

Minutes
Town Council Finance Committee Meeting
April 11, 2016
Town Hall Conference Room B

1. The meeting was called to order at 7:00 PM.
Present: Matthew O'Brien, Hannah Pietrantonio, Andy Brodersen, Julie Blanchard
Also present: John Elsesser, Town Manager; Beth Bauer, Finance Director
2. **Acceptance of Minutes – March 14, 2016:**
Andy Brodersen moved to accept the minutes of the Finance Committee meeting of March 14, 2016. The motion was seconded by Hannah Pietrantonio. The following corrections were requested:
 - Page 2, item F, next to last sentence: change "before" to "after."The motion to accept the minutes as corrected carried on unanimous vote.
3. **Reports:**
Chairman: None.

Committee members: None.

Finance Director – Beth Bauer:

Property tax revenue continues at the same pace as last year, slightly ahead. Regarding State money for the current year – we are not aware that number has changed. John noted we got one payment in on Friday. Beth said that was Casino money which was not on this list which is good news. Conveyance tax revenue through the Building Department is a little less. We don't know if that is a trend or a blip. John said it could be weather related.

Accounts with anticipated over-expenditures are the same as last time: Advertising, Legal, Building Repair and the adjustment for the Fire Administrator's salary. We have a list of recommended budget transfers – it is a preliminary look, not the final but it is how Beth is proposing we cover projected over-expenditures. The Fire Administrator's salary was budgeted differently than what we paid – the funds were there but in different accounts. When we budgeted we did so under the old logic. The total amount was right but we couldn't make the adjustment because of the timing in the year. What we have done the past couple of years is not to take transfer actions in April, May and June but instead wait until closer to the end of the year when we have a more definitive picture, but it is the Council's choice. Matthew asked if John starts looking where there might be surpluses and encouraging people to preserve funds. John replied that Beth does that – it has been mentioned at staff meetings. We don't have a culture of "Spend it quickly or it will be gone", but rather, "If you still have something coming up that you are counting on, get it done." At some point we just stop purchase orders - usually early to mid-June. Matthew noted we're losing State Aid too. John said the good news even with overages in attorney fees is that we will be able to stay within this budget. We do want to look into some of these things to see if we will have CIRMA proceeds for some of the lawsuits. Hannah noted a number of accounts that have zero percent used, and asked if those are the ones you look at for possible transfers. There are quite a few and it's almost May. John replied that is one thing to look at. In some departments we have had turnover so we start to look at salary savings. Hannah mentioned the postage account. John replied that tax bills are still to come. We also only fill up the postage machine a couple times a year. Andy asked what happens if insurance is going to pay but it doesn't get in until after June 30th. Beth replied when we get reimbursement we have a pretty good idea what it's going to be. It is not generally a negotiation. If we know we're going to get something we set up a receivable. If we have the wrong amount it gets adjusted when we close the books.

The Committee agreed to wait until later in the fiscal year to recommend transfers. Matthew noted the Grand List document still says 2014/2014. Beth will fix it.

Hannah asked if some payments on the tax sale were made. Beth replied yes. We had one more last week. She thinks it is worthy to note that the Board of Assessment Appeals only had 9 appeals which is an extremely small number. We had increase in grand list that was sizable so only 9 appeals is a good sign.

OpenGov update:

Beth said the goal is to bring the site public on Friday and she is in the process of defining some of the pre-designed charts. The site is not a static thing. Once it becomes active we can change it depending on what feedback we receive. We have to design a landing page that gives guidance as to what they are looking at and how to manipulate the data. Andy asked if there will be counts/hits so we can track usage. Beth said yes, she hasn't looked at that data in detail but believes they do have some way to verify. The way people will get there is through our website so we will have a second way to count. People will be able to create their own reports and download them to Excel if they choose. She just learned today that one of the things you can do is create a chart and post it to Facebook. We imagine that will happen. John finds it really user-friendly. Beth agreed but you have to understand the structure - if you're not familiar with the structure then it's hard to figure out what you have to do - hence the pre-defined views.

Lease Purchase Bids were reviewed. John said we always hope the vendor is someone we have done business with before so don't have to do as much legal time.

Financial reports were reviewed. Hannah asked about the mileage line item #52090 in the Joint Fire Budget in the ACCT SUM report, which show zero percent used and a balance of \$64,000. Beth said we pay that in June. John said they take that number and divide it up by the number of points they have. We are trying to change the system to set an amount by point. Then we have budget uncertainty but if calls go up they know they get money. In next year's budget there is a \$16,000 increase to make it more equitable but we are getting the point system the same between departments. Matthew asked if the amount is encumbered. John replied it is not "encumbered" because you have to encumber to a vendor, but we know we are going to spend it. In this case the vendor will be the person. Beth said the fund can only be used for this - that is promise that was made to the firefighters.

Supplemental appropriation status. Matthew asked for a review of the items that were there before the current Council took office. John said WRTD is dial-a-ride for seniors. They needed to borrow money from the State and needed a local match. We carried that cost forward to next year's budget.

The Market Master was \$20,000 to hire a Market Master and get an intern for the Farmers' Market. This is a one-time start-up cost. Andy asked if those funds will be returned. John said no but they will not repeat. The intent of the intern was not to lose too much Town staff time. We had an intern for a brief period but he got a job. It is good to see someone who we thought was capable find employment. Hannah asked if we can still get someone. John replied it is too late in the fiscal year. Matthew asked if we have expended the \$20,000 yet. John replied they have done some initial projections, and it looks like they will break even. The Market Master is working. We are just starting to get bills in. They got the Agricultural grant, and got three major sponsors. Vendor space is essentially sold out. Andy said the Market is well known. John said the event calendar is set and they are lining up entertainment. They do have some new expenses such as traffic control. One thing they are still nervous about is volunteers. Hopefully people will make commitments as it gets closer. Matthew asked what remains in the appropriation. Beth replied there is enough to cover the Market Master through the end of June.

JAV is the flyboard study. Matthew asked what it showed. John replied it was a very interesting study that showed grave areas of concern, which is why an additional study was funded. Initial thinking was that flyboard use would impact shallow areas of the lake but it is actually the next level deeper that would be severely impacted. The bottom gets stirred up to 23 feet deep. Shallow areas have more plant life to hold the bottom in place. We don't know if the State will fund anything further.

Salary adjustment was when we were recruiting for a new Town Accountant. Those funds will be available. Matthew asked how much of the items on this report will actually be expended. John replied almost all but the \$38,640 for the boiler. Matthew said he wants to keep an eye on it as well as revenues toward the end of the year. John said we will have more information for you next month.

4. **Registrar of Voters: Anticipated FY 16/16 Budget Over-Expenditures.** Beth said it looks like the Registrar of Voters might need an additional \$2,000 to cover their salaries. She hesitated to include them on the list of recommended transfers because there is a \$2,000 appropriation in their budget they have not spent. John noted they overspent their salary line last year too.
5. **FY 15/16 Budget Transfers.** Discussed previously. A preliminary list is attached to these minutes.
6. **State Appropriation Committee: Municipal Aid Budget:** Beth distributed a document that summarizes the changes that were made. John said it shows budgetary impacts for next year. Beth said we already know the State isn't covering everything and they are saying that. She thinks the significance of the change is not the amount - instead it is fact they are willing to adjust ECS money downward. That is a big change. The last few years it has been the prevailing practice that education won't get touched. Matthew said he had heard there was a 100% appropriation level and some towns are over. John replied we are actually at 98.5%. A number of years ago were at 80%. They did a 2-step process. Those that were over 100% they moved to 100. Then they took one percent more from everyone. Certain towns ended up with more money. Some small towns got hammered. Clinton got a \$1.4 million cut. Beth said they lost almost half. You can argue that's ok because they were receiving more than they should but to lose that much revenue in April is difficult. Andy asked if this is definite. John said no this is the Appropriation Committee's recommendation. The Governor is coming out with his revised budget tomorrow and we have heard he is cutting \$1 billion. We are nervous about the transportation money which they restored but transferred out of Transportation to the General Fund. We don't think the Governor will like that which is why he wanted a lockbox. Matthew asked if he can he do line-item vetoes. John said he is not sure. Normally the process is that the Appropriations Committee comes out with their recommendations, then the Finance Committee, then compare to the Governor's and then they go behind closed doors and a few days later we have a budget. The Governor coming out with a revised budget is different and sets the stage for negotiations. There is a lot of finger-pointing. The Appropriations Committee is trying to transfer money so the bottom line doesn't look as bad. The Governor won't like cuts to ECS. Matthew asked if they restored money to the Excess Special Education Fund. John said he thinks they put \$5 million more in. That is not a town-by-town amount - it is for reimbursement. One interesting thing they did was to raise the grievance fee to file. Towns have been asking for that to reduce petty filings. Some local revenues are here we didn't count on - like document filing fees, survey fees, and they are capping probate fees at \$40,000. On page 4 they start talking about motor vehicle property tax grants so that is still in play. While they voted on it there is no language for the bonding bill. That means the MRSA money appears to still be alive. One change they did make was to establish a trigger year for grand lists. Tolland had to have a tax increase since they were already over 32 mils but we didn't. Matthew asked if they are also giving some towns reimbursement for lost revenue. John said their starting point was too low. Next year they will do a lookback - a series of towns were trapped in a revaluation year and that was an unintended consequence they hadn't thought of. It was difficult to

draft but we think we got it right.

Matthew said he read in an earlier report that there was a bill to require that monthly statements of Boards of Education be part of the audit. John said that summary would come under education. He had a meeting with Speaker Sharkey's aide today – they are working on four MORE Commission bills to mitigate the impact of some issues. Next year they are going to create Municipal Measures of Efficiencies and those that don't measure up will be penalized. You have to be careful how you compare - i.e. roads. Some towns have more dirt roads. They are expensive to maintain. They want to develop software for this initiative. There is a product out there that will do annual reports and compare across the country.

7. **CT OPM: Uniform System of Accounting for Municipal Revenues – Mapping:** Beth said this is a two-year project and is still ongoing. They put the municipal side in place and we are in year two. We have heard a request for last year's information would be coming now. John noted the bill specified Boards of Education but the towns had to go first. The committee he served on worked hard to get the Nutmeg Fiber connections to towns. They also wanted every town to open up their Plans of Conservation and Development to look at regional technology. The Planning and Zoning Commission isn't the place to do that. They also wanted all the ICE grants to go through CCAT which eliminates the ability of some towns to work together. It has been a lot of work. We have to spend the time because it is important. It is a big deal we're able to sit at the table.

Beth said the letter included with the agenda packet identifies next steps. During the first year of the process they created the bridge to map our chart of accounts with the chart they feel should be utilized. The key thing in the letter is it says the next phase will begin over the next several months – which is to do training of the mapping tool. It is going to be our responsibility to make this happen. Hopefully it will be simple and not a burden. Hannah asked if a timeframe is set. John said there will be. Beth said at this point in time we have only given them 2014 data. We will be working with them on 2015 data now, which by the time they get it will be a year old. Matthew said the fear is they will look at this data to make budgeting decisions. John said the fear is also that they will use comparisons to say, “These towns spends more, therefore they are bad.” On the other hand it is good to have clean data for doing calculations. It is hard to compare data. Beth said hopefully the crosswalks are there to make that work.

8. **Tax Abatement Program for Seniors - Fiscal Impact:** Await further information. No discussion.
9. **Adjournment:** The meeting was adjourned at 8:02 PM on a motion by Andy Brodersen, seconded by Hannah Pietrantonio and unanimously approved.

Respectfully submitted,

Laura Stone
Town Council Clerk

Town Council Authorized Budget Transfers
Fiscal Year 2015-2016

Account From	Amount From	Amount To	Account To
110-1301-51010 Full Time	\$ 125.00	\$ 125.00	110-1201-51010 Full Time
110-1303-51010 Full Time	\$ 2,150.00	\$ 2,150.00	110-1201-52170 Advertising
110-8103-51712 Health Ins	\$ 44,000.00	\$ 45,000.00	110-1501-52030 Legal
110-1301-51010 Full Time	\$ 1,000.00		
110-1303-51010 Full Time	\$ 11,000.00	\$ 11,000.00	110-1801-52160 Building Repair
110-3301-51010 Full Time	\$ 4,840.00	\$ 3,160.00	110-2207-51010 Full Time
		\$ 1,680.00	110-2301-51010 Full Time
	\$ 63,115.00	\$ 63,115.00	

4/11/16

State revenues vs Town budgeted revenues

Account	Town	State	Difference
110-6030-40300 ECS	8,933,895	8,852,784	(81,111)
110-6030-40303 Transportation	114,543	126,067	11,524
110-6030-40306 Adult Ed	10,454	11,149	695
110-6040-40407 PILOT	286	286	-
110-6040-40409 Casino funds	44,477	44,477	-
			-
total	9,103,655	9,034,763	(68,892)

4/11/2016