

Town of Cromwell, CT
Board of Finance
Regular Meeting
Thursday, January 24, 2018
Town Hall Room 7:00 P.M. Room 219

Minutes and Record of Vote (Revised)

Present: Chairman John Henehan, Vice Chairman Julius Neto, Amanda Drew, Steve Wygonowski, Ed Maley Jr., Bob Milardo, Alternates Dan Kelly and Allan Spotts

Not Present: Alternate Jon Dzurka

Also Present: Town Manager Anthony Salvatore, Finance Director Marianne Sylvester, Director of Public Work Lou Spina, Town Engineer Jon Harriman, Interim Superintendent Fran DiFiore and Board of Ed Director of Facilities, Information and Operations Tom Litwinczyk.

Called To Order – Chairman John Henehan called the Regular Meeting dated January 24, 2019 to order at 7:00 p.m.

Pledge of Allegiance – The Pledge of Allegiance was said by all.

Seat Alternates – No alternates needed to be seated.

Approval of Agenda – A motion was made by Mr. Neto and seconded by Ms. Drew to approve the agenda dated January 24, 2019. *All in Favor – Motion Passed.*

Approval of Minutes of Previous Meetings –

Regular Meeting of December 13, 2018 – A motion was made by Ms. Drew and seconded by Mr. Wygonowski to approve minutes as amended of the Regular Meeting dated December 13, 2018.

4 Approved and 2 Abstained (Mr. Neto and Mr. Milardo) – Motion Passed

- Page 3, Board of Education-Liaison Report, 2nd Sentence Change the wording to read “\$200,000 is being requested to be put back into their account and the balance will be given back to the Town.”

Citizens Report – Alice Kelly (Resident and Chairman of Water Pollution Control Authority) voiced her approval of the new Public Works facility. She mentioned that this new facility is long overdue. Her department has been saving for years for this opportunity to build a new facility not only to accommodate her department but Public Works as well. There is a lot of money tied up in equipment that should be stored properly to increase the life of it. Water Pollution Control will be contributing 28% but it isn't necessarily all from their Fund Balance needed to build this facility. The Sewer Dept. supports them from revenue generated from sewer bills. She also mentioned that Mattabassett stated that Cromwell is one of the best going into the Mattabassett because of their filtration. She encouraged the Board to vote favorably for the Agenda item K3 for the \$9.3 million needed to build the new facility and appreciated your time.

Report of the Town Manager – Town Manager Anthony Salvatore reported that so far financially the current budget is on target. There are no issues to report. He still waits to hear from the State about how State Aid will be affected for the upcoming fiscal year.

He also noted that all departmental budgets are due to be turned in by January 25. The Finance Dept will take them and organize and book them for review. Once consolidated Mr. Salvatore, the Finance Director and each department's directors will sit and go over the details of their budgets and tweak them. The Town Manager will then make his recommendations and presented them to the Finance Board.

He spoke about the \$397,000 sidewalk project that was discussed last month. He stated that formal confirmation has been received and that the Town has 3 years to complete the sidewalk project once the appropriate paperwork is submitted.

Report of the Finance Director – Finance Director Marianne Sylvester reported that the audit reports were handed out for the fiscal period 2017-2018. The auditors after completing their extensive testing reported that there were not issues to report. You also received a Federal and State Compliance report, which goes over all the grants Cromwell gets from State and Federal, and a comprehensive annual report.

Ms. Sylvester also reported that revenue exceeded expenditures by \$2,000,000. This increased unassigned Fund Balance to \$11.6 million. She noted that \$200,000 has already been allocated for the parking lot project off Main Street and that the Board of Education requested \$200,000 for their capital projects. Also discussed previously to use Fund Balance for the library renovations (minimum of \$2 million). Some road projects will need to be funded for about \$550,000 for the three projects (Willowbrook Road Project, Coles Road Project and the North Road Extension Bridge Project).

Overall, the Town is in a strong fiscal position and you should be pleased with that. As mentioned by the Town Manager, the budget through December 2018 is on target. She also mentioned that they have been going through a bank transition. Farmington Bank was decided upon which was bought out by People's Bank. It has been time consuming getting everything switched over on top of the w-2's, 1099's and ACI reporting.

Additional conversation took place regarding the matters listed above. It was asked how the ice storm impacted the budget. Ms. Sylvester responded stating it was too soon to tell. Mr. Spina inputted that overtime was not too bad because of the timing of the storm.

Report of The Tax Collector – Finance Director Marianne Sylvester included in the packet the Monthly Cash Collection's report through the end of December 2018.

Old Business – None

New Business –

- 1. Discussion and action to approve a transfer of \$200,000 from the 2017-18 unexpended Board of Education funds to the Board of Education Capital Account.** A motion was made by Ms. Drew and seconded by Mr. Spotts to approve the transfer of \$200,000 from the 2017-18 unexpended Board of Education funds the Board of Education Capital Account. ***All in Favor – Motion Passed.***

Interim Superintendent Fran DiFiori and Mr. Litwinczyk supplied a memo listing a Security Assessment Projects List for such things as cameras, upgraded intercom system, Wi-Fi upgrade, Reverse 911, installation of window safety film, new locks for CMS, renovation to central office, sign installation for school grounds

(signage regarding loitering) and planters used as barricades to deter against breach of entrance ways by motor vehicles.

Additional discussion took place. Emphasis about getting lists or documenting paperwork prior to the meeting would have been appreciated. Asked how much they had in their account - \$32,000 is in their account. Discussion regarding the funding for the new scoreboard. The Town paid \$65,000 knowing funds were being returned to Fund Balance. Also discussed was that the Board of Ed would be paying half of the new scoreboard, but no funds have yet to be transferred. Part of it will be coming from the surplus of \$500,000.

- 2. Discussion and action to appropriate \$18,185 within the CNR Fund for upgrades to the Finance server.** A motion was made by Mr. Neto and seconded by Ms. Drew to appropriate \$18,185 within the CNR Fund for upgrades to the Finance server. *All in favor – Motion Passed.*

Ms. Sylvester included in the packets a memo and quote listing cost to upgrade software and server. The funds requested are for upgrades to the Finance server and software. This server update was not anticipated but is required to be able to process W-2s and 1099s next year. The upgrade also includes the SQL software license. Plans to have the software upgrade done between March 1 and June 1, 2019, so it does not impact calendar year-end or fiscal year-end. It is requested to be appropriated as soon as possible so we can update our MUNIS software before June 2019.

Discussion took place regarding this matter. It was noted that the last upgrade was 3 years ago. Conversation as to who the third-party IT support is and how it works. Looking into other options for future needs. There is a committee that discusses upcoming instances for upgrades, etc. The upgrade is a necessity. It was asked if you would look into regionalizing IT support. Town Manager inputted that in this upcoming budget that they are looking into better IT support options.

- 3. Discussion and action to approve a resolution making an appropriation for \$9,300,000 to be funded from borrowings to the extent not funded from unassigned General Fund fund balance as determined by Board of Finance or available Sewer Usage Fund (CWPCA), for costs related to the design, construction, furnishing, equipping and relocation of various Public Works Department and CWPCA facilities and related projects.** A motion was made by Ms. Drew and seconded by Mr. Neto to approve the appropriation for \$9,300,000 to be funded from borrowings to the extent not funded from unassigned General Fund fund balance as determined by Board of Finance or available Sewer Usage Fund (CWPCA), for costs related to the design, construction, furnishing, equipping and relocation of various Public Works Department and CWPCA facilities and related projects.

Town Manager Anthony Salvatore presented this appropriation stating that the thought of improving the facility that houses the Highway Dept and some Public Works personnel and equipment has been on-going for 8+ years. He mentioned that he has been working on it for at least 4 years. There were many issues leading up to this point. Properties being a main concern. It began as looking at the Transfer Station property. It was suggested that the Highway, Sewer and Transfer Station be located at one facility. After some issues in obtaining enough land, Mr. Salvatore contacted the VP of Sysco that owns the land North (going into Rocky Hill). The land was purchased from Sysco and the Town Engineer began designing a set up that would accommodate tractor-trailer traffic incoming and outgoing on County Line Road. Land swapping took place between the Town and Scannell to get a parcel of land to accommodate the facility. Previously had an architect design plans but thought the cost was high (quoting the project at approximately \$15,000,000). It was then decided to do a design build request. Received several proposals, presented them

to the Town Counsel who accepted the staff's recommendations on the \$9.3 million, which was also approved, and now presenting to the Finance Board for approval. He mentioned that the present facility is in dire straits and is inadequate (no garage to house the trucks and equipment, structure needs a lot of repairs, the present facility cannot facilitate female employees, etc.). Mr., Salvatore further described what work is recommended and talked about the savings it would be to build a new facility instead of renovating the existing structures.

Scanell did a lot of the prep work and the Town performed the work.

Additional discussion took place regarding how the dollar amount was determined. Approximately 5 years ago it was guessed to cost \$5,000,000. Asked why there was such a jump in cost. Finance Director referred to the preliminary cost estimate handed out at the meeting to explain. State mandates are included. Jon Harriman and Lou Spina also described the scope of the project. The cost using an architect would have been approximately \$15,000,000. Mr. Spina, Mr. Harriman and Town Manager visited various towns to check out their facilities. It was then determined to go with a Design Build (it's like using someone else's drawings and tweaking them to your needs bring the estimate down. The target amount was between \$5,000,000 to \$10,000,000 and after picking and choosing what needs were an estimate of \$9,300,000 was quoted. The facility is being built to accommodate future growth for approximately 50 years.

Everyone agrees a new facility is long time needed. Mr. Neto commented that he does not have an issue with the numbers and trust the experts to present as accurate figures as possible. Material costs, increase in labor costs, etc constitutes the increase from \$5,000,000. Everyone seems to be on the same page that getting the estimate prior to the meeting would have saved a lot of discussion on the matter. Everyone agrees the facility is needed. They just don't agree as to when it was presented.

Some of the members of the Board took a tour of the existing facilities, some attended some of the planning meetings and almost all want more time to review the numbers.

Question was asked as to how the project would be funded. Ms. Sylvester handed out a list of large capital needs and a graph showing how the debt will drop off. Ms. Sylvester has a few scenarios for projections on the debt structure but hesitates to share with the Board members due to the number of assumptions and variables built into the projections. Her goal is to keep the mill rate stable.

It has been emphasized that information to be given to the Board members as soon as possible and not wait until the meeting. Chairman Henahan requests that anyone with information to please forward it to him and he will decide what is forwarded onto the Board members. Ms. Sylvester mentioned that there will be a 20-year bond and in 2 years it will be incurred in that fiscal period. When the bond is taken will depend on interest rates.

Mr. Maley motioned to have this request deferred to February's meeting. ***2 Agreed to defer and 4 Disagreed to defer. This motion did not pass.***

Mr. Maley would like to make an amendment to the motion or have a separate motion to have it voted on by the residents.

A vote was taken on the original motion. ***3 in Favor (Mr. Henahan, Mr. Neto and Ms. Drew) and 3 Opposed (Mr. Maley, Mr. Milardo and Mr. Wygonowski) – Motion was Rejected.***

No need to bring up the amended motion since the original motion was rejected.

Asked what is the mechanics to bring this request back. It was stated that one of the parties that rejected it could request to have it added to the agenda. Mr. Salvatore will check with the Town's attorney for the correct process.

4. Set Hearing and Deliberation dates for 2019-20 budgets.

The following dates were set:

- April 3, 2019 Public Hearing at the Town Hall, Room 224/225 at 7:00 p.m.
- April 8, 2019 Public Hearing (Part 2) at the Town Hall, Room 224/225 at 7:00 p.m.
- April 15, 2019 Special Meeting at the Town Hall, Room 224/224 at 7:00 p.m.

Board of Education-Liaison Report – Mr. Drew reported that the Board of Ed presented their initial presentation of their budget. The requested an increase of 3.89% which is \$1,155,698. \$800,00 is employee salaries and benefits, increase in Special Ed funding, project to remove an underground tank at CMS and replace a transport van.

Chairman's Comments – Chairman Henehan stated that it was a good meeting – very stimulating and learned some strategy that can be put into play for next month. He said that he was ready for a very exciting budget season.

Vice-Chairman's Comments – Vice Chairman Julius Neto announced that the Fire Commissioners appointed him to be the new Fire District Director. Asked the Town Manager to touch base with the Town Attorney to make sure there is no conflict.

Good and Welfare – Good luck to Julius on his new position.

Additional note: Mr. Wygonowski asked if there was a request from one of the Board members whether it is for additional information or to have added to the agenda that it be presented to the Chairman first and then he will decide what to do with it.

Adjournment – Mr. Milardo motion to have the meeting adjourned at 9:00 p.m. ***All in Favor – Motion Passed.***

Respectfully submitted,

Cynthia Hardacker

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Recording Clerk