

**TOWN OF CROMWELL
BOARD OF FINANCE
REGULAR MEETING
THURSDAY, NOVEMBER 20, 2008
CROMWELL TOWN HALL 7:30 p.m.
Room 224/225**

Minutes and Record of Vote

Present: Michael Gengler, Ed Maley Jr. (arrival at 7:47pm), John Flanders, Loraine Caruso, Joe Corlis, Jack Henehan, Alternate Jamie Kiefer, Alternate Julius Neto, and Alternate Dan Kelly

Absent:

Also Present: Finance Director Marianne Sylvester

A. CALL TO ORDER

Chairman, Michael Gengler called the meeting to order at 7:35.

Motion was made by John Flanders, **seconded** by Loraine Caruso to seat alternate Dan Kelly. All were in Favor. *Motion Passes.*

B. APPROVAL OF AGENDA

Motion was made by Loraine Caruso, **seconded** by Jack Henehan, to approve the agenda with correction to item J. I. Set the 2009 Regular Meeting Schedule. All were in Favor. *Motion Passes.*

Alternate Dan Kelly was unseated and Ed Maley Jr. was seated by general consent.

Motion was made by John Flanders, **seconded** by Ed Maley Jr. to revise the agenda with the addition of an item I. Old Business 1. Letter regarding Siemen's contract. All were in Favor. *Motion Passes.*

C. APPROVAL OF MINUTES OF PREVIOUS MEETINGS

1. Special Meeting, September 23, 2008

Corrections: Page 1, to correct the spelling of encumbrances under item F. Page 3, motion to read under item I1. request the Chairman to ask the Legal Authority to submit in writing under what authority the contract was signed. Page 3, under item J. the balance of the BOE account on September 9, 2008 was \$12, 316.94.

Motion was made by Loraine Caruso, **seconded** by John Flanders to approve the minutes of the September 23, 2008 Special Meeting with corrections. All were in Favor. *Motion Passes.*

2. Regular Meeting, September 25, 2008 – cancelled
3. Regular Meeting, October 23, 2008 - cancelled

The Board discussed their concern with the Siemen's contract process. Mr. Maley Jr. was informed by the Town Attorney that he was consulted after the fact. Finance Director Sylvester stated she has emails of her correspondence with the Town Attorney. Mr. Flanders asked for copies of the emails. Mr. Maley Jr. suggested that all who were involved should get together to discuss what happened. Ms Caruso questioned whether this could have been prevented if the First Selectman had informed the Board of Finance better. Mr. Neto thought this would be good to educate the Board to prevent this from happening again and to make sure that process is followed. Mr. Kelly asked what the conclusion of the meeting would be. Mr. Maley Jr. explained that it was to prevent a charter violation from happening again. The Board of Finance asked Finance Director Sylvester to ask the auditors how the payments on the contract should be shown.

D. CITIZENS COMMENTS -None

E. REPORT OF THE FIRST SELECTMAN

First Selectman Shingleton explained his focus on financial management and economic development. First Selectman Shingleton commented that during union negotiations that they are trying to take the offensive and hold the line. First Selectman Shingleton discussed health savings plans being offered during negotiations. First Selectman Shingleton would try to do the same during blue collar and police union negotiations.

First Selectman Shingleton explained that they are trying to maintain the business that Cromwell currently have and work on marketing strategies to fill vacant sites currently in Cromwell. The website will be updated and there is now a show on Comcast that is aired on Mondays at 10.

First Selectman Shingleton reviewed economic development at Commerce Park and the widening of Country Line Drive. They are looking at ways to reduce costs of doing business in Cromwell.

First Selectman Shingleton discussed the Capital Expenditure Committee and reviewed the grouping of funds within various budgets. Departments have been asked for 30 year plans to look at the long-range needs.

Ms Kiefer asked if HRA's instead of HAS's had been looked at and suggested that it be looked at as a possibility.

G. BUDGET REPORT

Finance Director Sylvester had provided the Board with a report. Finance Director Sylvester explained that expenditures are at or near target levels. Some areas of concern are legal fees, due to tax and assessment appeals and is cautious due to labor relations. Finance Director Sylvester informed the Board that the Board of Education has incurred an additional expense of \$40,000 due to magnet schools. There was an unexpected \$4,000 expense of the communication tower at the Police Department.

The fees from the Lowe's project were higher than expected. Some revenues are lower such as conveyance tax and recording fees.

Chairman Gengler recognized First Selectman Shingleton. First Selectman Shingleton explained the tax abatement program that has been discussed through the POCD and Planning and Zoning and the Board of Selectman.

Mr. Maley Jr. and Mr. Neto commented that they liked the new report format. Chairman Gengler asked if a cash flow report is done. Finance Director said it is not typically done.

Mr. Neto asked if there was a concern that the Board of Education would be coming to the Board regarding the \$40,000 item. Finance Director Sylvester explained that typically the BOE has resolved issues within their budget but that she really couldn't be sure.

H. REPORT OF THE TAX COLLECTOR

The Tax Collector had provided the Board with a report. There were no comments.

I. OLD BUSINESS

1. Letter Regarding Siemen's Contract

Chairman Gengler explained to First Selectman Shingleton that the Board was concerned with the procedures of the Siemen's contract and felt that it may be a charter violation. Chairman Gengler would like to get everyone together to put everything in place.

First Selectman Shingleton explained that CCM had looked at it and had stated that it did not have to go to Town Meeting. First Selectman Shingleton explained the reasons for his decisions and apologized that he had not brought the Board of Finance into the process earlier. First Selectman Shingleton stated that an emergency appropriation might have been more appropriate.

Motion was made by John Flanders, **seconded** by Ed Maley, Jr. to schedule a Special Meeting with the First Selectman, Finance Director, CCM Andy Morella, Town Attorney, and the Public Works Director to discuss the details of the approval process and financing of the Siemens contract. All in Favor.
Motion Passes.

A date of December 3rd was suggested. Chairman Gengler asked the First Selectman to see if all the parties are available for that evening so the meeting could be scheduled.

J. NEW BUSINESS

1. Set the 2009 Regular Meeting Schedule

Finance Director Sylvester had provided a schedule previously to the Board.

Motion was made by John Flanders, **seconded** by Loraine Caruso to approve the 2009 Regular Meeting Schedule. All were in Favor. *Motion Passes.*

2. Discussion and possible action on the funding of Other Post-Employment Benefits (OPEB)

Finance Director Sylvester presented a PowerPoint presentation to the Board of Finance regarding Other Post Employment Benefits and GASB standards of financial accounting and reporting. Finance Director Sylvester reviewed an actuarial study of the Town and the cost associated with retirees.

Finance Director Sylvester explained that the management of the liability is critical and that credit rating agencies are looking for a plan of action. Mr. Maley Jr. does not feel that Moody will take action on this especially due to the economy. Finance Director Sylvester does not agree based on the information given.

The Board discussed the Town's liability and costs and reviewed the figures. The Board questioned who the beneficiary of the fund is. Finance Director Sylvester explained that this needed to be discussed prior to budget time and that she was hoping to do the paperwork for the fund and begin to do the work.

The Board would like more information on the language of the trust. Mr. Maley Jr. expressed his opinion on the GASB requirements and why he felt it is not needed. Chairman Gengler discussed the possibility that the Trust would be a benefit due to the investment potential.

3. Recommendation for Town Meeting, pursuant to Sections C603(c) and C603(g) of the Town Charter, for consideration of the following actions:

- a) Purchase of land for downtown parking using budgeted funds approved at referendum, as recommended by the Main Street Revitalization Committee.

First Selectman Shingleton described the project of Main Street Revitalization and the plan to help with pedestrian traffic. First Selectman Shingleton reviewed the other sites that were proposed for downtown parking and eliminated. The site behind Stocking

Triangle will provide 27 spaces and they hope to incorporate a type of brownstone monument in the memorial area. If an adjacent property is acquired it may become a retail space. The cost for this property is \$148,000 for 4/10 of an acre.

Motion made by John Flanders, **seconded** by Joe Corlis to recommend for Town Meeting, pursuant to Sections C603(c) and C603(g) of the Town Charter, for consideration the purchase of land for downtown parking using budgeted funds approved at referendum, as recommended by the Main Street Revitalization Committee. (In Favor, Gengler, Flanders, Caruso, Corlis, and Henehan) (Opposed, Maley Jr.) *Motion Passes*.

Mr. Maley Jr. felt that a better price may be gotten in a year and that until someone spends a lot of money downtown that it is not going to change. First Selectman Shingleton explained that they are to start in the spring with revitalization. Chairman Gengler felt that with some infrastructure in place that people will come. Mr. Henehan expressed that you need attractiveness in order to draw business. Ms Caruso would like to see it happen. Mr. Corlis felt this was a start with improvements. The Town Meeting would be held on December 4th at 6:00pm.

b) Acquisition from Sysco to expand County Line Drive.

First Selectman Shingleton provided an overview of the project and the projects that could be opened with the road widening. Although the acquisition won't cost monies tax incremental financing or steep grants would pay for the project. The Board discussed concerns with tax implications and maintenance.

Motion made by John Flanders, **seconded** by Loraine Caruso to recommend for Town Meeting, pursuant to Sections C603(c) and C603(g) of the Town Charter the acquisition from Sysco to expand County Line Drive. All were in Favor. *Motion Passes*.

c) Sale of Town Property on North Road to Reed Builders.

First Selectman Shingleton explained the correspondence regarding this property and surrounding the project. The Board of Selectman were comfortable with \$15,000 to \$18,000 for the property. An effort will be made to deed portions of the property over to individual homeowners to free the Town of its current liability.

d) **Motion** was made by Edwin Maley, Jr., **seconded** by Jack Henehan to recommend for Town Meeting, pursuant to Sections C603(c) and C603(g) of the Town Charter the

sale of Town Property on North Road to Reed Builders. (In Favor, Gengler, Maley Jr., Caruso, Henehan, Corlis)
(Opposed, Flanders) *Motion Passes.*

Mr. Flanders felt it promoted development.

K. BOARD OF EDUCATION- LIASON REPORT

Mr. Corlis described a presentation on Monday by Jonathan Cost who reviewed the five-year strategic planning initiative with an emphasis on the internet and more independent study. Mr. Neto asked if the cost of the study had been mentioned. Mr. Corlis said it had not been mentioned but he would try to find out.

L. CHAIRMAN'S COMMENTS-None

M. VICE CHAIRMAN'S COMMENTS -None

N. GOOD AND WELFARE

O. ADJOURNMENT

Motion was made by John Flanders, **seconded** by Jack Henehan, to adjourn the meeting at 11:25pm. All were in Favor. *Motion Passes.*

Respectfully Submitted,

Jennifer L. Donohue
Finance Clerk