

**New Hartford Board of Finance  
Regular Meeting  
April 12, 2022 – 7 pm**

**Present** Chairman Kerry Guilfoyle, Members: Dan Charest, Lou Helt, Paul LeClair, Charlie Neale, Ben Witte, Alternates: Ryan Bingham, Allen Voghel, Recording Secretary Penny Miller

**Absent** Krish Dasgupta

**Also present** First Selectman Dan Jerram, Kathryn Boughton (in at 7:07 – Reporter, Republican American) and a member of the public.

**Called to order**

Chairman Guilfoyle called the meeting to order at 6:59 pm.

**Seating of alternates**

No alternates were seated.

**Adoption and/or Revision of Agenda**

Chairman Guilfoyle would like to add May 10<sup>th</sup> and June 14<sup>th</sup> meeting dates to *Other Business*

**Approval of March 22, 2022**

As there were no changes, Chairman Guilfoyle adopted the minutes as presented.

**Communication and other items**

Nothing has been received.

**Opportunity for Public Comment**

None

**2022/23 Budget**

**Discuss and take action from Public Hearing, Regional 7 modifications and other budget items**

First Selectman Jerram said there was an adjustment to the Region 7 2022/2023 budget. The new number is \$10,340,977 a reduction of about \$8,000. This moves the needle a little bit. Nothing has been received from the Probate Court. Judge Magistrali is retiring. A quote has been received from the Northwest Transit District. We paid them about \$1,162 plus we assign them a grant for the same amount every year. We can't get any answers from them on what population they are serving. If we increase them, it won't move the needle that much. He suggested letting the Probate and NW Transit ride and adjust Region 7. We were looking at a mill rate of 36.17 and now it is 36.06.

Mr. Charest asked if there was anymore news on the motor vehicle cap. Mr. Jerram said in one scenario they lifted the mill rate from 29 to 32. The Governor has a separate proposal to change how we value the cars. Mr. Bingham said he feels the smart money is not to plan on it but to take it if it comes.

Mr. Jerram said the final budget number is \$26,580,991.90 which includes \$615,000 in Capital.

Mr. Neale said he had one item that he wanted to raise from the Public Hearing. He said the only objection he heard to the budget was the line-item that provides the Retirement Benefit for the First Selectman. He understood that the basis for that objection was that it would be more appropriate to show it as a salary increase rather than as a retirement benefit.

**MOTION** by Mr. Neale to delete the First Selectman's \$5,000 retirement benefit that's included in one of the lines of the budget, line 100.0121 of the Town Budget, and to add that amount to the salary line, 100.0100, so that the total First Selectman's salary would be increased to \$88,562.00 or a 10% increase. Second by Mr. Charest for discussion.

Mr. Charest said he doesn't have a concern that it is in the Retirement Fund. Is there a written policy in place for this? Mr. Jerram said that the Board of Selectmen had voted to make this a policy and this policy will reflect Article 7, Section 2, similar to the language of the police contract. The theory behind it is that it develops a concept that the salary is commiserate with experience. This is an existing system for the police. Mr. Charest asked if the police union get an increase in this line does the First Selectman receive one. Mr. Jerram said that they just adopted language similar to the police contract.

Ms. Helt said a 10% increase in salary is quite a jump. If it is in a retirement plan, he isn't able to access it yet. It acknowledges the years that someone gets re-elected. It's not a huge dollar amount. Would an increase of \$5,000 in the Selectman salary line encourage someone to run? Maybe. Mr. Witte said he doesn't think we are that far off on salary. What he likes about it is that it rewards excellence. If you make it through a 2-year term you get \$3,000. If you get reelected then you are doing something right. That's why he likes it in the pension and he supports it.

Mr. Neale said he was coming at it at a different angle. His understanding is and after getting a response from Christine Hayward at the Town Hall that being in the form of a \$5,000 in deferred compensation that the town contributes directly to a 457 Retirement Plan. A 457 Retirement Plan is akin to a 401k. It has a different statutory reference because it is a plan that is offered by state and local governments. Participants in a 457 Plan can set aside a certain percentage of their salary for their retirement and those funds are allowed to grow. Some 457 Plans are open to elected officials but there are many others that are not. Government employers are allowed to contribute to the plan on behalf of their employees. But, at least according to his internet research, that practice most governments don't do that. So, after looking at the issue his conclusion was that the method of compensating the First Selectman certainly is possible but it would be at least a bit unusual. If the money was added to salary and the Town's 457 Plan was open to elected officials then the First Selectman could set aside a portion of the salary in the same way that the retirement benefit was instead of having the town pay directly into the retirement plan. That approach would have the benefit of being more transparent as town residents would be able to see more readily what the compensation package was for the First Selectman. Mr. Neale said he doesn't feel strongly about this but wanted to get these thoughts out so that we understood all of the ramifications.

Mr. Bingham said it is not necessarily about attracting someone to run but to keep them running. To continue to do that is where you make positive meaningful changes for the town. You are rewarding staying power not electability. With that comes experience, making good decisions and understanding the ebbs and flows of the town and region.

Ms. Helt said after the Public Meeting she has given a lot thought to this. She feels this is the best way to go and agrees with Mr. Bingham and Mr. Witte. She feels it is good that there has been a discussion

about it. As far as transparency it is still in the budget. Mr. Neale feels it would better show under the salary line item.

Mr. Jerram said that all of the employees are part of the 457 Plan. You reward experience over time. This has been discussed over 4 or 5 Board of Selectmen meetings.

Mr. Neale asked who the \$50,000 in the Retirement/Benefit line went to. Mr. Jerram said it went to Highway Employees, OT for Highway Employees, all of the newer non-pension employees, post 2011. The town pays 5% of their salary into retirement instead of a pension. Mr. Witte said that earlier employees have a pension and not a 457 Plan.

Mr. Neale withdrew his motion and Mr. Charest withdrew his 2<sup>nd</sup>.

**Discuss and approve final 2022/23 budget to go to referendum**

**MOTION** by Mr. Witte to approve the budget for the 2022/2023 with Total Expenditures of \$26,580,991.90. Which is an increase in Expenditures of 2.2% as shown in the budget file dated 4/12/22 which includes the Total Capital Expenditure between the Town and the School of \$615,000. Second by Mr. Charest.

*Unanimous*

**Reports**

**Bookkeeper's Report**

Mr. Jerram said that budget is a big hurdle. The 7-344 form is done and will be posted for the referendum. With the nicer weather, the town garage personnel are grading roads. West Hill Road is being prepared for paving. A couple of the lines are over. Debt Service is over \$1.00 and will be taken care of. Two lines to notice that are over are the Highway OT because of storms and Trees because of all the cutting that has been done.

**First Selectman's Report**

Ms. Guilfoyle asked about the Carpenter Bridge wash account of \$19,000 and what is happening with that. Mr. Jerram said we continue to expend legal fees. Technically they are still under budget because of money held back. A mediation meeting is coming up in New Haven when an attempt will be made to resolve the issue. We are prepared to go to court and defend our claims. The contract does require remediation. We have \$60,000 in legal fees. Payment in the amount of \$95,000 has been withheld because they were late. It is well below the approved appropriation. It will be resolved this year. We have a preliminary court date in August. Mr. Jerram did say that bridge inspections are done whenever the water goes over the bridge at a cost of \$500 per visit.

**Other business**

Chairman Guilfoyle said because of a conflict she asked the board if the May 10<sup>th</sup> meeting could be changed to May 9<sup>th</sup>. Also, if the June 14<sup>th</sup> meeting could be changed to June 14<sup>th</sup>. The meeting dates will be changed.

Mr. Charest asked about the WPCA contract. Mr. Jerram said the contract is done, all the schedules, deeds have been submitted with one exception – Pine Meadow. A draft ordinance has been submitted

which Aquarion is looking to revise. From the town's perspective he is fine with it. They are working on the interrogatories for the PURA application.

**Adjournment**

**MOTION** by Ms. Helt to adjourn at 7:53 pm. Second by Mr. Charest.

*Unanimous*

*Respectfully submitted, Penny Miller, Recording Secretary*