

TOWN OF CROMWELL
BOARD OF FINANCE
REGULAR MEETING
THURSDAY, JULY 23, 2009
CROMWELL TOWN HALL 7:30 P.M.
ROOM 224/5

MINUTES AND RECORD OF VOTE

PRESENT: Michael Gengler, John Flanders, Ed Maley (arrived at 7:43 p.m.), Loraine Caruso, Joe Corlis, Dan Kelly (arrived at 7:41 p.m.), Alternate Jamie Kiefer, and Alternate Julius Neto.

Also present: Finance Director Marianne Sylvester, Town Clerk Darlene DiProto, Assessor Shawna O'Neil, Director of Developmental Services Joe Mazurek and Chief of Police Anthony Salvatore.

ABSENT: Jack Henehan

A. CALL TO ORDER:

Chairman Michael Gengler called the meeting to order at 7:34 p.m.

B. SEATING OF ALTERNATES:

A **motion** was made by Loraine Caruso, **seconded** by John Flanders and it was **unanimously approved** to seat alternates Jamie Kiefer and Julius Neto, pending the arrival of regular members Ed Maley and Dan Kelly. *Motion passed.*

C. APPROVAL OF AGENDA:

A **motion** was made by Loraine Caruso, **seconded** by Julius Neto and it was **unanimously approved** to approve the agenda. *Motion passed.*

D. APPROVAL OF MINUTES OF PREVIOUS MEETINGS:

1. Special Meeting, June 10, 2009

A **motion** was made by Joe Corlis, **seconded** by Julius Neto and it was **unanimously approved** to approve the minutes, with the following correction: under "Seating of Alternates": Julius Neto was seated, not Jack Henehan. *Motion passed.*

2. Special Meeting, May 21, 2009

A **motion** was made by Loraine Caruso, **seconded** by Joe Corlis and it was **approved** to approve the minutes, with the following correction of a typo on page two: it should read go to, not got to, with **five in favor and Julius Neto abstaining.** *Motion passed.*

E. CITIZENS COMMENTS:

None.

F. REPORT OF THE FIRST SELECTMAN:

None.

Chairman Michael Gengler reiterated that the Board would like a report in writing from the First Selectman when he is unable to attend the meeting.

G. BUDGET REPORT:

Director of Finance Marianne Sylvester dispersed an updated summary page. Although there was a revenue shortfall of \$200,000 for fiscal year 08/09, there were several areas of under expenditures, resulting in a net surplus close to \$460,000. Departments that came in under budget include Economic Development Commission, Insurance Expense, Workers Comp, and Transfer Station tipping fees. The Public Works Department came in \$129,000 under budget and the Police Department was under budget due to a delay in hiring a dispatcher and replacement of a senior officer with a new recruit. The General Government budget saw a net savings of \$368,000 and the Board of Education is returning a surplus of \$80,000, due in part to savings as more employees sign up for the Health Savings Account benefit plan.

Ms. Sylvester noted that the Finance Department will be able to close out FY 09 earlier than last year.

Mr. Maley and Ms. Sylvester had a brief discussion on the method of reporting reimbursable Capital Non-Recurring expenditures.

H. REPORT OF THE TAX COLLECTOR:

Mr. Gengler noted the revenue collections were on target last year.

Mr. Gengler requested the Board hear Item J3 next and the Board agreed by general consent.

J. 3) Appropriate \$7,500 within the CNR fund for the purpose of pre-funding 25% of the CT Local Justice Assistance Grant. (Funds will be fully reimbursed)

Mr. Gengler referred to a detailed letter submitted by Chief Salvatore and noted that the Chief was available to answer any questions.

A **motion** was made by Ed Maley, **seconded** by Loraine Caruso and it was **unanimously approved** to approve an appropriation of \$7,500 within the CNR fund for the purpose of pre-funding 25% of the CT Local Justice Assistance Grant. *Motion passed.*

I. OLD BUSINESS:

- 1) Approve transfer of \$65,000 from General Fund fund balance to LoCIP Fund for an appropriation for the continuation of the Coles Road Improvement project to include design, engineering, and sidewalk extension.

A **motion** was made by Julius Neto, **seconded** by Loraine Caruso and it was **unanimously approved** to take item I. 1. off the table. *Motion passed.*

Joe Mazurek referred to a letter written July 16, 2009 regarding the request. The request is for funds to be set aside as a contingency for the Coles Road Improvement project. The Board of Selectmen has approved the expenditure and it will be eligible for LoCIP reimbursement.

Mr. Maley said the First Selectman told them this expenditure was not eligible for LoCIP funds. Mr. Mazurek said the First Selectman was mistaken. Mr. Maley said the reason this item was tabled last month was because there was no documentation to back up the request. He said he will not approve expenditures in the future unless proper documentation exists.

A **motion** was made by Ed Maley, **seconded** by Julius Neto and it was **unanimously approved** to transfer \$65,000 from the General Fund to LoCIP fund balance. *Motion passed.*

A **motion** was made by Ed Maley, **seconded** by Joe Corlis and it was **unanimously approved** to appropriate \$65,000 from the LoCIP fund for the continuation of the Coles Road Improvement project to include design, engineering and sidewalk extension. *Motion passed.*

Mr. Gengler asked the Board to hear items J. 1 and J. 2., as Mr. Mazurek was at the podium and the Board members agreed by general consent.

J. 1) Appropriate \$38,280 within the Sidewalk Fund for continuation of sidewalks along Washington Road. (Previous appropriation lapsed June 30, 2009)

A **motion** was made by Julius Neto, **seconded** by Loraine Caruso to appropriate \$38,280 within the Sidewalk Fund for continuation of sidewalks along Washington Road. *Discussion followed.*

Mr. Mazurek said the sidewalks would start at Congress Drive and proceed southward to Evergreen Road. T&S Caminito has submitted a low bid of \$38,280. He noted that these funds had been appropriated last year, but the project was not begun by the end of FY 09.

Mr. Maley asked how much of the \$44,080 appropriated in May for the Washington Road and West Street projects had been expended. Mr. Mazurek said the West Street project cost \$21,000. Mr. Maley said so the two projects are going to end up costing \$60,000 instead of \$44,000. Mr. Flanders asked why it cost \$21,000 for 15 yards of sidewalk on West Street. Mr. Mazurek said the sidewalk had granite curbing and brick detailing to match the new sidewalks on Main Street. Ms. Kiefer said the Board was led to believe that \$44,000 would cover the cost of both the Washington Street and West Street projects. Mr. Neto said he would vote no on these types of expenditures until accountability exists and the proper information is submitted. Mr. Flanders said the Washington Road project seems appropriate: a bid exists and details have been submitted. The Board was inadequately informed in May by the First Selectman regarding the West Street project.

The **motion** was **approved**, with **five in favor** and Julius Neto **opposed**. *Motion passed.*

Mr. Kelly stated the Board should give Mr. Mazurek some guidance as to what kind of information should be given to the Board. Mr. Maley said the project information should be documented in writing, with scope of project and an educated estimate of cost.

J. 2) Appropriate remaining balance of \$34,000 within the Sidewalk Fund for miscellaneous sidewalk repairs. (Previous appropriation lapsed June 30, 2009).

A **motion** was made by John Flanders, **seconded** by Loraine Caruso to appropriate \$34,000 within the Sidewalk Fund for miscellaneous sidewalk repairs. *Discussion followed.*

Mr. Flanders said this should be only be approved if the Board is informed of the areas to be repaired, the number of feet being repaired and the cost per foot. Ms. Caruso said that she would like to see an analysis of which sidewalks have the greatest safety issues. Mr. Neto said he would like to have information regarding who assesses the need and what criterion is used in choosing which sidewalks are repaired.

A **motion** was made by John Flanders, **seconded** by Loraine Caruso and it was **unanimously approved** to **table** item J.2. *Motion passed.*

The Board agreed by general consent to discuss item J. 4.

J. 4) Approve a supplemental appropriation from General Fund of \$40,000 to fund the restoration of a full-time Assessment Technician in the Assessor's Office and a full-time Assistant Town Clerk in the Town Clerk's Office, as approved by the Board of Selectmen at the 7/08/09 meeting.

The Chairman recognized Town Clerk Darlene DiProto and Assessor Shawna O'Neil.

A **motion** was made by Loraine Caruso, **seconded** by Julius Neto to approve a supplemental appropriation from General Fund of \$40,000 to fund the restoration of a full-time Assessment Technician in the Assessor's Office and a full-time Assistant Town Clerk in the Town Clerk's Office, as approved by the Board of Selectmen at the 7/08/09 meeting. *Discussion followed.*

Ms. DiProto referred to a letter she had sent to the Board members and noted that her revenue was higher than indicated in the budget report. She said her revenue had declined slightly due to the fact that conveyance fees are based upon the sales price of a home; this does not mean that there has been a large decrease in recordings or work in the office. She said the Assistant Town Clerk was reassigned to the Assessor's office part time as a part of a complete reorganization of offices in town hall. When the budget workshops were completed, the Board of Selectmen had reinstated all the positions cut by the First Selectman except for the Assistant Town Clerk. Ms. O'Neil explained how it was confusing to resident s to deal with two different part-time assessor techs and it made no sense to pay Mrs. Alquist an Assistant Town Clerk's salary and have her working as a tech. Mr. Corlis asked if it was necessary for both Ms. O'Neil and the Deputy Assessor to leave the office and work in the field at the same time. Ms. O'Neil said yes, often times that was necessary, so the office does need full time coverage by a tech. There was further discussion regarding the lack of communication between the First Selectman and the department heads regarding the position changes during the budget process.

Mr. Maley **amended the motion**, **seconded** by Julius Neto, to approve the appropriation of \$40,000 as follows: 18,000 to Town Clerk Wages and 22,000 to Employee Benefits and the amendment was **unanimously approved**. *Motion passed.*

The original motion made by Loraine Caruso was **unanimously approved**.

I. 2) Update regarding Auditor's Management Letter for June 30, 2008:

Ms. Sylvester discussed a memo outlining her response to the Auditor's Management Letter. She said the Board of Education is working with the current auditors reviewing software to implement the appropriate journal entries for deferred revenue and accounts receivable. Board member Jamie Kiefer and she met with Sharon Ramsay and determined that sufficient internal controls exist in the Tax Office. There is a Policies and Procedures manual in place and duties are segregated as much as possible in a small office. Janet Murphy, Staff Accountant, worked with the Sewer Department to improve and document internal controls with regard to collection of fees. Controls have been tightened to limit authorization to wire transfers. Finally, the Purchasing Policy will be updated with the specific language from the Town Charter that deals with appropriations.

Ms. Caruso asked how the transition between the old and new audit companies was going. Ms. Sylvester said it was going well.

K. BOARD OF EDUCATION-LIASON REPORT:

Mr. Corlis said at the last meeting, during the discussion of the \$80,000 being returned to the General Fund, the Superintendent mentioned it was the equivalent of all staff taking one furlough day.

Mr. Neto asked Mr. Corlis to notify the Board of Education members about the issues with Educational Grant Funds mentioned in the Auditor's Management Letter. This is a recurring problem and the Board should be made aware of it.

Ms. Sylvester said the school system has been working on the problem and has made progress.

Mr. Flanders said he would like the Superintendent to provide a listing of all grants applied for and received.

L. CHAIRMAN'S COMMENTS:

Mr. Gengler said the Public Works Department was able to purchase a pickup truck and dump truck from the State for very good prices. The Department head used money from the department's capital expense budget to make the purchases. Mr. Maley asked who approved the purchases. The budgets are approved with specific capital items listed. The Department head does not have the authority to purchase something else. Ms. Sylvester said the First Selectman approved the changes. Mr. Maley said he wants a full reporting of every item purchased in 2009 by every department using the capital accounts line, and wants a listing of the original requests to make sure only items which were approved by the Board of Finance were purchased. Mr. Neto agreed and said there needs to be accountability as there is a potential of misalignment of focus.

M. VICE CHAIRMAN'S COMMENTS:

None.

N. GOOD AND WELFARE:

None.

O. ADJOURNMENT:

A **motion** was made by Julius Neto, **seconded** by John Flanders and it was **unanimously approved** to adjourn at 9:45 p.m. *Motion passed.*

Respectfully submitted,

Kimberly Larson
Temporary Recording Secretary
07/27/09