

BOARD of FINANCE
December 12, 2013 7:30 PM
Town Hall Meeting Room

Present: Board of Finance members Steve Ezzes, Jerry Sargent, David Finkel, Allan Grauberd, Michael Carter, Dick Bochinski and Melissa Koller; Town Administrator Tom Landry, Finance Director Rick Darling, Tax Collector Charity Nichols, Police Commission Vice Chair Beth Gralnick, Superintendent of Schools Dr Colleen Palmer, Board of Education member Nina Daniel, Sgt. Pat Daubert, Chief of Police John Troxell and secretary Donna M Anastasia.

This meeting was not videotaped and comments are not direct quotes of the speaker.

Chmn Sargent called the meeting to order at 7:30 PM.

Discussion/decision regarding election of a Board Chairperson and Vice Chair.

Mr. Sargent opened the meeting to accept nominations for Chairman;

*Motion: Ms. Koller made a motion to nominate Steve Ezzes as Chairman;
Mr. Sargent seconded and with all in favor motion carries.*

Mr. Ezzes thanked the board and opened the floor to nominations for Vice Chairman.

*Motion: Dick Bochinski made a motion to elect Mr. Sargent as Vice Chairman;
Melissa Koller seconded and with all in favor motion carries.*

Discussion/decision regarding write-off of taxes deemed uncollectable- Charity Nichols,
Tax Collector

Charity Nichols went over the suspense list for 2008 with the board. Three residents have paid past due bills which brings the balance to 28,993.90. The list has also been placed with the collection agency.

The suspense list represents primarily automobile taxes and there is a small percentage of personal property taxes included. The town has fifteen years to try to collect on the delinquent taxes.

Motion: Mr. Bochinski made a motion to approve the write-off of the uncollectible taxes for Grand list 2008; Mr. Sargent seconded and with none opposed motion carries.

Discussion/decision regarding funding request for a Police vehicle. – Chief Troxell

Beth Gralnick Vice Chairman of the Police Commission presented a request for a new 4X4 vehicle for the police department. The Board of Selectmen had approved the request in October. The cost of the vehicle is 42K and it replaces a 10 year old vehicle in very poor condition. She stated that this is not an additional vehicle but a replacement vehicle. Sgt. Pat Daubert went over some particulars of the department's current fleet including mileage and the distinction between cars used for emergency response and vehicles used for side jobs (idling vehicles). The wear and tear being quite different given the two scenarios.

Chief Troxell went over the funding of vehicles and maintenance costs. He also went over some details regarding "utility" funding for side jobs.

Mr. Landry explained the two funds (funded by two sources) used for vehicles along with other associated costs such as insurance and gasoline. Any expenditure from these accounts requires Board of Finance approval.

There was general discussion regarding the purchase and upkeep of the vehicles in years to come. Sgt. Daubert said they will be working on a plan due to the age, high mileage and condition of many other police vehicles.

Mr. Grauberd asked about garage space for the vehicles, currently there is none however garage/shelter space has been discussed during facility meetings. Should the department be renovated and/or constructed, provisions of this type of may be included.

Mr. Sargent mentioned that it would be helpful if the department could put together a detailed status of each vehicle i. e. age, mileage, type of usage.

Motion: Mr. Carter made a motion to approve the vehicle purchase request; Mr. Ezzes seconded and with all in favor motion carries.

Discussion/decision regarding year end operating budget account and line item transfers – Rick Darling, Finance Director.

Mr. Darling went over general information regarding the current transfers. Health insurance and legal costs were better than expected. Given the 43,924.37 debt service adjustment and the prior transfers in June we have a 16K surplus. Mr. Darling went over the FEMA grant money which was the amount requested; the final payment made last week.

Motion: Mr. Sargent made a motion to approve the year- end operating budget transfers as submitted; Mr. Ezzes seconded and with all in favor motion carries.

Discussion/decision regarding the general fund portfolio and an update on investment performance to date. – Rick Darling, Finance Director.

Mr. Sargent gave a brief overview regarding the investments item (about two meetings prior) in which the board concluded that no changes would be made at that time and Mr. Darling would come back with additional information from our advisors.

Mr. Darling gave a summary of where the investments stood as of October 31st with each investor. The second report focuses on the performance with each.¹

Mr. Sargent asked if the board could get a summary showing a principle breakdown with *cash flow* including gains and losses. A report that would more accurately show the impact on our balance sheet that reflects principle and interest and does not include “paper” losses or gains.

Of the three investors only Flynn Financial proposed a new change which dealt with structured CDs issued by bigger banks. These are tied to equities so it is uncertain at this time if this type of investment is allowed.

The board would like more information in writing detailing this type of investment. All agreed to discuss this item at a future meeting.

Discussion/decision regarding approval of meeting minutes of October 10.

Motion: Mr. Bochinski made a motion to approve the minutes of October 10th as submitted; Mr. Sargent seconded and with all in favor motion carries.

Any other items.

Dr. Palmer and the board had agreed to early updates as budget time approaches and in particular before the next BOE meeting scheduled for Monday.

The major driver is the Special Education costs which currently have resulted in a 229K deficit. Special education costs are always a risk factor which can be compared to unforeseen events effecting health care insurance. Planning is based on what is known at the time but it can change suddenly for example we did not anticipate 70 new students. Associated costs for special education are also very expensive, just a few students can make a huge difference in costs.

Another pressure point is the coverage for the “mile of safety”, because this spot is not fully covered at this time extra hours have been needed resulting in overtime. .

¹ UBS, Flynn Financial and Janney Montgomery Scott

Other pressure points include insurance coverage for our underground oil tanks which is costly and our legal counsel. Legal counsel costs have increased primarily due to parents pursuing formal cases for their children. As an example if a parent wants their child outplaced and placement is granted the cost could easily be 100K per year for that one student. The process is complex and expensive.

Motion: Mr. Carter made a motion to adjourn the meeting at 8:39 PM; Mr. Sargent seconded and with all favor meeting adjourned.

Respectfully submitted

Donna M. Anastasia
Secretary