

THESE MINUTES ARE SUBJECT TO APPROVAL AT THE NEXT BOARD OF FINANCE MEETING

BOARD OF FINANCE

REGULAR MEETING

December 17, 2009

Chester Town Hall

Chester, Connecticut

CALL TO ORDER

The Board of Finance held a regular meeting on Thursday, December 17, 2009 at the Chester Town Hall. The meeting was called to order by Virginia Carmany, Chair at 7:37 p.m.

In attendance included: Virginia Carmany, Dave Cohen, Joyce Aley, Jennifer Rannestad (seated for Richard Morrow).

Audience members included: Richard Strauss, Dr. Ruth Levy, Garth Sawyer, Bruce Watrous, Pam Christman and Tom Marsh.

MINUTES

Approval of November 19, 2009 Minutes

On a motion made and duly seconded, the November 19, 2009 minutes were approved, with corrections:

Page 1 - note that the motion to nominate Chris Johnson was not seconded.

Add: Virginia Carmany was asked if she had an interest in Chairing the BOF. She responded yes, the motion to nominate Chris Johnson was then withdrawn. Following, Ed Meehan made a request to seat the members of the BOF. At that time, those seated were Virginia Carmany, Dave Cohen, Rick Morrow, Joyce Aley, Ed Meehan (for Chris Johnson), Jennifer Rannestad, and Bruce Bickford attended as an alternate. Additional members in the audience were Tom Englert, Larry Sypher, Chief Greeney, Liz Nettle and Peter Evankow.

Page 3: Under Audience of Citizens: Note: Dave Cohen will be stepping down as BOF representative to the Retirement Board and a new appointment is needed for that Board.

Page 5 under Other Business: The gentleman referred to is Rick Morrow.

The motion passed unanimously.

Board of Education Update

Garth Sawyer distributed a summary of the District's financial reports. At this time, the year end projection for the Chester Elementary School is within the original appropriation. He added that the other districts in the region are experiencing some unexpected special education expenses. Richard Strauss commented that special education costs are fluid and that the BOE's budget is tight. Any unanticipated special education costs could result in the Administration and the BOE being in a position to request additional funding from the town. The Boards are working towards obtaining historical data on special education costs which will aid in budgeting for same.

Garth Sawyer reported on the maintenance contract costs reflected in the Supervision District Budget and the ECS monies.

Tom Marsh suggested that the BOE provide a "budget training course" for new BOF members. Richard Strauss responded that the Administration will be providing a clearer, detailed budget format this year.

Richard Strauss reported that in advance of the Public Hearing, which will set the Region 4 budget, the BOE makes a presentation to the BOF on the budget.

Garth Sawyer distributed information regarding the ADM figures. The BOF discussed same.

Dr. Levy distributed the calendar of Board of Education meetings and workshops pertaining to the budget process. She encouraged citizen participation and input at these workshops and meetings.

Review of Approved Labor Contracts

Dr. Levy discussed the teacher contracts. Under the insurance and salary line, the agreement is a one year contract for salary and insurance (1% increase plus step increase). For 2011, the teachers will be paying 17.25% for insurance. The salary and insurance items will be renegotiated in the summer 2010 for the remaining two years of the contract. Potential teacher retirement options were discussed briefly. Dr. Levy commented that the salaries of Region 4 teachers are below average for the area.

Richard Strauss and Garth Sawyer reported briefly on the acceptance of the Region 4 Building Projects as well as the bonding, state reimbursements and payments regarding same. Dr. Levy commented that the Stimulus funds will remain for one more year; subsequently, the region will be responsible to fund \$180,000 currently funded by the Stimulus money. The use of this money, supplement vs. supplant was briefly discussed.

Tom Marsh commented that even if the economy is better when negotiating with the union, the loss of the Stimulus funds must be considered during the upcoming negotiations. Pam Christman encouraged BOF and BOS participation during the negotiation discussions.

The importance of the relationship between property values and the quality of the schools in a town was discussed. The lack of media coverage on the recent accolades given to Region 4 schools was discussed. Dr. Levy commented that, unfortunately, the media chooses to cover the negative stories.

Richard Strauss reported that the final stages of the Region 4 audit are underway. Currently, it appears that there will be a surplus which will be returned to the towns.

The BOE plans to update the BOF regularly as the budget process proceeds.

Update on Regionalization Plan

Dr. Levy reported that due to our structure, there is no mechanism to transfer a teacher from one school to another. In such a scenario, the teacher would have to re-apply to the school, lose their seniority, tenure etc. Also, the ability to retain a Superintendent in the Region is compromised due to the structure of the region. The financial implications of frequent changes in Administration was discussed.

Tom Marsh commended the Administration and BOE for their cooperation and expertise over the recent years.

Dave Cohen commented that Regionalization is not a priority during a bad budget season. While not in favor or against Regionalization per se, he continued that the Superintendents will continue to leave the region and the expensive Superintendent search process will begin again and again.

Tom Marsh responded that the issue of Superintendent turnover is false. He cited Superintendents Proctor and Duckworth who were in the position for decades. When Dr. Gillespie retired, Tom Forcella was hired. Mr. Forcella was highly overqualified for the position and was interested only in returning to Connecticut. He continued that Kim Caron took an opportunity to return to the private sector. Dave Cohen responded that Kim Caron also said that the governance of the region aided in his decision to leave the district. He added that there are also more mandates inherent to the job than in years past (when Superintendent's stayed for decades).

Tom Marsh concluded that our district is an attractive district to work in, good schools, supportive community etc. He added that he was in favor of Regionalization due to the educational benefits of same. He stressed the importance of an educational budget going through the BOF.

Tax Collector's Report

The Tax Collector's Report was included in the Board's packet. Virginia Carmany reported that the current collection is 54.3%.

Tom Marsh reported that the "refunds" will now be shown on the report. Virginia will discuss same with Peter Evankow for clarification.

Monthly Financials

Monthly financial states were included in the Board's packet for review.

Tom Marsh reported on an additional expense from Dr. Kotrady for health services due to the H1N1 virus. Tom Marsh briefly reported on the significant additional costs associated with joining a Regional Health District.

Consideration and approval of Bills

The following was moved and seconded:

Engineering Contingency: Balance in account after transfers below is \$ 13,711.39
Please transfer \$ 349.20 from the Board of Finance Engineering Contingency to the following line items:

10-05-63-1065-380	<u>Planning and Zoning</u>	
	Nathan L. Jacobson & Associates, Inc. (Apple Health Care Parking Lot)	\$ 349.20

The motion passed unanimously.

The following was moved and seconded:

Legal Contingency: Balance in account after transfer below \$ 10,955.54

Please transfer \$ 64.00 from the Board of Finance Legal Contingency line item to the following line items:

10-05-63-1105-134	<u>Building Department</u>	
	Gould, Larson, Bennet, Wells & McDonnell, P.C. (Diaz, 308 W Main St)	\$ 32.00

10-05-63-1105-270	<u>General Legal</u>	
	Gould, Larson, Bennet, Wells & McDonnell, P.C. (Annual Audit)	\$ 32.00

The motion passed unanimously.

First Selectman's Report

Preliminary Discussion of Budget and Budget Process

Fund Balance - Tom Marsh reported that a 10% fund balance is the objective. The audit showed an 11.13% fund balance. Tom will propose that the BOF consider using a portion of this and apply same to a 5 year Capital Budget for future projects. The Capital Budget currently has

approximately \$920,000.00. Upcoming Capital Projects include the Main Street Project and the revaluation (2013).

Joyce Aley commented that \$920,000.00 seemed excessive and suggested using Capital to lower the mill rate.

Tom Marsh responded that during the past budget, \$400,000 was used from savings to buy down 3/4 of a mil. Therefore, we are now \$400,000 "in the hole" for the next budget year, which is a common occurrence.

Tom Marsh reported that the last payment of \$216,000 for the elementary school bond was made and a 1% growth in the Grand List will bring in \$75,000.00; however, Pat Stevenson reported that the Board of Assessment Appeals may result in a reduction of the Grand List.

Tom Marsh reported that state aid figures are still unclear.

Parker' Point Purchase

Virginia Carmany commented that the potential purchase of Parker's Point failed, in part, because residents had no desire to "bail out" another wealthy person, The town need the money and does not want to see taxes increased. Joyce Aley added that residents did not feel the property was worth the money and the money could be better used elsewhere.

OTHER BUSINESS

2010 BOF Meeting Calendar

A copy of the BOF Meeting Calendar was distributed. The BOF meets on the third Thursday of the month at 7:00 p.m.

Joyce Aley made a motion to approve the meeting schedule as presented. Dave Cohen seconded the motion.

There was a brief discussion about the start time of the meeting.

The motion passed unanimously.

Tom Marsh reported that the BOF meetings in February, March and April are generally exclusively budget meetings as well as the BOS evening meeting. The BOS evening meeting is the first Tuesday of the month. There are also joint BOS/BOF budget meetings.

Attendance

Virginia Carmany suggested that BOF members advise her of their attendance. This will aid in insuring a quorum for BOF meetings.

Tom Marsh reported that as First Selectman and member of the Republican Town Committee, he will ask for Rich Nankee's resignation. The Republican Town Committee's suggestion would be John Brodzinski.

Policy for Capital Expenditures

Held for a future meeting.

Recommendation of BOF Retirement Board Representative

To be filled at a future meeting.

Other Business

Tom Marsh reported that a dedication for the Annual Report is needed. Suggestions discussed included the Sunday Market, Martin Heft and Bruce Watrous, education, Veterans. Tom Marsh will research previous dedications and e-mail same to the BOF members.

Audit Findings

The BOF briefly discussed audit findings/recommendations and the need for follow up on same. This topic will be a future agenda item.

AUDIENCE OF CITIZENS

None.

ADJOURNMENT

On a motion made and duly seconded, the meeting was adjourned.

Respectfully Submitted,

Suzanne Helchowski