

Minutes
Special Finance Committee Meeting
March 14, 2016
Town Hall Annex

1. The meeting was called to order at 6:00 PM.
Present: Matthew O'Brien, Andy Brodersen, Hannah Pietrantonio, Julie Blanchard
Also present: John Elsesser, Town Manager; Beth Bauer, Finance Director

2. **Acceptance of Minutes:**
Hannah Pietrantonio moved to accept the minutes of February 16, 2016, seconded by Andy Brodersen. The following corrections were requested:
 - Page 1, item 3a, second line: remove line break on word "inaccurate."
 - Page 3, item 9, 6th line, second sentence: add clarifying language so the sentence reads, "We have to look at the life of the bond and come up with an average."The motion to accept the minutes as corrected carried on unanimous vote.

3. **Reports:**
 - A. **Chairman – Matthew O'Brien:** Deferred.

 - B. **Committee Members:** None.

 - C. **Finance Director – Beth Bauer:** Revenues continue to keep pace with last year – they are a little higher now. The list of revenues that we anticipate being in excess of budget appropriation has not changed, and revenues are still coming in at that rate. If that rate maintains we will be \$91,000 to the good which will offset known loss of revenue from the State of CT in the amount of \$62,000. COVRRRA collections are essentially at the same level as last year as a percentage of appropriation. On the expenditures side there are four accounts we anticipate will be over-expended. The most serious one will be the legal budget which has hit its appropriation and if we keep going at that rate it will be well over-expended. Andy Brodersen asked if Beth could give us an approximate idea of the amount of legal over-expenditures. Beth replied if you take the number spent to date times 12 it is in the neighborhood of \$30,000. John Elsesser said he doesn't think that pace will continue because some court cases have wrapped up. We are still waiting for some bills though. Several blight matters are still working their way through legal issues.

The Board of Assessment Appeals has made their decisions and it was a total reduction in assessment of \$22,040. That is very minor which is good news. Matthew noted that the document which was distributed still says 2014 in the left hand column - Beth will get that corrected.

 - D. **Review/Discussion: Financial Reports:** Matthew O'Brien noted that COVRRRA is at \$47,000 less than what was brought in last year. He is curious as to the difference. Beth Bauer replied the percentage of expected collection is within a tenth of a percent. She would have to look to see what a tenth of a percent is. The comparisons of 2014 and 2015 are full year. 2016 is just current year to date. John Elsesser said last year we collected more than we thought we would. Revenue also includes things like brush and metals, etc. It is seasonal and in the spring we get a lot more. We would have to look at it on a monthly basis to provide more detail.

Andy Brodersen asked if we are still having any issues with CT DMV on cars. Beth said her understanding is that the computer conversion that created the extra hassles has worked itself out. We don't know if our issues are completely resolved. Julie Blanchard asked if we got corrected bills. Beth replied she believes the initial mis-reporting issue has been addressed. We haven't

heard that it is still ongoing. John said he thinks the issue with our grand list is not totally resolved - the State is saying more like April. We are pretty comfortable with a \$1.7 million reduction but we are not totally confident. Beth said people won't know until they get a tax bill. We are dealing with people who received a tax bill previously or were doing something like registering which triggered an interaction with DMV.

Matthew asked if we start flagging over-expended accounts about this time of year. Beth replied yes. We can do the first appropriation transfers at the Council level in April. We will try to identify things that can be transferred. She did not have an opportunity to do the full analysis she normally does in March, but she did do a surface review and the four accounts listed in the report are the ones that look troublesome.

E. Supplemental Appropriation Status: Matthew O'Brien noted if we are going to have another withdrawal from the Council's 1.5% fund that we need to remember we won't be using funds from last authorization for the Town Hall boiler. John Elsesser confirmed that most of those funds will not be used but there still may be a few bills pending.

F. Board of Education Financial Reports: Matthew O'Brien noted that two sets of reports were included with the agenda packet – we got the February reports Friday. He asked if Beth is familiar with the Expenditure Report for all Activity – the bottom sets of numbers are different every month and he wants to know why the budget balance number is not the same. John Elsesser said if he had to guess it might be because one report is off their system and other report is off an Excel spreadsheet. It might be anticipated changes. In reviewing the reports, Beth said if you look at the Management Report from January, it shows a balance of \$13,827.455. If you go to the spreadsheet the number is the same. If you go to encumbrance that number is the same also. Matthew said he was questioning the budget balance line at the bottom of both reports. One shows a surplus of \$153,000 and the other says \$94,000 and they are the same numbers. Beth said the numbers appear to match up. One column is the budget balance. The column titled Estimated to End of Year is a guess about additional expenditures. Matthew asked if those would be encumbered. Beth said they apparently weren't. Matthew asked if they can encumber new expenditures before the end of the year. Beth replied there might be something they know is not encumbered.

Matthew asked whether the chart of accounts is just for our information. Beth said she thought it was interesting. It looks like it was a presentation they received. She hasn't had a chance to talk with them. Municipalities were in the first level of implementation for the Uniform Chart of Accounts - Boards of Education were delayed. It could be that the Board of Education implementation is coming.

4. **Job description – Construction Inspector:** Matthew O'Brien said he would recommend putting in something like, "Level of experience generally obtained through (3) year's inspection experience." This would indicate we are looking for an experienced professional without locking in to a specific requirement. John Elsesser believes there are prerequisites for inspection for the federal funding and has asked staff to check. Matthew said the current version of the job description just wasn't clear what level of experience we were expecting. John said we will strengthen the experience level on a revised version for review at the next Council meeting.
5. **Tax sale:** The tax sale date is 5/17/16. Julie Blanchard asked about the selection criteria for the properties chosen to be in the tax sale. Beth Bauer required there must be at least 3 years of delinquency or \$10,000 past due. The attachment included with the agenda is the formal notice that was in the newspaper. Andy Brodersen asked whether property owners can still pay it off up

to the last day. Beth replied yes. Hannah Pietrantonio asked what the notification procedure is. Beth replied that people are notified as soon as they are delinquent, once a year. Beyond that if they have multiple years of delinquency they would get a listing of all they owe. So they are notified at least once a year and sometimes more depending on what their delinquencies are. The amounts on this list are everything owed. It includes trash, sewer, and motor vehicles - not just real estate... Once they are on this list they have to pay everything in full. They are notified months ahead with opportunities to make significant payments. If they don't and it moves forward, then the only way to get clear is to pay in full. Andy asked if the property is sold whether the price has to be enough to cover all expenses. Beth said the Town usually sets a minimum in the auction to cover the delinquencies. If the price does not cover delinquencies there are two scenarios: 1) No bids, at which point the Town takes the property in lieu of taxes, or 2) A bid that is less than the amount owed and we can say whether it's close enough or not. John Elsesser said our instructions to the attorney who runs auction is to set a minimum bid. We had one case where someone was willing to give something, and there was a CDBG lien. We accepted that one. We have taken 5-6 properties and action on them is still pending. Sometimes we tear them down because they are dilapidated. If we sell them there is no guarantee a neglected property will be taken care of. Sometimes ownership is cloudy and the tax sale clears that up. After the tax sale there is a redemption period and the owners still have six months to buy it out with a surcharge. It is held in escrow and they get interest on it if it is paid off. The attorney's expenses must also be covered. It is a very complicated process and there are constitutional issues. The attorney fees are built into the sale. The attorney we use specializes in this area. He does sales all over the state, and has a client list that follows him who are interested in buying properties to flip. Matthew asked if before it gets to this point whether people can do payment plans. Beth replied we don't do formal payment plans anymore. It becomes problematic. John said in the past we have had people who were paying for 10 years while still accruing interest. It doesn't do anybody any favors.

6. **Adjournment:** The meeting was adjourned at 6:40 PM on a motion by Andy Brodersen, seconded by Hannah Pietrantonio and unanimously approved.

Respectfully submitted,

Laura Stone
Town Council Clerk