

**TOWN OF CROMWELL
BOARD OF FINANCE
REGULAR MEETING
THURSDAY, JANUARY 22, 2009
CROMWELL TOWN HALL 7:30 p.m.
Room 224/225**

MINUTES 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, 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

No alternates were seated.

C. APPROVAL OF AGENDA

Motion was made Joe Corlis, **seconded** by Loraine Caruso to approve the agenda with the addition of an item under New Business F1.Auditor Report and moved item 1. to 2. All were in Favor. *Motion Passes.*

D. APPROVAL OF MINUTES OF PREVIOUS MEETINGS

1. Regular Meeting, December 18, 2008

Motion was made Loraine Caruso, **seconded** by Jack Henehan to approve the minutes of the December 18, 2008 Regular Meeting. All were in Favor. *Motion Passes*

E. CITIZENS COMMENTS

Jon Schoenhorn of 108 Oak Street Hartford Connecticut introduced himself as Jeremy Shingleton's Attorney. Attorney Schoenhorn explained that Mr. Shingleton was declining the Board of Finance's invitation to the meeting. Attorney Schoenhorn stated that the Board does not have the authority to investigate, and remarked on the suggestion that there was somehow a misuse of authority. Attorney Schoenhorn suggested that this might be politically motivated by John Flanders who is considering a run for First Selectman. Mr. Flanders asked Chairman Gengler to intervene. Chairman Gengler asked Attorney Schoenhorn to stop. Attorney Schoenhorn read an email from Chairman Gengler to First Selectman Gengler dated September 25.2008 congratulating him on the Siemen's contract and inviting him to meet for dinner.

Dick Newton, member of the Board of Selectman, remarked that he has been an elected official for 31 years and has never been so ashamed to be an elected official. Mr. Newton commented that he had been assured that the processed was legal and complete. He has never felt so bad working under 7 First Selectman and never has communication been so bad. The communication needs to be repaired between the BOS and the BOF from the First Selectman.

Ann Halibozek, 7 Christian Hill Rd commented that the Board was going to be visible in the next few months. Ms Halibozek asked for a show of hands on who had a background in finance. She asked whether they were monitoring the economy and what was happening. She read from the newspaper some current events and asked if they were looking at the Town's best interests.

F. REPORT OF THE FIRST SELECTMAN – No Report

G. BUDGET REPORT

Finance Director Sylvester had provided the Board with a report and summary. Finance Director Sylvester stated that legal fees are a concern, but hopes that contract negotiations are resolved shortly, especially with 2 new negotiations about to begin. Ms Sylvester commented that with recent snow removal due to the storms that those budgets are getting close. Mr. Neto asked what the possible projection of overture could be in legal expenses if it continues at the rate of the first 6 months. It could be \$50,000 over budget. Finance Director Sylvester discussed that this was a reevaluation year and that \$17,520 has been associated with tax appeals compared to about \$13,000 last year. There is one more case outstanding that may go to court. This is the TPC. Chairman Gengler asked Town Attorney Bradley what the potential drop in taxes could be.

H. REPORT OF THE TAX COLLECTOR

The Tax Collector had provided the Board with a report. Ms Sylvester said that collections were at 67% and that they were not anticipating anything different than previous years

I. OLD BUSINESS

1. Discussion of Siemens Contract Procedures

Chairman Gengler commented on two items: (1) the merits of the Siemen's contract were never an issue; (2) the November minutes reflect that Mr. Shingleton took responsibility for actions that an emergency appropriation should have been taken. Chairman Gengler acknowledged that CCM Andy Morrello, Town Treasurer Darlene DiProto were present but the Director of Public Works and First Selectman were not present.

Town Attorney, Jack Bradley stated that the assumption of illegal conduct was unfortunate. Attorney Bradley reviewed the Siemen's program and a chronological review that he prepared and provided to

the Board of Finance. There was some discussion of the wording of “energy cost issues.”

Mr. Maley Jr. asked about the phone polls and whether they are legal under the FOI act. Attorney Bradley was not able to clarify.

Mr. Maley Jr. inquired and asked several questions as Attorney Bradley reviewed the chronology. Specifically what would happen if the contract had not been approved at the Town Meeting?

Mr. Maley, Jr. remarked that he was sorry that they were having this conversation. The contract was discussed and a dialogue of the misunderstanding of the Town Attorney’s involvement when the BOF approved this. The BOF thought something different when the contract was approved.

The Town Attorney believes the Town was unrepresented during the contract of the chiller. Mr. Maley Jr. read the chiller contract between the Town and Siemen’s and discussed the meanings of the clause.

Mr. Maley Jr. continued talking about whether proper procedures were followed. Attorney Bradley said that at any time, any transaction could be looked at under a microscope.

Attorney Bradley said that a procedural irregularity was approved afterward and has been validated. Attorney Bradley was concerned about improving communication.

Ms Caruso commented that the First Selectman does not come to the BOF meetings or communicate.

Chairman Gengler read from the Town Charter section regarding appropriations.

Attorney Bradley remarked that there was not an anticipation of a payment. There was a commitment but it was resolved in global financing by the Siemen’s contract.

Ms Kiefer points out that in April 2008 a commitment was made and that the purpose of this discussion was so that going forward the same mistakes are not made again.

The Town Auditor, Joe Kask described the transaction of the chiller and the appropriate recording. Mr. Flanders asked if this would have an impact on the Town’s bond rating. Mr. Kask said he couldn’t answer that question.

Chairman Gengler reviewed the process. Attorney Bradley said there is a lawful process in place now. Mr. Maley Jr. mentioned that the First Selectman was aware of the emergency clause. Mr. Flanders asked how we prevent this from happening again.

Mr. Maley Jr. reviewed the process and how it happened. The Board can't ask Mr. Hood or Mr. Shingleton how they thought it was okay because they aren't present.

Attorney Bradley suggested a recommendation that the Town Attorney review all contracts. The Board of Finance felt that this was something that should already be in place.

Mr. Neto asked Mr. Bradley if the Charter was violated. Attorney Bradley felt that it had not been violated because no payment was made.

Ms Caruso comments that this would not have to have gone so far if the First Selectman had come two months ago when the Board asked for a discussion.

Motion was made by Ed Maley Jr., **seconded** by Loraine Caruso to table. *Motion withdrawn.*

Mr. Newton asked that everyone work together. Chairman Gengler stated that we do try to communicate.

Mr. Morrello of CCM explained that the goal was to keep the staff comfortable in the summer and winter. The project started in the summer of 2007, it has been around for a while and he wasn't aware of any irregularities. Mr. Maley Jr. asked if he has encountered similar situations with other towns. Mr. Morrello has had a comparable situation at a school but it is not typical.

Motion was made by Ed Maley Jr., **seconded** by Loraine Caruso to table. All were in Favor. *Motion Passes.*

J. NEW BUSINESS
1. Auditor's Report

Town Auditor, Joe Cask from Blum Shapiro reviewed the reports and remarked that a clean opinion was given on the financial reports for the Town of Cromwell. Mr. Cask commented that GASB 45 would have to be dealt with for the end of next fiscal year.

Mr. Neto asked about the Management letter and how it would be addressed. Ms Sylvester said that she would address the items in a letter. Mr. Flanders asked that it be placed on next month's agenda.

The Board moved on to item K while waiting for Mr. Shingleton's attorney regarding the next item.

2. F.O.I. request

Attorney Schoenhorn stated that he had spoken with Mr. Shingleton and he had withdrawn his request.

3. RFP Town Auditor

Motion was made by Ed Maley Jr., seconded by Loraine Caruso to approve pursuit of RFP and RFQ for Town Auditor. All were in Favor. Motion Passes.

Ms Kiefer volunteered to be on the committee. Chairman Gengler had asked Ms Caruso and Paul Beaulieu to help. Mr. Kelly agreed to help as well. Mr. Don Swanson from the Cromwell Fire District was advised of the process and invited to participate.

K. BOARD OF EDUCATION- LIASON REPORT

Mr. Corlis had attended two BOE meetings. The meeting on January 13th with the four principals discussed no increase in their budgets except personnel contracts. They discussed unfunded mandates. The January 20th meeting discussed special education, no increases except for contract personnel. There are 200 students and 26 are bused out and are incurring increased costs. Mr. Corlis suggested regionalizing. The Central Office costs did not go up except contracts. The budget increase was 3.78% at \$25,369,200, an increase of \$941,978.

Mr. Corlis responded to the question on the Choice program and that the cost is \$2,500 per student and there are 42 students in the program for a total cost of \$105,000.

L. CHAIRMAN'S COMMENTS

Chairman Gengler asked the Board whether they felt the Town should go out to RFP on a Town Auditor. It was discussed that there was no record of when this was done last. The Board was in agreement that the process should be looked at.

Motion was made by Ed Maley Jr., **seconded** by Loraine Caruso to amend the agenda to discuss RFP on the Town Auditor. All were in Favor. *Motion Passes.*

M. VICE CHAIRMAN'S COMMENTS- None

N. GOOD AND WELFARE - None

O. ADJOURNMENT

Motion was made by John Flanders, **seconded** by Loraine Caruso, to adjourn the meeting at 10:00pm. All were in Favor. *Motion Passes.*

Respectfully Submitted,

Jennifer L. Donohue
Finance Clerk