

February 11, 2004
Board of Finance Meeting
Marlborough Town Hall
Marlborough, CT

Chairman Mike Gut called the meeting to order at 7:30 p.m. He asked that Donna Mosher be seated for Brian Breeden who was absent. Beside Mike Gut, members present were Cathi Gaudinski, Bill Secord, Joseph LaBella and alternate Carl Cavaliere. Guests present were Nancy Bader, Jill Oguschewitz as well as Alfred Covino, Vice Chairman RHAM BOE.

A **MOTION** was made to amend the minutes of the meeting of January 14, 2004 as follows: add to page 2, last paragraph after the second to the last sentence, the words "The increases are mainly a result of the additional part-time person to be shared amongst the Assessor and Building Department and also the increase in Selectman Secretary's hours and wage increase." On page 3, paragraph 2, "record keeping" should be changed to read "records management". In the same sentence, "Net/Administration" should be changed to Network/Administrator." On page 3, paragraph 3, the words "the security coverage necessary for the Town and the reporting requirements" should be changed to "the security coverage necessary for the Town and the State Troopers reporting requirements". In the same paragraph delete the words "another committee will be convening soon" to read "It is hoped that definite priorities for safety can be phased...". On page 3, last paragraph delete the words "Ms. Oguschewitz said because union negotiations are expected to start at the end of 2004" and add "union negotiations will not be done until the end of fiscal year 04/05 and therefore will not affect the legal fees in this current budget year." Also following at the bottom of page 3 and continuing on to page 4, delete "The Business Park acquisition is another area wherein legal fees will be needed" and add "These legal fees will come out of the business park budget." This **MOTION** to accept the minutes as amended was made by Bill Secord and seconded by Joseph LaBella. Cathi Gaudinski abstained. The vote was 5 to 1. **MOTION** passed.

A **MOTION** was made to add to the second to the last paragraph, page 2, the following sentence at the end of the paragraph "This is a savings as a result of budget reductions after twelve referendums." On page 3, third paragraph, change the word "resident troopers" to "resident officers". On page 5, third paragraph, last sentence, change the words "coming from" to "came from and were encumbered in FY03". This **MOTION** to accept the minutes as amended was made by Bill Secord and seconded by Joseph LaBella. All voted in favor.

CORRESPONDENCE

- A notice from Jill Oguschewitz regarding the amount of \$13,400, an increase of \$750 per Scully & Wolf Bill.
- Worksheets for budget submission for BOF.
- Interoffice memo for Request for Transfer of Funds.

- Interoffice memo from Barbara Murray and backup copy of sections of Connecticut General Statutes in regard to reimbursements of Motor Vehicles.
- Letter from Attorney William Fish regarding Debt Management Fund.
- Update regarding sewer project and key dates.
- Correspondence from AHM and proposed budgets for 2004/2005.
- Letter from Bruce Hoben regarding proposed golf community and tax estimates on savings.

Mr. Gut brought to the attention of the members the BOF a proposed budget for FY05. The estimate as received by Jill Oguschewitz for the coming year from Scully & Wolfe is \$13,400. Mr. Gut proposed at this time \$50 for office expense, \$200 for printing and \$100 for dues. A **MOTION** was made to submit the budget for the budget year 2004/2005 in the amount of \$13,750 by Joseph LaBella and seconded by Carl Cavaliere. All voted in favor.

Mr. Gut discussed the January town monthly financial reports that have been received from Ms. Oguschewitz. Mr. Cavaliere asked if there are any changes. Ms. O. answered that it still remains a question as to what the snow removal budget will be. Aside from that, nothing has changed since the January meeting figures were presented.

LIAISON REPORTS

BOE – Joseph LaBella reported that this Board is moving forward on the budget process. The number from the budget subcommittee was an increase in spending of 5.76 percent and is within the target they received from the BOF. Mr. LaBella reported that the BOE would like to increase a school psychiatrist from a 4/5ths position to full-time. Discussion followed about the possibility of increasing the number of teachers by one. The BOE has discussed the new guidelines of having 19 students per classroom and adding a Foreign Language teacher. Nothing is finalized in this budget yet.

PBC – Ms. Gaudinski reported that she attended a meeting on January 21 and received a tour of the central portion of the building. Everthing is on time but tight in the budget and there is not expected to be any money left over. The building is expected to be open by early August, 2004.

RHAM - This budget passed on the 12th try on February 10th and Mr. Gut reported that the Tri Town Board will continue to meet as agreed in order to attempt to bring back public confidence. Discussion followed about the process involved now as the Board may only review but not cut expenditures. Discussion followed about what benefit there might be to have a Tri Town Board therefore. Ms. Bader thought that the BOS would need to vote to have Finance Board members continue as functioning members of the Tri Town Board. Mr. Gut felt that this Board does not have any decision-making authority, but that the Board is a good form for sharing information. It was generally agreed that the Tri Town Board has no authority now that the budget is passed.

CAPITAL IMPROVEMENT PLAN – Ms. Bader distributed a package of documents with explanations. Many projects that had been submitted for approval in the past have

not been done said Ms. Bader. She hopes to form a community planning group which would have the following responsibilities: 1) discover the needs of the Town as a whole; 2) develop a vision for the Town for the next ten or twenty years; 3) help to monitor implementation of the plan of conservation and development; 4) perform capital improvement on an on-going basis; 5) do a community survey and develop a process whereby the project meets the values of the community. It is possible that an ordinance will be drafted to meet these requirements. "Replacement" she said was competing on the same basis with new projects. Many of the areas mentioned involve Tom Giola. Therefore Mr. Giola, Ms. Oguschewitz, and Ms. Bader recently went through all project requests from each department and developed a list of priorities based on this information. Evaluation criteria and results are found within the package of documents distributed. Document 2 lists all projects and backup is included. For FY04/05, and this is the focus now, the total amount is \$745,473.50. Projects, however, are planned through FY09. Projects deemed unacceptable (deferred for too long) are intended to be closed out and are listed in Document 4. This amount is approximately \$91,000. (This list appears on the right-hand side of Document 1). Document 3, last two pages lists the projects recommended to be eliminated. Ms. Bader encouraged questions from the Board regarding individual items listed. This project will follow submission of the operating budget of the Town.

Approval to bond 1.6M dollars for road repair is unacceptable to the BOS. Reorganization is taking place at Public Works and once staffing and union and budget issues are resolved, more definite plans can go forward. Mr. Giola's priorities have changed because of his focus on the school project. Ms. Gaudinski asked if the authorized bonding for roads would then be released. Ms. Bader answered that the ideal might be to bond that with the final bonding on the school but cash flow projections are needed in order to understand how it can be accomplished and commitments for subcontracting can then be made. Further discussions and workshops will help with decision making in this regard. Ms. Bader emphasized that, and disagreement with the projects named for elimination was invited. This document is based on information requested from staff.

Ms. Bader hopes to accomplish with the BOF and the new community planning group a model of how to do capital improvement planning and some guidelines. She seeks answers to a philosophy towards maintenance for the Town before new projects are to be funded.

On page 1 of Document 1, in red, is a list agreed upon by the BOS, of additional items to be considered for capital improvement. This is a total of \$21,750. Discussion followed about computer upgrades and new software for individual departments at Town Hall. Ms. Bader said she is not comfortable that there is not a technology plan at Town Hall at present. A preliminary technology assessment is needed and professional help may be needed.

In summation, workshops are to be considered in the area of technology and public works said Ms. Bader. A records management strategic plan is also necessary and it is hoped

that grant money will be forthcoming to help with that. Good records management should have an impact for much needed space at Town Hall.

At the regular meeting of the BOF next month, bonding will be a topic for discussion.

AHM – Mr. Gut will be attending a meeting on February 24th of an Oversight Committee and a two percent increase has been requested from the three Towns for this organization. Discussion followed about the lack of success with some programs at this Center especially the alcohol and drug program. Ms. Bader has been encouraging the Parks and Rec Director to become involved in AHM. Transportation to and from the Center is a problem and funding for a late bus was suggested.

REQUEST FOR TRANSFER OF FUNDS

Discussion followed regarding town procedures regarding sick days and vacation time carried over and pay received thereof upon termination of employment. Cathi Gaudinski questioned the process for the Town and Ms. Bader explained fully job growth in recent years as well as accountability in many key jobs.

A **MOTION** was made to transfer \$3,500 from account #1192-3505, Contingency, to account #1154-3101, Constables; to transfer \$1,500 from account #1192-3505, Contingency, to account #1154-3102, Resident Trooper, Overtime; and to transfer \$450 from account #1192-3505, Contingency, to account #1154-4505, Equipment Maintenance Public Safety by Cathi Gaudinski and seconded by Carl Cavaliere. All voted in favor.

A **MOTION** was made to transfer \$2,553.09 from account #1109-3230, Health Insurance, to account #1109-3250, Accrued Severance, by Bill Secord and seconded by Joseph LaBella. Cathi Gaudinski opposed. **MOTION** passed.

A **MOTION** was made to transfer \$5,600 from account #1109-3230, Health Insurance, to account #1109-3060, Clerical Personnel Payroll, by Bill Secord and seconded by Joseph LaBella. Cathi Gaudinski opposed. **MOTION** passed.

A **MOTION** was made to transfer \$10,000 from account #1192-3505, Contingency, to account #1122-6530, Tax Rebate, by Joseph LaBella and seconded by Carl Cavaliere. All voted in favor.

A **MOTION** was made to transfer \$1,000 from account #1141-4505, Park and Rec Facility Operations, to account #1141-3080, Payroll, by Joseph LaBella and seconded by Cathi Gaudinski. All voted in favor.

A **MOTION** was made to table Item J, Clarify and Establish Policy for Transfer of Funds and Authorization Levels, on the Agenda for the regular Board of Finance February meeting to the regular Board of Finance meeting in March, 2004 by Cathi Gaudinski and seconded by Joseph LaBella. All voted in favor.

ESTABLISH A MEETING DATE FOR PUBLIC WORKS AND PLANNING TO MEET WITH BOF.

Mr. Gut said the date for this meeting will be February 26, 2004 at Town Hall at 7:00 p.m. with Tom Giola and Peter Hughes. Capital improvement questions, organizations and budget issues, update on school project, sewers and the golf course will be subjects for discussions and an Agenda will be posted and mailed to members in this regard.

DEBT MANAGEMENT FUND

A letter regarding debt management from Attorney William Fish of Tyler, Cooper and Alcorn was requested by Ms. Bader and research and documentation determined that “the local powers that the Town has, according to the Charter allows us to do this in the absence of anything in the Statute so that ‘the Town shall also have all other powers incident to the management of the property, government and affairs of the Town’ because we have the ability to do that under home rule, we can set up a fund. The second issue is whether the Fund was properly created. Mr. Fish has advised that it would be in the best practice, if we do this in the future, we establish a fund to vote on it separately from funding it, but given that the vote occurred at a Town Meeting where it was funded at the same time that it was set up, it was construed that the appropriation was alright to set up the fund”. Ms. Gaudinski added that there is no policy as to what the money would be used for – that part is vague, however, the decision of what the money is to be used for is up to the BOF. Ms. Bader recommended policies be established how to determine how much be put into the fund, how much be taken out and if it is to be considered part of the CNR Fund or to be set up separately from that fund. Mr. Gut offered to set up a straw person policy. Discussion followed about taking money from taxpayers and setting it in an account for long periods of time, however two to four years is the time this Board specified for this amount of money. Ms. Oguschewitz explained in some detail about various accounts deposited in banks with the highest interest-bearing amounts, in particular, the Debt Management money is now invested in a STIF account. Ms. Bader added that investment strategy has been reviewed, such as is the Town being creative enough in managing money, and Ms. O. added that any incoming money is invested immediately in the highest yielding account. Mr. Gut said that he would pursue with Robert Lee in Hebron details of policy in use of their debt management account.

Ms. Gaudinski commented on the Thompson Study which does not take into account years of experience. She questioned this study which had not been approved by the BOF. Ms. Bader said another study may need to be done by someone else. However, Mr. Thompson has not billed the Town for his study.

A **MOTION** was made to adjourn at 10:00 p.m. by Bill Secord and seconded by Joseph LaBella.

Respectfully submitted,

Ann Preissner
Board Clerk

