

**TOWN OF CROMWELL, BOARD OF FINANCE
REGULAR MEETING
THURSDAY, JUNE 23, 2011 7:30 pm
CROMWELL TOWN HALL Room 224/225**

Minutes

Present: Chairman Ed Maley, Jr., Loraine Caruso, Julius Neto, Jack Henehan, Joe Corlis,

Absent: Michael Gengler

Also Present: First Selectman John Flanders, Finance Director Marianne Sylvester

A) CALL TO ORDER: Chairman Maley called to the meeting to order at 7:32pm.

B) SEAT ALTERNATES: None

C) APPROVAL OF AGENDA

A **motion** was made by Joe Corlis and **seconded** by Loraine Caruso to approve the agenda. *All were in favor, the motion was approved.*

D) APPROVAL OF MINUTES OF PREVIOUS MEETINGS

1) Regular Meeting, May 26, 2011

A **motion** was made by Joe Corlis and **seconded** by Loraine Caruso to approve the minutes of May 26, 2011.

A **motion** was made by Julius Neto to amend the minutes of May 26, 2011 by changing the dollar amount of page 5 under Board of Education, Liason report from \$735,000 to \$7500 and **seconded** by Loraine Caruso. *All were in favor, the motion was approved.*

A **motion** was made by Julius Neto to amend the minutes of May 26, 2011 by adding the word *about* on page 1 and page 2 under Mertie Terry's comment when referring to the number of voters and **seconded** by Loraine Caruso. *All were in favor, the motion was approved.*

A **motion** was made by Loraine Caruso and **seconded** by Julius Neto to approve the minutes of May 26, 2011 as amended. *All were in favor, the motion was approved.*

E) CITIZENS COMMENTS - none

F) REPORT OF THE FIRST SELECTMAN – Selectman John Flanders reported that the Mattabessett District \$100,000 contribution was tabled at the last Board of Selectman meeting. He said there is a legislative delegation dealing with the concerns of guarantees at a July 13, 2011 meeting. Mr. Flanders congratulated the Finance Department for receiving the Certificate of Achievement for the 22nd year in a row. He also reported that there are negotiations in process for someone to take

over 14 Alcap Ridge. He said that we won't get anything in the way of the \$1m or so in back taxes owed and the couple hundred thousand dollars in back sewer fees but that the town has retained legal council to help with the trail of authorizations and to participate in setting the parameters in the process. Mr. Flanders asked for a special meeting within the next few weeks to discuss the parameters and risks involved. The attorney thinks it should come through the Board of Finance. Loriane Caruso asked if the attorney would be present at this meeting. Mr. Flanders said yes and Chairman Maley said he has to be since they are walking into the meeting not knowing very much. There was discussion on possible meeting times and Monday, June 27th at 4:30 was tentatively agreed upon.

Mr. Flanders also reported that they had an application in for a STEAP grant. He also said that the tax abatement application for 10 County Line Drive was tabled at the last meeting but would most likely be approved. He also mentioned that the Walmart permit for expansion was approved at the last Planning and Zoning meeting.

- G) BUDGET REPORT - Finance Director Marianne Sylvester came forward to discuss the budget reported in the packages given to the Board. She said that there is a slight operating budget without using the fund balance. She said that we didn't need fund balance to meet operating expenditures. Chairman Maley said that he was surprised that we are at 80% of expenditures as of 6/15/11. Ms. Sylvester remarked that the Board of Education has a final payroll payment that is a balloon payment around \$4m or so at the end of June.
 - H) REPORT OF THE TAX COLLECTOR - Finance Director Marianne Sylvester handed out a report reflecting the tax collectors information. The Board agreed that report was hard to decipher and it didn't make sense to them. Ms. Sylvester replied that it had something to do with how the tax office records things. Loraine Caruso suggested that that the report should be easier to read for the average person and that it has to make more sense if the Tax Collector was not going to be there in person to explain it. Ms. Sylvester remarked that the Tax Collector does not report to her so she is simply reporting the numbers as they were explained to her. She also said that she knows the auditors make sure they balance every month. It was discussed that they would ask the tax collector for a more comprehensive report for the commission going forward.
 - I) OLD BUSINESS -none
 - J) NEW BUSINESS
 - 1) Discussion and action on \$300,000 transfer from General Fund balance to CNR Fund balance.
 - a) Appropriate \$300,000 for the Board of Education's request to replace the boiler at Cromwell High School.
- Rick Mandeville came forward and said they need to replace the boiler at the high school. He said the Board of ED has realized a savings in the health insurance account and changes in special education staffing offered good opportunity to do this now. They estimate the cost to be around \$280,000 and the job will go out to bid the next day. He referred to the memo he sent to John Flanders on June 3, 2011 discussing the process they took to determine the need to replace the boiler.

Lorraine Caruso asked if the general fund would be reimbursed. Chairman Maley said that yes, the Board of Education will send the surplus back to the general fund. Mr. Mandeville also remarked that the only school left without an older system is ECS and they are evaluating the options of installing gas lines from Main Street or fuel and gas.

A **motion** was made by Julius Neto and **seconded** by Lorraine Caruso to move \$300,000 from the General Fund Balance to the CNR fund to replace the boiler at Cromwell High School. *All were in favor; the motion passed.*

A **motion** was made by Julius Neto and **seconded** by Lorraine Caruso to appropriate \$300,000 out of the CNR fund to pay for the boiler at Cromwell High School. *All were in favor; the motion passed*

- 2) Discussion and action on recommendation to Special Town Meeting for alternative financing as requested by the Board of Education. The Board of Education is requesting to participate in energy improvement opportunities offered through CL&P's multi-year zero percent loan program.

Rick Mandeville came forward and referred to his memo to John Flanders dated June 16, 2011. He said that they would like to enter into an agreement with CL & P up to \$325,000 in their multi-year, zero interest loan energy programs for the purpose of performing energy related improvements at the high school and middle school. He said the majority of the repayment would occur through the estimated annual savings.

A **motion** was made by Lorraine Caruso and **seconded** by Julius Neto to approve a Special Town Meeting for alternative financing as requested by the Board of Education. *All were in favor; the motion passed*

- 3) Discussion and possible action on Senior Tax Abatement amount for fiscal year 2011-12 due to appeals approved by the Board of Selectmen.

Shawna Baron came forward and said that the senior tax abatement is subject to appeals for those denied. She said 6 people were denied and 3 ended up being approved after the appeal process. She said they were all basically hardship cases. She said that the money approved by the Board of Finance is divided among those who qualify with the maximum amount awarded being \$920.00. Ms. Baron explained that without receiving additional money than the people receiving the maximum amount of \$920 would now get \$900.18 and the people receiving \$614 would now receive \$600.49. 10 people would not be affected. The 173 letters/bills would also have to be recalculated and reprinted if they did not receive the \$2756 needed to award to the 3 new approved. There was discussion on the timeline of the application process, the approval process and how it relates to the when the mill rate is set. Lorraine Caruso asked Ms. Baron if the recipients know how much they are getting. Ms. Baron replied that yes, they are told after the budget was approved. Julius Neto said he was concerned with the "creep" effect that occurs every year. He wanted to make sure that the calendar, as it relates to the approval process, is managed better going forward. Lorraine Caruso also

felt that the process of applying by a certain date should be adhered to and that the rules should not be broken. She said she thinks people are given ample notice to apply by the deadline. Chairman Maley said that are many flaws in this program and he is not a fan of it. He went on to say that by not approving the additional money they would be punishing those who applied in time and who he assumes are deserving of this benefit. Ms. Baron did tell the commission that the \$2756 was the worst case scenario since the 3 people who appealed have not applied yet so she does not know if they will receive the maximum benefit or not.

A **motion** was made by Julius Neto and **seconded** by Joe Corlis to reduce anticipated revenue by \$2756 in order to increase the amount in the allowable for the elderly tax abatement program and to increase the amount designated by fund balance to balance the Fiscal year 2012 budget by \$2756. *Lorraine Caruso was opposed; Julius Neto, Joe Corlis, Ed Maley and Jack Henehan were in favor; the motion passed.*

- 4) Discussion and action on \$13,000 transfer from General Fund balance to CNR Fund balance.
 - a) Appropriate \$13,000 to upgrade the server for finance, tax and assessment software.

Marianne Sylvester came forward and said they need to update the server to accommodate a software update. She said that the server won't support the software after April and now is the best time to make the change to avoid the busy months.

A **motion** was made by Lorraine Caruso and **seconded** by Joe Corlis to transfer \$13,000 from the general fund balance to the CNR fund. *All were in favor; the motion passed.*

A **motion** was made by Lorraine Caruso and **seconded** by Julius Neto to appropriate \$13,000 from the CNR fund to upgrade the server for finance, tax and assessment software. *All were in favor; the motion passed*

Chairman Maley asked Ms. Sylvester where the fund balance was. Ms. Sylvester said it was at 9.4% or \$3.95 million. She expressed concern over the slight decline in fund balance over the last 2-3 years. Ms. Caruso asked if the fund balance should be at 10% and Ms. Sylvester said yes that would be ideal and that is why she is somewhat concerned. Ms. Sylvester said that we are double A rated and we are average in comparison to other towns who are double A. Mr. Flanders said it was the goal not to go any lower.

- 5) Discussion and action on \$280,000 transfer from General Fund balance to CNR Fund balance for 2012 Revaluation.
 - a) Appropriate \$280,000 within CNR Fund for 2012 Revaluation.

Shawna Baron came forward and said that the town is up for revaluation in 2012 and although there was a push to get it postponed the Legislative Committee did not approve it.

A **motion** was made by Julius Neto and **seconded** by Loraine Caruso to transfer \$280,000 from the General Fund to the CNR fund for the 2012 Revaluation. *All were in favor; the motion passed.*

A **motion** was made by Julius Neto and **seconded** by Loraine Caruso to appropriate \$280,000 from the CNR fund for the 2012 Revaluation. *All were in favor; the motion passed*

K) BOARD OF EDUCATION- LIASON REPORT

Joe Corlis reported that at the last meeting Dr. Bisceglia informed them that the State has excused the town for the 1.3m reimbursement for WIS. Chairman Maley asked if that was included in the school bonding bill and there was no certain answer.

L) CHAIRMAN'S COMMENTS

Chairman Maley wanted to make sure everyone was aware that the state budget was in turmoil and that the Governor has summoned the big city mayors to the capital the next day. Mr. Maley said lets be aware of possible fall-outs we may experience.

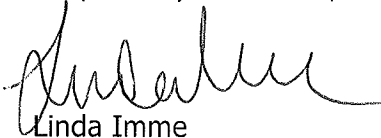
M) VICE CHAIRMAN'S COMMENTS - none

N) GOOD AND WELFARE- none

O) ADJOURNMENT

A **motion** was made by Julies Neto and **seconded** by Loraine Caruso to adjourn the meeting at 9:10pm. *All were in favor; the motion passed.*

Respectfully Submitted,



Linda Imme
Recording Clerk

TOWN OF CROMWELL

COMMISSION CLERK PAY VOUCHER

Commission Board of Finance

Meeting Date 4/23/11

Name of Clerk Linda Imme

Address 2 Robin Lane Cromwell

Telephone 860 559-7208

MEETING TIME:

Start 7³⁰ pm Finish 9¹⁰ pm = Time 1 hr. 40 min.

OTHER HOURS EXPENDED RELATING TO MEETING:

(List briefly what was done and length of time to complete: example - typing/filing record of votes 1 hr., transcribing minutes 1 hr.)

transcribing & typing minutes = 1 hr. 30 min.

Time 3 hr. 10 min

Chairman Ed Maley, Jr.

Total Time _____

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|--|-----------------|
| 1. Lack of Quorum-Cancellation of Meeting - \$25.00 | \$ _____ |
| 2. Meeting (or for the first 3 hours) | \$ <u>75.00</u> |
| 3. Meeting, Overtime Hours and Other Related Duties
After the first 3 hours _____ hrs. x \$8.25 | \$ _____ |

TOTAL DUE \$ _____

Approvals:

Date Minutes received _____

First Selectman's Signature _____