

**New Hartford Board of Finance
Regular Meeting
Tuesday, May 12, 2015 @ 7:00 pm**

Present Chairman Jim Fitzgerald, Members Dan Charest, Steve Tuxbury, Reggie Smith, Jr, Ben Witte, Maria Moore, Alternate Bill Coates, Tax Collector Linda Sheffield, Bookkeeper Annie Witte, Kathryn Boughton (local reporter), Troy Lamere, Bob Moore, and Recording Secretary Penny Miller.

Absent Alternate Steve Roth

Chairman Fitzgerald opened the meeting at 7:08 p.m.

Seating of Alternates None

First Selectman Jerram and Town Treasurer Gordon Ross have previous commitments and will not be attending.

Adoption/Revision of Agenda No changes

Approval of Minutes from March 24, April 1, April 7, April 13 and April 21

MOTION: by Charest, second Witte to approve the minutes of March 24, 2015.

MOTION: by Moore, second Witte to amend the minutes, page 8, paragraph 4 to include at the end of the Commissions and Other Agencies paragraph the following:

‘The chair of the COA was asked for input and she said the commission did not ask for funding and they would not in the future be asking for funding.’

Aye: Fitzgerald, Smith, Moore, Opposed: Tuxbury & Witte, Abstained: none

Motion carries

Unanimous approval on the amended minutes

MOTION: by Charest, second Tuxbury to approve the minutes of April 1, 2015.

MOTION: by Smith, second Tuxbury to amend on page 2, paragraph 4, and line 3 so the sentence reads: ‘Mr. Smith commented there are **not** a lot of big raises going around in private companies’.

To amend on page 2, paragraph 4, and line 3, so the sentence reads: ‘Mr. Charest is fine with the budget **for presentation at the public hearing**’.

Unanimous on the amendments

Unanimous approval on the amended minutes

MOTION: by Charest, second Smith to approve the minutes of April 7, 2015.

Unanimous

MOTION: by Charest, second Tuxbury to approve the minutes of April 13, 2015

Unanimous

MOTION: by Charest, second Tuxbury to approve the minutes of April 21, 2015

by Charest, second Smith to amend on page 1, paragraph 4, and line 2, so the sentence reads: 'Mr. Charest has **some of the same concerns/questions** that Ms. Moore raised through her email.

Aye: Charest, Smith, Tuxbury, Witte, Fitzgerald; Opposed: none; Abstained: Moore on the amendment

Aye: Charest, Smith, Tuxbury, Witte, Fitzgerald; Opposed: none; Abstained: Moore on the amended minutes

Suspense List, Tax Collector – Linda Sheffield

After distributing the Suspense List (filed with these minutes), Tax Collector Ms. Sheffield reported that \$5,297.34 is uncollectible. She explained that by putting items into suspense merely removes it from anticipated income to the town. It is still collectible for 15 years and each year we do collect on suspense items as they are turned over to a collection agency for handling. Mr. Charest asked about LM Manufacturing Inc. Ms. Sheffield explained that they are out of business. They would have lost a lot more because they went belly-up. We were able to collect about \$13,000 to \$15,000. The \$5297.34 in taxes does not include fees and taxes.

MOTION: by Witte, second Charest to approve the suspense list as presented.

Unanimous

Bookkeeper's Report

Bookkeeper Witte reported that she has taken in the last of the ECS money, \$1,500,000. She has applied to LOSIP and anticipates that it will come in shortly. The tax collection rate is 98.2%. Ms. Sheffield said there is a tax sale scheduled for June 10th with Attorney Hewitt presiding because of a lot of legal ins and outs. There are 5 properties left – one of them is paid off. Two of them are trying to work out a pay-off before the sale. We should be getting some money from that. She continued you had bumped up prior years in fees & fines and if these properties go – we will be way over this year on prior years in fees and fines. She is concerned about hitting the mark set for next year on prior years in

fees and fines. The money collected will go in this fiscal year and not next year. We already hit prior years in fees & fines and that is before the tax sale.

Mr. Tuxbury asked Ms. Witte on the Revenue Side you have 10% remaining to collect. Ms. Witte responded you can't count that as it has Wash Accounts, etc. in it. Ms. Sheffield said this is only April and you have two more months to go. She isn't worried about this fiscal year. Ms. Witte said the ECS money came in May and is not reflected in this report.

First Selectman's Report

First Selectman Jerram was unable to attend the meeting.

Treasurer's Report

Though absent, Mr. Ross did provide his report as of the end of the 1st quarter. Mr. Charest said these are the bank statements and not the comparative analysis to prior years. Mr. Fitzgerald will request from Mr. Ross a comparative analysis to be done quarterly.

Opportunity for Public to Speak

Ms. Moore asked if the First Selectman had submitted any type of report for the meeting. She is looking for clarification on the corner lot. It is supposedly off the market. Mr. Lamere was disappointed in the turnout for the budget. He wishes as a member of the public there was another way to make the information available. He has talked to other residents and they didn't know anything about a budget hearing. It wasn't advertised very well.

Collection and Mill Rate

Mr. Fitzgerald said based on the budget presented at the town meeting with the last two changes in it – for the Region 7 student mix-up between Barkhamsted and New Hartford which reduced Region 7 slightly and what the Board of Finance did at their special meeting reducing the Ambulance Association. The number he is showing is \$24,043,043.10 as the budget that was requested and approved at referendum. The revenue numbers haven't changed. If we go back to the worksheet and we don't touch the revenue, the mill rate that is required is 29.044. That is a 1.36 increase in the mill rate or a tax increase of 4.93% with a collection rate of .975.

MOTION: by Smith, second Tuxbury to set the mill rate for 2015/2016 fiscal year at 29.044.

Discussion followed on upping the collection rate to 98%. It has been bumped up slowly over time.

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

Motion carries

Mr. Lamere asked with this mill rate what the increase will be to the average homeowner. Mr. Fitzgerald responded about \$136 for every \$100,000 of valuation.

Mr. Charest said that maybe a letter should be sent to the local BOE and Region 7 to address next year's budget that in terms of declining enrollment we continue to get increases. We are looking for some cost savings based on enrollment. Ms. Moore said that our two reps at Region 7 hold 53% of the vote. It is

really hard when we have the deciding vote. Mr. Tuxbury said we have 49%. Mr. Witte said we are in terms of ADM but it is all based on the census.

On Mr. Charest's point, Mr. Fitzgerald asked what message do you want to send to the two Boards of Education. There is a bill on the books that may or may not pass. It has to do with the Minimum Budget Requirement (MBR). It deals with what we can do for the local Board of Education by reducing their budget at \$3,000 times however many students they have lost. And he thinks it is in the works for the regional school districts as well. Mr. Tuxbury said we should stay with the plan and send it relating to enrollment to Region 7. He thinks there will be an increase there next year and we may want to take a different direction with them than declining enrollment. Mr. Witte said we need to get what the projections are. They spoke about other towns but they didn't tell us what ours is. Ms. Moore said a recent study done for Region 7 and Rich Carmelich has this report. It is done on their enrollment. Mr. Fitzgerald will contact Dr. Palmer and Mr. Carmelich for a copy of this report.

Mr. Tuxbury asked Mr. Fitzgerald if he had been asked to do anything yet for the local BOE. Mr. Fitzgerald replied when going through the budget discussions there was about a \$65,000 increase, less than 1%, and they could have handled a 0% or negative based on the reductions. The real issue is the three schools. Bakerville is 2/3 empty. There may be special education costs we aren't aware of.

MOTION: by Tuxbury, second Smith to send a letter to the local Board of Education to take any and all action necessary to control their costs in light of declining enrollment for the 2016/17 Board of Education budget.

Discussion followed. Mr. Fitzgerald will send a letter to the BOE Chair, Josh Adams and Supt. of Schools, Brian Murphy.

Ms. Moore asked Mr. Fitzgerald to inquire from Mr. Murphy what happened to the consolidation committee that she, Kate Rieger & Steve Tuxbury were on. When will it reconvene? They never really wrapped it up. Mr. Tuxbury said they did wrap it up. They weren't in favor of it and there wasn't any real cost savings. Ms. Moore thought they were going to reconvene. Mr. Fitzgerald will mention it to him.

Unanimous

BOF – Appointment of Auditor for FY End, June 30, 2015

Mr. Fitzgerald said we have budgeted \$26,295 for the audit this year. A copy of the engagement letter has been received (filed with these minutes). The quote is \$25,130 which is a 2% increase over last year and if a Federal Single Audit is needed the fee is \$2,000. The audit for the WPCA is \$1,660. We budgeted \$26,295 and they are asking for \$28,790 – we are short \$2,495. Mr. Witte said we shouldn't be paying for the WPCA audit. It should be billed directly to them. Mr. Charest said we should say we approved \$26,295 and try to negotiate with them.

MOTION: by Smith, second Charest to authorize the chairman of the Board of Finance to spend up to \$28,790 and to negotiate a better rate with the town auditors.

Unanimous

Other Items to come before the board None

MOTION: by Smith, second Charest to adjourn at 8:16 p.m.

Unanimous

Respectfully submitted,

Penny Miller
Recording Secretary

Attachments:
Suspense List
Revenues
Expenditures
Town Budget – 5/5/2015
Appointment of Auditor
Engagement Letter from King & King

