

Town of Cromwell, CT
Board of Finance
Regular Meeting
Thursday, October 26, 2017
Town Hall Room 7:00 P.M. Room 224/225

Minutes and Record of Vote

Present: Chairman John Henehan, Vice-Chairman Julius Neto, Joseph Corlis, Bob Milardo, Allan Spotts, Amanda Drew and Alternate Dan Kelly

Not Present: Alternate Jon Dzurka

Also Present: Town Manager Anthony Salvatore and Finance Director Marianne Sylvester

Called To Order – Chairman John Henehan called the Regular Meeting dated October 26, 2017 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 October 26. *All in Favor – Motion Passed*

Approval of Minutes of Previous Meetings –

Regular Meeting July 27, 2017 – A motion was made by Mr. Neto and seconded by Mr. Spotts to approve the amended minutes of the Regular Meeting dated July 27, 2017. *Four approved and abstained by Chairman Henehan and Ms. Drew – Motion Passed*

- Correction on Page 2, first paragraph – Change Curma to CIRMA
- Correction on Page 2, New Business, Item 2 – Change Mr. Milardo declined to Mr. Milardo recused.

Citizens Report – None

Report of the Town Manager – The Town Manager reported that the State Budget was approved and is awaiting final signature from the Governor. Mr. Salvatore sent out a Press Release outlining how Cromwell was affected. In his Press Release he mentioned that compared to FY17 for State Aid to Municipalities, the current proposed budget reflects a loss of approximately \$420,000 in operating revenue (this does not include LoCIP). He also stated that expenditures will continue to be closely monitored but due to the conservative budget and savings in the prior year, we will be able to sustain the current level of services and programs to the residents of Cromwell without the need for a supplementary tax revenue in FY18. Attached to the Press Release was an email received by the Finance Director from the State outlining the impact to Cromwell. Mr. Salvatore discussed some of the details listed.

Mr. Salvatore had a meeting with the Finance Director and the School Superintendent and they decided to hold off making any changes and then later determine if changes need to be made. As of right now, no recommendations are required. Ms. Drew questioned where the reduction was coming from and the response was that it came primarily from ECS. Both town and Board of Ed will monitor their budgets on a monthly basis and as long as there are no changes mid-stream from the State, Cromwell looks solid with the budget in place.

The Town Manager also complimented Ms. Sylvester and her staff for their hard work to maintain the AAA rating. He also commented on some of the items listed on the email from the State and noted that some of the items that he was not sure of would be reviewed and learn more about them (Example: Municipal Stabilization Grant for one). He also expressed his concerns about the Motor Vehicle Cap and the possibility of the State taking over the Motor Vehicle Tax. If this happens, revenue will need to be made up somewhere else (i.e. Property Tax)

Mr. Salvatore closed by stating that Cromwell has no problems with their budget at this time.

Report of the Finance Director – Finance Director Marianne Sylvester reported that through the end of September 2017 the budget is in line as expected. She reported on the Educational Grant (most of which are Federally funded and should not be affected). The Board of Ed already took State Grants and their cutbacks into consideration and at this time have no issues with their budget. Some of the issues they had in the past was from the way they were reporting, which has since been corrected and will not be an issue in the future.

Ms. Sylvester commented on a positive note that the audit for 2016-2017 was going well and showed an operating surplus. This was due to a combination of excess revenue received and savings in expenditures. Excess revenue came from revenue collected in the Tax Department (\$661,000 in excess of the budgeted amount).

Supplemental Motor Vehicle surpassed their budget and had a surplus of approximately \$250,000. Another area was the Property Taxes which received an additional \$328,000. Supplemental Motor Vehicle Tax is hard to determine and will be based on historical data.

Ms. Sylvester also reported that in State Aid an extra \$495,000 was received. All together \$530,000 was collected (NOTE: These are all unaudited figures).

Expenditures for the Board of Ed came in with a surplus of \$13,000. Ms. Sylvester detailed on other savings and expressed that it was not in one area. It was spread out (Employee Benefits, staffing, wages, etc.). Additional comments from Joe Corlis (Board of Ed Liaison) and Town Manager noting that both the Town and Board of Ed prepared a bare-boned budget.

Report of The Tax Collector – Ms. Sylvester filled in for the Tax Collector and noted that Mr. Sienna was pleased with his numbers for the end of July 2017. It was asked by the Finance Board that the Town Manager request Mr. Sienna to attend next month's meeting.

Old Business – None

New Business – None

Board of Education-Liaison Report – Mr. Corlis reported that the Board of Ed did not meet in August 2017. He reported that the Board of Ed met on September 12, 2017 to talk about the 2016-17 Budget and was noted that they ended with a \$13,000 surplus. The Superintendent and the Finance Director discussed what they would do with the surplus and decided to give it back to the Town. Mr. Corlis also reported that the Board of met on October 10, 2017 to discuss the 2017-2018 budget where they discussed such items as Special Ed and their needs and the uncertainties. In all the budget is on track. The Board of Ed met again on October 24, 2017 and noted that this is no problem with the budget. He did mention that the pupil expense tuition rate last year was \$14,166 (for 2000 students) and this year tuition per student is \$14,895 (for approximately 1970 students). Increase is attributed to less students (will be reviewing closer).

Chairman's Comments – Chairman Henehan noted that the Finance Board may not be the same after the elections.

Vice-Chairman's Comments – Vice-Chairman Neto re-iterated what the Chairman said and noted that change is inevitable.

Good and Welfare – Wished everyone a safe and Happy Halloween. Ms. Drew wished Mr. Spotts best wishes in the upcoming election for Town Counsel and stated that it was a pleasure serving with him. Others also wished him the best.

Adjournment – A motion was made by Mr. Milardo and seconded by Mr. Neto to adjourn meeting at 7:53 p.m. *All in Favor – Motion Passed*

Respectfully submitted,

Cynthia Hardacker

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Recording Clerk