

**Board of Finance  
Regular Meeting  
Room A-Town Hall  
December 12, 2017**

1. **Call to Order:** Meeting was called to order by Acting Chair Michael Dougherty at 7:00 p.m.
2. **Roll Call:** Michael Bernardi, Roy Bradrick, Ronald Cabana, Frederick Chmura, Michael Dougherty, David Fortin, Jeffrey Kelleher, Glen Lessig, and David Richardson.

**Absent:** None

Others: Mike Alberts, Chandler Paquette, Frank Olah, Linda Bernardi, Karen Fitzpatrick, Ernie St. Jean, Karen Monroe, Viktor Toth, Jennifer Hawkins and Lauren Blain.

3. **Seat Alternate if Necessary:**

All members present, no need to seat an alternate.

4. **Auditor's Presentation Independent Auditors Report:**

Jennifer Hawkins, CPA Partner and Linda Blair, CPA Senior Associate of MahoneySabol handed out copies of the "Presentation of the 2017 Audit Results" and explained Scope of Work performed for the Town Audit which also included a Federal Single Audit and State Single Audit.

They reported that the report gives a "Unmodified 'clean' opinion with no significant deficiencies or material weaknesses over financial reporting" for:

- Governmental activities,
- Each Major Governmental Fund,
- Aggregate remaining fund Information.

They noted:

- An increase of \$3.2 million in combined ending fund balances with the largest increase of \$1.7 million in the Herbert W. Bowen Fund due to current year endowment investment earnings and an increase of \$700 thousand in the General Fund and Small Cities Loans,
- The Unassigned fund balance of the General Fund was 15.8% of the total General Fund expenditures, which is sufficient to cover 1.9 months of operating expenditures.

Significant Audit Finding were:

- No disagreements with Management,
- Management Representations,
- No Management Recommendations for this year.

Richardson queried the report statement that revenues were \$575 thousand more than budgeted and expenditures were \$295 thousand less than budgeted and did this include the BOE's non-lapsing funds. Hawkins replied that it did not.

Richardson and Fortin both asked questions concerning the \$3.2 million increase in the ending fund balances. Hawkins reviewed the increases in each fund account.

Richardson asked, "What was the loss due to the transfer of the school buses to the

private provider?” Hawkins replied that the net loss was \$694 thousand but the Town will be receiving credits from the provider over the next three to five years.

Fortin thanked the Team for the excellent job that they did this year.

**5. Approval of Minutes from November 14, 2017 Regular Meeting:**

Richardson stated minutes need to be amended by adding the words “any changes” to the end of the first line of Item 8A.

**Glen Lessig seconded by Ronald Cabana to approve the minutes as amended. Motion passed unanimously.**

**6. Report of Committees:**

Dougherty stated that there are no committees to report at this time.

**7. Public Comment:**

Chandler Paquette thanked the Treasurer’s Office for an outstanding job on the financial books.

**8. Unfinished Business:**

**A. Update on State Budget**

Fitzpatrick stated that the Town has received one-quarter of the educational funding that was budgeted and we are on schedule for educational funding from the State.

**B. Review Fund Balance Policy**

Fortin stated that the current policy limiting the maximum amount of unassigned fund balance within the General Fund has been suspended due to continuing fiscal uncertainty at the state level and we should leave the suspension in place at this time.

**Glen Lessig seconded by Roy Bradrick to continue the suspension of the Fund Balance Policy. Motion passed unanimously.**

**C. Update on Solar Project**

Richardson stated that the BGE invoices for the month of November have not been received. Still have the issue from July/August where there is a \$5 to \$6 thousand difference between what Eversource reported for production and what BGE reported for production. He stated that the First Selectmen’s Office needs to look into this issue. Generation rate cost is also still an open issue.

Fortin asked if these differences were due to “reading” dates. Richardson replied that not really as both are at the end of the month readings but could be different by a week. Richardson believes that the July and August BGE output seems unreasonably high given the data for the other months. However, he stated that the Town is on target for a \$40 thousand credit for the year.

#### **D. Bylaws Policy Update**

Lessig stated that the Bylaws Policy was reviewed by he and Fortin and they recommend that “that all newly elected members are seated” at the end of Bylaw #1 be added. Fortin asked that the revision number nine be noted on this version.

**David Fortin seconded by Roy Bradrick to approve the Bylaws Policy as amended. Motion passed unanimously.**

#### **9. New Business**

##### **A. Approval of 2018 BOF Meeting Calendar:**

**David Fortin seconded by Roy Bradrick to approve the 2018- 2019 Meeting Dates for the Board of Finance.**

Richardson commented that between the April 3<sup>rd</sup> Public Hearing and the April 10<sup>th</sup> Final Budget Meeting there is only one week and that makes it a short time period to make adjustments if they are needed.

Fortin asked why there is no June meeting on the schedule. Lessig commented that he is generally on vacation in July and would prefer a June meeting. Fitzpatrick stated that she would prefer a June meeting as July is a business month for her office and there are no transfer requests until September.

**Glen Lessig seconded by Ron Cabana to amend the motion by adding a Regular Meeting on June 12<sup>th</sup> and removing the July 10<sup>th</sup> Regular Meeting. Motion on the amendment passed unanimously.**

**Motion as amended passed unanimously.**

##### **B. Election of Officers:**

Dougherty stated that the Connecticut General Statutes require that there be a Chair, Vice-Chair and Clerk of the Board of Finance.

**David Fortin seconded by Roy Bradrick moved Michael Dougherty as chair. Motion passed with Michael Dougherty abstaining.**

Doughty asked if the Board wished to have a co-chair and a clerk or one position as co-chair/clerk. Lessig asked is the co-chair the same as a vice-chair. Bradrick stated that he believes that it is better to have back-up positions as chair, vice-chair and clerk.

**Glen Lessig seconded by David Fortin moved Frederick Chmura as vice-chair. Motion passed with Fred Chmura abstaining.**

**Glen Lessig seconded by Frederick Chmura moved David Fortin as clerk. Motion passed unanimously.**

##### **C. Appointment of Alternate Vacancy:**

No action required at this time as the Special Meeting preceding this meeting appointed Michael Bernardi to the vacant position of Alternate to the Board of Finance.

##### **D. Discussion with Selectmen:**

Alberts stated that the new Board of Selectmen had only one meeting .The BOS has approved to issue, on a trial basis 50 transfer permits to Pomfret residents at

\$200 per year. The hours at the transfer station have been extended by one hour on Saturdays and Sunday's by opening at 9 AM. Cabana asked if there is a senior discount for the transfer permits. Albert stated that there is no discount just one rate for all Pomfret residents and that Woodstock would issue the permits.

Green Energy – Selectmen are reviewing the current Green Energy Policy as green energy has a higher cost than non-green energy sources.

Alberts discussed the Moody's re-review of the Town's Bond Rating. The current rating of Aaa3 will remain with no change.

Alberts stated that the BOS is looking for inputs from the BOF. Dougherty stated that the Board is still waiting to see what the State action is on both this year's funding and next year's budget. It is important that the Town needs to look for additional revenue and areas where expenses can be reduced.

Fortin stated the Moody's report was interesting on the challenges that the Town faces in generating revenue, median age of the Town is higher than average. The town should leverage savings by consolidating purchases whenever possible. The Town should look to, in the future to consolidate the Town Hall employee's health plan with the schools to help preserve the self-funded school health plan. He has heard from some residents' complaints that there is little communication that comes from the town hall to residents. Alberts talked about other surrounding town's communications but they are self-funded private initiatives not official town communications.

Chmura mentioned that the local radio station is always looking for local officials to appear on the "talk show".

Fortin continued by stating that many of the building officials in other towns are now part-time basis rather than full-time so perhaps we could share ours in an effort to generate revenue.

Chmura stated that the BOS should look for possibly opportunities to partner and regionalize services and equipment in addition to the NECOG efforts. Also given the that the State Income Tax is piggy-backed on the Federal Income Tax that the State may experience less income tax revenue in the future, so the BOS needs to think to possible major structural general government changes to produce cost saving in the future if State funding to the Town decreases even more rapidly than anticipated.

Alberts stated that the prior administration has reduced hours of positions in the Town Hall and the possibility of reducing Town Hall hours may be required. He also stated that the general government does not have many areas to cut so the B of S is looking for "nickel and dimes".

Lessig thanked the Selectman for coming to this meeting and mentioned that emails and social media are ways of communicating with the public for little cost.

Lessig asked about the transfer station and the STEEP grant status. Albert stated that STEEP grants are on hold due to a lack of communication between State Office of Policy and Management (OPM) and the Town on modifications to the grant. OPM should be moving forward soon on the grant changes. The modification concern covers over the transfer bins.

Richardson mentioned that there has been \$200K surplus over the last couple of years so there is some surplus in the past budgets. He agrees with Fortin about full

time employees in the Town Hall. He asked about health insurance benefits for part-time and non-union contract employees. Fitzpatrick stated that part-time employees are not in the health insurance program. Richardson suggested that non-union employees could be moved to the school's self-fund health insurance program. Also, the Town should look at combining with one or more other Towns to get a better lower electric generation rate. The Town also needs to look at a customer service approach to delivering services. He also stated that the budget is 80/20 with the Board of Education being the 80% so that they need to take a serious look at cost savings as well.

Paquette believes that Facebook is a two-way street and that the Town would need a full-time employee to respond to the posts and we should stay away from that platform. Alberts discussed that the sharing of the Building Inspector with the Town of Thompson needs to be looked at because Thompson has been taking more the Building Inspector's time that originally thought.

Alberts has been meeting with Town Department heads to look for efficiencies and savings.

Dougherty thanked the Selectmen for coming to the meeting to discuss the financial issues facing the Town.

#### **10. Comment and Correspondence:**

None

#### **11. Public Comment**

None

#### **12. Other from Board**

Dougherty thinks that the Board should do something to recognize Dave Hosmer's 20 years of serve on the Board. He asked the Board members to think about it for the next meeting.

Next regular meeting is January 9, 2018

#### **13. Adjournment**

**Motion to adjourn made by Glen Lessig, seconded by Dave Fortin. Motion carried. Meeting adjourned at 8:55 p.m.**

Respectfully submitted,  
David Fortin  
Clerk

**DISCLAIMER: These minutes have not yet been approved by the Board of Finance. Please refer to next month's minutes for approval/amendments. Please note that the video record is the legal record of the meeting.**