

**JOINT SPECIAL MEETING
ANDOVER, HEBRON AND MARLBOROUGH
BOARDS OF FINANCE SUBCOMMITTEE
DOUGLAS LIBRARY
HEBRON, CONNECTICUT
FEBRUARY 12, 2004**

Chairman Brendan Shea called the meeting to order at 7:06 p.m. Present were the following: Matt Daly, Mark Stuart and Brendan Shea, Hebron Board of Finance; Mike Gut, Marlborough Board of Finance; Bill Mazzara, Business Manager, Region 8; Robert Lee, Hebron Town Manager; Ylo Anson, Andover Board of Finance; Jeff Watt, RHAM Board of Education; and Charlene Barnett, First Selectperson from the Town of Andover.

After the Pledge of Allegiance, a **MOTION** to approve the minutes of the January 13, 2004 meeting was made by Mike Gut and seconded by Matt Daly.

Item #4, of the Agenda - Review budgetary information submitted, and review of technology line items. Make a recommendation for the balance of the February payment and preliminary review March Request. First focus was on the cash flow. The next budget format should be like the present one suggested Mr. Gut.

Discussion followed about miscellaneous revenue, out-of-district revenues, exact revenue figures, with transportation being the only drastic change in the future.

Mr. Lee said that now that the budget has been passed, it may be difficult to determine what the levies will be. Revenues may need to be adjusted. Discussion followed about current budget adjusting, revenue line items, establishing numbers to get a final net budget. There was a question as to what to use for revenues now that the budget has been passed. Mr. Stuart asked for current and correct numbers again. Mr. Watt asked how does the revenue work with the expenditure piece. How to adjust, he asked. Mr. Lee said the only number he is concerned about now is the transportation one as the other revenues have been small. Accuracy and timeliness are concerns said Mr. Stuart. Mr. Watt feels that at this meeting the numbers are as close as they have ever been. Assumptions on revenues for the rest of the year will be forthcoming and it will hopefully fit into the net budget. Mr. Shea summarized by saying there are two variables that can be adjusted to accommodate the fluctuations in the revenue – either reduce expenditures or increase the levy.

At this time Mr. Daly reintroduced a motion he made at the January meeting to reduce the technology budget by \$8,300 a month through the end of the budget year. Discussion followed and Mr. Daly said that the information he received regarding line items in the technology budget has not helped yet and he believes that the budget has room for reductions. Mr. Watt said that a review and update of technology will be given to the BOE soon and the different pieces with a consideration to reductions will take place.

Mr. Gut disagreed at this time with the attempt to make a motion to reduce the technology area by \$8,300 a month saying that this Tri Town Board has no authority now that the budget has been passed and that the discussion is moot. Mr. Shea said that the RHAM BOE has said any recommendations made by the Tri Town Board will be accepted therefore the final budget amount itself is not being reduced. The BOE will follow any recommendations provided he said. He added that the BOE can choose to spend less however. Mr. Gut said that the Marlborough Board of Finance will need to be reauthorized by the Board of Selectmen of Marlborough and therefore recommendations cannot be made from a Marlborough perspective. Mr. Stuart said he felt the Tri Town Board should be careful about making motions regarding expenditures or reductions. The RHAM BOE should look at this gray area in depth before making blanket recommendations.

Mr. Watt expressed a desire to have the process of the Tri Town Board continue until June because of the value surrounding the questioning and the input received from the Tri Town Board. Mr. Anson added that motions can be rephrased making strong recommendations that a particular item be reviewed and an attempt made to reduce. Mr. Shea agreed with Mr. Anson however Mr. Gut said a policy decision is being made, an attempt to reduce a line item is being made, and it is against the Statute. Mr. Anson said that the Board is not picking a certain item, just speaking in a broad category.

However, it was agreed that the new RHAM BOE is listening.

Mr. Stuart said he still has not enough information to have an opinion as to whether too much or too little money is being spent. Mr. Watt said recommendations will be considered at a regular meeting of the BOE on February 23rd. The IT Committee will give a presentation at this meeting regarding details of the technology line items. Mr. Stuart recommended that members of the Tri Town Board try to attend this meeting.

Mr. Daly asked why this Board is continuing to table motions and Mr. Watt answered by saying that Mr. Daly's point was taken by the RHAM BOE, however not in the specific area that Mr. Daly originally talked about. The point was that the passed budget is less than the original budget – therefore the Board has responded.

A complete document is still being sought however regarding a complete image of the technology budget.

A public comment at this time from Jason Lathrop, Director of Technology for RHAM and Hebron, was that the vast majority of hardware that had been acquired was through the building project, therefore there are no capital line items in the 2003/2004 budget. There was a leasing item of about \$20,000 in association with the student information system. Next year's budget will have a replacement cycle for technology in the middle and high school. It will be important to know what is planned in the technology budget for next year said Mr. Stuart. Mr. Shea said he wanted to understand the application of technology – the utilization factor (how many are there and what percent is being used during the school day?). These assets depreciate rapidly, he said.

Mr. Watt said that speaking from the position of Chairman of the RHAM BOE, the goal of working with the Board is for the Board to look at support for RHAM and to educate the RHAM BOE and the community on the technology and resources necessary.

The action regarding the technology area was deferred to the March meeting. Mr. Lee suggested having the technology individuals speak at this meeting.

The process of making payments to RHAM from a statutory point of view, now that the budget has been approved, said Mr. Lee is that RHAM will send a levy payment schedule – we have not been told yet by RHAM what the levy payment schedule will be, he said. That will be dependent upon what the analysis of the expected revenues are going to be. Mr. Watt said \$900,000 would cover the first payroll of March as well as the expenditures for the remainder of February. Once the budget is set, that sets the levy payment, Mr. Shea thought and then the role of the Tri Town Board is advisory towards how much cash is going to be accumulated unexpended at the end of the month. The full amount will be given to RHAM every month with a recommendation not to spend certain amounts if not approved by the Tri Town Board. Whatever is left at the end of the year will be returned to the towns. This Board will review the numbers when they are available – that is his personal view and Mr. Gut agreed with that view. Mr. Stuart suggested calling the levy amount a recommendation. Mr. Shea does not want to be in a position to change the statutory authority. He said we have an agreement with RHAM - RHAM has said if you make a recommendation, we will follow your recommendation - it should not change the amount of the levy – it may change the amount of the expenditures based on the recommendation. It is a subtle point said Mr. Shea but an important one. The levy payment schedule will be done on a month-to-month basis after the meeting. Mr. Watt agreed.

A **MOTION** was made to recommend that the Tri Town Board recommend that the levy for the month of February and the first payroll for the month of March be made to RHAM in the amount of \$900,000. This MOTION was made by Mark Stuart and seconded by Brendan Shea. All in favor. MOTION PASSED.

As an item for discussion and as part of the BOE regular meeting of February 23, 2004, it was recommended that certain individual line items be set up to be reviewed by the BOE, as well as the Tri Town Board, before encumbrances, purchase orders or commitments are made. This recommendation was made by Mr. Watt. These line items are: 3009 – Board of Education Services, 3011 – Other Services, 4003- Special Projects, 5903 – Advertising, 5904 – Printing and Binding, 6110 – Curriculum Supplies, 6111 – General Supplies, 6113 – Computer Software, 6410 – Textbooks, 6421 – Library Books, 6901 – Office Supplies, 6904 – Custodial Supplies, 8901 – Dues and Fees, 8902 – Meetings and conferences.

Mr. Watt spoke about the area of line items transfers and the process involved for the future. In the past as a Board, no line items transfers have been done. The policy is that a line item transfer cannot be done before it goes to the Board. All line item transfers

have to go before the BOE. Mr. Watt suggested that it also be reviewed by the Tri Town Board.

COMMENTS FROM THE PUBLIC:

Charlene Barnett asked Mr. Watt about different committees looking at different parts of the budget. She asked if the BOE would be looking at Dr. Silver's proposal for items for administrative costs or will the Board be looking at them line item by line item. His answer was that he would expect they would be looking at them line item by line item. They already know the salary line item due to contracts in place but any other administrative costs such as office supplies would be reviewed for changes. A majority of the Board members want to know what comprises every line item, he said. Ms. Barnett asked also about budget workshops and Mr. Watt answered that these would be taking place. Dates would be submitted by the BOE on the 23rd of February. Is there a committee looking at administrative costs asked Ms. Barnett. The total Board would be examining those replied Mr. Watt. That is a great area of concern to the public said Ms. Barnett.

A **MOTION** to adjourn was made by Brendan Shea and seconded by Ylo Anson at 9:00 p.m.

Respectfully submitted,

Ann Preissner
Board Clerk