

**New Hartford Board of Finance
Special Meeting – Ann Antolini School
Thursday, March 16, 2017 @ 7:00 pm**

Present: Chairman Jim Fitzgerald, Members: Ben Witte, Bart Baxter, Dan Charest, Reggie Smith Jr., Steve Tuxbury, Alternate Bob Nilsson, Maria Moore, First Selectman Dan Jerram, Selectmen Alesia Kennerson (in at 8:30), Laura Garay, Supt. of Schools Brian Murphy, Board of Education Chairman Jennifer Benaitis, Member of the Press Kathryn Boughton (Republican American), Members of the Public including: Jean Cronauer, Kerry Guilfoyle, Laura Polakow, John Burdick, Bob Moore, Tom Buzzi & Tim Goff (in at 8:30) and others, Recording Secretary Penny Miller

Chairman Fitzgerald opened the meeting at 7:01 pm.

Seating of Alternates:

Chairman Fitzgerald said as all regular members were present no alternates would be seated. He did invite them to be active participants in any discussion that occurred but noted that they would not be able to participate in any votes taken.

Adoption/revision of agenda:

Member Witte said in consideration of the members of the public there for the discussion on Item XII – Open Space / Butler Property that this item be moved up on the agenda.

MOTION: by Witte to move Item #12 – *Discuss and take any action regarding the Open Space / Butler Property agenda item, carried forward from the February 14, 2017 BOF Meeting after Item #3 Adoption/revision of agenda* ; seconded by Baxter

Unanimous

Discussion followed with Member Charest wondering if *Opportunity for Public Comment* should be moved up the agenda. Mr. Smith suggested that we open up Public Comment for 15-20 minutes. Mr. Witte suggested tabling this discussion to the March 28th Board of Finance meeting. This will allow those interested parties to gather their information for discussion.

MOTION: by Witte to table the agenda item *Discuss and take any action regarding the Open Space / Butler Property agenda item, carried forward from the February 14, 2017 BOF Meeting* until the Board of Finance meeting on March 28, 2017; seconded by Baxter

Discussion followed with Mr. Charest commenting that at the last meeting of the Board of Selectmen meeting they had made a recommendation and asked if that could be shared. First Selectman Jerram said they were making it clear what the options were. We addressed what the numbers were at the last meeting of the Board of Selectmen. The Board of Selectmen referred a request to acquire with a price not to exceed \$241,000, with the payments to be spread over the two years. We wanted to clarify that if you were going to discuss and consider this we passed a motion *to instruct the First Selectman to address the Board of Finance and recommend that the use of the Land Preservation Fund to preserve the Butler Farm is the best option for the people of the Town of New Hartford at this point in time to allow for the acquisition of the property at no expense to the taxpayer; funds for the acquisition could be loaned from the General Fund and would be paid back over time from the future receipts in the Land Preservation Fund.* (Copy of motion filed with minutes.) We thought it would be a good way to get it into the books. How the money is appropriated is your purview. The Open Space Preservation Commission met tonight and passed a similar motion to give you that kind of feedback and direction.

Alternate Member Moore said she was unclear if this was going to be proposed as part of the capital in the budget and it's clarified now that it isn't and she feels more comfortable with the project. Mr. Charest commented with what is being proposed we would need to have a handle on our fund balance. Mr. Fitzgerald shared the fund balance number as defined by the auditor Chris King as of July 1, 2017 is \$26,025,156.

Unanimous

Approval of Minutes:

February 15, 2017 Regular Meeting

MOTION: by Charest to approve the minutes of the February 14, 2017 Regular meeting; seconded by Smith.

Unanimous

March 8, 2017 Special Meeting

MOTION: by Smith to approve the minutes of the March 8, 2017 Special meeting; seconded by Witte.

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

Board of Education – Superintendent Brian Murphy & Chair Jennifer Benaitis, Five Year Capital Plan (approved by the BOE)

Detailed Report on all BOE Capital projects, open, closed, balances

Superintendent Murphy reported that all the current capital projects have been completed this year with a \$39,000 surplus for this year's capital plans. Some of this surplus was realized because one of the projects was completed by the Antolini Building Project. Mr. Tuxbury asked if they approved the BOE using capital for special education. Mr. Murphy said it was discussed and he doesn't know if the BOF made a decision or not but that is part of the \$39,000. There is an anticipated cost of \$95,000 for Special Education which he will try to reduce. Mr. Smith suggested leaving this amount for the Special Education anticipated costs. A copy of the 5-Year Capital Plan, supported by CAPEX, is filed with these minutes. Mr. Murphy said on the list is a request for a controlled heating system for \$15,000 for Bakerville. With new additions to the current building project the request for the heating system at Antolini (\$32,000) will be covered under that. This results in a reduction of \$32,000 in the Capital Plan with a new total of \$77,000 for next year. Mr. Fitzgerald asked if the \$25,000/year in Technology for the next five years was a place holder. Does this mean for 5 years you will be doing wireless infrastructure? Mr. Murphy said that is just for next year. Ms. Moore asked what the \$25,000 was based on. Is there a quote? Mr. Murphy said our Technology Coordinator did get a quote. Ms. Moore said at a recent BOE meeting it was discussed that the floor in the gymnasium / cafeteria would need to be replaced. Mr. Murphy said it was discussed and it will be looked at in next year's capital plan.

Reports:

Bookkeeper's Report:

The Revenue & Expenditure Reports are filed with these minutes. Mr. Tuxbury asked if the highway wages (on page 3 – Expenditures) includes overtime. Ms. Witte responded that overtime has its own line item. The retirement has been put into that line item at the end of the year it will come out. Mr. Jerram explained that is the defined contribution plan. In the new budget underneath Pension is a Retirement Plan line item. Mr. Tuxbury asked about the Bond Cost line item on Page 5. Mr. Jerram explained this is the refinance indebtedness. We paid off a bond and in the budget going forward we made one slight interest payment on the new but the Town Hall Riverview's debt service is gone. You will see our debt service in Year 1 go down about \$33,000. Mr. Tuxbury continued between that and the Antolini renovation is that how we have to show it? It looks like we are overspending by 3.29%. Ms.

Witte said you are being shown expenses for transparency. You haven't overspent; this is just a snapshot of expenses. Mr. Tuxbury said he would like to see our expenses but not in a way that appears we have overspent. Mr. Witte said the bonded costs that are driving the over-expended are reimbursable. How does that reimbursement take place? Mr. Jerram said we paid off the bond but with a simultaneous transaction we took in \$4 million when we refinanced. The old provider was paid off and with the new provider we have a new indebtedness and the payments are \$375,000+/year and that is going to go forward. You refinanced \$4 million on 11/17 and paid off some existing debt, refunded the general fund and have some money to finish what is here now. Mr. Fitzgerald will call the auditor, Chris King, about the bond cost on the revenue and expense side and how it should be handled.

Mr. Fitzgerald, referring to Ms. Witte's monthly report Item #5 (copy filed with minutes), asked if the numbers for the Town Aid Rd, \$134,856.62 and Special Ed Excess Cost of \$13,127.00, received in February, will the revenue number for the Town Aid Roads be updated with the numbers from the state. We will need a year-end projection with the cuts and adjustments. Ms. Witte indicated this will be done.

First Selectman's Report

First Selectman Jerram reported we are in our winter routine. Looking at the expenditures for sand, salt and overtime, it shows at the end of February about \$55,000 that will come back to \$30,000 after March. All the capital plans along with the Butler Farm were endorsed. We are still in contract negotiations with DPW & Police. He has been to the state capital several times to lobby and has heard from several people that the governor's plan isn't viable. They have been working on ordinance reform for the town meeting. The selectmen have moved forward with an elderly tax abatement program for next year's grand list. There was a study committee and they issued a report to recommend this being done. The two big projects expanded at Antolini for the heating repair which will put glycol into the pipes. The ceiling tiles will be replaced and a/c into the media center / computer lab for a total cost of \$295,000.00. We will still be under budget with what was appropriated for this project. What we forecast in expenditures and bond cost, we will see a bond payment of 10-15% less than what was originally forecast. Mr. Charest asked when it would be permanently bonded; Mr. Jerram said it will convert on November 17th. Mr. Smith asked when the Carpenter Road Bridge will be done. Mr. Jerram said the bridge is ready to go and he hopes it would be done before that. They are just waiting for warmer temperatures to complete the project. We are still under budget on that project. Mr. Tuxbury asked if we borrowed more than we needed. Mr. Jerram said it would all get reconciled on November 17th and the bond payment will be about 15% lower than forecast. He continued that everyone will be paid off and converted to permanent financing on November 16th. Mr. Tuxbury said we won't roll over to the same number we borrowed in November. Mr. Jerram said we didn't borrow at the max. Mr. Tuxbury asked if we will only borrow \$3,400,000. Mr. Jerram said he will meet with counsel for the correct number. We are well under the \$4,000,000. Mr. Jerram said we can't borrow against state reimbursements. The \$562,000 is the front end on the reimbursements. You have the \$300,000 on the bridge. Ms. Moore asked if there will be more reimbursements on the school renovations. Mr. Jerram said that there are no guarantees. Supt. Murphy has another on-line application he is working on for work we have already done. Ms. Moore asked are we in line to get back for renovations. Mr. Jerram replied he would have to look at the original documentation to give you that exact number. There is no firm fixed number on state reimbursements. There may be a little more coming in. Ms. Moore asked if the additional projects were reimbursable. Mr. Jerram said he would submit for them but there are no guarantees.

Mr. Charest asked what the bond rate is tied to. Mr. Jerram said he would send him the information as he didn't have it readily available.

Update on requested information on implementing electronic purchase orders and time & attendance

Mr. Jerram said a meeting is scheduled for March 24th with the vendor, Tyler Tech. He would like to query the board on the time and attendance so he can appropriately recognize your request to Tyler. You are looking to implement an integrated system - electronically - time card machine to software linked through the internet that may or may not include the accrued time. Mr. Tuxbury is looking for a system where we are not filling out cards and entering that information manually. Mr. Jerram said you are looking for a new time card machine that remotely accessing our software so when someone punches in their time (such as Brodie Park or the town garage) we get that information in our software by the internet or phone lines. Mr. Tuxbury said if that is the only option then yes. He needs to get more details. Mr. Jerram said Tyler will tell them what is needed to implement this system and with what we have now what is available. Mr. Smith said the auditors recommended we go from paper to an electronic system. Mr. Tuxbury said we are looking for a proposal. Mr. Fitzgerald said there may be other companies that do this. Mr. Witte recommended we limit our initial investigation to the software that we have. If that doesn't look practical – then maybe we look into other options. Mr. Fitzgerald said Tyler is our financial infrastructure and you might limit yourself with just Tyler. Mr. Jerram said we should have some information at the meeting a week from tomorrow. See what it takes whether it be training, a module or etc.

Five Year Capital Plan, Detailed report on all Town Capital Projets, open closed, balances

Copies of the Capital Project Lists are filed with minutes.

Mr. Jerram said four items were changed – Police Car, Recreation Department, Rails to Trails and Mini-Excavator to the plan to make it more affordable. In keeping up with our plan to replace the oldest police car the \$45,000 we opted to remove this as we may be coming to you later in the year for a line item transfer. We capped the budget for the Revaluation at \$200,000 and it needs to be completed by May 2018. Town Hall Equipment – we are replacing three heat pumps in the town hall – there are a total of 35 in the building. Recreation Department – this is for care of the buildings at the park. As there is some money in the account we have reduced that to \$20,000. Route 44 Water Line - this is a new initiative to expand fire protection on the Route 44 corridor toward Marandino's. Downtown Improvements is a continuation of our sidewalks and lighting. The Big Truck – this is our 3rd and final payment. Rails to Trails this is to further initial development of the trail. Mini-Excavator – we have a small machine and if we need another one, we can rent one. This was removed in the updated plan. Oil Separator Tanks – in the Town Garage - we have been renting 260 gallons lugs and now we have a filter system. We are looking to cure the DEEP violation. Bruning Road Drainage – coming in from Route 219 @ Grey Road there are twin 36" pipes at the bridge. The pipes are old and the retaining wall is leaning. Land Use Vehicle – this is a 2004 Blazer. We would like to replace it possibly with a used vehicle. Senior Van – this is our portion for a 12 passenger, ADA compliant van. The rest was paid with a federal transportation grant. With the adjustments the actual total proposed and approved by the Board of Selectmen is \$382,000. Mr. Jerram went through each line item starting what happens if we don't do these items as requested. We will continue to modify this list.

Mr. Fitzgerald asked about the Route 44 water line and it being for fire protection. Is this one line just for fire hydrants? Mr. Jerram said yes as we are trying to promote growth on the Route 44 corridor.

Ms. Moore asked where this line is going. Mr. Jerram said the first hydrant in front of Waste Water Treatment plant at the intersection and we are trying to go east as far as we can. They would like to get as close to Marandino's as they can. Some of the firefighters feel it should cross the highway to the Marandino side because of the new construction there.

Mr. Tuxbury asked if there was an update on the potential sale of the utilities. Mr. Jerram said they would like to move forward but it will have to wait until after budget season.

Mr. Fitzgerald asked about the senior van. There will be \$7,500 in the senior supply line for a van driver. This will be for a partial year as we probably won't get the van until later this year.

Mr. Tuxbury asked if there is more work we should be doing on the town garage building. Mr. Jerram talked to the electrician and he said we could change all the lights to LED and reduce the electric bill. Mr. Jerram presented the updated Capital Project List 2016-2017 (filed with these minutes – labeled E)

Line Item Transfers, if any, for consideration and approval by the BOF for FY 2016-2017 YTD

Mr. Jerram said we have very few over at this time. One of the line items – Pension – is \$2,470 over. We paid the BOE share for pension and they will be billed for \$1,800.

Registrar's line – the staffing for the presidential election was a little higher than estimated.

Highway supplies – we are over for the year about \$3,500 but the department is still \$436,000 to the good.

There are two small lines – the WWTP and the Torrington Company water hydrant fee is \$144. These can be taken care of relatively easy. The police car will be the big one.

Discuss and review any budget related information, and take any action regarding preparation of upcoming 3-18-2017 budget workshop

Mr. Fitzgerald said the Saturday meeting starts at 8:30 with Region 7 presenting first followed by the local Board of Education and then the General town budget.

Region 7 will be bringing their budget. A copy will be sent to the board ahead of the meeting. The local Board of Finance attended the Region 7 budget meeting. New Hartford was the only town that showed up in strength.

Mr. Fitzgerald asked the board to review the budget from the town. If the state doesn't make any changes - it will be pretty ugly.

Discuss and take any action on the General Fund Balance

Mr. Jerram said the ratio to General Fund Expenditures, last year you appropriated \$24.1 million and your general fund expenditures were \$23.6 million. Right now you are at 11.95%. We need guidance from the auditor for the \$500,000. And then we are proposing to take \$200,000. Next year the General Fund Expenditures will go up. It is a moving target. Mr. Baxter commented that the fund balance is there for unexpected expenses. Could we consider this type of situation? We don't have any plans for any big bond expenses. What would the effect be? Mr. Witte said anytime he has looked into this – it isn't a specific number, it is more into trends. Mr. Jerram said he has been around 7 years and the fund balance has remained about the same. Ms. Moore asked if Mr. Jerram could generate a secondary sheet that shows the proposed cuts from the state government. Mr. Witte said based on the governor's recommendation what it looks like. Then we need another set of numbers of what is not in there that might be a compromise. I wouldn't like us to leave the Saturday meeting without knowing if the governor's proposal didn't go through. There is a million dollars that isn't in there from revenue that's proposed to the governor's budget for Special Education. Our budget is 0 (zero) - that comes from Supt. Murphy. Mr. Jerram said if you talk to the Superintendents that number is not being fully funded even in the estimates they have done. In his talks with Superintendent Palmer they are forecasting that money will be funded about 70% and the BOEs will be coming to you to fund the special education excess cost. Mr. Witte would task the Superintendent to understand the difference between the 0 (zero) that is in there and the million dollars that is projected. For example, the starting point seems to be the current year which is asterisked and it says it is a 5-year average. Are they taking a multiple of that five year average or does that million dollars is that based on this current year's expenses or based on an average of some years. I hear our budget expenses coming up will be down substantially. What really happens to it? I would suggest that we think about postponing the budget hearing scheduled in April. There will be several questions and we need to be ready to answer them.

Mr. Jerram wrote to Region 7 about speaking with their council to see if there was a provision to slow down the process. When you talk to Senator Witkos the Appropriations Committee deadline and

Finance/Revenue Bonding for the state is coming out the end of April. Senator Witkos said that is when you will find out if a compromise plan will be coming out.

Opportunity for Public Comment

Jean Cronauer, Open Space Preservation Committee, thanked the board for postponing the discussion on the open space. (Her letter is filed with the minutes). She said that Open Space Committee passed a similar motion regarding the Butler property and that they will finance it with a loan from the General Fund.

Communications to the Board of Finance

Copies of the letters are filed with these minutes.

1. Keith & Brenda Schaufler, 440 Town Hill Rd, thanked the board for all their time, energy and thought. They are both very much in favor of the Town purchasing the Butler parcel of property and encourage the board to make this a priority in the fiscal year budget.
2. Cindy and Bill Bohan, 70 Hayward Rd, thanked the board for the opportunity to provide input on the proposed project to preserve the Butler property. It is rare to have an opportunity where the owners of a property worthy of preservation have agreed to do so and the State has significant funding available for such a project...at the same time. We encourage you to explore the options available for preservation of this valuable piece of property while this rare opportunity exists. The townspeople have supported and approved similar projects in the past because we care about maintaining the character of New Hartford in line with the town's plan of conservation and development. Even if you are personally unsure about your position on the project, we respectfully request that you forward the project for the residents' consideration and let the townspeople decide.
3. Letter from Dan Jerram to Region 7.
4. Teacher's contract

Adjournment

MOTION by Charest to adjourn at 9:07 pm, seconded by Smith.

Unanimous

Respectfully submitted,

Penny Miller
Recording Secretary

Attachments:

BOS motion re: Open Space / Butler Property
BOE Capital Plan
Revenues & Expenditures Reports
Annie Witte, Bookkeeper's Letter re: monthly report
Projected Revenues
Capital Project List
Jean Cronauer's Letter – Open Space Preservation Committee
Keith & Brenda Schaufler, 440 Town Hill Rd, New Hartford letter
Cindy and Bill Bohan, 70 Hayward Rd, New Hartford
First Selectman Jerram's letter to Region 7
Letter re: Teacher's contract