

**New Hartford Board of Finance
Regular Meeting - 7 pm
April 9, 2024**

Present Members: Dan Charest, Lou Helt, Charlie Neale, Paul LeClair, Alternates: Ryan Bingham, Steve Seltzer, First Selectman Dan Jerram, Selectwoman Mary Beth Greenwood, Bookkeeper Kim Ahrens (on Zoom), and Recording Secretary Penny Miller

Absent Ben Witte

Call to Order

Ms. Helt, temporary chair, opened the meeting at 7:02 pm

Seating of Alternates Ryan Bingham was seated for Ben Witte and Steve Seltzer was seated for Kerry Guilfoyle.

Chairperson Guilfoyle arrived at 7:05

Adoption and/or Revision of Agenda

The bookkeeper's report was moved to before the Approval of Minutes.

Bookkeeper's Report

Ms. Ahrens spoke on the monthly reports that had been distributed to the BOF members. She mentioned that all like items except for ten (10) are within budget estimates. All departments are within municipal budget limits. The BOE passthrough grants have exceeded expectations (beyond the \$234,332 budget approval).

Approval of Minutes

Motion by Ms. Helt to approve the minutes of March 12, 2024. Second by Mr. Neale.
Unanimous

Motion by Mr. Charest to approve the minutes of March 16, 2024. Second by Mr. Neale.
Unanimous

Motion by Mr. Neale to approve the minutes of March 22, 2024. Second by Ms. Helt.
Unanimous

Motion by Ms. Helt to approve the minutes of March 26, 2024. Second by Mr. Charest.
Unanimous

Motion by Ms. Helt to amend the minutes of March 29, 2024. In the Communication to the Board, it should read: If you would compare last what was budgeted in the town at \$45,000 adding in the difference, it would be a 4.8% increase. Second by Mr. Charest.

Aye: Charest, Guilfoyle, Helt; Abstain: Bingham, LeClair, and Neale.

Motion passed.

Communication and Other Items Presented to the Board

A letter received from Joan McKitis in support of the Beekley Library. A copy is available for viewing in the Town Clerk's Office.

An email was received from Elizabeth Domas, Assessor, about the new revenue and what was affected by it. Due to the Board of Assessment Appeals the Grand List is decreased by is -\$838,340. Real Estate

was a reflected change of \$777,890. The Personal Property was a \$60,450 decrease which totaled up to a decrease of \$838,340 in the Grand List.

Tim Klepps, BOE Chairman, called Chairperson Guilfoyle to express the disappointment of himself and other board members that it was not made crystal clear at the Public Hearing the difference in the Excess Cost Grant and the true net cost of the Board of Ed. Chairperson Guilfoyle said she would like to publicly apologize for not mentioning it. In the Region 7 budget presentation Ms. Sexton Read explained in detail and showed how items were offset by the Excess Cost Grant in their budget. In the New Hartford Board of Education budget, it is not. Ms. Guilfoyle did reach out to the auditor, Chris King, and he is available via Zoom to answer any questions on the Excess Cost Grant. She said she was uncomfortable presenting a budget that she doesn't feel is transparent to the public. The New Hartford Board of Education is not being fully transparent as to the true cost of Special Ed. The auditor is strongly recommending that we reflect the net cost of the Board of Ed as a line item and not put the Excess Cost Grant in the Revenue.

Mr. Jerram said when you look at the summary page in the budget the true cost of education to the town is the BOE total line plus the Pass-Through Grants. Ms. Guilfoyle said that Excess Cost isn't applied to that. Mr. Jerram said if it was put in there it would be. The BOE will do so at their own peril. The taxpayers pay 100% of the cost of those children who are traumatically disabled. We pay about \$500,000 in our budget.

Opportunity for Public Comment

None

2024/2025 Budget -Discuss and take action on budget

Mr. Charest hasn't had a chance to look at everything to give an opinion. This year we could leave it as is and then look at it for next year. Ms. Helt said it isn't as transparent as it should be. She said we should give it to the school and hope that they calculated it correctly. She doesn't want the BOE to come back to the BOF looking for more money because they didn't calculate it correctly. Mr. Bingham said if someone moves into town and they have special needs, the BOE may not be able to cover it. Mr. Jerram replied if they spend the money the Board of Finance can't refuse to pay for the new student. The money follows the child. Ms. Helt said it's a level of frustration that we have been pushed by the BOE over the last 3 weeks to put the \$130,000 into their budget as an offset to get their percentage increase down. Their percentage increase is way too high. It is very frustrating where we have worked very well with the BOE. We need to get this moved over to the BOE. Mr. Bingham asked could you legally, after the budget gets passed, come back and make the shift over or will it have to go back to a town meeting. Ms. Guilfoyle said it would have to go to a town meeting.

Mr. Jerram said on the Summary Page if you take the total BOE line subtract out Region 7 you will have the local BOE operations budget. Add back the BOE pass-throughs and the spending will be 5.8%. The reason you are overextending is because all the other pass-through grants are coming in so high and unchecked. They are overspending on those. Supt. Sousa had said they have only spent 60% of the excess cost money so far this year. When they overextended it in previous years, they haven't come back to the BOF to get an authority to spend over that. That's where you might get a violation. For the last 3 years it has been a total of \$400,000. They should be coming in and giving you a report. Mr. King said your operations budget plus your BOE pass-through estimate is the spending threshold that this board sets for operations. Mr. Jerram continued by saying the ECG is part of a larger issue going on. In the Bookkeeper's report it said that the town has transferred \$7,657,951.75 to the BOE to date for payroll and AP. This is about 80% of their approved with 5 pay periods to go.

When the BOE receives funds - operations budget plus pass-through grants - they need to come and report to the BOF. If the BOE gets more revenue than what was anticipated, the BOE can tell the BOF that they want to spend it on X. If the request is up to \$20,000 the BOF can approve the expense. If it goes over, then it needs to go to a town meeting. This change will not affect the mill rate.

Motion by Ms. Helt that we make a change to the way we account for the Special Excess Cost by taking it from the town revenue sheet under education and move it to the New Hartford Board of Education budget to an offset to their line item; with the understanding we will ask for and expect monthly financial revenue and expenditure reports. Second by Mr. Bingham.

Discussion followed. Mr. Jerram said it would be helpful to have a page in the budget that shows how many staff the school employs and what they do. Along with a comparison of previous years.

Aye: Helt, Bingham, LeClair, Neale, Guilfoyle; Nay: Charest

Motion passed

Motion by Mr. Charest to bring to a town meeting and referendum the 2024/2025 proposed budget expenditures of \$29,182,329.01 with capital expenditures of \$598,515. Second by Mr. Bingham.

Discussion followed. Mr. Jerram said he would adjust the town budget, decrease the school budget by \$130,000 and increase the Pass-Through Grants and re-label it, Pass-Through Grants / ECG. He will also adjust for the \$838,340 in the Grand List.

Unanimous

Mr. Jerram in responding to Ms. Guilfoyle's question about grants, said that a town meeting is required for any grant. The grant must be formerly accepted. The total for the Federal school security grant is \$668,971 with a 75% reimbursement. The amount needed will be \$57,242.80.

First Selectmen's Report

Mr. Jerram said the selectmen have a recommendation for the transfer of the unintended consequences of when the Water & Sewer were sold. The taxes were abated for the town. The fire department hasn't taken in any revenue yet. But they did see their line charge go up. We wanted to cover them for one year. The selectman had made the motion to approve the transfer of \$25,000.

Motion by Ms. Helt to approve the recommendation of the Board of Selectmen to move up to \$25,000 of ARPA funds from the Beekley Library to the Village Fire District. Second by Mr. Bingham.

Discussion followed. Mr. Jerram said this will be a one-time deal.

Aye: Bingham, Guilfoyle, Helt, LeClair; Nay: Neale; Abstain: Charest

Motion passed

ARPA Updates

A check for \$60,000 was paid out for the engineering of the sewer and around \$500 for the ECS website.

Adjournment

Motion by Mr. Bingham to adjourn at 8:51 pm. Second by Ms. Helt.

Unanimous

*Respectfully submitted, Penny Miller, Recording Secretary
Letter from Joan McKitis*