, 2017  
Aulay Carlson's Comments  
Bookkeeper's Monthly Report  
Proposed Line Item Transfers FYE 6/30/17  
Tentative Budget Reductions from First Selectman Jerram to Chairman Fitzgerald  
Projected Revenues  
Ltr from First Selectman Jerram dated 5/25/17 re: Issuance of Tax Bills (F/Y 2017/2018)  
Ltr from First Selectman Jerram dated 5/31/17 re: Issuance of Tax Bills (F/Y 2017/2018) – Second Notice