

**Board of Finance
Regular Meeting
November 28, 2014**

Present: Chairman Ben Witte, Members Jim Fitzgerald, Dan Charest, Maria Moore, Reggie Smith, Steve Tuxbury; Alternate Bill Coates.

Others Present: First Selectman Dan Jerram, Treasurer Gordon Ross, Board of Education Chairman Joshua Adams, Interim School Superintendent Dr. Paul Smotas; Member of the Press Bob Moore (in at 8:35 pm), Administrative Assistant Christine Hayward.

Chairman Ben Witte called the meeting to order at 7:00 PM.

All regular members were present, no seating of alternates was necessary.

The agenda remained as posted – no revisions.

Opportunity for Public To Speak:

No comments

New Hartford Board of Education – Josh Adams, Dr. Paul Smotas:

Chairman Witte introduced Interim Superintendent Dr. Smotas and Board of Education Chairman Josh Adams and offered them the opportunity to present information related to Board of Education operations.

2013-2013 year budget vs actual summary:

The first topic discussed was the 2013-2014 year budget versus actual expenditures. Dr. Smotas distributed a financial statement for the 2013-2014 school year. Reviewing the document, Dr. Smotas gave a brief explanation of the causes of the over or under expenditures in various line items. Some examples included Certified Salaries, which ended the year with a surplus due to turnover (teacher replaced with one who started at a lower salary rate) and some unpaid leave resulting in excess wages remaining in the line item. Textbooks scheduled to be purchased in 2013-2014 were actually purchased in the prior year, resulting in a surplus for that line item. Health Services showed unexpended funds in ‘nurses salaries’ due to one employee being out for an extended time period on an unpaid leave while ‘salaries, substitutes’ showed an over expenditure due to the costs incurred to cover that leave.

Dr. Smotas presented information regarding Special Education budget overages. Higher than anticipated costs were incurred in several of the Special Education line items. Homebound expenses were high due to instruction needing to be provided to one student as a result of a discipline issue and to another student due to illness. Pupil Services overruns were caused by unanticipated costs for programming related to an attendance problem and also due to additional outside evaluations not included in the budget. Dr. Smotas noted that there were some charges to this line item for unanticipated outplacements, which should have been charged to the tuition line item. Board of Finance member Fitzgerald questioned if the \$90,000 additional appropriation approved at Town Meeting and then granted to the Board of Education for Special Education overruns was really needed. He noted that the final figures did not seem to indicate the need for that appropriation. Chairman Adams

replied that the numbers presented tonight include the 90k adjustment into the budget.

Dr. Smotas discussed other areas of the budget; including plant operations. He stated that deferred maintenance over the years will have an impact on future expenses; noting specifically that there are some issues with oil tanks at New Hartford Elementary School and Antolini School. He also indicated that there are some “boiler/burner” issues at Antolini. Dr. Smotas said that these are items he would like to address during his tenure in New Hartford, and will have more details for the next Board of Finance meeting.

Special Education cost summary reporting:

It was noted that at the last Board of Finance meeting, Member Moore had presented a summary sheet that she would like to see used by the Board of Education for reporting costs related to Special Education. Member Moore commented that she was first introduced to this reporting format at a meeting in Barkhamsted. She would like to have some kind of report that tracks expenses associated with each student used in New Hartford. She stated that she thought the form used in Barkhamsted seemed like a good way to track those costs; adding that she felt that she would like to see more accountability for the expenses. Chairman Adams compared the summary report to the budget summary that was reviewed earlier in the meeting and stated that most of the information is already available in the present format. Interim Superintendent Smotas distributed a sample of an ED001 report; an end of the year report that is submitted to the State Department of Education that outlines Special Education Expenditures. He stated that this form could also be made available to the Board of Finance. Ms. Moore reiterated that she was interested in seeing what the per pupil costs are for Special Education; asking ‘how many special education teachers are there? How many students?, etc.’ Dr. Smotas replied that an average is hard to discern due to the fact that there are some students who might cost \$110,000 where others cost \$10,000; therefore, it is difficult to have an average due to the disparity in needs. Ms. Moore reiterated that she felt transparency is lacking in the present reporting format. Chairman Witte stated that he wasn’t hearing anything from the other members on the Board of Finance and added that if there wasn’t a driving force among the rest of the Board to see this form used, then he didn’t feel that there was a need to push the Board of Ed to use such a form. Member Fitzgerald interjected that if additional info is needed, he felt comfortable getting answers directly from the Board of Education. Ms. Moore said that having access to the ED001 is one step forward and she thanked Dr. Smotas for offering that.

Current Budget year potential cost overrun notification:

Discussion turned to Excess Costs Grants, with Dr. Smotas explaining that reimbursement is given by the State when a student’s special education costs exceed 5 times the cost of a regular education student. Dr. Smotas stated that \$68,000 was returned to New Hartford for fiscal year 2013-2014 to offset expenses. He further stated that there is the potential for a deficit this year due to an out of district placement for a student after the adoption of the 2014-2015 budget. Dr. Smotas indicated that he will attempt to cover some of the costs by implementing a hiring freeze and a spending freeze as of December 1; noting that if the deficit cannot be offset by cost saving measures, it may be necessary to seek an additional appropriation.

Board of Finance member Fitzgerald stated that New Hartford is not participating in Shared Services and asked, “is New Hartford doing something unique or is there a cost savings to providing special education services in house?”

Dr. Smotas stated that the current Special Ed Director has experience with Shared Services and may be able to do a cost analysis.

Dr. Smotas turned the discussion to the unanticipated issues with the oil tanks and asked for procedural guidance with respect to capital funds. He asked if funds reserved for the playground fencing could be used for the oil tanks instead. The Board discussed this and came to the conclusion that the Board of Finance does not have control over specific projects; projects are recorded as fixed assets when a project reaches completion; and until then there isn't any specific designation of the project. Member Charest clarified that one just needs to be certain that the costs incurred are for something that meets the true definition of a capital expenditure. Member Moore commented that she felt it would be beneficial to have representation from the Board of Ed be present at every Board of Finance meeting. Chairman Witte replied that the Board of Ed has many meetings of their own and adding attendance to another meeting each month might be asking for a lot; it was agreed that quarterly appearances would be sufficient unless there was a pressing need to attend an additional meeting during that timeframe.

Approval of Minutes:

MOTION: by Tuxbury, second Smith to approve the minutes of the October 14, 2014 regular Board of Finance meeting as written.

It was noted that the minutes were incorrect in identifying alternate member Coates as the person who seconded the motion in the following motion:

"Motion by Moore, second Coates to include the following in the minutes; after the first sentence re: work is continuing at the salt shed at Antolini. Chairman Witte asked if the project had been put out to bid and the answer was no. Member Moore said it is very important to put these projects out to bid. First Selectman Jerram said it is hard to find contractors to bid on a job like this and member Moore said she would like to see future projects advertised in a trade paper in order to get bids."

MOTION: by Smith, seconded by Fitzgerald to amend the minutes to identify Reggie Smith as the individual who actually seconded the motion to approve those minutes.

AYE: Moore, Fitzgerald, Tuxbury, Smith, Witte Abstain: Charest

Motion carries to name Reggie Smith as the individual who seconded the motion.

Member Moore questioned why the minutes did not include the actual motion that was made by her at the beginning of page 2. The language of the motion was not made part of the minutes and Ms. Moore felt that was incorrect. Discussion ensued where it was explained that since the motion did not receive a second, the language of the motion was not recorded as it was never recognized as a motion. Administrative Assistant Hayward stated that she and Town Clerk Donna LaPlante had been asked by the recording secretary what the proper protocol was when a motion is not seconded. Hayward explained that when the motion is such that it is more along the lines of a discussion and not an action of approval of a discussion, the recording secretary can choose not to include that discussion in the minutes, especially since no motion supports the discussion.

Minutes are only obligated to have certain items included and a discussion is discretionary with respect to inclusion. Member Smith suggested that Ms. Moore refer to her notes from the last meeting and re-create the motion she felt should be included; stating that if the Board of Finance members were in agreement that the motion should be included, he would make a motion to do so. Member Moore re-read the motion as information for consideration; no further action was taken.

A vote was called on the original motion to approve the amended minutes of October 14, 2014.

AYE: Fitzgerald, Tuxbury, Smith, Witte

Abstain: Charest

Opposed: Moore

Motion carries to approve the amended minutes.

MOTION: by Charest, second Smith to approve the minutes of the Special Meeting dated November 3, 2014.

Member Charest questioned if the resolution that was adopted by the Board of Finance was sufficient approval, noting that the lengthy resolutions were a bit different than the smaller resolution language approved by the Board. Chairman Witte replied that the resolutions were crafted by the bonding attorney and instructions for approval were followed to a 't.'

AYE: Smith, Fitzgerald, Charest, Tuxbury, Witte

Abstain: Moore

Motion passes, minutes approved as presented.

Bookkeeper's Report:

Bookkeeper Annie Witte presented revenue and expenditure sheets for the Board to review. She informed the Board that the current tax collection rate was at 55.5% - a good point for this time of year. Ms. Witte noted that due to an employee accrued time pay out, there will be a deficit in the Assessor's salary line item. However, this can be covered by the health insurance line item.

Treasurer's Report:

Treasurer Gordon Ross stated that there was nothing unusual to report. He indicated that there will probably be more for him to discuss at the next Board of Finance meeting pending the outcome of the bonding referendum. Should the projects pass, he will be discussing financing matters with the Board. Member Tuxbury asked the Treasurer if he had an opportunity to consider how he could present monthly account summaries to the Board. Member Fitzgerald echoed this, adding that it was his request to see all of the accounts and the summaries of debits and credits that occur each month. Mr. Ross replied that he was not clear on what Mr. Fitzgerald was looking for; stating that all accounts are transferred in from the General Fund. He presents the General Fund number each month. Fitzgerald replied that he does not feel that the information presented is sufficient. Fitzgerald reiterated his request to have the closing balances on all of the town accounts each month, with a list of transactions that have occurred. Bookkeeper Witte extended the offer to Mr. Fitzgerald to show him any account he wanted to see at any time. Treasurer Ross stated that the auditors perform a town audit and that it

was not necessary to be audited on a monthly basis. He, too, offered “any member who wanted to look at bank statements the opportunity to do so”.

Selectman’s Report:

First Selectman Jerram gave a brief synopsis of current operations. He reminded all that the bonding referendum was being held on Thursday, November 20, 2014. He indicated that he was hopeful for a positive outcome.

He mentioned that the highway department had sent 2 things out for repair – a dump truck that was slated to have the body restored and the road grader that was in need of some cylinder repairs.

The Maple Hollow Road Bridge had some overages in the steel costs, but there were some savings in other areas – so it should be close to the projected cost.

The Sand Salt Shed will come in a little higher than anticipated, but still much less than the sand salt shed in the Industrial Park.

The constables have presented a union contract for consideration. Negotiations will begin at some point in the future.

The DEEP Stormwater General Permit hearing is slated for December 17, 2014. Jerram stated again that the requirements for a Tier 1 town are onerous and reminded all that New Hartford has been designated as a Tier 1 town. He is hoping that these changes to the requirements do not pass and urged those in attendance to write letters of opposition to Senator Witkos and Representative Semanski.

Other Items to Come before the Board:

Member Moore questioned the status of the ‘corner property?’ Jerram replied that he was not free to discuss anything with respect to that matter. It is still a negotiation with confidentiality requirements.

Chairman Witte gave notice to his fellow board members that he would be resigning his chairmanship in December. He encouraged everyone to think about who should be the next chairman.

Adjournment:

MOTION: by Smith, second Fitzgerald to adjourn at 9:01 PM.

Unanimously approved.

Respectfully Submitted,

Christine Hayward, Administrative Assistant

(substituting for Recording Secretary Penny Miller)