**Town Of Haddam**
**BOARD OF FINANCE**
**Regular Meeting**
**Town Office Building Annex**
**Monday, September 14, 2015**
**MINUTES**
***Approved as printed at the October 19 2015 Regular Meeting***

In attendance: Chairman Joseph Centofanti, Vice Chairman Harlan Fredericksen; Members: David Kapitulik and Cheryl Haase; Alternates James Bucko, Robert McGarry (new) and Joanne Nesti
Not in Attendance: Members Marjorie DeBold and John Bosco
Staff in Attendance: Barbara Bertrand, Town Financial Director, Georgia Emanuel, Financial Coordinator, and Barbara Galloway, Recording Secretary

First Selectman Melissa Schlag was also present.

Chairman Centofanti called the Meeting to order at 7:04 PM.

Chairman Centofanti and the other Board Members welcomed Alternate Member Robert McGarry (newly appointed during the summer) to the Board.

1. *The Pledge of Allegiance*
*The Pledge of Allegiance* was recited.

2. Seating of Alternates
**Ms. Haase made the Motion seconded by Vice Chairman Fredericksen to seat Mr. McGarry for Ms. DeBold. The Motion was approved unanimously. Ms. Haase made the Motion seconded by Vice Chairman Fredericksen to seat Ms. Nesti for Mr. Bosco. The Motion was approved unanimously.**

3. Approval of the June 8, 2015 Regular Meeting Minutes
   In the June 8, 2015 Meeting Minutes, Ms. Nesti requested the change of the word "effect" to "affect" on page 2, under #4. Correction/Approval of Minutes, May 20, 2015 Budget Meeting.
   **Vice Chairman Fredericksen made the Motion seconded by Ms. Haase to approve as amended the June 8, 2015 Minutes. The Motion was approved unanimously.**

4. Public Communications:
   a. *Communications to the Board of Finance*
      Chairman Centofanti informed the Board Members that he had received the June 30, 2015 Tax Collector report and the First Selectman's letter/packet asking departments/agencies to begin the capital budget preparation process for 2016-2017.
   b. *Public Input/Comments*
      There were no questions or comments offered by members of the public at this point in the Meeting.

5. Finance Director's Report

   a. *Review of 2014-2015 financial reports*

      The following financial reports were distributed to the Board Members: "Actual & Anticipated Revenues July 2014 to June 2015", dated 9/10/2015; "Interim Trial Balance – Summary July 2015 to August 2015", dated 9/14/2015; "Actual & Anticipated Revenues July 2015 to August 2015", dated 9/10/2015; "Adjustments to Budgeted Expenditures July 2014 to June 2015" [marked "before adj" at the top], dated 8/24/2015; "Subsidiary Ledger Posting Register June 2015", pp. 2-3, dated 8/25/2015; "Adjustments to Budgeted Expenditures July 2014 to June 2015" [marked "with transfer adj." at the top], dated 9/8/2015; and "Actual & Anticipated Revenues July 2014 to June 2015", dated 9/10/2015.

      Finance Director Bertrand informed the Board that the books are closed on the 2014-2015 Budget with all related bills now received and addressed. There was a discussion about various department lines that were severely overspent and lines that were under spent for the previously requested/budgeted items. The latter was also the case with some Capital Plan projects. A Board Member pointed out that the fire company/fire departments had substantial funding remaining in lines that were budgeted for specific projects and he wondered why this funding had not been used. He asked First Selectman Schlag if the fire company had not requested purchase orders/presented bills for spending in those line items. First Selectman Schlag responded that the Town had not received additional purchase orders or bills for the 2014-2015 fiscal year from any of the fire entities that had not been paid by the Town and that the Town had not denied any budget spending requests made appropriately by the fire entities. The Board asked questions regarding balances remaining in several other department budgets, as well.

   b. *Review of year end transfers*

      Ms. Bertrand pointed out that adjustments had been made on financial reports to ensure that the Budget is balanced for the 2014-2015 fiscal year, but that the requested funds transfers would not actually be made until these requested transfers had been recommended to a town meeting by the Board of Finance and approved at the anticipated town meeting. In response to a Board question, Ms. Bertrand noted that although the Town had investigated all possibilities, there was no funding assistance available from the State of Connecticut or the federal government for the additional costs incurred by the Town due to unusually inclement weather this past winter and spring.

      Chairman Centofanti had distributed budget information to each Board Member including two Budget Transfer Request Forms,

Request #2015-90 and 2015-91, and drafts of the Motions wording that can be used at the anticipated town meeting for the approval of grants appropriations and the larger year-ending transfer requests. The budget adjustments requested on Budget Request #2015-90 are for smaller department deficit amounts [under $20,000 and not requiring a town meeting]. The budget adjustments requested on Budget Request #2015-91 are to address the over spent lines within the Public Works 2014-15 budget due to unforeseen weather-related costs.

The Board Members reviewed the "Town of Haddam Budget Transfer Request form 2015-91", dated 9/14/2015. This transfer request form detailed the specific overspent Public Works department lines and the deficit amount for each line for a total of $303,508.70. The transfer request form also contained recommended specific dollar amounts to be transferred to the Public Works lines from multiple individual General Government department lines that showed remaining balances, as well as the balances still found in the Contingency and Salary Contingency budgets (totaling $303,508.70).

Board Members stated that some of these lines in the 2014-15 Budget that had been identified to address the Public Works deficit had notable and substantial balances remaining and questioned the reason(s) why the approved funding had not been expended. These under spent lines were found in the budgets of Central Services, Insurances, Fire Services, and several other General Government budgets and the Contingency and Salary Contingency budgets. There were explanations provided by First Selectman Schlag and the Finance representatives for some of the unused funds, such as in some Insurances and Salary Contingency lines, but no reasons were available for other under used lines.

The Board noted re: these various unspent department lines in the 2014-15 Budget for further consideration and discussion as necessary, during the 2016-2017 Budget deliberations for those departments.

c. *Review of 2015-2016 financial reports*
The following financial report was distributed to the Board Members: "Actual & Budgeted Expenditures & Encumbrance – Capital Non-Recurring, July 2015 to June 2016", dated 9/10/2015. Finance Director Barbara Bertrand reported that it was too early in the fiscal year for any notable activity.

Ms. Bertrand did enumerate several changes that she and Ms. Emanuel had been making to improve efficiency and uniformity. Ms. Bertrand also briefly discussed some other procedures she and

Ms. Emanuel are currently reviewing with the goal to further improve efficiency and safety/security in Town-related procedures.

6. Selectmen's Requests

*a. Year end transfers*

In a memo dated September 14, 2015, the First Selectman wrote to the Board of Finance: "…At a Board of Selectmen's Meeting held on August 26, 2015 the board voted to send the following requests to you for consideration for overages in individual department budgets:

i. Tax Collector's Budget - $127.22 because of the asst. tax collector retiring and extra help in the office.
ii. Town Clerk's Budget - $295.90 for extra hours needed to take minutes at town meetings when the town clerk was not available.
iii. Resident Trooper's Budget - $480.02. The State sends an estimate for budget purposes, however, the actual salary plus benefits increased after budget preparation.
*iv*. Dispatch Services - $1,244.00. The Colchester Emergency dispatch budget was not adopted prior to our budget adoption and was higher than budgeted.

*[Note: the above four line transfer requests will be addressed by the Board at its October Meeting]*.

All of the following [Public Works Department] budgets were over due to the extreme winter and snow storms:
General Labor: $54,052.72
General Maintenance: $23,187.39
Snow and Ice Removal: $177,958.62
Tree Warden: $99,727.36…".

The total net amount of the excess of expenditures over the total public works budget that will require Town Meeting approval is $303,508.70, as detailed on transfer request 2015-91.

*b. Grant appropriations and communications*

In the same memo, First Selectman Schlag continues: "…Also at the same [8/26] meeting, the board voted to request an appropriation for the following grants to be set forth to a town meeting:
Jail Grant - $300,000
Nutmeg Grant - $39,600
State Bridge Grant (Dish Mill Bridge) - $242,539
*OPM – UCOA Grant - $15,000
*Cemetery Grant - $2,000".

*c. Town Meeting resolutions*

There was a discussion re: the wording for the motions, as Board Members believe that the proper protocol was not followed by the Board of Selectmen when they accepted the grants prior to consulting

with and receiving recommendations for each from this Board. First Selectman Schlag stated she believes that per the *Town of Haddam Charter*, the Board of Selectmen is charged with accepting grants and other funding and the Board of Finance is charged with appropriating the funding for the same. A quick review of the Charter did not clear up the disagreement. [This protocol issue will be furthered considered by the Boards at a later time and will be introduced by this Board to the next anticipated but-as-yet-unformed Charter Revision Committee as an issue for consideration and clarification].

The Board crafted its Motions, allowing for [belated] Board of Finance recommendations to the Board of Selectmen for acceptance of the first three grants noted above and below, as well as recommending to a town meeting the appropriations for each.
**[Note: the OPM – UCOA Grant and the Cemetery Grant, listed above, were not specifically addressed at this Meeting, but will be addressed by this Board at its October Meeting re: a Board recommendation to the Board of Selectmen that it [belatedly] accept each of these two grants. These two grants are each for less than $20,000 and do not require town meeting approval for funding appropriation].*

Jail Grant – **Vice Chairman Fredericksen made the Motion seconded by Ms. Nesti for this Board to recommend to the Board of Selectmen the acceptance of the presented grant from the State of Connecticut Department of Economic and Community Development and to recommend the Board of Selectmen call for a town meeting to approve the appropriation of a sum not to exceed $300,000 for this grant to be used for improvements to the Haddam Jail. The Motion was approved unanimously.**

Nutmeg Grant – **Vice Chairman Fredericksen made the Motion seconded by Ms. Haase for this Board to recommend to the Board of Selectmen the acceptance of the presented Nutmeg grant and to recommend the Board of Selectmen call for a town meeting to approve the appropriation of a sum not to exceed $39,600 for the presented grant to be used for infrastructure improvements and to connect Town buildings to the State Nutmeg network. The Motion was approved unanimously.**

State Bridge Grant (Dish Mill Bridge) – **Vice Chairman Fredericksen made the Motion seconded by Mr. Kapitulik to recommend to the Board of Selectmen the acceptance of the State Bridge Grant (Dish Mill Bridge) grant and to call a town meeting to approve an appropriation of $565,000 for the Dish Mill Bridge project with the understanding that a State Department of Transportation grant will fund a portion of the work by reimbursing the Town for 47.26% of the actual work costs up to $565,000. The Motion was approved unanimously.**

Year End (2014-2015) Transfers – **Vice Chairman Fredericksen made the Motion seconded by Mr. Kapitulik to recommend to the Board of Selectmen it call a town meeting to approve transfers totaling $303,508.70 from 2014-2015 budget funding sources to the over-spent Public Works budget lines, as identified on the "Budget Transfer Request – 2015-91" form. The Motion was approved unanimously.**

7. Old Business
   There was no other old business introduced or discussed.

8. New Business
   a. *Introduction/Discussion of any Town activities/matters*
      No town activities were introduced or discussed.

   b. *Other items*
      No other topics were introduced or discussed.

9. Public Comment
   Resident Ed Munster expressed his concern re: the apparent misunderstanding or disagreement between the Board of Finance and the Board of Selectmen about procedures to follow re: the acceptance of and appropriations of grants. He hoped that this process could be improved upon in the future.

10. Adjournment
    **Vice Chairman Fredericksen made the Motion seconded by Ms. Haase to adjourn the Meeting. The Motion was approved unanimously. The Meeting was adjourned at 8:27 PM.**

Respectfully submitted,
Barbara D. Galloway
Recording Secretary