

## Regular Meeting Minutes

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

**Others Present:** First Selectman Dan Jerram, Bookkeeper Annie Witte, Selectman Alesia Kennerson, Water Pollution Control Authority Chairman Bud Butler, Members of the Public Noel Gauthier, Karen Gauthier, Bob Moore, Bob Nilsson; Superintendent of Schools Brian Murphy (in at 8:10 PM) Board of Education Chairman Joshua Adams (in at 8:10 PM); Administrative Assistant Christine Hayward (substituting for recording secretary Penny Miller).

Board of Finance Chairman Fitzgerald called the meeting to order at 7:05 PM.

### Seating of Alternates:

All regular members were present, therefore no need to seat any alternates.

**Adoption of Agenda:**

No changes to the posted agenda.

Chairman Fitzgerald informed all that there was a lengthy agenda to get through and noted that the Board of Education was currently holding a meeting to adopt their capital budget which will be presented later in the evening. In the meantime, the meeting would progress as stated on the agenda, anticipating that members of the Board of Education would arrive in time to present their budget to the Finance Board. Mr. Fitzgerald informed WPCA Chairman Butler that the portion of the agenda devoted to the presentation of the sewer extension analysis would be limited to one half hour, followed by a 10 minute question and answer session.

**Approval of Minutes:**

**MOTION:** by Smith, second Tuxbury to accept the minutes dated February 10, 2015.

Member Moore motioned to amend the minutes;

*From: "she is no longer a Democrat but a member of the Justice Party of Connecticut. It was recommended that she take this up with Town Clerk Donna LaPlante."*

*To: "She is no longer a Democrat despite being shown on the town website as a Democrat. It was recommended that she take this up with Town Clerk Donna LaPlante."*

Tuxbury seconded the motion.

Aye: Moore, Fitzgerald, Smith, Witte, Tuxbury      Abstain: Charest  
Amendment passes.

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Vote to accept the minutes:

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

Minutes approved.

**Bookkeepers Report:**

Bookkeeper Annie Witte reported that Tax Collector Linda Sheffield reports that she is currently at 97.18% collection rate. Ms. Witte informed the Board that Special Education Excess Costs had been received in the amount of \$114,000 of which \$70,000 was anticipated and the remainder is unanticipated.

The revenue and expenditure reports for the fiscal year 2014-2015 through February 28, 2015 were distributed. Ms. Witte explained that although all departments are within budget, there are several line items in the highway department that are over expended. These overages total close to \$40,000 and include \$20,000 over budget in the overtime line item; \$5,000 over in sand and \$13,000 over in salt. First Selectman Jerram asked the Board members if they had any questions regarding any of the line items. Mr. Tuxbury asked if any funds will be remaining in the Constable line item. Mr. Jerram replied that approximately 50% of the \$70,000 salary put into the budget for a new constable would not be used for salary due to a delay in hiring the Constable which reduced the encumbered salary. However, the police had requested permission to use some of those funds to purchase equipment and supplies needed for the new officer. This request was approved.

Steve Roth asked if there will be enough money left in the budget to perform road maintenance. He noticed that the asphalt & road maintenance is \$100,000 over budget. Jerram replied that Steele Road and Niles Road were two large projects that had been completed in the fall. Those projects went over the anticipated budget; however, he explained that the Chip Seal line item has been frozen in order to cover over expenditures in other lines within the department.

Mr. Fitzgerald asked if the sand and salt supplies will last through the end of this year. Jerram replied that the answer to that is unknown. Jerram said that the cost of salt is increasing substantially for next year. Salt currently sells for \$62.00 per ton and is expected to move to \$74.00 per ton at the end of this year. He would like to order additional supplies before the price increase if the department budget allows for that.

Ms. Moore questioned the Ambulance line item, asking if their full allocation had been given to them this fiscal year, noting that there are funds remaining in that line item. Jerram replied that they may have another payment due to them, but that he would need to check on that.

Board of Finance member Smith asked if the School Security Project was complete and wondered about the status of being reimbursed for that project. Denton (Bud) Butler, Chairman of the School Building Committee was present and replied that the application for reimbursement has not yet been submitted by the School Superintendent.

**First Selectman's Report:**

First Selectman Jerram informed the Finance Board that the Resident Trooper Program is currently a topic of debate at the State level. Legislators are contemplating the fee structure; possibly increasing

the percentage that participating towns pay for the service to 100%. The Governor has proposed eliminating the subsidy that participating towns now receive. Jerram explained that Resident Troopers, although assigned to specific towns for primary duty, are often called upon to assist in other towns. The “resident” town still pays the bill for those out of district duties. In reality, the State and the towns that do not subscribe to the resident trooper system get the benefit without having to pay their fair share. It was also noted that the line item for resident trooper costs has decreased due to the pay grade that the current resident trooper assigned to New Hartford receives. The current trooper is not a senior officer as has been the case with the past few troopers assigned to New Hartford.

The First Selectman stated that the Board of Selectmen met last evening to finalize the budget; noting that the final document was still being developed and stated that it will be ready for Saturday’s presentation. Jerram said that he was working on adding some exhibits to the budget document, such as the age and number of trucks in the public works department, information related to the pension, and costs of post-employment benefits.

Chairman Fitzgerald asked that the document be e-mailed to all BOF members so that it could be reviewed prior to the workshop.

**Capital Plan and detailed report on open, closed, balances:**

The First Selectmen discussed Capital Expenditures budgets for 2014-2015 and 2015-2016 to the Board. He noted that there is a wood chipper that had been included this fiscal year as a possible purchase. Extensive repair/rebuild work was recently performed on the old chipper and the chief operator of the chipper states that the machine, although an older model, performs well and has stated that the machine hours on the engine are low-mid. At this point, Jerram is unsure as to whether the highway department will proceed with the purchase of a new chipper or not. Downtown Improvements consists of funds for additional lighting and sidewalk repair/replacement or new installation. Jerram noted that \$35,000 in funding for sidewalks nets about 400 – 500 feet of sidewalk. Callahan Park is currently being surveyed in order to codify the boundaries of the park. Maple Hollow Bridge has been completed, for the most part; with the exception of some paving that needs to be re-done. There is a quality issue with the material used for the pavement that is in place and final payment was withheld until this can be addressed. The weather was not conducive to finalizing this before winter; therefore the decision was made to wait until spring and readdress at that point.

The 2015-2016 budget shows a request for funding of a small plow truck. Jerram presented information pertaining to the current fleet of trucks belonging to the highway department. The average age of the trucks is 10 years. Member Moore asked what the lifespan of a truck is. Jerram replied that there is no specific formula for that; the trucks are used in a manner inconsistent with what “normal” trucks are used for. Highway department trucks used for plowing get extensive use causing excessive wear and tear. He also noted that due to this heavy usage, maintenance costs are generally quite high and asked “how much funding should go into maintenance before purchasing a new truck?” Moore then questioned if a mechanic has been hired as it was her understanding that the present mechanic had

switched to a maintainer position. Jerram informed her that the individual who was the mechanic is still the mechanic; noting that several applications were received for the mechanic position; however many applicants did not have the proper training for the position. No change has been made at this point.

A discussion occurred regarding town hall technology and town hall equipment. Jerram noted that those two expenses are quite distinct. Town Hall equipment relates mostly to the physical plant (i.e. HVAC and sprinkler systems) while technology is that – computers and audio visual technology. The Land Use department would like to see some sort of permanent audio system installed in the Senior Center/Community Room so that those attending public meetings can hear presenters without difficulty. The First Selectman stated that it was recommended by the HVAC contractor that funds be set aside to begin replacing individual heat pumps. They are reaching an age where replacement will become necessary in order to keep the system operational. Jerram informed the Board that a low temperature notification system was currently installed in order to avoid any problems with the sprinkler system during colder weather. A call will go out in the event that the burner malfunctions resulting in a 'no heat' situation and a call will also go out if the indoor temperature goes below a certain level in the building. This will allow for action that would prevent accidental discharge of the sprinkler system or issues with frozen pipes, etc. Chairman Fitzgerald commented that funding remains in the Technology and Town Hall equipment capital line items for the current fiscal year and wondered why additional funds were being sought for the following year when these are not yet expended. Jerram replied that those line items need to be annually budgeted as there is a need for them.

Funds for a pavilion are included in the proposed capital budget; this purpose of such a structure would be to create an amenity that would allow for groups of people to come downtown. Concerts, farmers market, and similar events could be held along the riverfront. This area is designated as "Riverviews Park" and has the potential to become a gathering area. Member Roth asked if such a structure would conform with the regulations currently in place. Jerram replied that it will need Planning and Zoning approval and Inland Wetlands approval as a matter of routine practice.

The capital budget also includes funding for an additional police car. Recently, the town added a 4<sup>th</sup> Constable to the force and an additional reliable car is needed. The amount budgeted includes the ancillary equipment needed to outfit the car – i.e. light bar, radio, computer.

Municipal Improvements includes funding for sidewalks and a parking area at the town owned property on East Cotton Hill Road known commonly as "the Surdam property." Jerram noted that in years past, funding has been allocated for Open Space parcels such as the Goula Property and the easement on Phillips Farm; but there isn't any convenient parking to be able to enjoy these areas. A parking lot on East Cotton Hill can be utilized by those who wish to use the trail that goes to the Antolini School as well as parking for access to the Philips Farms trail (which connects to the Goula property).

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Member Moore remarked that she supports the funding level for the parks and recreation department at \$35,000 noting that there used to be \$50,000 in capital devoted to that department.

Jerram told the Board that the Selectmen are considering using the proceeds of two existing funds as revenue to offset the cost of the proposed Pavilion. There are 2 funds that can be used for capital projects. The Community Investment Fund is a fund that is comprised of fees collected by the Town Clerk that are deposited into a single account. These funds are, by Statute, to be used for capital projects. Jerram reminded the Board of Finance that the Selectmen had looked into the use of this fund a few years back when the Animal Control Officer requested purchasing a new van. At that time, it was learned that the funds could only be put towards a capital project. The pavilion meets the guidelines established for the use of those funds. A second fund, labeled as “Investment fund” in the Annual Audit has been dormant for approximately 15 years with a \$60,000 balance.

**Board of Education – Capital Budget:**

Superintendent Brian Murphy and School Board of Education Chairman Josh Adams arrived to discuss the Board of Education capital budget; current year and proposed budget.

Mr. Murphy explained that the technology costs have been removed from the Board of Education operating budget and placed into the Capital budget. The school is moving away from PCs and towards MACs. Mr. Murphy informed the Board that the playground at Antolini approved last year was not completed this year due to the reallocation of funds needed for emergency/safety repairs. Therefore, this project is included for fiscal year 2015-2016. The Fire Alarm System at Bakerville School malfunctioned and needed to be replaced. A whole new system was installed at a cost of \$18,500.

Board of Finance member Smith was displeased that funds were reallocated without seeking approval from the Board of Finance to do so. He stated that the budget and projects are approved by the townspeople at referendum and he didn’t understand how changes could occur without formal consideration. Mr. Smith questioned if the Board of Education has the authority to change capital projects. This led to a brief discussion of the various capital funds available as reserves, designated capital and undesignated capital.

Mr. Smith noted the importance of good dialogue between Boards. He emphasized the need to have a layer of transparency and trust among all of them.

**WPCA Presentation – Line Extension and Repair Analysis of the Sewer District:**

Mr. Fitzgerald introduced Mr. Denton (Bud) Butler, Chairman of the Water Pollution Control Authority and offered him the opportunity to present information related to sewer line extensions. Mr. Butler noted that a subcommittee consisting of himself, Mr. Roy Litchfield and Mr. Joe Toro had compiled information from various sources into one comprehensive document titled “Line Extension Analysis.” The purpose of the report is to build awareness of the need, costs and potential for sewer line extensions and also create awareness of the condition of the present collection system and the potential costs associated with repairs. The report makes no conclusion as to the determination of who or how the expansion and repairs will be paid for nor does it say what the future rates will be for users. Both of

those questions/concerns would require further analysis.

Mr. Butler explained that it was the intent of this subcommittee to visit all of the Boards and Commissions so that they could present this information in the hope of gaining feedback from users and non-users and especially so that they could build confidence in those charged with the responsibility for the Water and Sewer Services and their ability to develop a workable plan for the future.

Butler summarized the content of the report (which is available on line at [www.town.new-hartford.ct.us](http://www.town.new-hartford.ct.us) or by request to the Office of the First Selectman and Town Clerk.) The driving forces behind the line extension action plan are: protection of the town aquifer, emergent septic system failures and repairs, sewer collection system age and failures, advancement of economic development and qualified availability of funding.

Butler noted that there are insufficient users on the system today to pay for the costs associated with the operations and maintenance of the system. The user base needs to be increased, but at the same time, evaluation of the present collection system needs to be performed in order to insure that additional users can be added without causing line failures. Meetings have been held with personnel from the Department of Energy and Environmental Protection to seek their guidance regarding their requirements for utilization of funds that may be available by application from that department. Additionally, the Subcommittee wanted to check on the status of the priority list set aside funds that had been offered to New Hartford to be used for sewerline expansion. The analysis was shared with the DEEP to show that New Hartford is taking steps to move forward with line extensions. DEEP was receptive to the fact that planning has begun for use of the set aside funds. DEEP did advise that choosing an engineering firm to assist New Hartford needs to be done on a quality based search. Mr. Butler notified the Board of Finance that there was currently a request for qualifications advertised by the WPCA and that 11 interested engineering firms have requested bid documents for review. Butler stated that the WPCA has made a request to the Board of Selectmen to include funding in the budget in the amount of \$30,000 to be used for planning purposes regarding line extensions. Butler noted that the DEEP has indicated that New Hartford would be eligible for a planning grant that reimburses at 55%. Therefore \$30,000 has also been included as a revenue to offset the expense.

**BOF Line Item Transfers:**

Mr. Smith commented that he had enjoyed the discussion that occurred earlier in the evening when reviewing the revenue and expenditure reports. Having information regarding where individual line items stood was a good exercise; noting that it 'never hurts to have a second set of eyes look things over.'

Mr. Smith introduced the following motion:

**MOTION:** *Beginning with the fiscal year July 1, 2015 Board of Finance meeting, the First Selectman shall present to the Board of Finance, budget appropriation transfer requests for consideration and approval. The Board of Finance may approve such appropriation transfers, to or from, and within or*

*between departments. Such transfers may take place during each monthly regular or special meeting of the Board of Finance. Such transfers shall include appropriations from the previous month end. In no case shall any appropriation transfer exceed the limits as stated in Connecticut General Statutes.*

Mr. Tuxbury seconded the motion.

Discussion followed.

Alternate member Coates expressed his displeasure with the motion. He asked what Statute afforded the Board of Finance the power to make those demands.

Board of Finance member Witte also expressed concern with the motion, stating that the Statutes refer to transfers between departments, not lines within a department. Mr. Smith referenced a legal opinion rendered by the Town Attorney a couple of years back that outlined the Board of Finance's authority regarding appropriations. First Selectman Jerram interjected that the legal opinion to which Mr. Smith referred to was addressing a specific request for a specific transfer of funds for a specific use and was based on a request to transfer funds between the operating budget and the capital expenditures budget; which is not what this discussion is about.

A lively debate ensued; with differing opinions being offered by various members of the Board. At one point, Member Smith resorted to "Robert's Rules of Order" motioning to call the question; with Tuxbury seconding that motion. However, Chairman Fitzgerald did not immediately recognize this motion in response to a comment made by member Witte who expressed concern that fellow Board members were attempting to "shut down the one person who has control of the operations of the town by not allowing him to speak."

Back and forth commentary continued with several different interpretations of the language and intent of the Statutes being argued. The Statutes in question include Chapter 106, Sections 7-347 and 7-348.

Mr. Witte stated his concern that adjusting line items throughout the fiscal year rather than once at the end of the year would be problematic. He felt that "you would be moving funds back and forth all over the place." He gave the example of overtime – adjusting it one month and then having to come back the next month with another adjustment and still not being sure that the line item would be adjusted appropriately until the end of the operating year. Member Charest expressed his concern regarding being able to conduct the business of the town if it becomes necessary to have the approval of the Board of Finance to transfer funds into a line item prior to being able to take necessary action. He noted that expenditure reports are already being reviewed monthly and there has never been any concern expressed until now regarding how business is transacted and he questioned 'what is the real reason for this change?' Mr. Smith replied that he does not think it is right to be adjusting \$400,000 + of expenses at the end of the year. Alternate Board of Finance member Roth replied that it was his understanding that the town approves a budget and that the Town cannot spend above that approval; it is the annual appropriation cannot be exceeded. Alternate member Coates agreed with this interpretation; adding that 'it does not pertain to individual line items.' Member Moore stated that reviewing the expenditure report on a monthly basis keeps the Board of Finance informed of how funds are being used, but she agrees that she is not in favor of having to approve a \$400,000+ transfer at one time. Having to approve

line item transfers frequently will help everyone to do their job.

First Selectman Jerram expressed his discontent that members of the Board of Finance had not sought the advice of legal counsel regarding the interpretation of State Statutes related to line item transfers prior to entertaining a formal motion regarding the matter. Jerram noted that the Board of Finance hires the auditor to perform an annual audit and noted that no consultation had occurred with the auditors regarding this subject. Jerram also stated that if there was an issue with the manner in which line item transfers are handled, the auditors would comment on the procedure.

Member Smith stated that during his tenure as First Selectman, line item transfers were addressed on a regular monthly basis and things ran smoothly using that procedure.

Member Smith restated his request to move the question, with member Tuxbury seconding.

Chairman Fitzgerald called for a vote to approve the motion to call the question.

**AYE:** Fitzgerald, Smith, Moore      **OPPOSED:** Witte, Charest      **ABSTAIN:** Tuxbury

*Motion passes to move the question*

Chairman Fitzgerald then called for a vote to approve the motion on the floor; he re-read the motion.

**MOTION:**      *Beginning with the fiscal year July 1, 2015 Board of Finance meeting, the First Selectman shall present to the Board of Finance, budget appropriation transfer requests for consideration and approval. The Board of Finance may approve such appropriation transfers, to or from, and within or between departments. Such transfers may take place during each monthly regular or special meeting of the Board of Finance. Such transfers shall include appropriations from the previous month end. In no case shall any appropriation transfer exceed the limits as stated in Connecticut General Statutes.*

**AYE:** Fitzgerald, Smith, Moore      **OPPOSED:** Witte, Charest      **ABSTAIN:** Tuxbury

*Motion passed.*

**Opportunity for Public to Speak:**

No public comments

**BOF Discussion – preparation of upcoming 3-14-15 budget workshop:**

Chairman Fitzgerald reminded all that the Budget Workshop will be held on Saturday, March 15 at 8:30 AM at Town Hall. He stated that he had sent the recent audit for Regional School District #7 to all Board members and he asked that they review this and keep in mind that the audit shows \$2.9 million as undesignated surplus and asked all Board members to consider that information and suggested that perhaps the Board of Finance should request that the surplus be re-appropriated to the next fiscal year.

**Other Items to Come Before the Board:**

Chairman Fitzgerald read aloud an invitation sent by Regional School District #7 Superintendent Judy



Palmer to the members of the Board of Finance inviting them to attend the Board of Education meeting on March 11 at 6:00 PM.

Regional School Board member Noel Gauthier encouraged attendance at this meeting as it would provide an opportunity to ask questions regarding the budget.

Having no other business to conduct, Chairman Fitzgerald asked for a motion to adjourn.

**MOTION:** by Charest to adjourn at 9:40 PM; seconded by Tuxbury.

*Unanimous.*

*Respectfully Submitted,*

*Christine Hayward, Administrative Assistant  
(substituting for Recording Secretary Penny Miller)*

**ATTACHMENTS:**

*Expenditure Report (03/09/15)*

*Revenue Report (03/09/15)*

*Board of Selectmen 5 year Capital Project List*

*Town Vehicle Inventory*

*Capital Expenditures (NH Budget 2015-16)*

*Capital Expenditure- Board of Education*

*Line Extension Analysis (Roadshow Update)*

*Correspondence from Superintendent Judith Palmer*