

**TOWN OF CROMWELL
BOARD OF FINANCE
REGULAR MEETING
THURSDAY, FEBRUARY 26, 2009
CROMWELL TOWN HALL 7:30 p.m.
Room 224/225**

MINTUES AND RECORD OF VOTES

Present: Michael Gengler, Ed Maley Jr., John Flanders, Loraine Caruso, Joe Corlis, Jack Henehan, Alternate Jamie Kiefer, Alternate Julius Neto, Alternate Dan Kelly

Absent:

Also Present: Finance Director Marianne Sylvester, First Selectman Jeremy Shingleton, Selectman Richard Newton, Selectmen Allan Waters, Selectman Rich Waters, Town Attorney Jack Bradley

A. CALL TO ORDER

Chairman, Michael Gengler called the meeting to order at 7:38

B. SEAT ALTERNATES

There were none seated.

C. APPROVAL OF AGENDA

Motion was made Loraine Caruso, **seconded** by Jack Henehan to approve the agenda. All were in Favor. *Motion Passes.*

D. APPROVAL OF MINUTES OF PREVIOUS MEETINGS

1. Regular Meeting, January 22, 2009

Corrections:

Page 1, under E. Citizens Comments change First Selectman Gengler to First Selectman Shingleton. Also when Mr. Flanders asked Chairman Gengler to intervene it was raised the point of personal privilege and that Mr. Schoenhorn's comments were out of order.

Page 2; under Section G. Budget Report, word correction of overtime not overture.

Page, 5, under Section K. BOE-Liaison Report, per an email from the Superintendent he stated that the revenue is \$2,500 per student not cost.

Page 5, under Section L. Chairman's Comments, it was noted that a vote was taken on the town auditors to go out on RFP.

Mr. Maley Jr. stated that the minutes are an incomplete summary and that this is not a transcript.

Motion was made John Flanders, **seconded** by Loraine Caruso to approve the minutes with corrections of the January 22, 2009 Regular Meeting. All were in Favor. *Motion Passes*

E. CITIZENS COMMENTS

Ms. Zalewski of 26 Geer St passed out page C26 of the Cromwell Code to the members of the Board. Ms. Zalewski stated her thoughts and frustration with the Board. Ms. Zalewski made several comments regarding Geer Street and the road widening.

F. REPORT OF THE FIRST SELECTMAN

First Selectman Shingleton provided an overview to the Board on the budget. The revenues have held up well but the supplemental revenue has softened. Mr. Shingleton commented that the Energy Efficiency Program has gone well to help offset energy costs. Overtime costs are up due to the weather, particularly due to the last storm. The new road treatment method should give some savings. Mr. Shingleton felt overall that the Public Works Department should do well. Propane has been locked in and reduced by 30%. Gasoline has been locked in as well, for a net of \$1.72. Mr. Shingleton mentioned that they have insulated and caulked throughout the building.

Mr. Shingleton has submitted a draft of the budget, which includes a year-to-year cut of \$100,000. The budget request includes an increase of \$550,000 but this is on the administrative side. For example, health costs have gone up \$130,000 and insurance liabilities have risen. Mr. Shingleton said that he is trying to cut spending but sustain services. Mr. Shingleton said they have frozen salaries and have discussed furloughs of 14 positions, layoffs are the next step. Mr. Shingleton discussed that conveyance tax revenues and permit fees are down and positions in these areas are not required due to revenue not coming in. Mr. Shingleton doesn't want to see people lose their jobs but does not want to see wage increases when people lose their jobs. Mr. Shingleton stated that arbitration is looking good and should affect future negotiations. Mr. Shingleton discussed the elimination of 5 positions and the creation of 2 lower level positions, which would be offered first to the eliminated employees. Mr. Shingleton discussed an offer of early retirement and that it would be paid for through this current operating budget. Mr. Shingleton discussed a plan to fill their vacancies. Mr. Shingleton discussed a look at fee schedules.

Mr. Shingleton commented on Lowe's and other building projects in Town. Mr. Shingleton hoped to have more information regarding 14 Alcap Ridge at the next meeting.

Mr. Maley Jr. asked about the early retirement proposal and cost covering. Mr. Maley Jr. expressed concern with him saying not coming before the Board and asked if he wanted the Board's opinion.

G. BUDGET REPORT

Finance Director Marianne Sylvester answered questions regarding the report. Mr. Neto asked where the overtime was for Public Works. Ms. Sylvester said that Public Works was about \$1500 over and Building Maintenance was about \$1000 over. The overages should be absorbed within each department budgets. Ms.

Sylvester said that the expenses for Labor Attorney fees are still good but that the Town Attorney fees still could have a \$50,000 overage. Mr. Neto asked if the Town got invoices from Attorney Schoenhorn. Ms. Sylvester said the liability insurance carrier had received them. Mr. Henehan asked about the Employee Benefits line item. Ms. Sylvester said that those are encumbrances for expected items. Chairman Gengler had asked for the detailed report provided and thought it would be a good tool for the upcoming budget preparations.

H. REPORT OF THE TAX COLLECTOR

Report was provided. There were no comments.

I. OLD BUSINESS

1. Discussion and action regarding Siemens energy contract appropriation process.

Chairman Gengler asked the Board for comment after reading a specific clause from the Charter. First Selectman Shingleton asked to make a comment.

Mr. Shingleton read from the Charter as well and gave his perspective of the Charter and the appropriation and the actual expenditures. Mr. Shingleton said that in last fiscal year and this one there was no expenditure, not until next year. Mr. Shingleton discussed the chiller and boiler and the desperation of the need to replace them. Mr. Shingleton described the lease and payment options and felt they were semantics issues, no expenditures were made and it was done in good faith.

Chairman Gengler explained that merits of the program were not the issue. Chairman Gengler discussed the last sentence of the non-appropriations clause and remarked on Mr. Shingleton's comments in November; that an emergency appropriation may have been more appropriate.

Mr. Shingleton accepted full responsibility, remarked he would have liked better communication, and would have agreed.

Mr. Maley Jr. stated that Charter provisions and Statues were not followed and he thought that everyone had learned that thru lessons and had expressed concern that things were not done correctly. Mr. Maley Jr. expressed his concern that it seemed that it was not understood things were not done correctly such as FOI. Mr. Maley, Jr. read the Charter clause, highlighting the General Statues. Mr. Maley Jr. commented that he did not share, nor did the auditor the opinion that things were done correctly and he's not sure what to do.

The Clerk notes that the tape-recording the proceedings malfunctioned during this discussion.

Mr. Flanders concurred with Mr. Maley Jr. but would like to see an ordinance put in place to assure that action could be taken if this happens again.

Mr. Neto shared the concerns of Mr. Maley Jr. and Mr. Flanders. Mr. Neto felt that a violation of the Charter had taken place and maybe the Statutes. Mr. Neto expressed concern that this not be taken as a pattern of behavior and that this action was to prevent this from happening again. Mr. Neto stressed that the public has fought to protect the Charter.

Ms Kiefer commented that the previous First Selectman used to attend the BOF meetings regularly and that they need Mr. Shingleton at the BOF meetings to help improve communications and improve logistics. Ms Kiefer would like to see this happen.

Mr. Henehan agreed with the previous comments.

Ms Caruso agreed as well and expressed concern with a lack of procedure. Ms Caruso felt respected by Mr. Shingleton coming and that it would help the community of Cromwell. She thanked Mr. Shingleton for coming and expressed to him that if he had come earlier it could have been put to rest much sooner.

Mr. Corlis commented that the key is communication and felt they should move forward.

Motion was made by John Flanders, **seconded** by Loraine Caruso to suggest the Board of Selectman adopt a resolution of an ordinance of civil penalties if an Official, Employee or Agent of the Town contracts or encumbrances more than \$5,000 in violation of the Charter or General Statutes. All were in Favor *Motion Passes*.

Mr. Flanders would like to see this in place for the future so that the Town was protected. Mr. Maley Jr. expressed his concerns with the process that took place and that he was upset with employees of the Town and the Town Attorney for the process.

Chairman Gengler stated that the Siemens matter was concluded.

Called a recess at 9:00 P.M.

Chairman Gengler resumed the meeting at 9:10 P.M.

J. NEW BUSINESS

1. Discussion and action regarding Senior Tax Abatement ordinance, per Section 211-27 Periodic Program Review.

The Board discussed the monies for the program. Mr. Maley Jr. suggested the funds be capped at the same amount as last year. The First Selectman felt the same.

Motion was made by Jack Henehan, **seconded** by Loraine Caruso to maintain the program at the same level as the current fiscal year.

Mr. Maley Jr. is not comfortable with the program because it does not have an asset test. Mr. Flanders agreed.

Motion was made by Ed Maley Jr., **seconded** by John Flanders to amend the main motion to add an asset test to the program. (In favor, Flanders, Maley, Caruso, and Henehan) (Opposed, Gengler, Corlis) *Motion Passes.*

There was some discussion of what the asset test would be and how it would be managed. Mr. Henehan stated that when looking at this program other towns were not doing this. Mr. Maley Jr. commented that if you have too many assets to value than you shouldn't be in this program.

Main motion was carried. All were in Favor. *Motion Passes.*

2. Review of auditor's management letter.

The Board clarified that the letter from Dr. Bisceglia was only one page.

Chairman Gengler asked for a copy of the Charter requirements for the approval of expenditures and commitments of Town funds as stated under the review of the capital nonrecurring appropriations.

Chairman Gengler addressed the last item in the Finance Director's response letter and asked for the Town Attorney to be mentioned. Ms. Sylvester explained that this letter was addressing the Auditor.

Mr. Kelly asked Ms. Sylvester what the Board would see again regarding the items on the Management letter. Ms. Sylvester said these items would not be seen again because she expects them to be corrected. Mr. Kelly said that he is used to seeing a more specific writing response. Ms. Sylvester said that this is not the typical process. Ms. Kiefer volunteered to work as a liaison from the Board to Finance for the management review. There was a discussion of risk control. Chairman Gengler thanked Ms. Kiefer and asked for an update in June.

Chairman Gengler asked about the RFP process. Ms. Sylvester said that it is almost ready to go out for early March to come back for the beginning of April. There are about 6 firms in the market. The Board discussed potential costs for similar size towns.

3. Set Board of Finance budget for Fiscal Year 2009-2010.

Motion was made by Loraine Caruso, **seconded** by Ed Maley Jr. to approve \$29,660 for the Board of Finance budget for Fiscal Year 2009-2010. All were in Favor. *Motion Passes.*

4. Set Public Hearing and deliberation dates for 2009-2010 budget.

Chairman Gengler discussed the dates available for the Board of Education. The BOF discussed dates available.

Motion was made by Loraine Caruso, **seconded** by Ed Maley Jr. to set the Public Hearing for the Board of Education and Town Budget for April 2nd at 7:00pm. All were in Favor. *Motion Passes.*

Motion was made by John Flanders, **seconded** by Loraine Caruso to set Special Meetings for April 9th (immediately following Public Hearing for Town Budget), April 14th, and April 16th for budget deliberations. All were in Favor. *Motion Passes.*

Motion was made by Ed Maley Jr., **seconded** by John Flanders to give Chairman Gengler the power to change times due to conflicts. All were in Favor. *Motion Passes.*

K. BOARD OF EDUCATION- LIASON REPORT

Mr. Corlis reported that there was a Solar Panel Meeting on Tuesday and that it was decided to have a private review of the project to keep it moving.

Mr. Corlis mentioned a \$30,000 Arthur and Edythe Director Family Scholarship Fund put in place by David Director. This is not for A students, but students who are capable of other extraordinary things.

L. CHAIRMAN'S COMMENTS

Chairman Gengler read a letter from the Town Attorney regarding the Siemen's contract and certification.

M. VICE CHAIRMAN'S COMMENTS-None

N. GOOD AND WELFARE-None

O. ADJOURNMENT

Motion was made by Loraine Caruso, **seconded** by Ed Maley Jr. to adjourn the meeting at 10:14 pm. All were in Favor. *Motion Passes.*

Respectfully Submitted,

Jennifer L. Donohue
Finance Clerk