

MINUTES
BOARD OF FINANCE REGULAR MEETING
JUNE 9, 2010
7:00 P.M.
TOWN HALL ANNEX

Present: Deb Tietz, Chairman Deb Fuller, Vice Chairman
Richard W. Anderson Andrew Sherman

Absent: Richard Famiglietti William Drakeley

Also Present: Gerald Stomski; First Selectman, Muffy Gomes; Fiscal Officer, about eight townspeople and Jamie Cura; VOICES.

1. Call to Order

Chairman Deb Tietz called the regular meeting of the Board of Finance to order at 7:04 PM in the Town Hall Annex.

2. Privilege of the Floor

Richard Snider commented that the reduction of \$24,000 from the budget deleted at the last meeting does not seem to be enough, the mill rate was not changed much. There is a lot of unemployment out there, houses are in foreclosure. Townspeople are looking to keep taxes level yet they want the streets clean, roads plowed and the library open. Woodbury has wonderful things, don't, say, cut jobs but close the library one day a week to save electricity, heat. Townspeople are out there to see change. You have to sell the budget in a better way. Also, the Pezzo property has to be addressed, mistakes were made. Should action be brought against the attorney? This has to be resolved in a practical way. Sell the property instead of incurring more legal expenses? Discuss this at the next Town Meeting. Chairman Tietz said a legal opinion is being sought regarding the Pezzo property by the First Selectman. The Board of Finance cannot do anything until then. We do need to keep the ball rolling. She also noted the \$24,000 isn't much of a reduction, but cuts were made to the pay plan that will show up next year.

3. Treasurer's Report

M. Gomes presented an interest statement to members from April. The 2% from Newtown Saving Bank is not being met, the rate is currently variable, a shade less than 1% which is still more than four times what STIF offers. He still recommends staying with Newtown Savings. D. Fuller asked if an update letter should be requested from them, the copy she had was dated April 2009. And, ask them for their projections for the next year, added A. Sherman. Do other banks offer the same type of programs D. Fuller asked. M. Gomes told her other banks did not. The Board of Finance needs to understand if the risk profile has changed, that might be relevant, noted A. Sherman. Government insured was part of the portfolio, observed D. Fuller, they are involved in the housing market.

Mr. Stomski joined the meeting.

M. Gomes explained that he sped up the department projections process instead of waiting until July and August. The departments projected and the reflected transfers are in the report Board members received today. Sand/salt money is still available. Police department was not included here, but from Other Resident Trooper \$40,000 is left over. Some money will have to be transferred. A. Sherman pointed out that since this was an intra department transfer Town Meeting approval was not needed. M. Gomes also asked that the Board of Finance meeting, scheduled for early July, be rescheduled for later in the month so the transfer could be done before then. A. Sherman also asked that if a transfer at the Town Meeting is needed that the Board be alerted before the fact. A special meeting specifically for budget transfer requests could be scheduled.

- **Explanation of Overages**

Building Repairs and Maintenance for the Fire Department appears to be over as does Emergency Management; in the Library account, Books and Magazines, clerical and Repairs and Maintenance does too. M. Gomes will look into this as those particular department heads are usually on top of things. In some instances training is not being used. D. Fuller stated that training should be used, if it isn't the money should be taken out of the budget. M. Gomes said he would look into these specific budget items. M. Gomes also reported that if the Town does not have a budget as of July 1st the computer system configuration can be changed; bills can still be paid. A. Sherman wondered how any payment could be made if there is no budget, we have no legal authority to spend money. D. Tietz said the Board of Finance does have authority. We can appropriate emergency funds, but the Charter has restrictions, A. Sherman noted.

Tax collections, as of June 4th shows \$600 over budget; in prior year, collections, are at \$30,000, interest and liens is \$60,000 over, however, motor vehicles are \$23,000 under projections. The \$200,000 for Debt Service, for the Old Town Hall grant, has been received. That money will be transferred into the Town Hall account.

D. Fuller asked that what happens if the there is not budget by July 1st needs to be investigated.

4. New Business

- **Approval of Minutes**
 - **May 12, 2010 Regular Meeting**

MOTION: R. W. Anderson moved to accept the minutes of the regular meeting of May 12, 2010 with the correction that Attorney Hollow should be changed to Attorney Hollon. D. Fuller seconded. **UNANIMOUSLY APPROVED.**

- **May 17, 2010 Special Meeting**

MOTION: D. Fuller moved to accept the minutes of the special meeting of May 17, 2010 as presented. A Sherman seconded. R. W. Anderson abstained due to absence.

VOTE: 3-0 FAVOR. MOTION CARRIED.

- **June 2, 2010 Special Joint Meeting**

MOTION: A. Sherman moved to accept the minutes of the special joint meeting with the following corrections. D. Fuller seconded.

Page 1, change “Mr. Richard Snyder” to “Mr. Richard Snider.”

Page 5, insert “In discussion, M. Gomes estimated that the Town would actually save at least 40% of each salary dollar not paid in the next fiscal year, with the balance paid out in unemployment benefits. So A. Sherman noted that to actually save the \$80,000 real dollars that had already been removed from the pay plan (and from the budget overall), we’d have to pay \$200,000 less in salary. For that reason he suggested implementing W. Drakeley’s idea by transferring the estimated unemployment for a \$200,000 cut from the Salary Adjustment line to Contingency, with the expectation that the Board would be amenable to restoring a portion of this amount should a good-faith restructuring not lead to sufficient salary savings in the 2010-2011 fiscal year, subject to Town Meeting approval if necessary.” just before the first motion.

Page 5, insert at the end of discussion in the second motion, “G. Stomski noted that there is a department heads’ meeting tomorrow, and he would ask them to prepare such a 2% reduction list at that time. Pursuant to G. Stomski’s statement, Selectman Hale withdrew his motion.

UNANIMOUSLY APPROVED.

• **June 2, 2010 Special Meeting**

MOTION: A. Sherman moved to accept the minutes of the special meeting of June 2, 2010 as presented. D. Fuller seconded. **UNANIMOUSLY APPROVED.**

• **Charter Revision**

D. Tietz asked that Board members forward any suggestions to be presented before the Charter Revision Commission to her as she would bring them to the meeting scheduled for June 17, 2010, in the Shove Building Conference Room. A. Sherman said it was important to more clearly delineate the operational budget, between the Boards of Finance and Selectmen. Joint treatment with the budget seemed to work better. Trigger numbers for the Town Meeting transfers need to be looked at by either the Commission or the Board of Finance. He also asked that if possible, the Charter Revision Commission submit a draft to the Board of Finance prior to the public hearing. D. Fuller said she could not come to the meeting on June 17th, but would like to meet with them at another time. Research may be needed; there are difficulties with personnel issues, the Board of Selectmen/First Selectman negotiations with the union. Previously a Board of Finance member used to sit in on negotiations, which is not specified in the Charter. D. Crane negotiated changes that were never accosted out by an actuary. This is not well understood but it resulted in an underfunded pension plan. The First Selectman is not a pension expert, they tried to improve a plan, but all facts were not known at that time. The First Selectman has to have the freedom to negotiate but a cost benefit analysis should be done by a third person and explained at a Town Meeting. A. Sherman agreed with her point. The Town Meeting is a great form of government, but details are sometimes difficult to explain and difficult to understand. An expert would help in this area. A statement would probably be more helpful from an expert. D. Fuller continued, because of negotiations done with the unions independently of the pension board, like

four years after the fact, these problems have come to light. We need connections with negotiations and the final outcome. M. Gomes noted that some issues were addressed in the plan but not in the contract. D. Fuller gave the example of overtime, it's included in the Town's contribution but not in the employee's. D. Tietz commented that this is not covered in the Charter at all. A. Sherman suggested using the phrase "prior to commencing negotiations" should be used, so the First Selectman is aware of what is addressed. The First Selectman needs the freedom to negotiate, observed D. Fuller, expertise is needed at the end of negotiations, to figure out the impact. Let's see how other towns approach this. She also agreed it was important to raise the cap that goes before the Town Meeting. D. Tietz suggested changing the date for the May Town Meeting, earlier than the third Monday, it should be sooner so we don't run into the problems we're running into now. A. Sherman pointed out that Memorial Day caused problems this year, are there Statute stipulations? When the Charter is silent there's an issue. The town of Plymouth problems were then disc used. D. Tietz said she would bring these suggestions, and any others members give her, to the Charter Revision Commission.

- **2010-2011 Budget Matters**

- **Undesignated Fund Policy Discussion**

This fund policy was last updated in 2002. M. Gomes presented a suggestion which members reviewed. A. Sherman suggested adding "if the operating surplus is rolled over" as overtaxing is possible, it's reasonable to use the roll over to reduce taxes. D. Fuller pointed out that in past years the surplus was put into open space or put toward the fire truck purchase. What about bond council, what do they recommend? M. Gomes said the amount used to be between 5% & 10%, now it's between 10% & 15%. A. Sherman observed, "now we're at the hairy lower end." M. Gomes said the Town would be rolling the bans over soon anyway. Let's leave the Undesignated Surplus at 7.5%.

MOTION: D. Fuller moved to amend the Undesignated Fund Balance Policy to read as follows. R. W. Anderson seconded.

TOWN OF WOODBURY
UNDESIGNATED FUND BALANCE POLICY

It continues to be the policy of the Woodbury Board of Finance to maintain an Undesignated Surplus 7.5% of Total Budgeted Expenses (including Regional School District#14). This level is equivalent to four weeks of expenditures; the Board considers this a prudent amount.

The Woodbury Board of Finance policy is that annual operating surpluses are transferred, at year-end, to the Undesignated Fund Balance account in the Fund Equity section of the Balance Sheet.

Funds in this account generally are used for two purposes:

- If the balance exceeds the target, the excess can be budgeted in the following fiscal year as a revenue source. If possible it should be **used for** capital projects or any other nonrecurring expenses.
- Funds may also be used for the purchase of Open Space or other nonrecurring purposes.

7.5% is a target. The balance may fall below this target should that be thought prudent in the context of a given budget plan, but the Board is committed to returning to 7.5% as soon as possible.

UNANIMOUSLY APPROVED.

• **Special Revenue Funds**

D. Tietz stated she would like a list of names and amounts in each special revenue fund. A. Sherman said that would be a good addition to the Annual Report, especially names of who manages, and descriptions, not necessarily the amounts. D. Tietz then asked M. Gomes if the Parks and Recreation special fund was working properly. He answered that it was.

A discussion of a letter to be sent to Region 14, specifically Mr. Hubelbank then occurred.

The new date for the next Town Meeting is June 21, 2010, to be held at the Old Town Hall, with the referendum scheduled for June 29, 2010 at the Senior/Community Center. A special meeting will be scheduled directly following the referendum to set the mill rate. A Board of Finance special meeting will also be scheduled for June 21, 2010, starting at 7:30 P.M., recess for the Town Meeting, then continue after.

• **Budget Transfer Requests**

There were none.

At this time R. W. Anderson asked G. Stomski if he had any feedback from department heads regarding the 2% reduction. G. Stomski answered that he asked them to come back with reductions to their budgets. A. Sherman then asked, if a number is derived, should that number be taken to the Town Meeting? It would be prudent to reduce the budget beyond what has been reduced so far. Let the Town Meeting approve what has been reduced, with a majority vote. If the referendum votes down another budget, setting the mill rate will be delayed another three weeks. R. W. Anderson thought those department head recommendations should be ready by June 21st. M. Gomes noted that staffing and hours are reflected in a list. A. Sherman then said, if there is a list, let's use it, give the Town Meeting the opportunity to consider it, the budget can be reduced by majority vote. It could be confirmed at the special meeting after the Town Meeting. G. Stomski said he presented a request at the department head meeting, he did not receive a list yet, he did not get a number yet. R. W. Anderson continued saying, there should be a number brought up at the Town Meeting, there was a commitment. G. Stomski told him the commitment was fulfilled. A. Sherman thought it was premature for the Board of Finance to consider this until the Board of Selectmen has a chance to fine tune the list. R. W. Anderson disagreed. He wants something to definitely be brought up at the Town Meeting, in response to Selectman Hale's comment, even if it was just a statement. D. Tietz pointed out that she could say something at the Town Meeting related to this, depending on what they come up with. R. W. Anderson finished his comment by stating he was expecting something.

• **Bills**

MOTION: D. Fuller moved to accept the clerk's bill in the amount of \$154.47 and approve for payment. R. W. Anderson seconded. **UNANIMOUSLY APPROVED.**

- **Correspondence**

There was none.

5. Unfinished Business

- **Budget Matters**

There was nothing to discuss.

- **First Selectman's Update**

New fees have been instituted by the Parks and Recreation Commission. A field usage fee schedule was distributed to Board members. These fees are to cover field maintenance levied against participants. It is estimated that adult sports would reap about \$2,250 and youth sports would bring in about \$4,530, using 2009 participation as an example. The money would go into a special revenue fund to offset field maintenance, specially earmarked. A. Sherman was concerned as to how the funds would be earmarked. The full cost of field maintenance should be stated, and the full amount of revenues received should also be shown, it would be easier to show the offset.

G. Stomski was then asked about the Police special duty policy. He stated the fees were increased to \$60 per hour plus the administration fee. M. Gomes noted that was an off budget item. A. Sherman pointed out it was difficult to understand where the money flows, then. He wants transparency, it's easier to explain when it's on the budget. M. Gomes explained the procedure presently used and then stated an expense line could be created with a corresponding revenue line, the percentages make it more difficult to understand. D. Fuller noted that pension and social security are paid on these. D. Tietz noted that if it's in its own fund its easier to follow for car purchases.

D. Tietz asked G. Stomski if another outside legal opinion had been sought regarding the Pezzo property. G. Stomski answered that he was looking at options, possibly bringing it back to the Town Meeting. The financial analysis still needs to be done if it goes back to the Town Meeting, pointed out D. Fuller. He agreed with her. A. Sherman said that the public believes there is, possibly, \$68,000 out there that the Town should recover. G. Stomski answered him that he wanted to do this right the second time.

A. Sherman asked G. Stomski when Old Sherman Hill Road would be completed. He was told it should be repaved the first part of July, it is in the works.

6. Adjournment

MOTION: R. W. Anderson moved to adjourn the meeting at 8:45 PM, D. Fuller seconded. **UNANIMOUSLY APPROVED.**

FILED SUBJECT TO BOARD APPROVAL
Respectfully submitted,

Linda Leigh, Clerk

