

**Town Of Haddam
BOARD OF FINANCE
Regular Meeting
Town Office Building Annex
Wednesday, December 11, 2013
MINUTES**

Approved as Amended at the January 13, 2013 Regular Meeting

In attendance: Vice Chairman/(new) Chair David Kapitulik, (new) Vice Chair Harlan Fredericksen, and Members (new) John Bosco, Marjorie DeBold, Lucille Silvestrini and (new) John Tabak, and Alternates Joseph Centofanti, Cheryl Haase and (new) Joanne Nesti

Not present: None

Staff In attendance: Georgia Emanuel, Financial Coordinator and Barbara Galloway, Secretary

First Selectman Melissa Schlag was also in attendance.

Vice Chairman Kapitulik called the Meeting to order at 7:00 PM.

The Pledge of Allegiance was recited.

Welcome to newly elected members – Vice Chair Kapitulik welcomed and introduced the newly elected Members John Bosco, John Tabak and Alternate Joanne Nesti to the Members. In turn, the ongoing Members introduced themselves to the new Members.

Seating of alternates (as necessary) – All of the regular Members were present so no Alternates were seated.

1. Public Input

There were no questions asked or comments offered by the resident who was present.

2. Correction/Approval of the Minutes of the October 9, 2013 Meeting

Ms. Silvestrini made the Motion seconded by Ms. DeBold to approve the October 9, 2013 Meeting Minutes as printed. The Motion was approved [remove: unanimously] by Vice Chairman Kapitulik, Ms. DeBold, Mr. Fredericksen, and Ms. Silvestrini. Mr. Bosco and Mr. Tabak abstained as they had not been present at the October 11 Meeting.

Note: There was no November Meeting held.

3. Nominations and election of new officers

Mr. Fredericksen made the Motion seconded by Ms. DeBold to nominate Vice Chairman Kapitulik for Chairman. There were no other nominations offered. Ms. DeBold made the Motion seconded by Ms. Silvestrini to close nominations for Chairman. This Motion was approved unanimously. The Motion to elect Vice Chairman Kapitulik as Chairman was approved unanimously.

Ms. DeBold made the Motion to nominate a Member for the position of Vice Chairman. Prior to a second of the Motion, that individual declined to serve in that capacity citing time issues. Ms. DeBold withdrew her nomination.

Chairman Kapitulik made the Motion seconded by Ms. DeBold to nominate Mr. Fredericksen for Vice Chairman. There were no additional nominations. Ms. DeBold made the Motion seconded by Ms. Silvestrini to close nominations for Vice Chairman.

This Motion was approved unanimously. The Motion to elect Mr. Fredericksen as Vice Chairman was approved unanimously.

Ms. DeBold made the Motion seconded by Vice Chairman Fredericksen to nominate Ms. Silvestrini for Secretary. There were no further nominations. Ms. DeBold made the Motion seconded by Vice Chairman Fredericksen to close the nominations for Secretary. This Motion was approved unanimously. The Motion to elect Ms. Silvestrini as Secretary was approved unanimously.

4. Introductory discussion with the First Selectman Melissa Schlag

First Selectman Schlag introduced herself to the Board and distributed a packet of information for the ongoing Members to revisit and the new Members to review. The documents included copies of the Board of Finance regulations, portions of which had been approved in 2010 and 2011, a copy of the Connecticut Conference of Municipalities document "Adopted FY2014 State Budget, Impact on Haddam", and documents related to the Capital Non-Recurring Fund including statute and Haddam Charter detail and town meeting notices for and minutes from town meetings regarding addressing Capital Non-Recurring procedures and expenditures.

a) There was a discussion regarding the procedure for properly noticing Capital Non-Recurring funding for town meetings and the way it is approved and distributed currently vs. the way it was done in the past. It was suggested that once a Capital Plan line item has been fully funded, a town meeting should be called to approve [again] the entire amount and the transfer of the funding to the operations budget in order for the Town to be able to pay for the project as it goes forward. The Board did not agree that it is necessary to call a town meeting to approve spending for each [previously approved] line of the Capital Plan since the Capital Improvement budget is approved with the annual Budget each year. The Board Members agreed they could include more detailed information for each specific line item's Capital Plan proposed funding in future town hearing- and town meeting notices to further clarify what taxpayers will be asked to approve at the town meetings. The Board believes that this more detailed notice (call for the meeting) will prevent the need for and expense of additional town meetings to [in reality] re-approve and possibly change line item Capital Plan funding that had been approved at town meeting each year to during the Budget approval process once the line is fully funded. The Board noted that although the past Capital Plan Budget notices might not have been as specific and detailed as they might be, all items that residents are asked to approve annually have always been spelled out in the Budget in a transparent manner and have been discussed with residents at public hearings and again, as needed, at town meetings. There was a brief discussion of state statutes and the Haddam Charter during this discussion.

b) First Selectman Schlag informed the Board that she has been reviewing Town costs and bills. She will also be completing a forensic audit of all town budgets. She expects the department and agency budget requests with additional detail and backup information to be returned to her office by December 13. First Selectman Schlag also notified the Board that she has hired new contracted professionals for insurance and legal positions and is working on hiring a new payroll company and is considering other changes to make processes at the Town more efficient and more cost effective. First Selectman Schlag told the Board she has plans to create several task forces to investigate savings in all areas of Town-funded activities. Other areas discussed were having the town office building open during lunch hour and more involvement by both

the Board of Selectmen and the Board of Finance in the School budget process. The Board Members thanked First Selectman Schlag for her input and update.

5. Review of updated 2013-2014 financial statements received from the financial coordinator

Ms. Emanuel reported that there were no significant changes in the financial statements since the last reports (October 2013). A few areas of concern were noted by Board Members. It was explained that those noted line items involve encumbrances and areas where services were moved within the Budget in the last fiscal year, specifically in the areas of Computer Maintenance and Maintenance of Town properties, which have both now been centralized instead broken down within each department.

6. Selectmen's Requests

- **To transfer \$1,000 from "Contingency": #01-80 800-84-80000] to "Election Supplies" #01-10 020-54-02008].** This is due to the two primaries that increased the number of ballots needed

Vice Chairman Fredericksen made the Motion seconded by Ms. Silvestrini to approve the selectmen's request to transfer \$1,000 from line item #01-80-800-84-80000 Contingency to line item #01-10-020-54-02008 Election Supplies. The Motion was approved by Chair Kapitulik, Vice Chairman Fredericksen, Mr. Bosco, Ms. Silvestrini, and Mr. Tabak. There were no votes against. There were no abstentions. Ms. DeBold had recused herself from the vote. The Motion was approved unanimously.

- **To transfer \$51,700 from the Capital Nonrecurring Fund to a new line "Town Office Building Vestibule" and recommend to a town meeting**

There was a cost overrun of \$4,700 due to the contractor finding unexpected additional work behind the vestibule roof that he had not budgeted for in his original estimate. Board Members discussed how best to address payment of any additionally requested funding for work budgeted within the Capital Non-Recurring Fund. It was also noted that the [remove: contractor] **Architect**, George Fellner, will be working with Leeds Construction, the company doing the work, to determine the actual final cost of the work. It was noted that the Town has not been given a final price for this work and the question arose why the funding would be paid in total at this time. Ms. Emanuel explained that the costs will be paid in three installments with the first one third +/- bill having now been received by the Town. The Board agreed that there are currently sufficient funds in these lines in the Capital Non-Recurring Fund for Ms. Emanuel to pay for substantially more than the first portion of the bill. Once the final bill is received by the Town, the Board of Selectmen should make a request for whatever funding is not paid by both the funding set aside for this work and by a portion of the leftover funding budgeted for paving at the Town Office Building.

The request to transfer \$51,700 from the Capital Non-Recurring Fund to a new line "Town Office Building Vestibule" and recommend it to a town meeting was tabled for further discussion at a later time.

- **To approve the Haddam Assessment of Mixed Income Housing Districts grant (\$20,000).**

First Selectman Schlag brought this grant approval before the Board for discussion.

Vice Chairman Fredericksen made the Motion seconded by Ms. Silvestrini to accept the \$20,000 Grant Award for the Haddam Assessment of Mixed Income housing Districts project. The Motion was approved unanimously.

7. Old Business

a. *Any necessary further discussion of the 2012-2013 fiscal year budget:*

i. *Plan for January meeting with auditors*

Ms. Emanuel reported that the Audit draft is now completed. [remove: A rough] **The Representation** letter has been sent back to Blum Shapiro, the auditing company. The plan is to have Blum Shapiro representatives at the January Meeting to discuss aspects of the audit and report on the overall audit outcomes.

ii. *Status of the Annual Report preparation*

Barbara reported that the Annual Report editing is nearing completion and the completed document will be sent to the printer very soon. The town meeting to approve the Annual Report will be held Tuesday, January 21, 2014.

8. New Business

a. *Discussion of/Deliberations about any new issues regarding the 2013-2014 Budget (exclusive of the financial statements and selectmen's requests discussions noted above)*

No new issues were brought to the Board for discussion.

b. *Introduction/Discussion of any other new town issues relative to/of interest to the BOF*

i. First Selectman Schlag informed the Board that she had received a request letter from Ronald Annino, President of the Haddam Veterans' Museum requesting consideration by the Town if space is available at the Old Fire House, now the Community Center, on Candlewood Hill Road. Currently, portions of this building are being used by the VFW for meetings and storage and the Haddam Little League for equipment storage. Mr. Annino will also be requesting an as yet unknown sum of money for an upgraded alarm system and the refurbishing of the existing generator. First Selectman Schlag told the Board that she will visit Mr. Annino and view the site in question and obtain some more detailed information regarding his request.

ii. Ms. Silvestrini made a proposal related to Budget deliberations for the 2014-2015 fiscal year. She suggested that the Boards eliminate three areas in many of the department/agency budgets: Supplemental Pay, Mileage, and [continuing] Education. Ms. Silvestrini proposed that these requests could be addressed within a separate pooled account within the Budget that she believes would save the Town money if it is administered properly. Ms. Silvestrini also strongly recommended that mileage only be reimbursed in approved situations when backup information is presented and the education reimbursement be paid when a certificate of completion is presented with the request. First Selectman

Schlag agreed that documentation should be mandatory for reimbursements. She believed that those payments should continue to be paid from lines in specific departments and not from a pooled account to make the costs and payments easier to track. Some Board Members agreed with First Selectman Schlag about keeping costs separated within each department. These issues will be considered and reviewed during the upcoming Budget deliberations.

iii. Chairman Kapitulik proposed changing the meeting night of this Board. After a discussion, the Board agreed to move its meeting night from the second Wednesday of the month to the second Monday of the month. The meeting time for most Regular meetings will be 7:00 PM; the Regular and Budget Meetings during the Budget deliberations months (March, April, and May) will begin at 6:30PM. This change will commence with the January Meeting, which will now be on Monday, January 13, 2014. Barbara will investigate the availability of the Town Office Building Annex and other meeting sites, as necessary and a new schedule will be issued.

9. Adjournment

Vice Chairman Fredericksen made the Motion seconded by Ms. Silvestrini to adjourn the Meeting. The Motion was approved unanimously. The Meeting was adjourned at 9:00 PM.

Respectfully submitted,

Barbara D. Galloway
Recording Secretary