

# Middlefield Board of Finance

## Regular Meeting

January 19, 2012

### Minutes

(Not approved at time of filing)

1. Call to order

Lucy Petrella called the meeting to order. Present are Alice Malcolm, Jim Irish, Mary Wolak and Bob Yamartino.

2. Agenda (:33)

**A motion was made to approve the agenda as presented. This motion was seconded and approved by all voting members.**

3. Public Comments (1:14)

Francis Willet stated that he was present to discuss the reverse 911 system.

4. Approval of minutes (2:13)

December 8, 2011

**A motion was made to approve the minutes as presented; this motion was seconded and approved by all voting members.**

5. Transfer request/trial balance review (3:01)

Lucy Petrella noted there was a question regarding the computer network support line item. The current contract expires at the end of this year and she would like to see bids for this contract. Lucy Petrella stated she would contact Jon Brayshaw to get the bids out in time to review with the budget.

Regarding line item 7903 private duty wages-Lucy Petrella explained this item is fully reimbursed.

Lucy Petrella reported that 28 hours are budgeted for the land use secretary position but she is working 35 hours because that is what is in the contract. Board members discussed the history, stating that they had understood the position was to be 28 hours per week. The person who took this job was a part time town clerk assistant and the Board of Finance understood she would move to this new position with the same status, however, the position was left as full time, with benefits. It was agreed to further discuss this with Jon Brayshaw. Board members discussed and debated if they wanted the request and reply for information in the form of a memo, an email or by having the First Selectman or Joe Geruch available at the meeting for questions. It was agreed to ask and request a reply via email with the Board of Finance and the town clerk copied. It was noted that it could not be an email discussion, just a transfer of information.

Lucy Petrella noted that Joe Geruch is expected to be at the next meeting and for futures meetings.

Board members reviewed the trial balances. It was suggested that the storm related expenses should be separated out, and a transfer from undesignated fund balance would be used to cover them, and when the FEMA reimbursement comes it will off set that. It was noted this was discussed and a motion was made to accomplish this, but there is no paper trail to follow up. Alice Malcolm suggested they keep a notebook with the motions made in order to follow up if needed. Bob Yamartino offered to take the motions, scan them and send out pdf copies to each of the board members along with the town clerk for filing, and keep a copy in book for the board. Bob Yamartino will contact Joe Geruch about the storm funds and the status of the FEMA reimbursement.

6. Reverse 911 information (35:46)

Frances Willet, director of emergency management in Durham provided information regarding reverse 911. He explained how it was used during the past storm events in town. He noted there are several options the town can choose to participate, and provided a demonstration of how it works. He noted they also need to consider the time savings it could provide for non emergency uses as well. They can partner with the town of Durham with the statewide contract with Everbridge at a cost of \$.81 per location/person, the first year and \$.49 per location/person each following year. For a combination of Durham/Middlefield it would be \$5,827, based on approximately 10,000. The breakdown would be \$1,620 for Middlefield and the balance of the contract would be split between Durham and District 13. D13's share is \$2,104. Mr. Willet noted that D13 will utilize the system in a different way than the town and includes teachers, staff, daycare providers and more. Mr. Willet provided additional information, noting the second year costs would be approximately \$980. Board members discussed the benefits and costs of the system, as well as how the system works during outages. Mr. Willet explained how they would implement the system working with Middlefield's emergency management department.

Mr. Willet stated he would provide all this information via email for the boards review.

7. Contract renewal for Al Rusilowicz, Auditor (1:11:15)

Lucy Petrella provided some written information on his fees, noting this has not gone out to bid. She noted that a fee of \$1,700 will not likely be necessary as the town will not enough grant funds to require that particular service. Lucy Petrella reported that Donna Golub said the bigger companies use the town as a training ground for their interns which require more of the town employees time to help. Bob Yamartino and Alice Malcolm noted they were pleased with the job provided by Mr. Rusilowicz. Board members agreed they would support renewing the contract with Mr. Rusilowicz. Mr. Irish explained a different form of report that is available, regarding bonds and bond rating. Board members discussed bond ratings. Board members agreed to ask Mr. Rusilowicz about the other format and question what would be the increment in the three years. Board members debated if they should have the contract reviewed by the town attorney, or by board member Rebecca Adams who is also an attorney. It was agreed to have the contract reviewed by Rebecca Adams before they vote on acceptance. Jim Irish will make a request regarding the other report/format that he was interested in.

8. Re-evaluation update (1:34:02)

Lucy Petrella reported that town assessor Steve Hodgetts has received the information he needs to compile to create the grand list, and will come in to discuss with the board if they request.

It was agreed to have the assessor at the meeting on the 31<sup>st</sup> of January.

9. Discussions (1:39:31)

Lucy Petrella provided information on budget presentation and hearing dates.

There will be a special meeting with Joe Geruch on January 31, along with Steve Hodgetts.

Lucy Petrella reported that she tried to coordinate a meeting with the Board of Education and noted there will be a meeting with both town's selectmen and finance boards with the Board of Education on Feb. 6 at Strong School at 7pm in the library. Lucy Petrella suggested they collect questions for the Board of Education and request that they attend a future Board of Finance meeting. Bob Yamartino noted that he hoped Jeremy Renninghoff will have the information the Board of Finance had wanted. Board members wanted to be able to either support it, or have reasons why not.

Board members discussed the meeting schedule needed for the budget review and presentation. It was agreed to start asking those departments that may already be prepared to start coming in. Board members discussed the various departments they wished to have. It was suggested to post agendas for the workshops as workshops so that the agenda is less specific and whatever departments may be available at that time can come in, however the special meetings and budget presentations must be noticed as such.

It was agreed they would meet on January 31, with Joe Geruch and Steve Hodgetts, Feb 6, Joint meeting with BoS, BoF, BoE Durham & Middlefield. For the workshops they will meet on the following Thursdays: Feb 23, March 1, March 8, March 15, March 22 and March 29. Lucy Petrella will provide agendas for the meetings as the information becomes available.

Lucy Petrella noted she was going to ask each department about potential capital expenditures as well as a review of their assets in the department letters. She will send a copy out to the board members for their comments as well.

Board members discussed the format of the budget they would like see, noting a preference for having the departments all be consistent where they can be. Board members reviewed documents provided by Jim Irish to consider. Board members reviewed and discussed what they wanted to see from the departments.

Lucy Petrella noted if the board has questions for Joe Geruch to send them to her via email and she will compose a list so that Joe Geruch can be prepared when he comes before the board. Board members asked for the budgets that the departments are providing. It was suggested that the board will need to advise Joe Geruch how they want the budget format to look. Board members expressed a desire to have mission statements from some DMYFS and the library and their reasons why they anticipate changes.

#### 10. Adjourn

**A motion was made to adjourn at 10 pm; this motion was seconded and approved by all voting members.**

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## Middlefield Board of Finance

Special Meeting

January 31, 2012

Minutes

(Not approved at time of filing)

#### 1. Call to order

Lucy Petrella called the meeting at 7:05; present are Lucy Petrella, Mary Wolack and Jim Irish. Bob Yamartino arrived during the discussion of the agenda. Also present is Finance Director Joe Geruch and Tax Assessor Steve Hodgetts. Rebecca Adams arrived during the discussion of the grand list.

#### 2. Agenda (:30)

**A motion was made to approve the agenda as presented; this motion was seconded and approved by all voting members.**

#### 3. Budget Review (1:13)

Joe Geruch went over the budget basics with the board using the chalkboard to clarify the different funds and accounts. Joe Geruch explained how they prepare the town budget, and how the mil rate is determined. Joe Geruch asked the board to keep in mind as they review the budget that it is the town resident's money being spent, the taxpayers dollars. He noted a \$20,000 expense is about \$10 from everyone's pocket.

#### 4. Grand List (6:53)

Steve Hodgetts, the tax assessor explained the grand list is made up of the assessment of all the property in town, real estate, personal and motor vehicle. He explained how the data is gathered. He noted that assessments are 70% of the value of the property, and that all the property in town was re

evaluated for the 2011 grand list. He went over the various exemptions that are figured into the calculations. Steve Hodgetts went over some printed material explaining the impact of the re evaluation on the mil rate, and taxes. Board members reviewed the figures for this year and the previous years. It was stated with no changes to the budget the mil rate will go up between 3 and 4 points due to the re evaluation.

In response to questions, Steve Hodgetts explained the various ways he ensures that he his information regarding equipment is up to date.

Board members agreed it would be important for taxpayers to understand how much of a tax increase is due to re evaluation and how much due to changes in the budget. Joe Geruch provided information on a mathematical formula to determine those figures.

In response to questions, Joe Geruch provided information on how some items are recorded with regard to capital items. He also went over what items will be shown on budget and explained how surplus funds are managed and reported. Joe Geruch provided some history and information on the contingency fund.

5. Auditor Contract Renewal discussion (1:10:59)

Rebecca Adams reported that she had reviewed the contract, and noted it includes a 6.5% increase over three years, however he does a good job and there are not many out there in this price range. Board members discussed whether or not they should negotiate with him. It was agreed not to as the base rate was very competitive.

**A motion was made by Rebecca Adams to approve the three year contract for auditing services per letter dated December 8, 2011 from Albert J. Rusilowicz, CPA, LLC. This motion was seconded by Jim Irish and approved by all voting members.**

6. Discussion on presentations (1:21:26)

Lucy Petrella noted if any of the board members have additional questions, they should email them to Joe Geruch or Steve Hodgetts but must copy all board members. Lucy Petrella noted that Joe Geruch will be present for future meetings.

Board members discussed how they want the budget format to appear. Board members requested a detailed list of the capital items, such as the status for all five highway department trucks, their expected replacement date and funds available. Some of the fire department items could be expensed rather than capitalized. Board members discussed how they had managed this information in the past. It was stated that there were little or no funds for road improvements and this will need to be reviewed. Rebecca Adams indicated there are funds but it is in various different places. Board members agreed they needed to fully review the capital accounts. Lucy Petrella noted she had additional information, and was continuing to gather, and will provide to the board members.

Bob Yamartino stated he wants to still see the historical spending on the vehicles. Rebecca Adams suggested putting all the items having to do with public works should be together when they review that department's budget.

Board members discussed how they will also need to present the budget to the townspeople.

It was suggested that the library needs to have a comprehensive capital plan, as the town can not continue to fund the capital items without any ownership.

7. Adjourn

**A motion was made to adjourn at 8:50 pm this motion was seconded and approved by all voting members.**

Minutes  
(Not approved at time of filing)

1. Call to order

Lucy Petrella called the meeting to order 7:15 pm; present are Jim Irish, Lucy Petrella, Mary Wolack and Rebecca Adams.

2. Agenda (:20)

**A motion was made to approve the agenda as submitted; this motion was seconded and approved by all voting members.**

3. Public comments (1:05)

There were no members of the public present.

4. Approval of minutes (1:15)

January 19,2012

**A motion was made by Jim Irish to approve the January 19, 2012 meeting minutes amended as follows: Section 7, second sentence to read “She noted at a fee of \$1,700 for a federal single audit will likely no be necessary as the town usually does not receive enough federal grant funds to require that particular service” This motion was seconded by Mary Wolack and approved by all voting members.**

January 31,2012

**A motion was made by Mary Wolack to approve the January 31, 2012 meeting minutes amended as follows: The last sentence of section 6 read: “Suggested library needs to have a comprehensive capital plan.” This motion was seconded by Jim Irish and approved by all voting members.**

5. Transfer request/trial balance review (8:38)

Lucy Petrella reported the finance director has not yet closed out but advised there was nothing the board was unaware of at the time.

Mary Wolack asked about the FEMA expenses being separated in the budget. Lucy Petrella noted line item 7001. Board members discussed the amount of hours worked in that department and the lack of communication regarding certain overage. Lucy Petrella explained that the land use administrator was told to work the full time hours that her predecessor was working, however, the BOF was never advised of that change and so the budget did not reflect that. Board members agreed this is a good example of the need for policy in this regard and discussed various ways to address it. It was noted that the board was not made aware of the expected overage until very recently.

Lucy Petrella noted that with regard to the hours for the land use administrator there should be someone there five days a week, and that employee has stated she is willing to cut an hour or two to avoid qualifying for benefits. Lucy Petrella stated she would like to discuss these policy issues after the budget is completed. She noted she had a copy of a capital asset policy which the board could review and revise.

Jim Irish noted during the budget workshops they need to advise department heads that if there planning assumptions change, they need to advise the BOF in order to accommodate that. It was also

suggested that they all be advised when things come up during the year that will cause unexpected budget problems, they can advise the BOF themselves, not just the selectman and finance director.

#### 6. Discussions on workshops (35:00)

Lucy Petrella noted she sent a letter out to the IWWA and P&Z because of the expected changes with Midstate Regional Planning she wanted to determine if there will be any impact. She noted that P&Z has indicated there may be an impact to his budget, but did not have details. She noted that the IWWA reports their fee schedule is up to date, as well as the building department. They need to hear from P&Z regarding this. Rebecca Adams noted there was a proposal at one time designed to shift more of the town's costs onto the developers, and they should revisit this.

Lucy Petrella suggested putting IWWA on the agenda of the 23rd along with the town clerk and treasurer. She noted she is still waiting to hear from Public Works, WPCA, and Social Services Department. The housing authority budget is expected to remain the same and they are not expected to come in. The EDC may come in to discuss their budget. It is expected that Jon Brayshaw will be providing the budget to the BOF but will only present it when they have the public hearing on the 15th.

Lucy Petrella went over the printed workshop schedule with the board. Board members discussed the reverse 911 system, noting there seems to be an interest in pursuing the system for this year's budget. It was agreed this should be further discussed with the emergency management department.

Board members reviewed the schedule and agreed to add meetings on the 13th and the 20th if needed. Board members discussed how they expect the meetings to go forward, noting that board member Bob Yamartino will be providing some of the historical data for the budget line items.

#### 7. Budget presentation hearing dates (1:02:18)

Lucy Petrella noted the public hearing will be on the 15th and Jon Brayshaw will be sending his in by the second of March.

#### 8. Meeting with Board of Education (1:03:25)

Lucy Petrella reported there was a joint meeting on February 6 at the Durham Library to discuss what services could be shared, and the focus was centered on IT. Rebecca Adams noted working together on IT with Durham and the school district will be beneficial to the town. Board members agreed they would like to meet with the BOE concerning the budget, Lucy Petrella will contact them to make that arrangement.

Board members discussed the grant received by DMYFS, questioning where that will show up in the budget. Lucy Petrella noted at the joint meeting it was reported that DMYFS is doing a good job working with the schools and their focus no longer overlaps Park and Rec as much.

#### 9. 2012-13 budget formats (1:17:54)

Lucy Petrella reported she has discussed with Joe Geruch, and as the department budgets have already been prepared, it did not seem prudent to send out another budget format to be filled out. She reported Joe Geruch had advised that he has budget program and there will be a budget format template included but had concerns that using that template will cause a loss of some of the detail. She noted that it is important that he be on board to change programs, and expects it happen for next year. Lucy Petrella noted that there has been some consolidation of line items, such as some of the miscellaneous

items. Board members emphasized the need to retain the details they want. Board members also discussed a desire to be able to work more with Durham, and also to have back up in Middlefield to use the program when he is not available. After some discussion, it was suggested to use the months of July and August to set policy, and use the months of September and October to working with the finance director to create an expanded information budget format.

10. FEMA (1:36:21)

Lucy Petrella noted that board member Bob Yamartino was going to get the updated information regarding FEMA. It was noted that the wood chipping was done by DMIAAB and FEMA will be reimbursing to some the degree, the costs of this. DMIAAB did not use their own tub grinder, but they used their labor.

11. Miscellaneous (1:42:45)

It was noted the selectmen have set a public meeting on Powder Ridge on the 6th to discuss the letter of intent signed by Brownstone Quarry. This will be a meeting that allows the townspeople to ask questions and make comments regarding the direction Brownstone Quarry would like to take the property. It was noted that there is a portion of the land the developer will need to have P&Z approval to split off the parcel before he will continue. Board members discussed some of the history surrounding this parcel. It was noted that the new business official was going to do a report or assessment of the property and there may be some information from that which will affect the budget.

12. Adjourn (1:54:01)

**A motion was made by Rebecca Adams to adjourn at 9:06 pm; this motion was seconded and approved by all voting members.**

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## Middlefield Board of Finance

February 23, 2012

Special Meeting

Minutes

(Not approved at time of filing)

1. Call to order

Lucy Petrella called the meeting to order at 7:07 pm. Present are Mary Wolack, Jim Irish and Lucy Petrella. Bob Yamartino arrived during the discussion with the treasurer at 7:20pm.

2. Agenda (:25)

**A motion was made by Mary Wolack to approve the agenda as submitted; this motion was seconded by Alice Malcolm and approved by all voting members.**

3. Department presentations town clerk (:59)

Lucy Petrella noted that the town clerk would like to present her budget which is exactly the same as last year, and she may attend a future meeting. Jim Irish noted if you remove the salary items the town clerk budget has nearly been spent for this year which is only 65% past. Lucy Petrella noted

many of her items are expended at one point in the year which would account for that. Board members reviewed this budget section and agreed to further discuss this with the town clerk.

4. Department presentation treasurer (5:08)

Ellen Waff provided copies of her budget to the BOF members for review. She noted that the treasurer budget had been removed at time as it was unused and if she needs something she has to ask other town hall staff. Ellen Waff explained there is a need for record storage which requires funds to purchase storage boxes. She explained a need for a particular form that the town clerk could send via email, however the treasurer has no computer or email address. She went over her duties as treasurer and suggested that she would be the appropriate back up person for the finance director. She explained she would like a computer and has been offered the administrator's computer but it is over 8 years old and out dated. Lucy Petrella noted her understanding that there is a plan to replace not only the administrators computer but also the finance directors, the tax assessor, tax collector and town clerks, and questioned if any one of those would be a better option. It was clarified that currently the treasurer has been denied access to the finance director's computer. Due to the limited office space provided to the treasurer, Ellen Waff suggested a laptop may be the more appropriate choice. Mary Wolack noted there should be an email address for the treasurer.

With regard to the need for funds for storage boxes, it was suggested as the town clerk is responsible for record storage she should be given the records to manage them. It was suggested this be discussed with the town clerk as well. BOF members reviewed the other items on the presented budget. Ellen Waff noted there are additional tasks that can be done by the treasurer including grant writing. It was noted the WPCA pays a fee for town employee time, but not treasurer time. Ellen Waff noted currently she does not spend a lot of time on WPCA functions, signing a dozen or so checks in a month as well as doing the bank statements. Ellen noted she researched the price of a lap top and found one without Office software for \$426.98.

BOF noted that when they put money in the capital fund for the computer upgrades the treasurer did not have any computer at the time but there should be enough money to get that, and it should be done this fiscal year.

Marianne Corona discussed the need for a better computer in the land use department, as well as the needs for better record retention for the town. BOF stated they have already provided the funds to upgrade computers.

It was agreed by the BOF there were funds in the capital non recurring budget that can be used for the laptop. BOF stated they would look into a way to work out the need for office supplies.

5. Department presentation Inland Wetlands Watercourses Agency (IWWA) (37:24)

Darrin Overton and Marianne Corona were present to discuss. BOF members reviewed the budget. Darrin Overton noted their budget consist of only 5 items, minutes, Midstate, attorney, town engineer time and dues. Darrin Overton went over the amounts set for each item. He noted they have restructured their fee schedule in order to have applicants covering more of the costs involved, and they will be taking steps to determine if the fee revenue is offsetting the expenses.

Marianne Corona emphasized the importance of the IWWA and the value of the members, and noted that support in communication is critical.

BOF members reviewed last year's figures as well as the proposed budget, noting they had made increases last year due to specific anticipated large projects in town. Other than Powder Ridge, Darrin Overton did not have knowledge of any other big projects.

Marianne Corona reported that Geoff Colegrove is planning to stay on as the town's planner beyond the time Midstate Regional Planning is shut down, and they should discuss the situation with Geoff Colegrove.

BOF members discussed ways to track the revenue and expenses, with Ellen Waff and Darrin Overton indicating their willingness to assist. It was noted the BOF does carry a contingency fund that can be used if something unexpected comes up. BOF discussed various philosophies regarding the budget as well as the land use boards. In response to questions, Darrin Overton did not see any large projects coming up in the next year. He did note there is money lost in dealing with violations.

#### 6. Public comments (1:13:57)

Marianne Corona noted the importance of Powder Ridge, and encouraged the BOF to ask questions about what is going on. She noted there is a \$225,000 payment the town will have to make if they close on any deal before December, 1, 2012; the town has forgiven about \$481,000 in taxes; it is an important part of the economy; the townspeople voted to sell it for \$1 million which is a loss in return for skiing and open space. She asked that the BOF ask every question they can about what the developer intends to do with the property. She noted that skiing is still viable in the area and the big advantage Powder Ridge has is the water coming out of Lake Beseck. She noted that people far away are interested in coming back to Powder Ridge to ski.

Bob Yamartino noted by taking the development rights out of the property the value is less, therefore selling it for \$1 million would not necessarily be a loss. BOF members discussed some of the financial history and financing of the property, now and possible future options.

#### 7. Discussion of budget presentations (1:28:50)

Lucy Petrella noted there is additional information regarding the fire department budget; DMIAAB budget has come out; on March 8 they are talking to Police Department, tax collector and DMYFS. Lucy Petrella noted she will be sending more information out as it becomes available.

Regarding the Board of Education, their budget will be coming out on March 7, and intend to finalize it by March 28 and Lucy has requested that they come in on March 13 or 20 to discuss. There is a public hearing on March 15 with Jon Brayshaw who will present his budget, but it will be transmitted, probably electronically, prior to that. Park and Rec has asked to come in on that meeting if there is time, if not then the 22nd. Emergency Management will be in on the 22nd and the library on the 29th. Lucy Petrella stated she had a budget from Social Services department, and only two items have increased. Dial-a-ride has increased for the first time in three years and is not a reimbursed item. Lucy stated she would send the information via email to the BOF board and they can decide if they want Antoinette in to discuss.

Lucy Petrella reported that P&Z may come in, as the chairman was looking into the impact of the closing of Midstate Regional Planning. She was asked to request that P&Z come in.

Regarding the library Alice Malcolm was trying to determine if grant money is available for the library through the town or not as it is a private entity. BOF reviewed various documents, and discussed the need to put out capital expenditures to protect the buildings as town assets.

Marianne Corona stated all the property is owned by the Levi Coe board, and the town compromised by allowing town members to serve on the board, but it is a private library. Bob Yamartino noted the amount of funds the town has provided over the years and yet the town has no ability to protect those assets in a liability case. It was noted if the town does not fund it, the library will close. BOF members discussed various ways they can look at this, and agreed they need to find some creative answer and to further discuss the issue with the library board. It was suggested they create a comprehensive report showing just who is using the library and in what way.

Jim Irish suggested this is an issue that should be put on the BOF calendar for more in depth discussion, possibly July or August.

#### 8. Powder Ridge discussion (1:48:19)

Lucy Petrella reported that the BOS has signed the letter of intent, there is a public hearing on March 6 where Brownstone will make a presentation. She provided copies of the letter of intent for the board to review and suggested this be put on the next agenda as well for more discussion. She discussed they need to discuss the role of the BOF in this process, any financial concerns they have and how they can make those known to the BOS. She referenced the Handbook for Connecticut Boards of Finance and provided copies of page 4 for the board to review. Board members discussed the issue. Alice Malcolm suggested with such an important asset the town should consider the use of a broker to go beyond word of mouth contacts, and anything concerning the financial aspect should be reviewed and approved by the BOF. It was noted that the First Selectman has the rights to negotiate contracts on behalf of the town, but for the sale of this property, it has to be done by the power of the town meeting. Board members discussed having an advisory role. It was noted that through the budget the BOF, it is their budget that the townspeople can approve, and that is their role. It was noted that if funds are spent in excess of the budget, that is an issue the BOF has to discuss as part of policy to determine the consequences.

Board members discussed Powder Ridge, noting they know very little about the potential purchasers and if the town is going to be the financial backers for the deal, the BOF should be more involved. Board members reviewed the Letter of Intent, noting if there is more information required the board should request it. Board members discussed the information they had requested of the Lyman Farm for a specific issue in comparison. It was noted that the current potential purchaser will want to sell off 30-40 acres of the property and will not allow the deal to go through until he has assurance that P&Z will allow it, and this will be sold and the funds used for the down payment.

Lucy Petrella questioned the meaning of open space and the taxability implications that term has. It was noted that if some of the land was used for agriculture such as a vineyard, it would be taxed as open space, and it would be minimal.

Marianne Corona noted there would need to be a decision by the bond counsel regarding open space. Bob Yamartino stated if revenue is generated from use of the land, it is not non-taxable. Board members agreed they need to be clear on this information before they can make any decision. Board members suggested having Jon Brayshaw in to further discuss this issue. Ellen Waff recommended they ask Ken Antin to come in as he knows more about the situation.

Board members agreed they need additional information. It was agreed Lucy Petrella invite Jon Brayshaw and Ken Antin to further discuss this from the March 1 meeting, and postpone DMIAAB or the Fire Department presentations if necessary.

#### 9. Approval of Minutes (2:31:06)

February 16, 2012.

**A motion was made by Mary Wolack to approve the minutes to the February 16, 2012 meeting of the Board of Finance; this motion was seconded by Jim Irish and approved by all voting members. Bob Yamartino abstained from the vote as he was not present.**

Lucy Petrella indicated she would like the minutes filed with the town clerk to be corrected if needed.

10. Board of Education meeting (2:32:44)

Lucy Petrella noted they had previously discussed different budget requests they might like to have from the BOE and asked the members if there is something specific they are looking for, they must advise so that she can let the BOE know in advance.

Bob Yamartino stated he would like to see the big book of line items prior to the meeting, which include the details. Also he would like to see the actual expenses to date, of the line items, not just the previous budget. Other member indicated they wish to see it as well. It was noted they could get the information using the FOI act if needed.

FEMA update (2:36:14)

Lucy Petrella questioned if there was any additional information from Bob Yamartino about reimbursement from FEMA as well as setting those expenses apart from others. Bob Yarmartino noted he did not get any additional information. It was agreed to include it on the next agenda, noting if there was not additional information they can table it.

11. Adjourn

**A motion was made by Bob Yamartino to adjourn; the motion was seconded by Mary Wolack and approved by all voting members.**

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## Middlefield Board of Finance

### Special Meeting-Budget workshop

March 1, 2012

### Minutes

(Not approved at time of filing)

1. Call to order

Lucy Petrella called the meeting to order at 7:04pm. Present are Lucy Petrella, Alice Malcolm and Jim Irish. Rebecca Adams arrived shortly after fire department presentation began. Mary Wolack arrive at 7:08. Bob Yamartino arrived at 7:35 during the fire department presentation.

2. Agenda

**A motion was made by Jim Irish to approve the agenda as submitted; this motion was seconded by Alice Malcolm and approved by all voting members.**

3. Budget Presentation - fire department (:56)

A speaker stated that they needed to update the life insurance line 8009, should be changed to \$8,000. The speaker noted he also provided a narrative for the board members to review. It was stated that within the narrative, line item 8002 should be changed to 8003 and the comments regarding the hoses refer to line item 8001, and pagers go under communications 8002.

Regarding grants, the speaker explained that the federal grants have been cut back and they have not applied for any in the past few years. The speaker explained the pager system came with a five year warranty which has expired and many of the pagers are in need of repair. He noted that the self contained breathing units that were all purchased with a grant will all need replacement at the same time and they have a lifetime of 15 years. It was suggested that they make this a capital item and stagger them so they are not all replaced at the same time. The speaker suggested they are trying to replace the pagers through capital buy purchasing 5 or 6 per year. He noted there are 45 firefighters and each one has a pager, plus they need to have spares available.

Lucy Petrella noted a grant recently awarded to the South Fire District from Homeland Security and suggested they look into it. The speaker stated the grant period was over for this year, and they have to assess the need which is an in-depth process.

In response to a question the speaker explained he has capital projects he would like to do including repairs to the fire house and provided information to the board members. Board members reviewed the documents presented including cost estimates.

Lucy Petrella noted there are grants out there but they are hard to get and Joe Geruch can assist in applying.

The speaker noted he is working with Durham and D13 on communications system for all three to utilize.

Board members reviewed the capital items. The speaker noted the firehouse is aging and there will be more repairs needed. Board members agreed they need a town wide plan regarding town buildings. It was noted the pumper will need to be replaced and the capital funds available will not cover it. The speaker discussed the specific repairs needed.

Board members asked that a spread sheet be prepared showing a list of all the capital items, when they were purchased, life span and what replacement cost is. The speaker reported there are new federal mandates that often affect the estimates of replacement costs. Another speaker noted how they used to start saving for a new truck 7 years out, but recommended they begin saving as soon as they purchase one.

Board members agreed the costs for the repairs on the pumper truck discussed earlier, \$22,000 need to be added to line item 8001 in the budget as they are not currently accounted for.

The speaker agreed to look at all the requested items and create a prioritized list for the BOF. The speaker stated they could hold off on drainage improvements, but they need to have the roof re-seamed which will provide a few more years and they are looking into a grant. It was stated that there is \$6,000 in the capital budget now for that repair.

In response to questions the speaker explained that the water source development funds are used to create new sources of water.

Board members discussed computer upgrade items and working with the town as well.

Bob Yamartino suggested they look into maintaining the fire department's access to water from Lake Beseck throughout the process of selling Powder Ridge as the town holds the easement water diversion. The speaker noted the current plan included a benefit for the fire department.

It was noted that the total capital items being requested are \$100,000 more than the budget of last year.

A speaker asked about leasing options- the BOF stated they would review information if provided. Board members discussed the various benefits leasing may have.

#### 4. Budget presentation DMIAAB (54:31)

Jim Irish asked about \$28,000 additional on Demo, line item 10301. Dom Delvecchio reported that they have installed a scale in February and they expect to collect additional revenues for demolition items, as well as line items 10304 and 10305. He noted that these are less reliable estimates as they have no history to look at using the scale. Dom Delvecchio noted that with the scale there may be a reduction in the amount of demo material collected, and those that brought demo materials also brought metals, which create an income. Mr. Delvecchio noted it is very difficult to project what will happen during this first year.

In response to a question regarding compactor repairs, Mr. Delvecchio explained that they did not put as much money into the container line item in order to partially compensate for the increase in the compactor repairs. Mr. Delvecchio explained they try to maintain \$100,000 in their account, anything above that is returned to the towns. He went over the lease program. With regard to revenue he noted they are considering charging commercial entities for brush. He noted by owning the tub grinder they are eligible for substantial FEMA reimbursements due to the storm last year that resulted in so much brush.

Board members discussed a capital budget plan setting funds aside for particular items versus having a certain amount of funds available for use as decided by DMIAAB.

Mr. Delvecchio questioned when Middlefield will be approving the interlocal agreement as DMIAAB needs to contract with CRRA and cannot do so. He noted that Durham has already had their vote. Board members agreed to send a message to Jon Brayshaw for information.

Mr. Delvecchio reported they had a problem with waste antifreeze and waste oil which had contaminated each other, resulting in a costly disposal fee. Regarding payroll and accounting fees Mr. Delvecchio indicated they have daily deposits to be made, and each transaction is logged, as well as payroll services. Mr. Delvecchio indicated there is a grant they may be eligible for because the two towns share the service, which may cover 1/3 the cost of a tub grinder. He noted they are contacting other town to determine if they are interested as well.

In response to a question, Mr. Delvecchio noted Middlefield's share went up a bit due to an increase in population. He noted there was also an increase in sticker fees. He explained the compost program is designed to help people do more of their own composting which reduces the MSW. He noted many towns charge for the MSW as it is expensive to dispose of. He reported that DMIAAB has only one full time employee who receives full time benefits. It was noted the scale is leased and basic calibrations are covered for five years, twice a year, and no other maintenance is expected.

#### 5. Budget departments already presented (1:32:04)

Lucy Petrella asked if there were any questions regarding the treasurer or the IWWA budget.

Mary Wolack asked if there was any information on the computers with regard to the treasurer's budget. Lucy Petrella did not have any new information. It was noted the \$20,000 that was put in the capital budget for computers is now down to \$8,595. Lucy Petrella will determine what those funds will be used for. Rebecca Adams noted there still is no plan for the computer upgrade. In trying to work

with BOE and Durham to upgrade in an efficient manner it was explained they all need to coordinated to come up with a plan. This cooperative is just in the beginning stages. There was an IT evaluation done in 2011 of the town hall. It was discussed that they need to include the fire department and the community center as well as the police department.

Bob Yamartino stated he would like know what was the 2011-12 contribution, as well as the 2011-12 current expenditures and the current balance for capital line items. He and Jim Irish agreed they would work together to put the needed data together for the next meeting.

Lucy Petrella suggested they work with the fire department to put together a listing of their assets and work the data about them as they did with the highway department last year. This could then be updated each year. Boar members agreed they want to fund the capital items which have been under funded over the years.

Mary Wolack asked to obtain additional information regarding the revenue side of the IWWA.

#### 6. Miscellaneous (1:45:55)

Lucy Petrella reminded there is a BOE meeting on March 20 and she has requested the big book and the three year history.

Lucy Petrella provided an updated workshop schedule, and went over it with the board members. Board members asked that the social service director be invited to discuss her budget, as well as the chairman of the WPCA.

#### 7. First Selectman's budget (1:51:07)

Board members noted the First Selectman's budget was now available and agreed they would like to review before discussing.

Bob Yamartino asked that Joe Geruch be asked to provide the requested information in the capital non-recurring budget. He also asked that it be confirmed that everything in the capital non recurring fund is every thing that has accumulated, that there is nothing that has been appropriated to something not showing in that fund.

#### 8. FEMA update (1:53:04)

Bob Yamartino stated he has not received additional information yet.

#### 9. Tower Lease (1:53:13)

Lucy Petrella reported that Joe Geruch wants to discuss the possibility of selling the rights to the tower rather than continuing to lease. Board members agreed they were not in favor of selling it.

#### 10. Approval of minutes (1:55:52)

It was agreed to table this item. It was noted that Alice Malcolm was not listed as present and should have been.

#### 11. Discussion of future meeting (1:56:29)

Board members discussed the need for executive session for the following evening's meeting. It was agreed it should be an open meeting. It was noted there are questions that the BOF members will not ask in open meeting as they would be more appropriate for executive session. Bob Yamartino asked that the agenda make note that the discussion is not open to public comment. It was suggested if after

tomorrow's meeting the BOF members still have questions they would like to ask, possibly under executive session, they may ask for another meeting. Board members discussed some items they would like considered as part of the contract.

12. Adjourn

**A motion was made to adjourn at 9:13 pm; this motion was seconded and approved by all voting members.**

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# Middlefield Board of Finance

## Special Meeting

March 2, 2012

Minutes

(Not approved at time of filing)

1. Call to order

Lucy Petrella called the meeting to order. Present are Alice Malcolm, Lucy Petrella, Mary Wolack and Bob Yamartino. Also present is first selectman Jon Brayshaw and town attorney Ken Antin and Sean Hayes, of Brownstone Amusement. Jim Irish arrived at 7:10; Rebecca Adams arrived at 7:20.

2. Powder Ridge (:18)

Lucy Petrella thanked all those present and noted there would be no public comment as there would be a public hearing in the next few days. She explained this was a meeting to allow the board of finance to complete their due diligence and gather information. She emphatically noted questions raised by this board do not indicate support or non support of the proposal.

Jon Brayshaw noted this has been a long time coming and there will be more meetings to discuss this issue. He noted the latest version of the LOI should be dated February 8 and as it is a work in progress he expects there will be changes. He indicated there will be a new LOI issued on Monday prior to the BOS hearing.

Bob Yamartino asked for updates on changes since Feb. 8 version. Jon Brayshaw stated the physical part has been changed in that they have removed a portion of the land. This was indicated on a map/drawing.

Mr. Hayes provided explanation of the drawing/map indicating what would be considered as open space in order to satisfy the DECD grant funds. He noted the stated is willing to accept the town of Middlefield's definition of 'open space'. He also provided a document showing the entire plan and went over the details of that document with the board. He explained how the values of the land differed greatly throughout the parcel. He noted there is a dispute over who owns a certain piece of the parcel.

Jon Brayshaw explained that the DECD will accept the town's definition of open space for this particular deal. Mr. Hayes noted the open space land may be used for some activities, that are allowed by the town's definition. Jon Brayshaw noted with the removal of the particular portion of the parcel being sold, the price will change to \$700,000. He provided a document that indicated the tax assessor's rationale regarding the value. Rebecca Adams questioned how the value of that piece was determined, noting that the entire property value was based on the land being restricted for use, but the value of the

reduction did not seem to reflect that. Mr. Hayes explained why that particular piece was worth the \$300,000 even restricted, noting that he had a buyer for it, with those restrictions.

In response to a question, attorney Antin explained that the current zoning regulations allow for up to 7 houses on the property. Bob Yamartino noted it is within their power to include a deed restriction allowing no houses, and it had been his understanding that when they removed the development rights that is what they intended. Attorney Antin explained that those houses in the previous deal were to be used only for people related to the operation of the recreational facility. Mr. Hayes noted those are not separate building lots, which is a critical difference, as those houses would all be allowed on the single lot.

Board members reviewed and discussed various different ways to value the property, as well as mechanisms they can put into place to secure the town in the event the business does not succeed and foreclosure becomes necessary.

In response to a question, Mr. Hayes noted the town is in the first position, and the banks who will be loaning funds for the project are willing to accept second position. Attorney Antin explained the town will hold the first mortgage, and the town will be in first place on the property. He also noted that there is a requirement that the developer put in at least \$2,000,000 in improvements. He explained that Alpine was going to have a second mortgage, but Mr. Hayes is willing to have a letter of credit in place for the required improvements.

Mr. Hayes noted that he will be putting in closer to \$4 or \$5 million into the property and if the business fails, the town will have that increased value to the property. He stated the bank will not loan \$1 million for this property as they do not believe it to be worth that.

Alice Malcolm asked if the town will hold any restrictions regarding windmill development or the aquifer. It was noted that there was a condition in the Alpine deal regarding the study for a wind farm.

Lucy Petrella noted the town holds the water diversion permit and the fire department has suggested that they be included so that they can pump water out of the lake as well. It was stated that was part of the Alpine deal as well to use the pond as a fire pond.

In response to a question, it was noted the town is responsible for the public road. Mr. Hayes noted this project is a restoration of an existing facility, period, and at its peak it had 60,000 to 75,000 skiers using that facility. Alice Malcolm noted that kind of traffic today will require traffic lights, street lights and changes to the road. Jon Brayshaw noted that anything already allowed up there is grandfathered in, but anything new will require approval by P&Z. Board members discussed the potential traffic impacts and what the town may have to do in the future to accommodate that potential changes.

In responses to questions, Jon Brayshaw noted the DECD fund will go directly to the development of the property. Jon Brayshaw indicated he has given no consideration to other options with the front piece of property at this time.

Mr. Hayes was asked to discuss his five year plan. Mr. Hayes noted he has a presentation getting ready for the public hearing to discuss the five year plan. It includes a two year restoration plan to get skiers coming down that hill. He noted the focus will be on free style skiing and snow boarding, as their target is the 20-year old. Mr. Hayes explained how he intends to create an interest by creating features using earth. Mr. Hayes noted the primary reason this will all work is because of the synergy with his current business in Portland that runs May 1 to October 31, and this business will run December 1 to March 31. This allows him a month in between each business to move all his assets, including softwares, computers, personnel, hardware, etc. This allows him to have fewer customers and

still have a profitable business. He noted they are considering various summer activities to utilize the property in the summer time.

In response to questions about the town being the banker for this project, Jon Brayshaw noted the mortgage is spread over only six years. He noted that on or before December 31, 2014, \$500,000 will come to Middlefield. He noted that the DECD funds have been extended twice.

In response to a question about providing the town with his business plan, Mr. Hayes said, no they won't because it will become a public document and his is private company. Mr. Hayes noted the town will have the first mortgage of \$600,000 on a \$1 million property; and immediately upon take over, Mr. Hayes will put an additional \$4 million of value into the property, which the town will then have if he defaults on the first mortgage. In Portland, Mr. Hayes explained to address this same issue, the town hired an independent who came in without any town representatives and he went over his business plan with him, and he then made a recommendation to the town. Mr. Hayes noted however, that in Portland, the land was given to him at no cost. Mr. Hayes noted also, that he will be paying taxes immediately to the town as well. In response to questions, Mr. Hayes noted that the investors include Brownstone at an estimated 20-30%. With regard to the \$500,000 it will be used for the utilities to get things started, and by using it in this way, if the loan is defaulted on, the town will have the benefit of those funds. Mr. Hayes noted as well that without his investment of the \$4 million, the DECD funds of \$500,000 will not be received.

There was a question about the need/costs of additional police and fire while construction is proceeding. It was stated there should not be any additional need, with the exception of when they repair the driveway at the road edge. Mr. Hayes explained that these properties must be multi use in order to survive. He explained how the hotel rooms on the site will be converted to day rooms in order to allow people to have a place to go, or for other family members to use while some are skiing.

Jon Brayshaw noted that time is of the essence and they need to get an agreement signed. He noted they do not have the exact information to include this impact on the upcoming budget and he asked the board for their cooperation in this regard.

Lucy Petrella thanked all those present for their participation and asked that as they get close to the final document, before it goes to public hearing, to provide copies to the BOF members to meet and discuss it.

### 3. Adjourn

**A motion was made to adjourn at 8:50 pm; this motion was seconded and approved by all voting members.**

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# Middlefield Board of Finance

March 8, 2012

Special Meeting / Budget Workshop

Minutes

(Not approved at time of filing)

### 1. Call to order

Lucy Petrella called the meeting to order at 7:11 pm. Present are Mary Wolack, Jim Irish and Lucy Petrella.

2. Agenda (39)

**A motion was made by Mary Wolack to approve the agenda as submitted; this motion was seconded by Jim Irish and approved by all voting members.**

3. Public comment (41)

There were no members of the public present other than the departments that are presenting.

4. Police department (50)

Trooper Eric Kelly stated that there was a rumor the state would be upgrade all the mobile and the portable radio, and to upgrade Middlefield's will cost \$15,000. It was noted line 2419 contains \$14,000. It was explained there are two portables, and four mobiles. Trooper Kelly stated the explorer went in for service and the mechanic indicated it is not looking good and will not likely be in service much longer, and this was purchased using the DUI grant. The cruiser replacement funds are for Scott's car and that has a greater priority than the SUV. He explained without the SUV they will need to equip one of the cruisers with a hitch in order to tow the smart machine. He noted the SUV is used, but not required, and they could consider replacing Scott's car with an SUV. Trooper Kelly was asked to look into leasing arrangements. It was noted they are working on getting the lettering done. Board members noted if they were to switch to SUV they need to consider the fuel costs.

Board members reviewed the sundry items with Trooper Kelly. He noted the uniform cleaning and purchase has increased to allow for the purchase a new set of uniform for two officers, one winter and one summer. There is also a need for an armored vest and new boots. It was noted the trooper salary line item is lower because Trooper Kelly has fewer years. Trooper Kelly explained the DUI grant covers 75% of the costs to have an officer on duty for DUI enforcement. The current budget includes one shift per week at a cost of \$15,409, with a reimbursement of \$11,618. Trooper Kelly stated he would like to budget for increased amount of shifts which bring in additional officers at a minimal cost to the town. Board members asked for statistics on arrests during the DUI coverage times, and discussed current crime rates.

5. Tax collector (42:50)

It was noted they would have to table voting on the suspense list as there was not a quorum to make the vote.

Anne Olszewski provided a copy of the budget for her department as it was presented to the finance director. She noted for several years the elected officials have been promised a salary study, and for two years they went without raises. Ms. Olszewski went over her budget line items with the board.

Anne Olszewski went over a document with the board indicating the suspense list, and providing an explanation of its purpose. She noted that the suspense list figures will be modified slightly as time goes by.

Regarding the salary, Lucy Petrella noted Jon Brayshaw was asking for 1.5% increases for elected non union officials. Anne Olszewski noted as a non union elected employee she is not guaranteed a raise and at some point if they do the salary study they will find she is underpaid and it

will be difficult to right that situation. She noted that Cromwell is looking for tax collector assistant at \$21 to \$25 per hour, and she currently makes \$22 per hour, but she prefers to work in her town.

6. DMYFS (1:05:04)

Betsy Dean, the executive director of DMYFS provided an overview of the programs DMYFS provides to the town, including some of the special events such as teh LEGO build held recently. She noted programs that involve the school as well as programs proving nutrition to those in need. She described the various safety and informational programs they run and offer to the community. The DARE program was discussed, it was noted it builds a report, but that is lost when the kids get to the high school as the program does not continue. Board members discussed various statistics with Ms. Dean. Various grant opportunities were discussed. She noted they are doing the Juvenile Review Board. She discussed the dances, noting the attendance is about 125 kids. It was suggested that baby sitting and CPR classes could be coordinated with Park and Rec and the fire department.

There were questions regard the \$300 to support Middlesex County Substance Abuse Council- it was noted this should be part of the Social Service department. Board members reviewed the costs of the accountant- it was said to be needed to completed the 990. Betsy Dean was asked to look further into that item, noting that the town's accountant may be able to assist at a better rate. Regarding the internet and website administrator it was suggested it should be linked with the town's site. Betsy Dean noted they are hosting their own web site currently.

Regarding fund raising Betsy Dean noted they did not have a good year at the Durham Fair and she is lobbying to change their product as it is perishable and expensive, and she is also looking for other fund raising opportunities.

It was explained that the increases are from both the costs of the DMYFS programs and the costs of staffing. It was suggested that when purchasing supplies DMYFS should look to the schools in order to be part of a bigger purchasing body to be able to take advantage of bulk buying. Betsy Dean noted that the dances generate funds for the DMYFS. Board members expressed support for the many programs offered by DMYFS.

7. Scheduling (1:49:30)

Lucy Petrella noted the fire department is working to create an asset list.

8. DMIAAB (1:50:29)

Lucy Petrella noted there is a public hearing coming up on March 20 to approve the agreement.

9. Budget schedule (1:50:48)

Lucy Petrella noted the following week the BOF will have the presentation of Jon Brayshaw's budget. Jim Irish asked that an email be sent to the fire department to request the follow up information. Board members discussed matters regarding fuel expenses and lease options when it comes to fire and police department vehicles.

Lucy Petrella asked for feedback about how to present the budget to the public, nothing they could have Jon Brayshaw go through the budget and stop him along the way to ask questions or provide comments or let him go through it, then have the BOF go over it. Board members discussed various ways they can manage the presentations and public comment/input. Board members agreed they would

like the first selectman to go through the budget page by page, with an opportunity at each page to ask clarifying questions, then the BOF can work with the budget on their own each week.

Lucy Petrella stated that the BOE was sending information to Bob.

Lucy Petrella reported that public works will be coming in to meet with the BOF to discuss their budget.

The Housing Authority will be in, and they will be looking to discuss the increase in what they have to pay to Middlefield.

Lucy Petrella noted that the taxes to be paid to Meriden and Wallingford for the Powder Ridge have been taken out of the budget. She noted she is not inclined to make changes until the deal is signed. It was noted there is also the issue of the funds to pay Middlefield Holdings when the deal is done.

Lucy Petrella provided a copy of the library budget.

Regarding line item 4700 Lucy Petrella explained this is a line item used to offset the mil rate and last year they moved \$110,000 which was a big issue, this year they are asking for \$180,000.

Lucy Petrella explained there was information available from the land use administrator regarding the fees collected for the land use boards.

Board members discussed the unallocated fund balance, noting they need to determine what that balance is. Board members discussed the need to know the capital item balances as well. Lucy Petrella explained they use the contingency fund so that all the department can use zero based accounting and if a need arises they can use the contingency fund. She indicated she would determine where/how much the general fund balance is.

#### 10. Minutes (2:31:16)

This item was tabled as there was no quorum.

#### 11. Powder Ridge (2:31:22)

Lucy Petrella asked if there were additional questions regarding the Powder Ridge deal. Jim Irish noted that Mr. Hayes indicated the town does not need to worry because he will be putting \$4 million into the property immediately, however, that will not help the town to pay off the bond as it is a fixed asset not liquid. It was noted that he has indicated he will have a line of credit, and while Mr. Hayes will not make his financials public, he may be willing to allow a third party to come in to review and then provide a report. Mary Wolack suggested that may be a prudent thing to do to accomplish due diligence.

Board members reviewed documents provided by Steve Hodgetts, and noted that Mr. Hayes will be paying the taxes to Meriden and Wallingford. There was a question about Mr. Hayes paying taxes on the land and the buildings to Middlefield. Lucy Petrella stated she will ask the finance director about these issues. It was recommended that they discuss with Bob Yamartino what questions they would want the third party accountant to answer when reviewing the financials of Brownstone. Board members discussed the possibility of foreclosure on the property and it was stated if the value of the property was worth more than what was owed Middlefield, they would have to go to auction. There were questions about whether or not the town could put a lien on the property to protect the town if it goes to auction. Board members agreed they need to get these issues/questions addressed by the attorney before the contract is drawn up.

Lucy Petrella provided a lease analysis for the board to review which indicates how Brownstone works with the town of Portland. This information indicated there may not have been enough exploration to determine if this is the best financial deal for the town with regard to this property. Board members discussed leasing the land rather than sell, and considering only the 115 acres for the ski area. Board members discussed the land being considered for purchase and what will be used for open space. It was noted there was a person interested in purchasing the parcel of land being split off so that she could use it as a horse farm.

Lucy Petrella questioned if there was financial due diligence when this deal was framed as there are other variations in this deal that might be more profitable if handled a different way. She questioned if the BOF can make fiscal policy, can they come up with a policy that should the First Selectman decide to enter into negotiations of a contract that includes the town holding a mortgage, a minimum amount of information/documents/procedure needs to happen and must go before the BOF before it can be signed. She noted contract negotiations are under the purview of the first selectman by charter, and the BOF is left with nothing to do but rubber stamp what happens. She suggested they consider if they could add a policy that stipulates that a contract can not exceed the cost of living for a year, or a certain percentage of the operating budget. This puts fiscal parameters on the first selectmen. She asked the BOF members to consider this. It was noted there is a difference between the first selectman and the BOS. Board members noted the need to use caution and keep the lines clean between the different boards and what purview they have, and they need to be cautious of the perception they create. It was suggested they need to review what checks and balances there are and to ensure they are adding checks and balances without removing any. Board members discussed the fact that a lease agreement could be done by the BOS. The various different liabilities concerning leasing versus owning were discussed.

Mary Wolack recommended that they hire the third party to review the financial information of Brownstone.

Board members discussed the BOE budget, noting that there is an increase, and questioned what is driving the increases.

## 12. Adjourn

**A motion was made to adjourn at 10:20; this motion was seconded and approved by all voting members.**

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# Middlefield Board of Finance

Public Hearing - Workshop

March 15, 2012 - Minutes

(Not approved at time of filing)

## 1. Call to order

Lucy Petrella called the hearing to order at 7:08 pm. Present are Alice Malcolm, Lucy Petrella, Jim Irish, Rebecca Adams and Mary Wolack. Bob Yamartino arrived at 7:15 pm.

## 2. Public Notice (:44)

Lucy Petrella read the public notice as it was published in the Middletown Press on March 9 and in the Town Times of March 9. Lucy Petrella explained how she would like to proceed through the budget.

### 3. Presentation (2:20)

Jon Brayshaw thanked the finance director for his work. He noted that his goal was to have no tax increase, however there is work needed on the town's infrastructure.

Jon Brayshaw noted they are projecting a mil rate of 32.45, currently it is 28.16. Without the re-evaluation it would have been 29.00. He noted the average homeowners tax burden is very similar to last years.

Jon Brayshaw went through the printed budget, going over revenue pages first. In response to questions, Joe Geruch, finance director, stated that the town clerk revenues are down due in part to less activity regarding mortgages and filings. It was explained that health department fees include septic system inspections and well permits.

Regarding the housing authority Jon Brayshaw explained in 2001 due to a need for repairs the first selectman agreed to cut their contribution to the town by 50%. Once those repairs were done it was to be reinstated. Joe Geruch explained that the housing authority does not pay taxes but pay 10% of their rentals, and the \$18,000 in the budget is an estimate of that percentage. It was noted that the repairs that were needed have been completed. Board members asked that when the housing authority comes in, that they bring in an audited statement of their books.

Jon Brayshaw continued through the revenues, noted that again there has been an interest in purchasing the cell tower rights. He noted went over the sewer system costs, noting there are revenue and expenses. Jon Brayshaw explained they set the fund balance at that rate in anticipation of surplus. It was noted this will be further discussed.

In response to questions, Joe Geruch explained how the town's cash is invested and the history of fund balance line item.

Marianne Corona asked about line 4000. Joe Geruch explained that the current re-evaluation caused a shifting of the tax burden to the commercial and motor vehicle portion. The fund balance's effect on the budget was discussed. Marianne Corona noted there are organizations that can asses the value of the cell tower, however she would support the continued leasing of the tower rather than selling it.

Marianne Corona stated the WPCA line items do not belong in the town budget as they are a totally separate entity such as DMIAAB. Ed Bailey stated the WPCA budget does not, only the figures do as DMIAAB.

Jon Brayshaw went over the capital budget line items, noting the costs for Miller Road bridge which is in need of repair. There are grant funds available in the amount of \$250,000, it is not clear if that will be enough to complete repairs. He noted the need for electric operational doors for the town hall for handicap access, a new roof and the replacement of the oil tank. He noted the central service figures are in flux as they are working with D13 IT department in order to all be on the same system.

In response to questions about the funds spent from that line item, Joe Geruch stated that they are replacing six PCs and they are converting the accounting system. It was stated that the BOF will have read access to the accounting. It was noted there are other departments interested in upgrading their computers and more funds may be required. Jon Brayshaw noted with regard to computers D13 will be working with the town on the upgrades. BOF members agreed to further discuss this issue.

Jon Brayshaw explained there is a need to codify the ordinances. Joe Geruch provided the history of the Mattabeseck Road Bridge. Jon Brayshaw noted tree removal costs would increase each year. BOF members discussed if this should be part of general expenses rather than capital.

It was noted that funds put in the budget need to be used as intended, noting that the chipsealing was not done last year.

Jon Brayshaw noted there is grant funds expected to pay for the Miller Road bridge, but they will need funds now to pay the engineer to determine just what needs to be done and if the grant funds will cover the entire project. BOF members discussed and reviewed the funds and costs for various projects and the capital planning needs in the future for bridges.

Jon Brayshaw discussed the highway department environmental compliance and the variety of projects this covers. Joe Geruch explained there are mandates from the state to address some environmental issues.

Jon Brayshaw discussed the vehicle replacement cycle noting the police SUV does not have a long time left. BOF members explained they are looking at a lot of options to determine the best course.

It was agreed they did not need to discuss the fire department budget. Jon Brayshaw went over the EDC budget noting it was due to Powder Ridge issues. Jon Brayshaw noted there was a lot of work done to protect the structures on the property. It was suggested that taxes due Meriden and Wallingford should not be in the capital line items.

The Levi Coe Library was discussed, Jon Brayshaw noted they are in desperate need of a parking lot as it is dangerous. The need for Levi Coe Library to create a capital plan was brought up. Marianne Corona suggested they fix the parking lot then have them come in to discuss all their needs. Jeremy Renninghoff noted if they take over the library they will have to consider issues such as prevailing wage and unionization.

Jon Brayshaw went over the expenditure pages of the budget noting he has put in for a 1.5% wage increase. With regard to bond counsel Jon Brayshaw stated it cost only \$3,000 each time they roll over the Powder Ridge Bond. Joe Geruch noted that if they continue with the short term strategy they will have two note rollovers.

Jon Brayshaw continued through the budget expenditures. He noted the high costs of legal notices. Insurance costs were discussed. Town lighting issues were discussed. It was noted the website for the town of Middlefield was not very useful. Marianne Corona recommended they improve the website dramatically.

Summer work was discussed, Jon Brayshaw noted to get the mowing in town completed can take a full week. He noted they will be hiring summer help for the mowing or possibly a contractor.

Jon Brayshaw continued through the budget, noting the increase in the town clerk assistant position is at 3.5% because she is eligible for a step increase. The building official also has a step increase allowing for a 2.8% increase. Jon Brayshaw explained that they considered closing the building department on Fridays but that was met with complaints, and the assistant is capable of handling many of the needed tasks. She is not full time but she will work 34 hour per week which does not provide her with benefits.

It was explained that part of the reason conference and dues was increased was due to the need to educate the new building official, and to maintain his certifications.

It was noted Social services and public works would be coming in to discuss their budgets as would Park and Rec.

Jon Brayshaw asked if the BOF was going to support the Everbridge (reverse 911) system. BOF members stated they would be discussing this. Lucy Petrella note the cost is \$.81 per household to begin the first year, and \$.49 per household to maintain, with each household having multiple phone numbers. She noted they would only be charging for the homes that are not already in through D13.

Jon Brayshaw noted boards and commission was mostly for minutes and agenda and other servicing for those commissions. It was noted that Ed Bailey would be in to discuss the WPCA on the 29th.

Joe Geruch explained what went into item 9400 and how he intends to address the paydown requirements. Lucy Petrella noted that DMIAAB and DMYFS has been before the BOF and expected still is the library.

It was stated the BOE budget currently is a 3% increase, but will change.

In response to a question, Joe Geruch explained there is a deductible of \$10,000 for claims such as the Marshal lawsuit, and the insurance company will cover up to \$100,000 worth of damages. It was noted the judges decision was to dismiss the lawsuit.

The public hearing was closed at 9:20 pm

#### 4. Regular meeting (2:13:10)

Lucy Petrella opened the regular meeting at 9:20; present are Lucy Petrella, Jim Irish, Alice Malcolm, Rebecca Adams, Mary Wolack and Bob Yamartino.

#### 5. Park and Recreation presentation (2:14:00)

Chris Hurlbert noted his budget was nearly the same. There was a small increase in office supplies. Chris Hurlbert requested additional compensation stating that he is on the books for 20 hours a week, however with all the new programs he is actually working additional hours. He explained that he oversees the parks and the beach, he is the liason for the Park and Rec commission, he deals with the contractors etc, all under what he considers part of his base salary. He stated that all the programs he runs pay for themselves, and suggested if he could run the programs at a profit, he could supplement his salary. He noted that he also runs a web page and a newsletter for Park and Recreation, and suggested if he had additional hours, he could work on the town's website as well. A speaker supported the work done by Chris Hurlbert.

Chris Hurlbert discussed his summer program, noting it is the best deal around and runs 9-4, five days a week. Board members discussed the value of the program stating their support. It was noted the funds collected for beach passes goes into the general fund. Board members questioned where the expenses for the lifeguard are in the budget. It was noted that there have been problems with non residents using the beach and a beach monitor was suggested. Chris Hurlbert noted the park is a very popular place and they can not control usage due to grant monies received, but they could consider charging for parking, possibly for only non-residents. He noted the pavilion is a well used item at the park which could be more utilized to generate income.

Chris Hurlbert noted the various things they used the STEAP grant for, noting there is approximately \$19,000 left.

Chris Hurlbert provided a variety of ways they could increase his hours, even if its just five additional this year.

#### 6. Miscellaneous (2:38:38)

Lucy Petrella noted they were behind on the minutes but they will be coming.

Rebecca Adam noted line 5434 in the revenue and 7701 on the expenditure, stating they need to have this discussion. Board members were supportive of increasing the hours.

Lucy Petrella noted she e-mailed additional BOE budget information.

7. Powder Ridge Proposal (2:41:25)

Lucy Petrella reported she visited the Portland first selectman to discuss Brownstone Exploration. She noted that Portland felt the same way about quarry being part of the town similar to how Middlefield feels about Powder Ridge. In response to comments Rebecca Adams stated she did not support a lease-back agreement based on many reason, and she will gather the information she had. Rebecca Adams noted she will discuss with EDC why they have changed their position regarding a lease-back agreement. Board members discussed the differences and similarities with the quarry and Powder Ridge. It was noted that Jon Brayshaw is negotiating this deal without a lease-back option.

Lucy Petrella stated if the EDC meets with Jon Brayshaw and Sean Hayes they will make it a joint meeting. She noted when Portland negotiated with them the first selectman used a team of negotiators. It was noted Middlefield's charter allows for the first selectman to negotiate on his own.

8. Adjourn

**A motion was made to adjourn at 10 pm; this motion was seconded and approved by all voting members.**

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## Middlefield Board of Finance

Special meeting / Workshop

March 22, 2012

Minutes

(Not approved at time of filing)

1. Call to order

Lucy Petrella called the meeting to order at 7:10. Present are Alice Malcolm, Jim Irish, Mary Wolak, Lucy Petrella and Rebecca Adams.

2. Suspense list (1:04)

**A motion was made by Mary Wolak to accept the suspense list of the tax collector for grand list 2004 - \$37.70; for grand list 2006 \$28.69; for grand list 2007 \$30.33; for grand list 2008 \$14,615.63 and for grand list 2009 \$24,620.71. This motion was seconded by Rebecca Adams and approved by all voting members.**

3. Emergency Management (5:30)

Terry Parmelee reported that his budget is the same as last year and he went over his budget items explaining what they cover. He discussed the emergency notification system stating his support for it. In response to questions it was explained that there is a different alarm which runs for three minutes when there is an actual disaster. In response to a question Terry Parmelee stated that currently they have one radio in the emergency operation to communicate with the fire department. They do not

have communications with town hall, highway department or police department. He stated that one radio was approximately \$5,000. He explained that the emergency operations center has to be away from the public. Terry Parmelee explained that he has a dedicated phone line, and should have a designated fax line, computer, satellite TV and more. He emphasized the need for communications. Board members asked for a comprehensive list of what is needed ranked by priority. It was noted the two priorities now are the emergency notification system and the radio. It was noted the radio has a life expectancy of 10-15 years. Board members discussed the lack of communications in previous storm events and how the emergency notification system would have helped.

Terry Parmelee reported that they have received checks from FEMA for Storm Irene, but not yet for Storm Albert.

#### 4. Social Services (28:58)

Antoinette Astle explained what her department does and what she does as Senior Center Director, Municipal Agent for the Elderly and as Social Service director. She explained the services the town contributes to that the residents can avail themselves of. In response to questions she explained that much of the food donations collected by Coginchaug students goes to Middletown as she does not have the need for so much.

She explained the Dial A Ride is for in county elderly and disabled Monday through Friday. The out of county service is reimbursed 100% by the state.

Line item 7511 was discussed, Antoinette Astle explained it was for VNA to cover blood pressure clinics and flu shot clinics, etc. However she was able to get CVS to do it last year for free. She suggested they could reduce this, but not to zero. Board members reviewed the office expenses, Antoinette Astle noted that includes gas mileage as well. It was suggested she contact D13 to see if she can participate regarding printer inks.

#### 5. Public Works (48:11)

Lucy Petrella provided additional documents for the board to review. Board members reviewed information on the trucks, when they were replaced, when they are due for replacement. John Wyskiel indicated next year's truck will cost \$140,000 just for truck and body, plus \$9,000 for a plow. Parker's truck was replaced this year and it will be sold, with the money going into the general fund. John Wyskiel explained he discussed leasing with the finance director but he was not in favor of that. John Wyskiel stated he would look into the costs of leasing. Board members discussed various ways to manage the funds needed for trucks. It was noted that DMIAAB leases all their trucks, and they need to further discuss this with the finance director. It was suggested that Jack's truck should be replaced in 2013.

Board members reviewed the other capital equipment items. In response to questions, it was noted that the tractor replacement has always been used for the guardrail mower. John Wyskiel stated the tractor is in perfect shape and the mower gets replacement parts and is running well, and should be good for a couple of years. The sweeper is currently being leased and will be owned by 2014.

Under the public works projects, Lucy Petrella asked for a schedule for the tree removal, garage improvement and road improvements. With regard to tree removal, John Wyskiel explained he requests bids from several sources and the lowest bidder gets the job. He noted there are currently 133 trees referred to as widow makers that need to be addressed. He explained that the town will pay 25% and FEMA 75% of an estimated bill of \$4,300.

Lucy Petrella noted that they did not do any chipsealing this past year and funds had been set aside for that and it is a critical job that needs to be done. She recommended getting both last year and this year worth of chipsealing completed. John Wyskiel noted they want to do something about pulling weeds from Lake Beseck as well as possibly sweep more often to control material getting into the lake. It was noted the state owns the lake and they should pay for that. Lucy Petrella noted they should be thinking of repaving some of the lake roads that were dug up for the sewer system. She emphasized the need for the funded projects to be completed. It was noted that the funding for T.A.R. was diminishing year after year. Board members questioned the 11% inflation rate for line item 7601. In response to a question, John Wyskiel noted there was some sand and salt left over.

Lucy Petrella asked that John Wyskiel provide a schedule for the tree removal, garage improvements and road improvements.

John Wyskiel went over 7609 explaining that is for heating, electricity and maintenance for the building. Board members reviewed other documents provided that indicate what goes into various line items, 7602, 7609, 7612 - It was noted that several are over expended. These were line items that the BOF cut the previous year.

John Wyskiel noted that the chipseal contractor has agreed to hold to last year's prices for this year. He also noted he has not yet received figures Brian Curtis regarding the four jobs to keep up with DEEP.

#### 6. Schedule (1:45:10)

Lucy Petrella apologized for the number of meetings and noted that the next one is the last one for department presentation, then the follow two will be the BOF members going through the budget line by line to be ready for the public hearing on the 26th. Joe Geruch asked that they collect all their questions and he will attend the meeting on the 19th. She noted there was a changed under revenues, under property tax collection- Rebecca Adams explained Joe Geruch changed the way they calculate the formula. Board members reviewed the historical figures for that item.

Lucy Petrella stated she would provide some of the information collected by Nancy Davidson in the land use department regarding revenue items. Lucy Petrella noted the BOF should be able to review the accounting books of any departments such as Park and Rec. Rebecca Adams noted that she does review them. Board members discussed the need to address the salary for the Park and Recreation director- as well as addressing the needs of the capital budget. Board members discussed the need to get better information from the finance director. Rebecca Adams noted the finance director is controlled only by the first selectmen and she will contact Jon Brayshaw to request him to have the finance director do the things the BOF is asking. Mary Wolak stated that they need to get this information and do what they need to in order to make it happen. Board members agreed the finance director does a good job with the budget but there is no reason the information can not be made available to the BOF members.

#### 7. Minutes to previous meetings (2:02:46)

**A motion was made by Mary Wolak to approve the minutes to the February 23, 2012 meeting with the following amendments: To correct the spelling of Mary Wolak's name throughout; To note that Alice Malcolm was present; and to note that on page 3, fourth paragraph, delete the words "as town assets" This motion was seconded by Alice Malcolm and approved by all voting members.**

A motion was made by Mary Wolak to approve March 2, 2012 minutes as amended: Change the word “stated” to the “the state” and on last page (page 3), second paragraph beginning with “Mr. Hayes noted, however, that in Portland the land” change “was given at no cost” to “was leased” This motion was seconded by Alice Malcolm and approved by all voting members.

A motion was made by Mary Wolak to approve the minutes as submitted for March 1, 2012; March 8, 2012 and March 15, 2012. This motion was seconded by Alice Malcolm and approved by all voting members.

8. Adjourn

A motion was made to adjourn at 9:20; this motion was seconded and approved by all voting members.

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## Middlefield Board of Finance

March 29, 2012

### Special Meeting - Budget Workshop

### Minutes

(Not approved at time of filing)

1. Call to order

Lucy Petrella called the meeting to order at 7:08 pm. Present are Alice Malcolm, Jim Irish, Mary Wolak and Lucy Petrella. Bob Yamartino arrived at 7:20 pm. Rebecca Adams arrived during the library presentation.

2. Budget Presentation from Levi E. Coe Library (:31)

Lauren Webber, director of Levi Coe reported they worked hard to create a budget as requested by the town. She noted they have also provided a capital improvement schedule as requested by the town, and is submitted for informational purposes only, not a request for funds. She went over recent improvements at the library, along with anticipated improvement in the works. She discussed the various fund raising events being planned for the next year, as well as the many new programs and outreach efforts being done by the staff.

In response to questions it was noted the fund raising amount for revenue was reduced as it was a more realistic goal. Lucy Petrella asked if they can provide actual expenditures for previous years. It was explained that the insurance went down because there are fewer people participating. It was stated that the library does not have enough staff to qualify for group rate, but they do use the same agency as D13 and the town. Lucy Petrella provided information to Lauren Webber and suggested she contact Joe Geruch regarding the insurance.

In response to questions, it was explained that professional fees was the annual accountant's fee.

In response to a question, it was explained items under maintenance include cleaning supplies, cleaning equipment, carpet cleaning.

It was stated there are 12 computers at the library, and Lucy Petrella suggested they look at the maintenance contract the town has, and noted the town is also working with D13.

The snow removal line includes paying for walkway shoveling, salting and sanding the outside walk ways.

Ms. Webber explained there is a potential need to replace the well for the building.

Under the capital items, Lucy Petrella asked that they include the expected life span or condition of those items, and when they think they need to be replaced. It was explained they need to address the parking lot, and this has been put off for several years.

Lucy Petrella noted the way the library is set up separately from the town makes it difficult for the town to apply for grants that could be used to cover some of the capital items. She asked that after the budget season was done they sit down and find a way to make it work in a reciprocal way. Rebecca Adams noted her appreciation for the documents provided by the library.

Board members reviewed the line items.

### 3. Presentation by Planning & Zoning (30:50)

Bob Johnson explained that the P&Z budget is difficult but based on what they see on the horizon he worked with finance director Joe Geruch to estimate his budget. He noted the changes at Midstate may have an affect, as well as Powder Ridge, on-going legal issues with Jimmy D's. Bob Johnson explained P&Z is going back to court because Jimmy D is not complying with the stipulations set by the court.

Board members reviewed the line items. Geoff Colegrove noted his fees will be approximately \$28,000. It was noted those fees may be included in other line items of the budget. The costs for transcriptions and minutes were discussed noting P&Z only pays for verbatim transcriptions when there is a legal need, otherwise they have only minutes. Workshop costs were discussed, Bob Johnson noted if the members go to the dinners they cover their own costs but the workshops are covered by the commission.

In response to questions, Geoff Colegrove noted there is a transition team meeting to work with the closing of Midstate Regional Planning and the beginnings of the new group. Geoff Colegrove's intention is to retire from the agency yet continue to offer his services directly to the town, and expects the town to see an overall decrease in costs. He explained how the COG is intended to be run.

Bob Johnson noted the next budget will be formatted differently in order to be able to see what goes into the larger line items. Geoff Colegrove suggested they look at how Durham's is formatted, with less detail for the public hearing, and much more for the BOF to review.

Board members reviewed the line item 6060 Town Planner, noting those figures are based on historical activity. It was noted that Powder Ridge could have an impact on that line item. In response to a question, Geoff Colegrove noted he is not involved in issues at Lake Beseck.

### 4. Town Clerk (1:10:28)

Lucy Petrella reported that the town clerk would not be attending, but asked if there were any questions they should let her know. Lucy Petrella indicated the town clerk said her increases are not really increases because she has a \$1 fee budget that she uses regarding codifying. Rebecca Adams noted the turn around time for agendas and minutes has improved a lot this year.

### 5. Housing Authority (1:11:24)

Alma Elder, chairman of the housing authority noted they generator their own income with the 30 housing units for low income senior citizens. She noted they always have a waiting list for those

units. She noted the income and expenses are about even. She requested that the PILOT payment not be increased, but maintained at the same level, because what they are bringing in now just cover the expenses.

It was explained that the PILOT payment was set up to be 10% of the income, however the last few years it was reduced. This year the selectmen has requested that it be returned to the 10%. Brenda Cowett explained that they pay for everything out of their income, all the maintenance, legal and professional fees, etc.

Bob Yamartino noted the governor has announced an increase in grant funding to housing authorities as well as funds for infrastructure. This is why the first selectmen chose to restore the PILOT payment. Brenda Cowett explained they are not state funded and the rents they have are fixed. Brenda Cowett said they are spending an additional \$20,000 to ensure the integrity of their site lines and boundaries, they have to re-negotiate their mortgage, and work with the DECD on statutory compliance. There were errors found in 20 year old recordings that need to be corrected. Once that is done they can apply for grants for infrastructure.

Lucy Petrella noted it was 2001 when the 10% PILOT payment was dropped to 5% and this was supposed to be for only one year; it has now been 11 years. There were concerns that 2001 decision had gone to town meeting and was approved for the one year, and now they are in violation of the decision by allowing it to continue.

Bob Yamartino asked for an audited financial statement. It was stated that is done on a regular basis, with the last one done June 30, 2011. Bob Yamartino asked if they had an un-designated fund balance- the speaker stated they were not allowed, so any funds left over go into an R&R account. Bob Yamartino asked what the balance of that account was - it was said to be approximately \$80,000.

With regard to the \$20,000 needed the speaker explained they will have to take it from the R&R account as they could not budget for that much of an expenditure.

Rebecca Adams asked about a capital budget, and also what the intended uses for the \$80,000 in the R&R account. A speaker stated part of it will be for the surveys needed and some for the septic system. She stated if the PILOT goes up, they can not put anything into the R&R account, and it will become stagnant and depleted.

The speaker explained that the lawyer is looking to see if they can get loans from HUD; she was not aware of the grant funds that Bob Yamartino noted. Lucy Petrella read a description of this particular federal grant which was to address capital improvements for housing. It was stated that the septic system may qualify for that.

Bob Yamartino asked if they have been successful in applying for grants. It was stated that they applied for three grants in the past year but this glitch in the old land records/mortgage has prevented them from continuing.

Mary Wolak asked, noting if they can not managed an immediate increase to 10% in the PILOT, is there a plan to increase it incrementally. The speaker stated there is a plan but it is covered by client attorney privilege right now. Mary Wolak questioned if it was reasonable to move from 5% to 7% or 8% and work toward getting back to the 10%. The speaker stated their budget is not that big, and expenses increase but they can not increase the rents. She explained that she is working with the state now to get a rent increase, and to re work the mortgage, but that depends on getting the land records straightened out.

Rebecca Adams asked that they provide the audited statement along with a list of capital items, along with the timing issues. She agreed to drop off these documents at the town hall.

Board members explained the budget process, ending with the town meeting in May to vote on the finalized budget.

The Housing authority was asked to also provide a copy of the septic system estimate as well as the \$20,000 expenditure for the records.

A speaker stated that the housing authority does not cost the town anything as there are no kids to be educated. It was noted the town does not collect taxes from them either. This speaker stated that it was state grants that were being held up by the need to get the land records in order. She stated with grants there are a lot of strings attached and they need to use caution when apply for them.

6. Recess - a five minute break was taken and the recording paused.

7. WPCA (1:48:31)

Lucy Petrella reported that Ed Bailey was unable to make this meeting. It was agreed she could advise him that unless he had something specific to bring forward, he does not need to appear before the board. Bob Yamartino provided information on how the WPCA accounting system works. There was a question over what happened with Zygo after last year's discussion about how they do not pay for the services. It was noted there had been an agreement that they would not pay for 10 years, but it has now been nearly 20. Lucy Petrella stated she would email Ed Bailey to ask that question.

8. Meetings (1:51:12)

Lucy Petrella reminded the board there are meetings on April 12 and 19 to go over the budget item by item.

Board members updated Bob Yamartino on the Emergency Management presentation from the previous meeting. Lucy Petrella reported that Terry Parmelee is resigning as emergency manager.

Board members updated Bob Yamartino on the Public Works department presentation and Social Services as well.

9. Approval of Minutes (1:57:42)

**A motion was made to accept minutes of the Board of Finance meeting March 20, 2012. This motion was seconded and approved by all voting members.**

**A motion was made to accept minutes of the Board of Finance meetings March 22, 2012. This motion was seconded and approved by all voting members. Bob Yamartino abstained from this vote as he was not present.**

10. Adjourn

**A motion was made to adjourn; this motion was seconded and approved by all voting members.**

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# Middlefield Board of Finance

## Special Meeting

### April 12, 2012

### Minutes

(Not approved at time of filing)

1. Call to order

Lucy Petrella called the meeting to order, present are Mary Wolak, Alice Malcolm, Lucy Petrella and Bob Yamartino.

2. Public comment (1:00)

There were no members of the public present

3. Budget Review (1:07)

Board members discussed the what information they had available to begin reviewing the budget. It was agreed they want the audited financial information from the Middlefield Housing. It was noted the reserve cash savings was \$130,555 as of 12-31-11. It was noted there is work needed on the septic system. Board members discussed the various expenses coming up, as well as their current funds, potential grants and the expansion to include lower-income housing, to determine what if any increase their payments to the town should be. It was noted that the housing authority has spent a decade or more paying only half of what their obligation was. It was figured if taxes were paid on the property it would be approximately \$42,000. PILOT indicates it should be \$10,000 but the town is only charging \$5,000. Bob Yamartino recommended they restore the PILOT per the First Selectman and the Finance Director's suggestion. Board members discussed the availability of various grants for the housing authority if they require additional funds. Bob Yamartino and Alice Malcolm indicated they would support what the selectman proposed for the Housing Authority.

It was noted that in the past the board would do motions only for line items not agreed to- and when the task was completed they would do a final motion indicating all the changes they made to the budget.

Line item 4500 Middlefield housing authority- it was agreed to maintain the revenue as proposed by the selectman. Regarding the library, Alice Malcolm suggested they consider renaming it the Middlefield Levi E Coe library as it may be beneficial for grants. It was stated that because it is not municipally owned, that will not make the difference. Partial ownership was discussed. It was noted they need to determine if the library pays any land taxes. Board members discussed having the own all the assets, land and building and then lease it back to the library. This may allow for more grant potentials. Board members discussed the capital improvement funds for the driveway/parking area. Lucy Petrella suggested they hold off until they can better review the grant situation. Bob Yamartino indicated he was not in favor of increasing the capital an additional \$400,000 above last year, as proposed by the first selectman. Board members discussed the various items making that up, including road repairs and expenses in the fire department.

Lucy Petrella provided an updated figure from BOE. It was noted that Middlefield's share of that budget has decreased. Board members discussed the fact that the town has managed the municipal portion of the budget very well and managed the BOE increases at the expense of the capital accounts but they can not replenish it all this year. It was noted the BOE did unanimously support their budget and the BOF members would like to understand what the differences were.

Board members discussed reviewing the largest increases first, and how they need to have better/different financial information available to them. Board members reviewed the calendar, noting they need to present their budget by April 26. Board members discussed how to proceed with their meetings. It was agreed to meet on the 17th and the 19th, and the agenda will not include public comment, only the BOF working on the budget. Bob Yamartino stated for the meeting on the 17th, he will get back with Jim to ensure he has the latest sheet, and he will prepare it so they can make changes to it and calculate the mil rate through that. He will also provide a list that shows all the changes made, prioritized by amounts. He asked that once the board members receive that list, they mark it up with their comments, and bring that to the meeting for discussion.

Board members discussed increasing hours for the Park and Rec director, and or increasing pay rate. It was noted an y increase in pay will require an increase is other payroll items. Board members agreed an increase of some kind was needed.

It was suggested to remove the funds for charter revision.

The board was in agreement to maintain the first selectman's request regarding the housing Authority paying the full 10%; to increase 7700.

Board members questioned why some raises ranged from 1.0 to 2.8 percent. Board members discussed how the BOE does their budget, and how they are able to find funds during the year when needed. It was noted how the BOE budget always has a surplus. It explained that they could cut from the teacher salary without affecting any teachers, due to the statistical liklihood of teachers out on disability or maternity leave. The BOE will also not take

into account the fact that there will be students leaving the district throughout the year, as well as those attending a different high school.

**It was agreed to set line 7700 Director salary at \$32,578** to accommodate the 1.1% increase as well as an increase of five hours. It was noted that the other payroll items will still have to be adjusted.

Charter revision **line item 8590- it was agreed to set this at zero.**

Board members discussed the fire department budget and prior years' budgets. It was noted a previous year items were budgeted for but they were not purchased. It was agreed to leave the fire department budget as the selectman proposed.

Emergency management, Section 48 was discussed. Board members discussed line item 8105- some members supported it, some felt while it was a good thing, most people who need it, have it through the school system already. It was agreed they will need to vote on this issue.

Board members discussed section 38, Social Services. **It was agreed to set line item 7511 at \$500.**

Board members discussed section 40 Public Works, reviewing previous years expenses and snow removal costs. **It was agreed to set line item 7601 snow removal materials at \$50,000.**

Board members discussed section 43 Animal control, leaving it as it was.

Board members discussed section 44 Police Department.

Board members discussed 47-Fire Marshal. **It was agreed to set line item 8052 mileage at \$800 and line item 8054 sundry expenses at \$ 300.**

Board members reviewed section 54 Boards and Commissions. Board members reviewed historical data on line item 8540. **It was agreed to set line item 8540 Economic Development Commission at \$ 1,000.**

Board members reviewed section 78 Debt Service and capital leases. Board members had questions regarding line item 9400. It was stated it was to cover the interest for two times and the principle one time. Lucy Petrella agreed to ask for the breakdown of this figure. Board members discussed how the property is financed.

Board members reviewed DMIAAB operations, no changes made.

Board members reviewed the Levi Coe Library - no changes made.

Youth & Family Services were discussed. It was noted that the salaries have increased by 12%, and other items have been decreased. Members all agreed they are doing a much better job providing the services. It was suggested Middlefield pay the same percentage, 10.5% of their budget as they have previously, which comes out to \$11,398.

**It was agreed to set Line item 9704 \$11,500**

Line item 9705 911 Valle shore was discussed.

Line item 9707 Middlefield Cemetery was reviewed.

Line item 6902 election expenses was discussed. **It was agreed to set line item 6902 at \$18,000**

4. Future meeting (2:51:01)

It was noted the next meeting is Tuesday, April 17. Board members agreed to further discuss the cell tower issue.

Bob Yamartino suggested they need to negotiate for a hard number that includes annual increases instead of a fixed rates for 10, 20 or 30 years. He suggested if they want a long term lease, they should start with \$40,000 or \$50,000 per year rent, with a 3% increase per year. It was suggested to consider this after the budget.

5. Adjourn

**A motion was made to adjourn at 10:07pm; this motion was seconded and approved by all voting members.**

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## Middlefield Board of Finance

April 17, 2012 Meeting

Minutes

(Not approved at time of filing)

1. Call to order

Lucy Petrella called the meeting to order at 7:09 pm; present are Lucy Petrella, Mary Wolak, Alice Malcolm and Jim Irish.

## 2. Budget review (:46)

It was stated there was a request from Joe Geruch for 3.5% raise to \$80,190 with increase of \$29.25 per week, which did not include the additional cost to the town for social security and other payroll costs. It was noted that across the board the elected non union are only getting 1.5% increase.

Board members reviewed the history of raises in the town, noting that other people in the town are also doing outstanding work in their positions. It was noted he does not get compensated for work outside his normal hours, nor is there any overtime provided. Board members discussed how they can justify one person receiving such an increase. Board members considered the tax collector as well as the park and rec director. There were board members that agreed he did a great job, but 3.5% was too high. It was noted there are other positions where the employee does a great job as well. Lucy Petrella provided information for other small towns, noting that Joe Geruch has a wider range of responsibility. A salary study was suggested.

It was noted that Jon Brayshaw is the only one that can negotiate union raises, and once that is completed, he bases his raise, and those of the other non-union employees on that same rate.

It was explained that the difference in the 1.5% and the 1% raises is due to the fact that the increase is based on a year's salary, but not all employees work the same number hours, and also the number of pay weeks in a year can fluctuate.

Board members discussed the union raises and how they impact the non union, and how the negotiations are done.

Board members discussed the upcoming contract, that may include a one time signing bonus, as well as the history of all the town employees salaries. It was noted they need to determine the impact of the bonus and just how the percentage increase is applied.

Bob Yamartino arrived- Lucy Petrella updated him on the conversations so far. Board members continued to discuss the history of salary increases and negotiations. It was stated that the CCM salary information had been reviewed last year, but Joe Geruch's position was not easily comparable to those in other towns. Board members noted if they are going to do merit raises, they should be done for all, and questioned how they would do that for all employees.

Bob Yamartino provided a listing of the budget line items that prioritized by dollar increase only- highest to lowest. Board members reviewed this list. He noted the total expense change was \$584,000, of that, \$299,000 is D13, and went down the list of items.

Board members discussed the value of putting excess funds toward the principle versus the reserve funds. Board members requested information from Joe Geruch including current note's interest rate, and the anticipated rate and fees they are using for the budget, as well as the anticipated rates and fees for the long term bond. It was noted that Joe Geruch will be attending the meeting. Board members wanted to be sure they are at least covering just what they are obligated to pay, and then they can make decisions about any additional available funds.

Board members continued down the list of budget items based on dollar increase, with no comments.

Regarding street lighting, it was noted that Jeremy Renninghoff indicated the figure was too high. Board members would follow up on this.

Regarding the library, it was noted they do not pay taxes to the town.

Board members reviewed the information concerning the signing bonus and percent increases for administrative and highway department. It was stated the signing bonus of 2.5% was a one time pay

out, but does not change salary. Board members discussed union contract information to determine the participants of the various different unions. Board members questioned which contracts are completed. It was noted there were funds allocated for a certain contract increases, but it was unclear if those funds were utilized. It was determined that it was only the elected non union employees that the BOF funded pay increases.

Jeremy Renninghoff arrived to discuss the street lighting increase. He explained CL&P has reduced their rates for un metered street lights. It was noted there are still 350 lights, and the board has asked for a reduction of at least 1%. Board members reviewed all the figures available and felt the amount in the budget was likely too high.

**It was agreed to change Line Item 6361 Street Lighting to \$40,000.**

Board members continued to review and discuss budget items having to do with the community center. Board members considered reducing line item 6341 based on historical information. It was suggested to discuss this with Joe Geruch before decreasing. **It was agreed to set line item 6341 Community Center Building Expenses to \$40,000.** No changes were made to 6321 Town Hall building expenses.

Line item 6351 was discussed to consider if hiring summer mowers will enable the highway department to spend more time on other road projects. Lucy Petrella noted she has asked for project schedules to ensure the work that is being funded by capital is getting done. Board members agreed there needs to be more supervision/management of the highway crew to better utilize the funds provided. **It was agreed to set line item 6351 Summer labor/moving at zero.** Lucy Petrella reported that she had been advised they could not use the other summer labor because they are often disabled.

Lucy Petrella noted there are 14 transfer requests that they will have to discuss at their next meeting.

Board members discussed what issues they want to consider the following week, including capital non-recurring.

Line item 7515 was reviewed and the history of the expenses were discussed- it was noted that line item was 100% reimbursed under Line Item 4429. There were questions about the expenditure and revenue balancing. **It was agreed to set line item 7515 Senior/Disabled bus service to \$8,000.**

Board members reviewed the Park and Recreation section, lines 7704 and 7705. Board members questioned if line 7704 was offset by the passes. Board members reviewed the historical data from 2009-10. Line item 7705 was stated to be a pass through as there is a revenue to offset it. No changes were made.

Line item 8003 was reviewed. No changes were made.

Line item 8105 was discussed at length. **A motion was made by Alice Malcolm, regarding line item 8105 Emergency Management System, to reduce the selectman's proposal of \$2,000 to zero. This motion was seconded by Jim Irish. Alice Malcolm and Jim Irish voted in favor; Lucy Petrella, Bob Yamartino and Mary Wolak voted in opposition- motion was denied.** No changes were made to the line item.

Board members requested information regarding how the funds for computers were utilized.

Lucy Petrella noted at the next meeting they need to review the transfers, and as Joe Geruch will be present board members should have their questions for him ready. Board members had questions regarding the computers, and if there was information about leasing versus purchasing. Lucy Petrella stated she would list out the questions and email them out to everyone. Bob Yarmartino had questions regarding the Housing Authority's fund balance, how much of it was encumbered.

3. Adjourn

**A motion was made to adjourn at 10:09 pm; this motion was seconded and approved by all voting members.**

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# Middlefield Board of Finance

## Special Meeting

April 20, 2012

## Minutes

Not approved at time of filing

1. Call to order

Lucy Petrella called the meeting to order at 7:34 pm; present are Jim Irish, Alice Malcolm, Mary Wolak, Lucy Petrella and Bob Yamartino.

2. Transfer requests (:47)

This item was tabled.

3. Budget review (:50)

Lucy Petrella noted that RSD 17 budget came in with only a 0.14% increase.

Board members reviewed line item 2040 Town Hall building improvements, along with documents explained the proposed work totaling \$85,000. It was noted there is a balance of \$34,689 in that account. Board members discussed what the priorities were. It was noted the current balance with no additional funds will allow them to do the roof, the handicapped and \$20,000 worth of interior work. Board members discussed and debated what was needed. Board members reviewed the entire capital non recurring proposal versus what was proposed and funded last year. Grant funds received and anticipated were discussed.

Board members reviewed the capital non recurring to ensure all the funds budgeted last year were correctly noted. It was determined that there was correction needed.

It was noted that the treasure has not yet gotten a computer. The new computers were purchased, one for the assessor, two for the tax collector, two for the police department and one for the administrator.

Bob Yamartino reported that he advised the selectmen to begin the tower negotiations with a long term lease, starting at \$60,000 with 3% annual increases- they could then reduce the price from there and increase the percentages.

Board members discussed negotiating abilities and procedures in town.

Regarding computer updates, it was noted the money was spent and a copy of the bill had been sent to Lucy Petrella. She noted that currently the assessor was unable to access his old records to transfer to the new computer. It was noted the treasure does not have a computer and there may not be an available one due to the issues with the new ones. Board members recommended the server not be changed until they discuss it with D13.

**It was agreed to leave line item 2073 at \$5,000.**

**It was agreed to leave line item 2040 and 2045 as is.**

**It was agreed to leave line item 2074 at zero.**

**It was agreed to leave line item 2000 as it was.**

Board members discussed line item 2020, no changes were made.

Line item 2065 was discussed-no changes.

Public works projects were discussed.- no changes were made.

Public works equipment items were reviewed. Board members questioned where the expenses for the sweeper lease is shown as it should not be in capital non recurring. It was agreed they would need to discuss this with Joe Geruch. Board members had no explanation regarding the increases for lines 2292 and 2293. **It was agreed to set 2292 Sweeper replacement at \$13,500 and 2293 Front end loader replacement at \$14,250.**

Board members discussed section 44-Police Department, and cruiser versus SUV, as well as leasing versus purchase. It was suggested if they do not replace the SUV they should consider a cap on any repair costs to avoid spending on repairs. Board members noted they got the SUV on a grant, and questioned why it is now necessary to replace. It was noted both the fire department and public works have vehicles that could be used to support the police department if needed. Board members questioned what line item covers police vehicle maintenance- it was noted it may be 6421 or 7602.

Board members discussed Fire Department budget- Board members discussed the pricing estimates and considered the costs of used vehicles and leasing, and reviewed the documentation provided by the fire department. It was noted that the current balance for all the vehicles is more than one third of the needed funding. **It was agreed to set line item 2570 Pumper replacement at \$80,000.**

Board members reviewed Economic Development and the amount of funds being used in the event of the sale of Powder Ridge as well as the tax money owed to other towns.

Board members discussed items 2701, and suggested transferring those funds to Powder Ridge, and cutting Powder Ridge by 50%. It was noted that balance has been there since 2009. **It was agreed to set 2701open space property improvement to negative \$13,305 in order to zero out the balance.**

Board members reviewed the Levi Coe Library items. **It was agreed to set line item 2803 Building improvements to \$20,000.**

Board members discussed the removal of the \$6,400 for the outsourcing of the mowing. She noted that there are only five people on the crew and John Wyskiel has enough accrued time to take off Mondays and Fridays, leaving only four; many weeks in the summer at least one person is out on vacation, leaving only three; if you remove one of them to do the mowing there is only two people left. Lucy Petrella noted after getting this information, she is uncomfortable with the decision and suggested they reinstate the money as long as she and Jon Brayshaw sit with the foreman and get information such as tree removal schedule, road improvement and chipsealing schedule, as well as other information Jon Brayshaw wanted. She indicated that Jon Brayshaw supports this. Bob Yamartino suggested they take the \$6,400 buy another mower and then have two people get the mowing all done in the one day, then they are both available the rest of the time. Board members discussed various other ways to handle the management issues. It was suggested to recommend getting the additional mower and having the mowing done on the Mondays and Fridays when the crew is already down by one. It was agreed to leave the line item as they had set it, with the understanding the first selectman can come in to talk about it, or the public can have an opportunity to voice their opinion during the public hearing, or even change it at the town meeting.

Board members discussed the senior bus expense, line 7515- noting the revenue 4429 may be offsetting the full expense- if that is the case, they may need to also adjust the revenue line. It was agreed the expenditure and the revenue will need to match. **It was agreed to restore 7515 Senior bus back to \$10,059 which was the selectman's proposal. It was also agreed reduce miscellaneous 4429 from \$10,400 to \$351, and to establish a line under the State of Connecticut line item 4121 Senior Bus Grant and fund it at \$10,059.**

Under the Housing Authority section, board members were told to disregard the figure of \$80,000, and that the entire fund balance was encumbered beyond the balance. Board members discussed the PILOT and what should be expected from the housing authority. It was agreed to maintain their request for the full 10% as decided in a prior meeting.

Board members discussed salaries- Lucy Petrella reported that the negotiations seem to be in the 2.5% increase area, along with a bonus payment, and she discussed with Jon Brayshaw that non union salaries should be set at 2.5% as well. It was stated at that rate the increase is \$3,753. It was suggested to increase the Board of Finance contingency fund by \$5,000 to accommodate that along with the related payroll expense. Board members discussed the impact to various salary lines.

It was noted they need to determine where the ECS funds will be going, direct to the school, or to the towns.

It was noted if the contract that is being proposed now, which has a two percent bonus in the first year, then zero, then two percent increase- as it will be retroactive, the increases will come in consecutive years.

Board members noted one group took a zero increase last year, another's contract has not yet expired, and it appears they will both get a 2% bonus, a zero, then a 2.5% increase over the three years- the group that had no increase last year, will have already had their zero increase. Board members discussed various options.

It was suggested to stay at 1.5% and preserve options to give a raise on that salary the following year. Board members discussed the increase requested for the finance director including setting up a job description and an evaluation procedure for the future. Board members agreed to keep the salary increases the selectman proposed with the exception of the park and rec director's increase in hours.

Board members discussed the impact of the salaries and increasing their contingency fund in order to anticipate the union contract coming in with higher salaries.

It was noted the transfer requests that are pending total \$45,193, which will have to come out of the BOF contingency fund. It was agreed they need to speak with Joe Geruch to discuss the transfers. It was noted nearly \$20,000 of those expenses have to do with the sale of the Powder Ridge, legal fees, surveys, etc. Board members continue to debate where they wanted to set the contingency fund.

Board members noted the uncertainty of the two union contracts, as well as Powder Ridge suggest they should set the contingency fund higher. It was noted if they do not spend it, the BOF can decide how to then disperse it.

**It was agreed to set line item 9000 operational BOF at \$55,000.**

Board members reviewed the impact their changes made to the current levy and the anticipated mil rate and considered the RSD13 figures. It was noted that the BOF increased the budget 1.4% and the school increased it by 1.9%.

**It was agreed by all to present to the town at budget of \$15,967,897. All the prior motions made to adjust the budget will be reflected in the final budget-resulting in a levy of \$12,805,209, and a mil rate of 32.05.**

#### 4. Adjourn

**A motion was made to adjourn at 10:56 pm; the motion was seconded and approved by all voting members.**

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## Middlefield Board of Finance

April 24, 2012 Meeting

### Minutes

(Not approved at time of filing)

#### 1. Call to order

Lucy Petrella called the meeting to order at 7:08 pm. Present are Lucy Petrella, Alice Malcolm, Mary Wolak, Jim Irish and Bob Yamartino. Finance Director Joe Geruch was also present. Rebecca Adams arrived at 7:25 pm.

#### 2. Budget review

Lucy Petrella noted line item 4429- and stated that Joe Geruch has suggested they put in \$400 in order to cover other things in the line item. **Board members agreed to set item 4429 at \$400.**

Board members noted there was a new line item, 4118 Elderly and disabled transportation to cover the senior bus

Joe Geruch explained there is a difference between Dial A Ride and the Elderly bus. **It was agreed that line 4118 should be called the same as line 7515 as one is the expense - Senior/disabled Bus Service, and one is the revenue, and to change 7503 to Dial A Ride.**

Board members discussed the tax revenue expected. Joe Geruch explained that over the years they have always generated a surplus coming off the revenues, more so than expenditures based on conservative estimating. Joe Geruch explained that line 4000 will be affected by a one time \$180,000 surplus generated last year which will be put into the surplus line item 4700. He warned that this would not happen next year, and suggested they only utilize 50% of that in order to maintain that cushion, and designate the other 50% for use in a future budget. Joe Geruch noted there was virtually no negative feedback based on the First Selectman's proposed budget.

Board members discussed how to manage those funds, weighing the benefits of using them to maintain the mil rate, keep as contingency or fund capital items. Board members discussed the impact to the average homeowner's taxes.

Board members reviewed the pension area of the compensation information. Joe Geruch explained there are two separate pension funds, one for constables and one for other employees. Board members reviewed the information. Joe Geruch discussed the workman's compensation section, noting the various employees, and volunteers that it covers.

Line item 2251 and 2259 in the capital non recurring budgets were discussed. Lucy Petrella suggested line item 2251 include the word garage. Lucy Petrella explained this has to do with a non compliance issue at transfer station and there will be remediation work in other locations. She suggested they title line item 2259 Environmental remediation projects. **Board members agreed to change 2251 to Environmental compliance-garage, and 2259 will be titled Environmental remediation projects.**

Line 2701 was discussed- it was noted that what the BOF had agreed to do, would accomplish what they wanted, which was to deplete the funds in that account for use elsewhere. Joe Geruch suggested that they retain some of the funds in that line item to be used for various open space maintenance such as signage.

Board members discussed how a capital line can be over expended. It was noted with a particular item funds were needed to secure structures at Powder Ridge. Joe Geruch noted line item 2719 funds of \$25,000 is likely to be a bare minimum, noting if the sale does not complete there will be insurance and property taxes that will use most of that line.

Joe Geruch explained tree removal used to be under road maintenance, but it was determined one year that it was a bigger job than could be fiscally done in one year, and that tree cutting was going to be an on going process, so it was put in to the capital budget.

Joe Geruch noted the town has been paid all they are going to for Storm Irene and the payments for Storm Alfred are still expected.

Joe Geruch noted \$46,000 has already been spent on street lighting this year and that he expects to spend a total of \$48,600 by the end of this year. It was stated there will be another three or four lights to be turned off. Board members reviewed the history of the street lighting line item.

Joe Geruch reported that the first bunch of computers have been purchased and they are being installed, and quarks in the systems are being found and addressed. Regarding the new accounting software, Joe Geruch hopes to have it fully operational by the end of the year.

Regarding union negotiations Joe Geruch reported that Jon Brayshaw will meet one more time with the union before it goes to mediation. He provided some information on what the town and what the unions were agreed on.

Board members reviewed the park and recreation director salary, board members agreed they needed to remove the items concerning the supplemental pay. **Board members agreed to set line item 7701 Director supplemental at zero and line item 4534 Park and Rec director supplemental to zero.**

**Board member agreed to set line item 6219 to \$65,125 and line item 6580 Social Security at \$87,300.**

Joe Geruch reviewed his request for a salary increase and noted the amount of work done out side of normal business hours, which was the prime reason for his request. Board members discussed the hours worked and grants received by Joe Geruch.

Board members discussed ways to protect the capital account, such as requiring a certain amount to be put aside each year, based on revenues or mil rates, or creating two capital accounts, one for basic yearly maintenance and one for projects.

Board members reviewed line 2410. It was noted that at a prior meeting the board had agreed to make a change, but it was not reflected in the minutes.

**A motion was made by Bob Yamartino to reduce line time 2040 town hall building improvements to \$10,00 as proposed by the department. This motion was seconded by Alice Malcolm. Rebecca Adams, Alice Malcolm, Jim Irish, Bob Yamartino and Mary Wolak voted in favor, Lucy Petrella voted in opposition. This motion was carried.**

Line item 6361 Street Lighting was discussed. **Board members agreed to set line item 6361 Street lighting at \$48,000.**

Board members discussed 2701 Open Space. **Board members set line item 2701 open Space property improvements to negative \$12,305. - so that the balance left is \$1,000.**

Line item 6004 was discussed at length including various other ways to compensate including a bonus or a raise. Board members discussed the appropriateness of this board making the decision and how they have managed other employee salary/pay issues. It was questioned whether or not an adjustment can be made at other times of the year. Board members agreed that the first selectman should be the one to request a wage increase if he feels it is appropriate.

**A motion was made by Mary Wolak for the BOF to request and recommend that the first selectman evaluate the finance director to determine the amount of additional compensation he should receive in the 2012-2013 fiscal year if any. And that the first selectman implement an evaluation system for all employees. This motion was seconded by Alice Malcolm and approved by all voting members.**

Board members discussed the use of the surplus fund. It was stated if they leave \$180,000 in line item 4700 there will be \$120,000 surplus funds that can be used. Board members determined how the accounting of that process works. Board members discussed what, if any, additional funds they would like to add to capital, including a replacement dump truck.

**It was agreed to set line item 4700 fund balance to \$150,000.**

Board members discussed how they would like to handle the public hearing. It was suggested to create a single sheet indicating the changes made by the BOF.

### 3. Adjourn

**A motion was made to adjourn at 10:20; this motion was seconded and approved by all voting members.**

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# Middlefield Board of Finance

April 26, 2012

Public Hearing - Meeting

Minutes

(Not approved at time of filing)

### 1. Call to order

Lucy Petrella opened the public hearing. Present are Jim Irish, Alice Malcolm, Lucy Petrella, Mary Wolak and Bob Yamartino. Rebecca Adams arrived at 7:10pm.

### 2. Public Hearing

Lucy Petrella indicated there were hand outs available for the public and then went over the budget, line by line with the public.

Lucy Petrella explained that line 4000 should be changed to \$12,839,885 as there were changes made, this makes the mil rate 32.14; Line item 4118 is now called Senior/Disabled bus service, and the funds for that line used to be in 4429; Line item 4534 has now been set at zero. 4700 was set at \$150,000.

Other changes included line item 6219 changed to \$65,125.

Lucy Petrella noted the current budget contains a 1.5% salary increase in the budget, but with two of three unions still negotiating there may be some changes. It was explained that the contingency fund has been increased in part due to negotiations not being settled.

Line 6341 was reduced based on historical information; line 6351 was set at zero; line 6361 was set at \$48,000; Line 6580 was set at \$87,300.

In response to a question it was explained line 6531 was not regarding the mowing of park, but for the community center, town hall and town green.

Joe Geruch reported that the first selectman is supportive of a change in his salary to what had been proposed. Board members indicated that the first selectman had requested that all salaries go up by 2.5%.

Marianne Corona asked what the justification for those raises is. It was noted that there had been some who had taken zero percent increases in the past and worked hard to keep costs down and had done an excellent job.

Regarding a salary increase proposed for the finance director, it was explained that because the BOF did not feel comfortable evaluating employees, they had asked the first selectmen to evaluate and make a recommendation. The first selectmen had indicated that it was hard to address only one employee individually, and therefore recommended that the BOF increase all salaries.

Mrs. Geruch discussed the many hours put in by Joe Geruch at home, and she noted that his counterpart in Durham receives \$86,000 per year plus has an assistant. She noted that there has not been one grant missed by Middlefield due to his diligence, and the town has received over \$4,000,000 in grants. She suggested if they don't want him working at home, they should pay for a grant writer.

Lucy Petrella continued to note changes made, including; Line 6902 was increased to \$18,000 due to the additional elections expected; Line 7503 description changed to Dial A Ride; Line item 7511 Public Health was reduced to \$500; Line item 7515 was noted as the other half of the senior/disabled bus; Line 7601 Snow removal was decreased due to surplus materials from this year; Line 7700 Park and Rec director was increased in both hours and salary; Line 7701 was removed.

Al Smith stated this increase is an additional \$20,000 because now the director will be eligible for insurance, and will cost the town money. Mr. Smith noted that the finance director brings in on average \$400,000 a year and his increase is valid.

Joe Geruch explained that insurance benefits come in for union employees at 35 hours, for non union employees, it is available for anyone working 20 hours or more, at the discretion of the first selectman.

Lucy Petrella continued through changes made.

Anne Olszewski asked if the BOF was giving the fire department enough, noting they do not get paid, but they need equipment. BOF members noted they have increased the Capital account by 61% for the fire department and changed the line item for pumper with the expectation there will be the full amount needed. Anne Olszewski questioned if the fire department was asking for enough.

Jay Wickham noted much of the fire department is for mandated needs.

Ellen Waff asked about the police department equipment increase. It was explained it was due the need for radios, vests, uniforms. It was noted the decrease in salary is due to the new officer.

Lucy Petrella noted line item 8052 was reduced based on historical data, as well as 8054; Line item 8105 was for the reverse 911 system.

It was explained that the reverse 911 can use any valid number provided.

Other changes included; Line 8590 had been set at zero; Line 9000 reserve for contingencies was set at \$55,000, to be used for contingencies.

In response to a question, it was stated capital items stay in the capital funds, but unexpended funds in 9000 will go back to the general funds at the end of the year.

Marianne Corona asked about line item 8639- it was stated that was reduced based on WPCA recommendation.

In response to a question, it was explained 9400 is to cover two short term BAN, one principal payment and two interest payments.

Lucy Petrella noted line item 9704 was reduced, keeping the percentage paid by Middlefield the same as it was in previous years.

Marianne Corona noted line 9705 and indicated that the costs for Valley Shore are going up.

It was noted that the figure for District 13 reflects the budget that is going to referendum.

Lucy Petrella noted line item 2040 was returned to the department proposal of \$10,000.

Regarding the CNR budget, Bob Yamartino noted that in the past the town has not been properly been budgeting for long term equipment, and this year they are proposing an increase of over \$80,000. Board members explained how they viewed the capital budget and went over historical data.

Line item 2251 description was changed to Environmental compliance-garage, and line 2259 was changed to Environmental Remediation projects; lines 2292 and 2293 were changed to reflect what have been budgeted for in the past; line 2570 was changed to \$80,000; line 2701 was reduced as there has not been activity in a number of years.

A speaker asked if the funds in 2701 could be used to purchase equipment to maintain open space, such as a mower. The finance director stated it could not.

Lucy Petrella closed the public hearing at 8:05 pm.

### 3. Board of Finance Meeting- call to order (1:02:15)

Lucy Petrella called the meeting to order, present are Rebecca Adams, Mary Wolak, Bob Yamartino, Jim Irish and Lucy Petrella.

### 4. Discussion of public hearing (1:02:53)

Lucy Petrella reported that Joe Geruch advised Line item 4507 should be set to \$12,000. **It was agreed to set 4507 at \$12,000.**

Lucy Petrella noted that line 4118 was originally put in by the BOF as line item 4121.

Board members agreed to keep 4507 at \$12,000 but questioned if they would be forced to reduce those taxes or not.

Board members discussed salary adjustments including information from the first selectmen regarding all employees, union and non union. Lucy Petrella provided information she received from Durham. Board members noted that they had requested information from the first selectman about only the finance director, and his response indicated that position should not get a higher increase than all the positions in town, as the selectman asked for 2.5% for everyone. Board members reviewed the job description of the finance director. It was stated that grant writing was always a part of that job, despite the fact it is not in the job description.

Board members noted they need to discuss with the selectman health benefits for the park and rec director, as it is understood he is not requesting them.

It was suggested the hours the finance director needs to work at home for grants could be done during normal work hours, and he could do them from home- but that is a management issue for the selectman to address.

Board members agreed that the selectman supported a 2.5% increase for the finance director- as well as everyone else. Board members continued to debate their options to address this.

Board members suggested a motion and discussed various ways they could compensate the finance director, including raises, bonus, commission on grants received.

**A motion was made to raise the finance directors salary by 2.5% thereby increasing the following line items as follows: Salary 6004 from \$78,916 to \$79,694; Social Security 6580 from \$87,300 to \$87,360 and Pension municipal 6586 from \$107,300 to \$107,400. This motion was seconded by Rebecca Adams and approved by Rebecca Adams, Bob Yamartino, Alice Malcolm, Lucy Petrella, Jim Irish. Mary Wolak voted in opposition.**

Board members discussed whether or not they should increase the contingency fund to anticipate other salary increases after union negotiations.

**A motion was made by Bob Yamartino to send the Board of Finance budget of \$15,972,495 , with a grand list of \$401,529,470 the mil rate will be 32.15 to Town Meeting. This motion was seconded by Mary Wolak and approved by all voting members.**

5. Transfers (1:47:40)

This item was tabled.

6. Approval of minutes (1:47:51)

This item was tabled.

7. Schedule (1:48:00)

It was noted the next scheduled meeting is May 17. It was agreed they should meet after the town meeting to set the mil rate, do the transfers and minutes.

8. adjourn

**A motion was made to adjourn at 9:05 pm; this motion was seconded and approved by all voting members.**

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## Middlefield Board of Finance

### Special Meeting

May 14, 2012

### Minutes

(Not approve at time of filing)

1. Call to order

Lucy Petrella called the meeting to order; present are Mary Wolack, Lucy Petrella, Rebecca Adams, Jim Irish and Bob Yamartino.

2. Agenda

**A motion was made by Rebecca Adams to remove items three through six from the agenda; this motion was seconded by Bob Yarmartino and approved by all voting members.**

3. Setting Mill rate

**A motion was made by Bob Yarmartino to set the mill rate at 32.15 reflecting a town budget of \$15,972,395 for the fiscal year 2012-2013. This motion was seconded by Mary Wolack and approved by all voting members.**

4. Adjourn

**A motion was made to adjourn; this motion was seconded and approved by all voting members.**

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# Middlefield Board of Finance

May 17, 2012

Regular meeting

Minutes

(Not approved at time of filing)

1. Call to order

Lucy Petrella called the meeting to order at 7:10; present are Mary Wolack, Jim Irish, Joe Geruch, Alice Malcolm and Lucy Petrella. Rebecca Adams arrived during the cell tower discussion.

2. Agenda (:26)

Lucy Petrella asked to have the cell tower discussion first, and add The Alpine Settlement update second, Powder Ridge as third and transfers fourth.

**A motion was made by Mary Wolack to approve the agenda as amended; this motion was seconded and approved by all voting members.**

3. Cell Tower Discussion (2:52)

Joe Geruch suggested the cell tower will probably be an ongoing issue until the lease expires in 2024, and the offers will likely get better and better. He suggested the BOF will have to determine when will be the best time to consider a sale of the lease. Joe Geruch provided information, using drawings/maps about how the cell tower system works. Mark Myjak provided additional information on how the cell tower system works.

Joe Geruch indicated that Middlefield's cell tower generates about \$225,000 in revenue per year, and the town gets 15% of that. Board members discussed possible future scenarios and their potential financial impact. Joe Geruch provided information on current offers received and explained that the offers will come in more rapidly and the BOF has to determine when is the time to consider them.

Board members, Joe Geruch and Mark Myjak discussed several potential future scenarios.

It was noted there are three options; keeping it as is with \$35,000 in revenue which will go up every five years; selling it outright for a flat amount; or getting a flat amount with no rental on the existing, but 50% on any new additions for a certain period of time-and then 50% for all of them.

In response to a question Joe Geruch noted that the decision regarding the cell tower is not the Board of Finance's but only the Board of Selectmen's, however, Jon Brayshaw will be looking for input from the BOF and will be on a future agenda for discussion.

Board members discussed what they would like to communicate to the BOS and how they should deliver that message. It was agreed they would call the selectmen, send an email, vote on a motion and attend a future BOS meeting to address it.

#### 4. Alpine Settlement (57:19)

Joe Geruch reported that Alpine has dropped their lawsuit with the town for a settlement that will have the town return \$15,000 of the deposit and retain \$10,000. Joe Geruch explained that the \$10,000 will be put into the Powder Ridge Capital line item as that is where the bulk of the costs have come from. It was noted for the record that that Board of Finance approved of this handling. It was noted this will not be a revenue, but a negative expenditure.

Board members discussed the various costs associated with Powder Ridge.

#### 5. Cell tower motion (1:03:40)

**A motion was made by Rebecca Adams to resolve that the board of finance, in order to understand the value of the cell tower easement, under all different options, and maximize its value to the town, requests that the board of finance be included in the ongoing consideration of proposals made by the tower company. Currently, since the offers are trending upwards, the board sees no urgency to sell or provide a permanent easement to the tower company. The board requests the cooperation of the board of selectmen in determining the value of the tower and discussing proposals that might be worthy of consideration. This motion was seconded by Jim Irish and approved by all voting members.**

Lucy Petrella stated she would communicate this to the selectmen.

#### 6. Powder Ridge update (1:05:09)

Joe Geruch advised there was a meeting where the participants agreed to extend the date for signing the contract; and the final details of the sales agreement were agreed to and it is expected the attorney will have a finalized sales agreement ready for public review in two weeks. A public hearing/town meeting is being planned for June 11.

In response to a question Joe Geruch explained the financial data will not be public, the forensic accounting firm will provide information to the attorneys to determine only if Brownstone has the finances available to commit in the amount needed for his business plan. Once the lawyers review the report, a culled-down version will be made public which will only state that they do or do not have the financial wherewithal for this proposal.

In response to a question Joe Geruch reported that there has not been changes in the purchase price. Lucy Petrella asked if the BOF will be able to review the financial report as well as the sales agreement before it becomes public. Not all board members felt they needed to see these documents. Joe Geruch noted that all the criminal background checks were done as well.

Board members discussed whether or not they would have a meeting to discuss the agreement when it becomes completed - and to then make a statement to the town. It was agreed that they would not as they had already made their concerns known.

7. Approval of the minutes (1:20:21)

March 29, 2012 - In item 5, the paragraph about the housing authority it should stated that they generate their own... not generator... and in the last sentence the phrase "just cover" should be "just covers"

April 12, 2012 - page three, under the motion the phrase "sent line item 7601 snow removal materials" should be "set line item 7601 snow removal materials". Under line item 9705, 911 Valley Shore- was incorrectly spelled.

April 17, 2012-no changes made.

April 20, 2012- under item 3, budget review, regarding the computers, it was stated there would be one for the administrator- it should be the administrative assistant.

April 24, 2012- on the second page, near the bottom, within the motion it indicates \$10,00 - this should be changed to \$10,000.

April 26, 2012- The phrase "Fire department is for mandated need" should be changed to "fire department budget is for mandated needs"

**A motion was made by Alice Malcolm to approve the March 29, 2012 with grammatical changes ruled technical, and to approve the minutes of April 12, 2012 with grammatical changes ruled technical, and to approve the minutes of April 17, 2012 and to approve the minutes of April 20, 2012, and to approve the minutes of April 24, 2012 as amended on page 2 changing \$10,00 to \$10,000 and to approve the minutes of April 26, 2012 as amended by modifying the "fire department is mandated" by the word budget changing it to "fire department budget is mandated." This motion was seconded by Jim Irish and approved by all voting members. Rebecca Adams abstained from the vote.**

8. Transfer Requests (1:28:47)

Board members reviewed the transfer requests.

**A motion was made by Rebecca Adams to transfer \$115.00 into account number 01-10-6003 administrative assistant from account number 07-72-9000 Operating Contingency to cover the cost of providing a temporary replacement. This motion was seconded by Jim Irish and approved by all voting members.**

**A motion was made by Mary Wolack to transfer \$215.00 into account number 0-10-6008 payroll services from account number 07-72-9000 Operating Contingency to cover the additional costs/expenditures resulting from the towns's participation in the workforce alliance program. (all costs of this program are offset on the revenue side of the budget paid by the state) This motion was seconded by Alice Malcolm and approved by all voting members.**

**A motion was made by Mary Wolack to transfer \$156.00 into account number 01-24-6800 Treasurer's salary from account number 07-72-9000 Operating Contingency because retiring treasurer agreed to stay on and assist the new incoming treasurer. This motion was seconded by Alice Malcolm and approved by all voting members.**

**A motion was made by Mary Wolack to transfer \$116 into account number 01-30-7000 Building Official from account number 07-72-9000 Operating Contingency to reflect first selectman's adjustment of working hours. This motion was seconded by Alice Malcolm and approved by all voting members.**

**A motion was made by Mary Wolack to transfer \$109.00 into account number 01-48-8104 Generator Expenses from account number 07-72-9000 Operating Contingency for additional fuel costs resulting from storms Irene and Alfred. This motion was seconded by Alice Malcolm and approved by all voting members.**

**A motion was made by Mary Wolack to transfer \$1,720.00 into account number 01-30-7011 DEEP Education Fees from account number 07-72-9000 Operating Contingency for higher than expected fees due to increased land use department applications. this line item is a pass thru activity. This motion was seconded by Rebecca Adams and approved by all voting members.**

**A motion was made by Mary Wolack to transfer \$1,100.00 into account number 01-43-7804 Shelter Expenses (dog) from account number 07-72-9000 Operating Contingency for an over budget situation caused by the need to replace the existing furnace. This motion was seconded by Alice Malcolm and approved by all voting members.**

**A motion was made by Mary Wolack to transfer \$30.00 into account number 01-38-7517 Conferences and Dues from account number 07-72-9000 Operating Contingency for fees to attend a recently offered seminar on hoarders and hoarding in attendance approved by the first selectman's office. This motion was seconded by Alice Malcolm and approved by all voting members.**

**A motion was made by Rebecca Adams to transfer \$262.00 into account number 01-38-7500 Municipal Agent from account number 07-72-9000 Operating Contingency as a result of opening a warming center during storm Alfred. This motion was seconded by Mary Wolack and approved by all voting members.**

**A motion was made by Mary Wolack to transfer \$1,275.00 into account number 01-44-7901 Constable Salary from account number 07-72-9000 Operating Contingency to reflect the impact of the recently signed labor agreement with the local number 2693M This motion was seconded by and approved by all voting members.**

**A motion was made by Rebecca Adams to transfer \$3,500 into account number 01-44-7903 Private Duty Wages from account number 07-72-9000 Operating Contingency to over of increased AT&T activity throughout the town. This motion was seconded by Alice Malcolm and approved by all voting members.**

**A motion was made by Mary Wolack to transfer \$1,500 into account number 01-12-6060 from account number 07-72-9000 Operating Contingency to cover for unanticipated Brownstone/Powder Ridge Potential sale will result in this line item possibly exceeding its**

**budgeted level. This motion was seconded by Alice Malcolm and approved by all voting members.**

**A motion was made by Alice Malcolm to transfer \$175.00 into account number 01-43-7805 Animal Expenses from account number 07-72-9000 Operating Contingency due to a greater number of animals euthanized than historical levels. This motion was seconded by Mary Wolack and approved by all voting members.**

**A motion was made by Alice Malcolm to transfer \$750.00 into account number 01-44-7906 equipment from account number 07-72-9000 Operating Contingency to address over budget situation directly related to the first selectman's mandated uniform requirements. This motion was seconded by Rebecca Adams and approved by all voting members.**

**A motion was made by Alice Malcolm to transfer \$1,200 into account number 01-40-7602 Equipment maintenance from account number 07-72-9000 Operating Contingency as \$5,000 was originally cut from this line item. This motion was seconded by Rebecca Adams and approved by all voting members.**

**A motion was made by Mary Wolack to transfer \$2,025.00 into account number 01-12-6079 Legal notices from account number 07-72-9000 Operating Contingency. Over \$3,700 was spent on one notice- illicit discharge ordinance. This motion was seconded by Alice Malcolm and approved by all voting members.**

**A motion was made by Alice Malcolm to transfer \$6,643.00 into account number 01-17-6451 computer network expenses from account number 07-72-9000 Operating Contingency as a result of the first selectman entering into a contract for services. This motion was seconded by Mary Wolack and approved by all voting members.**

**A motion was made by Alice Malcolm to transfer \$10,945 into account number 01-30-7001 office assistant from account number 01-72-9000 operating contingency to reflect first selectman's authorization of increased working hours. This motion was seconded by and approved by all voting members.**

It was noted for the final transfer request for town counsel \$18,500 - there were not enough funds left in operational contingency - \$7,100. Joe Geruch noted there will be additional funds put in that account. Board members discussed how to address this. Joe Geruch recommended making a motion based on FEMA reimbursement, which is expected, and if it does not come through they can review it then.

**A motion was made by Mary Wolack to table the motion to transfer request from 01-72-9000, Operational Contingency to 01-12-6070 Town Counsel. This motion was seconded by Alice Malcolm and approved by all voting members.**

Joe Geruch stated he would have updated information next meeting on accounts which may have additional funds that can be utilized for this.

9. Post budget topic calendar (2:06:40)

Lucy Petrella would like to create a calendar to address various issues. One topic would be the uniform format for department budgets, and suggested that Bob Yamartino and Jim Irish focus on this and work with Joe Geruch.

The next topic suggested was a salary study for non union elected officials, Lucy Petrella suggested Rebecca Adams work on this. Rebecca Adams noted that having job descriptions would be useful to work on this. Board members agreed they would need support from the BOS. Board members discussed what the scope of this would be, whether or not to include evaluations and job descriptions for non union and elected officials.

Another topic was policies, including capital funding, Lucy Petrella suggested Bob Yamartino and Jim Irish work on this. Also, capital inventories, which Lucy Petrella will look into, as well as working with Alice Malcolm and the libraries assets.

Board members agreed they would review the list provided by Lucy Petrella and at the next meeting they can discuss which are the priorities and how long it should take as well as goals.

Lucy Petrella asked the board if they want to consider having an additional meeting to manage these issues.

10. Adjourn

**A motion was made to adjourn at 9:30; the motion was seconded and approved by all voting members.**

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# Middlefield Board of Finance

June 21, 2012

## Minutes

(Not approved at time of filing)

1. Call to order

Lucy Petrella called the meeting to order at 7:05 pm. Present are Bob Yamartino, Rebecca Adams and Lucy Petrella. Alice Malcolm arrived during the discussion regarding cell towers. Mary Wolack arrived during the cell tower discussion. Jim Irish arrived during the discussion regarding the fire department.

2. Agenda (:23)

**A motion was made to approve the agenda as printed; this motion was seconded and approved by all voting members.**

3. Public Comment (:44)

There were no public comments.

4. Cell tower info (1:28)

Joe Geruch stated he could get more money for the cell tower than Powder Ridge. He explained that the town will not accept any more offers until 2014, at that time all the revenues on the tower will go up by 15%.

A speaker indicated he read an article that Sprint and Nextel will be decommissioning 9,600 cell sites and stated he will try to determine the location of these sites.

It was explained the current lease holder is Tower Company who have the lease until 2024. Joe Geruch provided some history and background on the tower rents.

#### 5. Transfers (10:32)

**A motion was made by Bob Yamartino to transfer \$1,454 into account 46-8001 truck operations from account 46-8012 supplemental benefits. The obligations have been fully met to fund the supplemental benefits have been met leaving a surplus of \$1,454. The truck operations line item will run over due to engine 3 repairs. This transfer inside the department will fund that overage. This motion was seconded and approved by all voting members.**

A speaker provided some updates on repairs at the fire station that need to be done as well as the need for additional storage. He noted they need to special order trucks due to the size of the garage doors.

Board members discussed the need to review the needs of the fire department and capital planning. Other issues, such as insurance needs were discussed. The speaker explained there would be a need for increased funds for certain insurance coverage including life and disability. He noted for engine three the fund is now \$391,000, and the cost is expected to be between \$430,000 and \$450,000. He noted if they do not bid it until they have all the money on hand they will have to go to the model year 2014 which includes additional requirements that could cost as much as \$30,000 to \$40,000 in addition. Board members agreed they should start the bidding process early enough to not have to adhere to those mandates.

Board members reviewed a transfer request having to do with the senior center, and a request about the town's contribution for an exercise program and to defer their contributions for Friday classes until the following year. It was explained the seniors considered this as it was an easy year regarding snow and there should now be a surplus. Board members discussed how they fund this compared to how they fund park and recreation. Board members agreed they did not like accomplishing this in the way they were being asked, and agreed to further discuss this during the next fiscal year and invited seniors or the director to explain.

Joe Geruch reported that the initial insurance quotes are coming in at a level of \$5,000 to \$6,000 higher than budgeted. Board members discussed being self insured for death insurance for firefighters.

**A motion was made by Bob Yamartino to transfer \$27 into 01-43-7805 Animal expense from account 01-72-9000 operational contingency to cover the cost of another euthanasia. This motion was seconded and approved by all voting members.**

**A motion was made by Bob Yamartino to transfer \$4,800 into 01-12-6060 Town planner from account 01-72-9000 operational contingency to cover the anticipated budget overrun due to the potential sale of Powder Ridge to Brownstone. This motion was seconded and approved by all voting members.**

**A motion was made by Bob Yamartino to transfer \$2,350 into 01-17-6422 Town Vehicle fund from account 01-72-9000 operational contingency to cover the higher diesel usage resulting from Storm Irene and the need to run the large dump trucks during the clean up operations. This motion was seconded and approved by all voting members.**

**A motion was made by Bob Yamartino to transfer \$80 into 01-43-7804 shelter expense from account 01-72-9000 operational contingency to cover expected overrun resulting from furnace replacement. This motion was seconded and approved by all voting members.**

**A motion was made by Bob Yamartino to transfer \$45 into 01-30-7000 building official from account 01-72-9000 operational contingency to cover minor budget adjustment due to a couple of extra hours worked. This motion was seconded and approved by all voting members.**

**A motion was made by Bob Yamartino to transfer \$2 into 01-40-7600 payroll from account 01-72-9000 operational contingency to cover minor budget adjustment due to rounding. This motion was seconded and approved by all voting members.**

**A motion was made by Jim Irish to transfer \$150 into 01-17-6401 telephone expense from account 01-72-9000 operational contingency to cover expected overage resulting from needed repairs. This motion was seconded and approved by all voting members.**

Joe Geruch provided some history on the Town Aid Road (TAR) funding, noting it has been decreasing over the past years, and with the amount they budget each year, they will not be able to continue at the rate they are going. It was noted the road work done will have to be paid either from the TAR fund or from the balance in the snow material line item.

In response to a question, Joe Geruch indicated there will approximately \$275,000 in surplus funds. It was determined that \$20,126 is the maximum amount the BOF can transfer according to the charter.

**A motion was made by Rebecca Adams to transfer \$20,000 into 01-40-7607 Road Maintenance from account 01-40-7601 Snow removal materials to help defer a portion of the asphalt costs associated with recent road preparation for chip sealing. This motion was seconded and approved by all voting members.**

Board members discussed the amount of funds spent on Town Counsel and questioned the amount of time this covered. Joe Geruch estimated it to be 10 months, since the time Alpine backed out of the Powder Ridge deal. Joe Geruch explained that regarding the the two requests, one replaced the other, not in addition to. He also noted there is additional town planner work being done by Attorney Branse.

**A motion was made by Rebecca Adams to transfer \$18,500 into 01-12-6070 Town counsel from account 01-72-9000 operational contingency to cover the unanticipated cost overrun associated with the development of the Brownstone Contract including attorney picking up some of the town planners work going forward. This motion was seconded and approved by all voting members.**

Lucy Petrella noted that with the surplus they are anticipating for next year, she suggested they consider encumbering all or a portion toward the principle on the Powder Ridge loan as it will help to improve the interest rate.

Rebecca Adams noted her support, but felt more comfortable having a town meeting on that issue.

Mary Wolack asked if they could use the funds toward the fire truck.

Board members discussed effects of using the funds in various ways, including the effect on interest rates, and benefits of self-insuring.

Board members agreed to consider this, and allow it go into the undesignated fund and if they choose to put it on the principle, to discuss it and bring it to town meeting

Joe Geruch advised there will be a new roll over in September and then again in June, and he suggested they consider this a year from now when they know what has transpired with Brownstone.

6. IT consult with D13 and Durham (1:47:49)

Lucy Petrella noted she had sent document to the board members including the RFP, noting a cost of \$4,000. She reported that she is working with Joe Geruch on this and has a concern about spending \$4,000 on a study to see if Middlefield, Durham and D13 can combine their IT services. Rebecca Adams suggested the cost covers a study to determine how to make that combination, not just whether or not they can. It was noted that Middlefield would pay \$2,000 of this and Durham would pay the other \$2,000 and D13 will offer the IT personnel to discuss.

Lucy Petrella noted she is not against exploring this process, but in order to accomplish this, they will need to determine what the needs of Middlefield are. She noted A speaker provided some additional information on the hardware and physical connections.

It was clarified there was and RFP not an SOW, and it was a draft form. Lucy Petrella stated that she would find out when they needed to have the feedback from Middlefield on this.

It was clarified that all the board members agreed in the principle of exploring this situation to consider joining forces with Durham and D13.

Lucy Petrella asked the board members to look closely at the RFP to see if the town is getting what it needs from this. Board members agreed they would provide feed back to Rebecca Adams by Tuesday of the following week and she will then move it along to the next step.

7. Miscellaneous (1:58:16)

Rebecca Adams notes she has begun a salary study.

Alice Malcolm noted the check register that Joe Geruch has been providing is not useful to the board and can be discontinued.

Joe Geruch stated he is hoping to have the new system up and running the first of July, and this will have access to historical data as well.

Joe Geruch reported he is working with AT&T to begin using a fibreoptic system.

Board members suggested they form a post budget calendar at another time. Mary Wolack stated the first priority was to get the standard department budget format created.

Lucy Petrella noted they need to dicuss policy setting and asset inventory as well.

8. Minutes to previous meeting (2:05:16)

**A motion was made by Rebecca Adams to approve the BOF minutes as presented for the May 14 meeting. This motion was seconded and approved by all voting members. Bob Yamartino abstained from voting.**

**A motion was made by Rebecca Adams to approve the BOF minutes as presented for the May 17 meeting. This motion was seconded and approved by all voting members. Bob Yamartino abstained from voting.**

9. Old business (2:06:43)

There were no old business items.

10. Adjourn

**A motion was made to adjourn at 9:10; this motion was seconded and approved by all voting members.**

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# Middlefield Board of Finance

## Special Meeting

August 1, 2012

Minutes

(not approved at time of filing)

1. Call to order

Lucy Petrella called the meeting to order. Present are Bob Yamartino, Jim Irish, Lucy Petrella, Mary Wolack, Alice Malcolm and via phone conference Rebecca Adams.

2. Agenda (1:00)

**A motion was made to approve the agenda; this motion was seconded and approved by all voting members.**

3. Powder Ridge Contract (1:15)

Lucy Petrella noted that Attorney Antin and Sean Hayes owner of Brownstone are also present.

Sean Hayes provided a presentation to the board such as he plans to provide at the public hearing using slides, drawings or handouts (not clear on tape) describing his proposal and explaining why he thinks he can make it work. Mr. Hayes also went over how he plans to raise the money needed to open this, noting it is primarily Brownstone. He went over the potential benefits for the town including taxes, jobs and tourists.

Lucy Petrella explained the purpose of the BOF reviewing the contract was to look at the financial implications to the taxpayers. She explained the BOF had requested a financial plan and a CPA was hired and they completed an oral summary which the BOF was unable to hear. She requested Attorney Antin to provide a summary of that.

Rebecca Adams noted, despite the fact the BOF was not entitled to those things the BOS and Sean Hayes was willing to share a great deal of information, and that Lucy Petrella was present for the executive session. She noted they can not share information discussed during executive session and suggested they be more clear about what they are looking for.

Lucy Petrella stated that Attorney could provide information - Rebecca Adams stated again they can not discuss what brought up in executive session. Lucy Petrella said they had a right to the summary and that is what they are asking for. Rebecca Adams stated for the record she never asked for that except for what can be discussed in public.

Attorney Antin stated that he cannot discuss confidential financial information mentioned in executive session, however, there was a contract signed by the CPA town, that indicated which procedures they would perform. Attorney Antin stated they performed all of them, and went over the list of tasks performed. He stated he was told there was nothing in all the evidence collected that would lead them to have any concerns about Brownstone's reputation, and they were satisfied that once Powder Ridge becomes operational there income should exceed their expenses. Attorney Antin noted there was one caveat made during executive session, and it is that they are not making any representation on the ability of Mr. Hayes' company to construct, renovate, refurbish the facility for the amounts estimated. He noted they stated that because that is not their area of expertise. They confirmed Mr. Hayes' company has proved it has \$2 million in committed funds for restoration and improvements, exclusive of the Liberty Bank financing.

Sean Hayes stated that he brought the public version of a feasibility study done on the business plan, by an independent third party that Liberty Bank selected, which provided a resounding yes.

Lucy Petrella noted the issue of oral versus written report. She noted her concurrence with Attorney Antin regarding the executive session, but had an issue with the report being oral. She noted there had been no report for Alpine, but one for Snowtime which did say there would be a written report. She stated a written report is straight from the source and puts aside any ambiguity and misinterpretation.

Bob Yamartino stated the two parties agreed on an oral report.

Mary Wolack stated that eventually something is going to have to be in writing to meet the requirements of the grant. It was noted by then the property will be owned by Mr. Hayes.

Mr. Hayes stated he will be providing financial information to the state regarding the expenditure of \$2 million.

Mary Wolack noted with the state if the 'i's are not dotted and the 't's are not crossed there is a risk for not being able to get the money, and a risk for the town if the money is released ahead of time.

Mr. Hayes explained the money will not be released from the town until the documentation has been approved by the DECD so there is no risk to the town.

Attorney Antin noted this came up at the BOS meeting, and there was a suggestion to have the agreement say the town shall not release the money until the \$2 million was spent. Attorney Antin noted you can not anticipate all the potential circumstances and did not want to tie the hands of the town. As the town is not obligated it has the discretion down the line.

Mary Wolack had concerns that some grants come to the budget and the money would be released before it was confirmed the town would no longer be liable to return it. Bob Yamartino noted he had similar concerns, and read from the contract bottom of page 8, where it discussed the disbursement of the money. Bob Yamartino noted this protects the town because the state will not release the funds until they are satisfied the necessary conditions have been met.

Attorney Antin noted there is another part, and explained there is a line of risks, noted there was an indemnification provided to protect the town. Several voices discussed the setting of the mortgages.

Sean Hayes stated he has \$2.8 million to fund the project, \$2.3 million in equity and \$850,000 in grants.

Attorney Antin explained some history of how the state DECD grant evolved using the town's requirements as their requirements, the additional of infrastructure and the downhill skiing.

Mary Wolack asked about the needed audits regarding the grant money, questioning who will be covering the costs for those. Sean Hayes stated the DECD will be reviewing the documents, not the town, and it will be his responsibility to prove the \$2 million to the state, and once they are satisfied they will release the funds.

Rebecca Adams noted that the town deals with various grants and Joe Geruch manages those.

Jim Irish asked for more clarification regarding the indemnification clause.

Sean Hayes explained that to protect the town he agreed to spend the \$2 million first, then take the grant money to use for infrastructure. With regard to downhill skiing, the grant requirement will be satisfied when the first skier goes down the hill.

Jim Irish asked how the town is protected if for any reason the state is not satisfied.

Attorney Antin noted it would only be the requirement for downhill skiing by December 31, 2014- because there will be no money given out until the \$2 million in improvements is satisfied. He explained the first protection is the performance guarantee from Brownstone and Powder Ridge which

indemnify the town saying if the town has to spend any money they will be responsible for reimbursement. He explained that Brownstone is guaranteeing the obligations of Powder Ridge and it includes the indemnification obligation.

In response to questions it was stated if the state was not satisfied the town would have to pay the funds to the state and then if necessary a lawsuit against Powder Ridge. Attorney Antin stated with the performance guarantee and agreement the town may be able to work with the state, but if not they have the agreement and would expect to be reimbursed.

Attorney Antin noted the second protection is that the first mortgage secures the \$600,000 and also secures the indemnification obligation of Powder Ridge. Attorney Antin explained there is collateral for the obligation of Powder Ridge to indemnify the town in case the state asks for grant money back, and if they need to use that, they could foreclose on the mortgage.

In response to comment it was stated if there was a bank mortgage the \$600,000 would be paid and the \$500,000 becomes second mortgage.

In response from a question from Rebecca Adams, Attorney Antin noted there were two conditions, one is the \$2 million of improvements and the other is downhill skiing by December 31, 2014. He noted it is not ten years of skiing, just one person having gone down the hill December 31, 2014. Once that is done, the state will be satisfied.

Rebecca Adams noted there had been concerns if the business failed the state would be looking for the money back. It was clarified the state only had those two requirements.

Sean Hayes stated they gave the town everything they asked for, the mortgage is in first position, personal guarantee of Brownstone for \$500,000 obligation, and if the gets relegated to second position that means he put in another \$2.5 million on the property.

Lucy Petrella noted on page nine it states the town will not be obligated to release the funds, and questioned the use of the phrase shall not versus will not be obligated. Lucy Petrella questioned allowing the town the flexibility of paying the fund prior to the two conditions being met. She went over some of the details of the grant administration.

Rebecca Adams noted it is up to the town to decide if they want to release it early for reason, it won't be up to a third party.

Lucy Petrella said he had concerns if the money were released before the \$2 million is invested and then the state comes after the town for the money, then they have to go through the lawsuit, and the property is not improved.

Rebecca Adams noted that is not something that would just happen, and this provision only allows the town if there is a compelling reason to do so. If they don't have that there is no way, no circumstance no matter who is in office no matter what is going on that would allow the town to do that, and that is no prudent.

Lucy Petrella said her comfort level for the tax payers would be better if it said 'town will not release'.

Bob Yamartino noted they can not release the funds until the \$2 million has been invested.

Lucy Petrella said that may be the intent but when you go to court the intent gets interpreted different ways, and if the language is clear, there is no question of intent.

Attorney Antin said it invests the discretion with the town and he was uneasy with imposing rigid conditions on people in the future.

Lucy Petrella noted again the state grant says \$2 million and skiing and their language is cut and dry and that is what will determine the town's liability.

Mary Wolack asked who makes the determination in the town. Attorney Antin believed it would be the BOS. Mary Wolack noted whether or not they brought in other boards would be up to their discretion, and her concern is that if it goes that way, then as a BOF, if they are not part of the negotiations, they are on the hook for the \$500,000 which means the taxpayers are on the hook. Mary Wolack noted if Mr. Hayes gets the money from the bank the BOF will want to hold back funds.

Rebecca Adams noted at that point she would argue the BOF could not authorize the expenditure.

Bob Yamartino noted it would not be in the budget, and therefore would have to go to town meeting, and there will be \$2 million in improvement on the property. Bob Yamartino agreed there is a risk, but the risk is not that great given the other indemnification, the investments on the property, the CPA opinion, and he was not uncomfortable with that. He noted his belief that before that money was given out it will be discussed and it will come before the BOF as it will not have been appropriated.

Lucy Petrella stated that it has been an issue before about who makes contracts and then the BOF is obligated to pay. She stated historically the BOF has not been included, noting had they been involved in this earlier this would not be an issue today. She stated she understood the reasons, but had concerns about being the second mortgage. She stated the language allowing the town to release the funds sooner allows for flexibility, but the state does not have that flexibility.

Sean Hayes stated the town's attorney drafted that for the town's flexibility, not his.

Bob Yamartino read from the agreement- and asked about the town having to take the DECD grant.

Sean Hayes stated the funds have to go through the town.

Bob Yamartino questioned if the state would even give the funds to the town unless they were reasonable certain the criteria would be met.

Attorney Antin suggested the town has a grant fund to accept the funds and then later there may be audits to determine the fund were used as intended.

Lucy Petrella noted that state will release the funds prior to conditions being met and it gives the town the flexibility to release the funds any time, even at closing.

Mary Wolack noted there need to be guidelines for the town about this that need to be negotiated, and there is a lot at risk.

Bob Yamartino noted the risk is \$500,000 plus potential fines, but that is backed up by the intrinsic value of the property and any improvement made up to that point, and they can sue Brownstone for their assets as well if worse came to worse. He felt as though the town was protected.

Lucy Petrella said she would agree if it were cut and dry in the contract that they would not release it until the \$2 million was spent.

Attorney Antin explained there is a continuum of risk and explained where this falls.

Lucy Petrella said it could not be zero risk, noting they have the ability to release the funds prior to the second criteria being met.

Bob Yamartino noted they are trying to build a partnership and there is a plan in place that looks like it could be successful, which is part of the risk mitigation.

It was noted they can not renegotiate the contract.

Sean Hayes stated it seemed the concern was between the BOS and the BOF, and it was not a condition of the contract. Lucy Petrella said it was. Sean Hayes stated no because the town has the full control of the release of the funds, and it is an issue that should be taken out of this and they should move on.

Mary Wolack stated they need to explore this and maybe make a recommendation.

Bob Yamartino stated he was comfortable with it, so he would not make that recommendation because there is enough protection there, and the assets of the property as it sits today is enough to cover that \$500,000. And there are the indemnification clauses.

**A motion was made by Lucy Petrella to recommend to the BOS that the language in the agreement of sale on page 9 be modified to read "town of Middlefield shall not release funds" excise the words "be obligated to"; this motion was seconded by Mary Wolack and approved by Lucy Petrella. The motion was opposed by Jim Irish, Bob Yamartino, and Alice Malcolm. The motion was denied.**

Rebecca Adams left the meeting at this point

Lucy Petrella explained that according to the contract the town has to pay Middlefield Holdings \$225,000 when the property is sold. She reported that Jon Brayshaw stated it was reduced to \$200,000 and payable in installments.

Attorney Antin stated he had the discussions with Middlefield Holdings and they agreed to accept \$200,000 in payments of \$100,000. The first installment at closing and the second when the first payment on the mortgage is received 2013. Attorney Antin explained they have not gotten it in writing because the town has not approved the sale and if they do not, it will not be relevant.

Lucy Petrella indicated Schedule B in tab D, and Schedule A in A, and there is an item 14 in B but not in A and questioned if it was a mistake. Attorney Antin explained why that was.

#### 4. Public Comment (1:56:34)

Marianne Corona noted the property is being sold for \$700,000, take away the payment of \$225,000 to Middlefield Holdings. She noted if they go past November 30, 2012 does not have to be made. She asked why the BOF does not make a recommendation to delay until then to save \$225,000. She noted that is a sale of 275 acres being sold for \$475,000 which is unbelievable, and no one sells land for that kind of money. She suggested they delay to save those funds.

In response to additional comments made, Sean Hayes stated the property will lose \$200,000 in value if it goes through another winter- it will not be worth it as it will not survive another winter.

Marianne Corona disagreed- Sean Hayes stated its getting worse every day. Marianne Corona disagreed.

Sean Hayes stated clearly he will not pay \$700,000 next year.

Lucy Petrella noted this was already negotiated and she did not believe this would be changed.

Marianne Corona said it was fair issue to have the BOF to look at saving half a mil, the \$225,000. She did not think having the closing after that date was that far away. She stated the most property taxes Leavitt ever paid was a little less than \$34,000, so the tax revenue is not going to be much towards payment.

Lucy Petrella stated that they just discussed the \$500,000 and the concerns about how well the town was protected for that, and evidently it will be staying as is in the contract.

Sean Hayes explained by going to November the winter will be missed, so the effect will be what happens to the property through March or April of next year- not just a month. It will be a significant loss of time for construction for this project of a year's worth of revenue, a year's jeopardy on the DECD grant as it has a deadline already extended once, this will jeopardize the condition of the buildings for another year. He stated it is not a \$200,000 issue- it is millions.

Mary Wolack said the board has looked at and discussed those concerns brought up, and it was taken into consideration.

Carl Zaroni explained he has been involved in many transactions. He read from the minutes from the BOS meeting of the 17th, where he asked if the report from the CPA would be provided to the community, and Jon Brayshaw said yes there will be a letter. Mr. Zaroni stated that an oral presentation by the CPA is garbage, not what they said, but it is inadequate. He said it was his understanding that numerous times he was told that would be public, and they do not have a letter. He stated any due diligence requires something in writing. He recommended they get it in writing.

Lucy Petrella agreed they should have a written report, noting she heard things in the oral report that she can not divulge so her level of confidence is higher than others, but the written component is critical.

Mary Wolack said if the selectmen promised there would be something in writing, they should bring it back to him.

Several voices discussed whether or not it was verbal or written.

Sean Hayes stated from day one it was to be a verbal report.

Mr. Zaroni said Jon Brayshaw said it a number of times.

Sean Hayes noted that the BOS and the chairman of the BOF were present and it was fully disclosed. Several voices indicated they had to fight to allow the BOF chair to attend.

Mr. Zaroni stated there has to be a process that instills confidence in the elected officials.

Sean Hayes noted a third party has evaluated the finances, and writing versus non writing just comes down to assurance.

Several voices yelling out.

A speaker yelled out that the town paid \$4,000 for nothing, and she was told by email that she could attend. She stated she was the treasurer but could not attend and by statute she is supposed to be in charge of the financial life of the town, but she couldn't attend. She said because it was public money it should be public information. She stated all the grant money received goes into the general fund, it does not have its own separate account, and she had to account to the state today for this fiscal year. She said there were things they did know but they should know, but apparently don't want to.

Lucy Petrella said she was in favor of a written report and asked the BOF members if they would like to make a recommendation.

Jim Irish noted he recalled early discussions of this third party and did not recall that it would be an oral report only. He stated that it is his experience in business that things are put in writing and was disappointed that the findings were only presented orally.

Lucy Petrella noted they could still maintain the privacy of Mr. Hayes' information and get the report in writing.

Attorney Antin noted the same procedure was followed for Mr. Hayes' contract as was followed for Alpine Ridge. He questioned if it had been put in writing, he did not think it would have changed the outcome. He stated the financial consultant did not agree to give a written report and unless they are willing to change their mind, the town can not compel it.

Lucy Petrella called eight other CPA firms to ask if they did this type of audit and do they report it- and she reached four, one of which did not do that kind of audit. She reported that one of them questioned why the town would want an oral report stating the town will have nothing to substantiate the information, and the other two also do written reports. She stated she was very clear to them the type of examination that was the subject.

**A motion was made by Lucy Petrella to recommend to the BOS that the findings of the review of the CPA firm be presented in writing to the Boards of selectmen and finance and the public. This motion was seconded by Jim Irish and approved by all voting members.**

Alice Malcolm asked Mr. Zaroni how many times has a town financed a mortgage. Mr. Zaroni stated he was not involved in that. He stated that in this deal the town is making a major equity investment in this business. He noted that Powder Ridge is worth a lot of money, and the outside investors will be paying a net price of \$200,000 to get ownership of that property. Mr. Zaroni stated he was sure they planned to take a part of it and sell it, financing it.

Bob Yamartino did not think a part could be sold.

A speaker said something about 30 acres for a wedding facility.

Sean Hayes' said that was the 30 acres the town kept.

Several voices spoke at once- Lucy Petrella suggested the discussion was best for another time.

Mr. Zaroni continued saying for \$200,000 they will own the property. Mr. Zaroni said they need to think about what are the risks to the town, noting they need to look at it as a swap, the strengths/weaknesses and the opportunities/threats. Mr. Zaroni noted the \$500,000 and said they need to watch for what the economy is going to do in 2013. He said one scenario might be that if these people have difficulty and go under, the town may be obligated for the loan. He said because they are giving a major equity investment the town should be getting a return because it is a fair amount of risk. He noted they have a good business in Portland, but there still needs to be a return.

Alice Malcolm said \$30,000 in taxes a year. Mr. Zaroni said that was high.

Bob Yamartino began to do the math- several voices called out.

Lucy Petrella noted the taxes levied on Powder Ridge were levied at a different because Powder Ridge retained the residential development rights so the value was different. She stated the taxes with the new venture would be taxed as commercial. She reviewed some paperwork she had about past tax information, and speculation about the future. She noted that according to the tax assessor this could be within the top ten tax payers of Middlefield.

Mr. Zaroni asked Mr. Hayes when he expects to realize \$3 million a year in revenue.

Mr. Hayes stated he will not disclose his business plan, but they will start at 25 and grow to 65. Mr. Hayes, noting the comment that \$200,000 will purchase this property is not the truth. He stated the \$500,000 is not the town's, it is to be used to develop this property. He stated he is buying this property for \$4 million plus the \$700,000 because it is not a property of any value until the improvements are made to that.

Mr. Zaroni disagreed with everything he said.

Attorney Antin stated this is basically the same deal the townspeople voted 9-1 last year to approve. Taking out the 20 acres the assessor valued at \$300,000 - the difference between the \$700,000 and the \$1 million. He questioned why that was such a wonderful deal last year, getting a 9-1 vote and this is such an abomination?

Someone said the public was hoodwinked, that's why.

Several voices called out.

Jim Brown said he heard Mr. Hayes say in order to get the grant from the state he will have to go to DECD and show them he has fulfilled the requirements, and asked if that were true.

Lucy Petrella said the town has to do it, but Mr. Hayes has to provide the documents.

Ed Bailey stated the process is that Mr. Hayes has to come to the town and request the funds for various specific items and he will have to have the documentation at that time. Mr. Bailey said there

would be no way Mr. Hayes will be given money without the documentation. Mr. Bailey explained once all the conditions are met, the \$2 million spent and the down hill skiing restored, then the state will audit and review the documents and then it is closed out at that point. It was noted the state has the ability to come in and review in process.

Jim Brown stated to clarify that the state does not come in until after all the funds have been spent. It was stated that they can come in at any time. Jim Brown stated that the people calling the shots day by day then are the town of Middlefield. He stated that it will then be the first and second selectman, sometimes the third, with Joe Geruch, and very little input from anyone else in town such as the treasurer, the BOF, EDC etc. He stated that they seem to be deciding when things will be done, when the \$225,000 lease will be signed, not the town of Middlefield. Mr. Brown said he was not the only one in town that has doubts about that process. He noted there have been others making suggestions such as why the town does not have a reversionary clause built in \$600,000 loan so they can do it without lawyers. Mr. Brown noted failure could happen. He stated that many times he hears the property is not worth anything, then he hears its a real jewel, but the fact is Mr. Hayes will get 200+ acres, lots of room for lots of ideas. It is a much bigger palette and while he will have to spend more money the profits should be much larger. Mr. Brown said he was getting it for a minimal investment, and the taxpayers feel they are putting in \$4 million and they are losing this piece of property that means so much to everybody. Mr. Brown said he was shocked that the other members of the BOF could not send an advisory that the contract could be better in one small way, as it could be better in many ways, but it is not because it did not get input from the right people all along. Mr. Brown said the reason they are having trouble now is because their confidence is low in the final product and in the administration lead.

Marianne Corona noted these are very thoughtful people, its not because they are democrats and republicans. She said she has been working with Powder Ridge since 1967, and noted all the issues she was involved with, saying it is a gem to the town. She noted the importance of land and open space. She said they were trying to protect an outstanding asset to the town. She suggested they protect the property as though they will be here in 40 years.

Ed Bailey explained the grants are done with the office of the finance director coupled with the town treasurer. It is not something the BOS gets involved in, it is an administrative process.

Pat Brown stated she is a neighbor of Powder Ridge and while she can not see it from her land they are close by. She said they were putting a lot of town taxes, blood, sweat and tears into this and questioned what is the town getting out of it. She noted that Portland gets a percentage of gate receipts, and while he will have to spend more money getting it up and running he will own the land. Ms. Brown said they are not getting anything that she can see and as a neighbor she worries because she has not heard any reassurances about noise. She noted she was happy with Powder Ridge, but now she is hearing about paintball wars going into the wars.

Several voices commented that was not on the plan.

Ed Bailey noted this is an outdoor recreational area and it is one of the uses for outdoor recreation areas anywhere in town, but it is by special permit approved by P&Z. He explained any use that was done up there can be done, but any new use proposed has to go through P&Z.

Ms. Brown said she hoped that would go for all terrain vehicles as well.

Lucy Petrella said they will have to look at what is permitted and what permits are available, but did not think ATVs were a permitted use on the property currently.

A speaker stated there will be an open house on Sunday from 3-6 and he recommended those present to come look at the place, noting everyone says its a gem, but they must be thinking of the old ski area.

Lucy Petrella said there is no question the buildings are in disrepair but the land always has an intrinsic value.

The speaker said he understands to a point, but he noted there is a cost to remove all structures up there now to let the place go back to nature.

Lucy Petrella said she read the DECD grant which indicated she knew there would be a requirement to spend cash, and the town went to the state to help offset some of that expenditure.

The speaker noted the town will not be able to use the DECD grant to tear down and remove the structures up there. He stated if something doesn't happen soon the buildings will not make another winter. He encouraged everyone present to go see that.

Others discussed noting the bad condition of the buildings.

Sean Hayes agreed, but noted it was a diamond in the rough and without a skilled person to go in there and spend money.... He noted his offense that his investors are spending \$4 million into this property and they are not just buying it for \$200,000.

Someone spoke out saying so are we.

Sean Hayes said the community has made a decision to sell the property, and he came in and made an offer of the asking price. He stated that it will require several million dollars to restore this property to a ski, wintersports park.

Marianne Corona said she knows what the costs are, that is not the point. She said the point is that the land itself is valuable, that the taxpayers in town paid \$4 million. She said every year they will pay \$280,000 in bond costs. She said when we bought the place it was to be open space and skiing, and part of the bond issue was to use tax exempt bonds, but we can't bond part of the property on tax exempt.

Several arguing at once.

Lucy Petrella noted there are issues here that have nothing to do with Sean Hayes or whoever the buyer would be.

Ed Bailey noted as there were figures provided by Ms. Corona, he had figures he received from Joe Geruch. He stated that if Mr. Hayes ends up paying cash for it, which is a possibility the town will only be bonding by June 2013 only \$1.88 million. Which at current interest rates, on a downward trend now, was about \$186,000 per year, not the \$280,000 stated by Ms. Corona. Mr. Bailey noted if it is not paid, they will bond \$2.38 and that is approximately \$234,000 per year. He noted at that time they will then be receiving tax revenue. He noted that they have not even brought up the personal property taxes, which were estimated to currently be \$10,000 in addition. He noted the town is paying taxes right now to Wallingford and Meriden in \$10,981 per year, and insurance of about \$7,000 per year, and ongoing maintenance expenses. Ed Bailey noted the net benefit with the personal property taxes, plus the savings of expenses to the town, the net benefit is over \$70,000. In the best case scenario, \$185,000 in bonding that could go down to less than \$100,000 to pay off the bond which basically covers the value the town is retaining by keeping the development rights.

Lucy Petrella commented on her figures and she and Mr. Bailey agreed it is a complicated analysis. She noted that the first year in taxes will probably be approximately \$15,000 to \$18,000 and the second year it was unknown. She noted unless the money for the mortgage is paid up from the town will not see that until the third year at \$100,000. She stated that according to Joe Geruch that all works

out to be about \$100 per family per year for taxes for the next 15 years, but with long term bonding at 5.5% for 14 years, \$230,000 to \$250,000. She stated that the town did recognize the fact that there is a lot of money that has to be put in to build this place. She said there is the \$500,000 grant, the selling price is low, there is no interest over time, and these things were factored in during negotiations. Lucy Petrella said the question she is is that 4-5 years out, the payback for Powder Ridge and the condition will be much better, so because the town recognized the original expenditure in the beginning, why wasn't something built into this contract even at a later date to give back to the town.

Sean Hayes stated the town is getting a constant increase to its real estate and personal property tax base, because every dime they put in the town will take a yearly fee. He said again its is \$4 million at day one, and probably \$15 million over a 15 year period which will provide a significant increase to the town's personal property and real estate taxes. He said he is projecting over \$100,000 worth of taxes.

Bob Yamartino noted the town paid \$2.8 million when they purchased it, and the town had full development rights, which have now been stripped from the land, but that would account for why it is assessed for only \$1 million. Bob Yamartino noted that deed restriction will not be written until the contract is signed so until then the town can recover that if they want to sell it to someone to build houses.

Lucy Petrella said she was not sure what the value of the development rights are because they would have to spend money on assessments to determine that.

Marianne Corona said it has value as commercial property.

#### 5. Adjourn

Lucy Petrella thanked all those in attendance, and noted the discussions here do not reflect Mr. Hayes' vision and business plan, as they are only looking at financial impacts to the town.

**A motion was made to adjourn the meeting at 10:10 pm; this motion was seconded and approved by all present.**

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## Middlefield Board of Finance

August 16, 2012

### Minutes

(Not approved at time of filing)

#### Call to order

Lucy Petrella called the meeting to order at 6:45 pm. Present are Lucy Petrella, Mary Wolack, Jim Irish and Bob Yamartino. Rebecca Adams arrived during the discussion of transfer requests.

#### Agenda

Lucy Petrella noted on item 9, there were no minutes to approve for the 26th of July, so they need only approve for June 21 and August 1.

**A motion was made to approve the agenda as amended; this motion was seconded and approved by all voting members.**

#### Public Comment (1:09)

There were no public comments.

Transfer requests (1:12)

Board members reviewed the accounting documents provided and the requested transfers as well as previous transfer made. Board members reviewed the summer program expenses, noting it was a \$3,787 per week program and discussed how they wanted to move the funds to cover this.

**A motion was made by Jim Irish to transfer \$3,787 into account 01-42-7705 Summer camp payroll with \$787 from account 01-72-9000 Operational Contingency and \$3,000 from 01-42-7704 Lake Beseck expenses. The 2012 summer camp began during the last week of the fiscal year, causing this line item to exceed its 2011/2012 budgeted level. this line item is fully reimbursed by the summer camp program. This motion was seconded by Mary Wolack and approved by all voting members.**

**A motion was made by Bob Yamartino to transfer \$394 into account 01-42-7703 Peckham Park Expenses from account 01-42-7704 Lake Beseck Expenses as to cover the cost of the actual cost of maintaining the play area chips exceeded the anticipated cost level contained in the 2011/2012 budget. This motion was seconded by Rebecca Adams and approved by all voting members.**

**A motion was made Rebecca Adams to transfer \$672 into account 01-43-7804 Shelter Expense from account 01-72-9000 Operational Contingency to cover the unanticipated furnace replacement earlier this year. This motion was seconded by Jim Irish and approved by all voting members.**

## Adjourn

**A motion was made to adjourn at 7:08 this motion was seconded and approved by all voting members.**

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# Middlefield Board of Finance

Regular Meeting

September 20, 2012

Minutes

(Not approved at time of filing)

## 1. Call to order

Lucy Petrella called the meeting to order at 7:08 pm. Present are Alice Malcolm, Mary Wolack and Lucy Petrella. Rebecca Adams arrived during the Senior Social Service department discussion, as did Jim Irish.

## 2. Senior Social Services request (:055)

Lucy Petrella noted line item 7501 explaining that this covers a senior exercise program for two days a week, and the seniors have been helping to pay to add an additional day. Antoinette Astle has asked that the town pay additionally to cover the additional day.

Jim Dowling provided a letter from Antoinette Astle making this request as well as a letter from Joyce Dowling in support of this (a copy of these letters are attached to the motions on file at the town clerk's office.) It was noted these classes are only for Middlefield and Rockfall seniors only.

Charlotte (last name unclear on tape) told her story of how she became involved with this program and how much she supports it and how difficult it is to help pay for it.

Connie Drega also supported the request for \$2,000 to continue this program.

David Speal, a member of the senior advisory board, asked that the board consider this request and provide the funding.

Jim Dowling noted that Antoinette does not increase her budget unless it is absolutely necessary, and has not increased it in years.

In response to questions it was stated there were 14 - 15 regular attendees of this program. Alice Malcolm noted this was an active group of seniors with their own transportation, and would rather see the money spent on getting more people to the class. She noted also they are heading into winter and have cut back in many areas.

A speaker questioned if the funds had been put in the original budget, would the board have hesitated, noting again there has been no increase in her budget.

Another speaker noted there have been people coming in over time, but when the time comes to pay for that additional time, some can not afford to chip in and do not come back. This speaker felt there would be a larger group if they new they did not have to pay.

Another speaker stated it was a health issue, as she attends every Monday, Wednesday and Friday and it has been very beneficial, mentally and physically.

Rebecca Adams and Lucy Petrella noted their support for this. Mary Wolack noted most of the the other programs in town are self supporting and questioned if they should consider having the participants pay a minimal amount, \$1 per class, and whether or not that would be prohibitive for some still.

A speaker explained that she used to belong to a gym, and that turned out to be cheaper and she could go whenever she wanted, but did not offer the social part that this class does.

**Jim Irish made a motion to transfer \$2,000 from line item 01-72-9000 to the senior services line item 38-7508. This motion was seconded by Rebecca Adams and approved by all voting members.**

3. Agenda (30:33)

**A motion was made to approve the agenda as submitted; this motion was seconded and approved by all voting members.**

4. Public Comment (30:47)

There were no public comments.

5. Transfers (32:07)

Board members reviewed the financial information provided and discussed how best to manage the needed transfers.

**A motion was made by Rebecca Adams to transfer to:**  
**Line item 01-38-7501 \$78.37 Senior Activity**  
**Line item 01-38-7509 \$1.00 Senior services assistant**  
**Line item 01-40-7612 \$429.71 Public works sundry**  
**Line item 01-42-7704 Lake Beseck transfer \$3,000**  
**Line item 01-80-9701 Regional hazard waste \$385.80**  
**from line item 01-72-9000 BOF Contingency fund.**  
**This motion was seconded by Mary Wolack and approved by all voting members.**

6. State Police overtime at Durham Fair (46:10)

Lucy Petrella explained there have been issues with young people at the fair using drugs and alcohol in certain areas and the Local Prevention Counsel has suggested this be addressed. The regular police force can not be used for this because they are recognizable by the kids in town and they are being used for actual fair issues. Sargent Calvo has asked Durham and Middlefield to split the fees to have two people on duty during certain hours for about \$2,200 each. The Durham volunteer ambulance board has already donated \$3000 and there is a grant received by the wellness council of \$125,000 which does not come into effect until after the fair, but can be used the following year. Lucy Petrella noted that Jon Brayshaw indicated that now that they know of it, if something were to happen and they did not approve this they would feel awful about it. It is also noted that the Durham Fair association is a private association, and this is completely within Durham. Lucy Petrella noted the population differences between Durham and Middlefield as well as the income levels, and paying half is not necessarily in the best interest of Middlefield.

Rebecca Adams noted the Durham Fair does not have to show their financial information and receives town forgiveness and other benefits, and each year the quality for the locals goes down while the prices go up. She had an issue with the Fair association saying this was not their problem.

Board members discussed how and to what level Middlefield police support the Durham Fair, and how much the town should support the fair. It was noted that the prevention council is local. It was also noted many of the young people attending the fair do not come from Middlefield or Durham. Board members expressed concern for all the kids's safety.

Lucy Petrella noted they are being asked to providing funding to pay for something not happening in Middlefield and is being promoted by a private enterprise, and yet the private enterprise does not accept the responsibility for it.

One solution was to pay the half with a letter indicating this was a one time, as it is the responsibility of the Durham Fair and won't be continued. They could consider paying a third of it, or some other portion.

It was stated there was evidence of the problem, but board members questioned if it was a misplaced priority. Rebecca Adams questioned if the grant money could still be used, even it were for something prior to October as she supported the grant money funding this, but not the taxpayers.

Mary Wolack noted to prevent the activity they need people in uniform which is not what was being suggested, as the uniformed presence will stop the activity-undercover police will only catch them already doing it.

Lucy Petrella asked about using the DUI grant for that- Rebecca Adams stated it was for motor vehicle violations.

It was noted they have little information, no line item to cover this, nor do they do not know who would be paid, or an explanation for a reason to do this. Board members questioned if DMYFS could pay for it.

Rebecca Adams stated that it had not been demonstrated that they should spend \$2,200 on this, and while she would feel badly if something happened, this has been going on for years, and the Durham Fair did not think it was important enough to address.

Lucy Petrella suggested they could make a motion to cover a certain amount of this out of the DMYFS as it is a shared budget, with the contingency that the agency be reimbursed by the grant that the wellness council received, when it comes into effect.

Board members stated they can not dictate to DMYFS how to spend their money. It was noted if DMFYFS were approached and thought it important, they would pay for it out of their budget.

It was suggested there should be some documenting of these incidents at the fair.

It was agreed if they were not going to fund this, no motion or letter was required, but they should state their reasons for denying it.

Jim Irish stated it was the Durham Fair's responsibility- Mary Wolack and Rebecca Adams agreed. Alice Malcolm stated they should use uniformed police not undercover officers. Mary Wolack said if it was a public safety issue (unclear on tape) there should be something done in Middlefield. It was noted the town of Durham could also be addressing this as it is in Durham- and while there many from Middlefield, certainly not the majority. It was also stated if the Wellness Council thinks it is worth paying through the grant, they can find a way to do so.

Commission members also noted this issue has just come up today- a week from the start of the fair, it is unfair to be told if they cared about the kids they would fund this.

#### 7. Board Policies and budget formats (1:10:32)

Lucy Petrella said she sent out a draft in word format.

She noted she received communication from Jon Brayshaw in July regarding evaluating the finance director and his salary, and read this to the board. The letter requested assistance in evaluating various positions and creating job descriptions.

Rebecca Adams had discussed this with CCM who provided advice including not tying in salary increases for non union with salary increases for union members. Rebecca Adams had requested information regarding salaries for comparable jobs in comparable sized towns. She noted during the bargaining times they can have the unions adopt the job descriptions as well.

Mary Wolack explained competency based job descriptions and their associated evaluations.

Lucy Petrella asked how do they get this done, where do they start.

Rebecca Adams said she would contact CCM to see if they can supply resources who can provide this service.

Lucy Petrella noted there was a bill for the Cogenchaug River Coastal Conservation for the year 2012-13, as members is \$1,552.

Lucy Petrella reported that BOE sent a payment schedule for review.

Regarding policies, Lucy Petrella noted they are having a hard time with ATT and their service and have shifted to Comcast, and will ask Joe Geruch about the new accounting system.

Alice Malcolm noted there needs to be an 'encumbered' column so the board is aware of them.

Mary Wolack noted in order to get department budgets in the same format, they need to begin working on that soon.

Lucy Petrella asked if Bob or Jim would work with Joe Geruch to expedite this. Board members noted it should not be difficult to get all the information in a similar format.

Lucy Petrella noted she would like additional information regarding capital accounts, including history, when and why they were established, current balance projected needs, etc. She asked the board if they want to have a policy for funding the capital non recurring accounts, do they want to go with percentage that will be maintained every year.

Mary Wolack noted once they start using the new system it should always have all the history information available.

Lucy Petrella suggested another policy they should consider is overages in line items in order to remind department heads.

Rebecca Adams noted often by the time the overage is noted there is a bill that needs to be paid and Joe Geruch pays it. Also, with the BOF meeting only once per month it may make it difficult.

Board members questioned if the department heads are given ledgers so that they are made aware of their current fund balances.

Lucy Petrella provided information regarding depreciation to the board members. She noted this will help with capital planning, and they need to make a comprehensive list of assets.

Lucy Petrella said she was trying to get the town to have ownership of the library buildings in order to receive grants to work on their capital improvements. They will need to get a list of assets from them in order to prioritize.

Rebecca Adams questioned if they want it, noting they will gain additional employees etc, with their associated costs, including benefits and becoming unionized.

Lucy Petrella noted the number of people who use the library number far less than those who use the transfer station and their budget is nearly \$100,000 less than the library's.

Rebecca Adams noted the library does not make income as DMIAAB does.

Regarding the budget format, Jim Irish stated he does not have the ability to speak with Joe Geruch about the formats.

It was noted that Joe Geruch should have all the data, and with the new system he should be able to provide it easily. There should also be sample formats provide that the board members could review.

Jim Irish, regarding overages, said the BOF gets monthly status reports, and that information should be shared with the department heads in order for them to manage.

Lucy Petrella asked the board members if they would like to have a special meeting/workshop to discuss all policy ideas.

Mary Wolack emphasized the need to prioritize items so that they can move on them. She indicated her priorities were the salaries, which is now moving in the right direction, and having a unified budget format. She would like to make sure that happens first, and they can discuss policy as they go along, but they need to get the budget format done. She asked that Joe Geruch email the formats from the new system to the BOF members so that they can review them and be sure that they are accessible, and user friendly.

Rebecca Adams said she would also follow up with Joe Geruch.

#### 8. Lake Beseck Committee (1:46:19)

Lucy Petrella stated there may be some expenditures regarding this as they have been trying to work on the siltation, the weeds and other issues. There are grants being applied for to assist this committee.

Jim Irish explained some of the problems and some of the solutions being considered including aerating the lake. There was a need for wetlands mapping to be done in the area.

Lucy Petrella noted there is a line item with \$20,000 for remediation and if they are going to provide that to them, they should be advised.

Board members discussed if they can use the funds in that manner. Rebecca Adams suggested there should already be some wetlands mapping in that area available.

Lucy Petrella said if the board agrees she can advise the committee the \$20,000 could be available, but that would be all there is.

It was suggested if the committee needs funding they will come to the BOF and it can be requested and discussed then.

Board members discussed the type of grant that maybe available to the committee for the work they want to do.

#### 9. Overages (2:01:23)

Lucy Petrella noted there are a couple of overages coming up. She stated the FEMA reimbursement is approximately \$65,000 but the funds have not yet arrived. The Everbridge system is one of the overages and the bill is \$2,138 which is \$138 over the anticipated amount as there are more houses in Middlefield and Rockfall than originally thought by Mr. Francis. There is a concern about advertising costs in order to advise the townspeople.

It was suggested that Jon Brayshaw use is space in the Town Times. Townspeople will have to sign up. Other suggestions included getting supporters of this to help, putting in a sample form in the town times and having the information available at the polls, all at no charge.

Lucy Petrella noted another overage will be the fire department insurance. She reported that Joe Geruch will be working on the salary account for public works and town employees because there was a raise provided that was not included in the budget. Board members were aware this may happen.

Lucy Petrella noted the town insurance may go up. Rebecca Adams asked why it would go up if it was already negotiated. Lucy Petrella asked Joe Geruch to provide a list of all the overages along with an explanation of why.

The underground tank was discussed as it has a life expectancy of one year and estimates will be gathered for its removal. Board members question why wouldn't they have know about this during budget season when the tank is inspected every year.

It was reported that the police vehicle prices may be higher than anticipated, and the telephone internet expenses may be higher due to the amount of time it took while both systems were running at once.

Board members were concerned with the number of overages this early in the fiscal year. Lucy Petrella said she will provide a trial balance to the members.

#### 10. Minutes of previous meetings (2:10:03)

June 21, 2012

On Page 1, under item 5 Transfer, third sentence, delete "have been fully met" so that the sentence reads: "The obligation to fund the supplemental benefits has been met leaving a surplus of \$1,454."

**A motion was made by Rebecca Adams to amend the minutes as noted. This motion was seconded by Mary Wolack and approved by all voting members.**

August 1, 2012

On page five, the motion made by Lucy Petrella and seconded by Mary Wolack was voted as follows:

Opposed: Jim Irish, Bob Yamartino, Alice Malcolm and Rebecca Adams.

Mary Wolack abstained

Lucy Petrella in favor

The motion was denied.

**A motion was made by Rebecca Adams to amend the minutes as noted. This motion was seconded by Alice Malcolm and approved by all voting members.**

August 16, 2012

No changes noted.

**A motion was made by Jim Irish to approve the minutes of the August 16, 2012 meeting as submitted. This motion was seconded by Mary Wolack and approved by all voting members.**

11. Miscellaneous (2:16:26)

There were no miscellaneous items discussed.

12. Adjourn

**A motion was made to adjourn at 9:30 pm; this motion was seconded and approved by all voting members.**

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## Middlefield Board of Finance

Regular Meeting

October 18, 2012

Minutes

(Not approved at time of filing)

1. Call to order

Lucy Petrella called the meeting to order at 7:05 pm. Present are Alice Malcolm, Lucy Petrella, Jim Irish and Mary Wolack. Joe Geruch finance director was also present. Bob Yamartino arrived during the discussion with Joe Geruch.

2. Agenda (:27)

**A motion was made to approve the agenda as presented; this motion was seconded and approved by all voting members.**

3. Public comment (:43)

There were no public comments.

4. Board Policies (:53)

Joe Geruch reported that he has been converting to the new system since the beginning of October and noted there has been some issues, but the system is now operational. There is one printer that may need to be replaced due to compatibility problems.

Joe Geruch described some problems with the server creating problems with the software with getting checks printed, due to the loss of email connections. He reported that he has had the server looked at by various sources and described some of the problems they are having. He went over the system as it is, and how it got the way it is, estimating that a new server will cost approximately \$15,000, through Lightning.

In response to questions, Lucy Petrella reported that anything happening with D13 with is not likely to happen.

Joe Geruch explained that Lightening has been their provider of computer services and software for a very long time.

Commission members asked about having additional quotes for this service in order to have options to review. It was suggested they need to determine what they will need in the near future. It was noted the server has nothing to do with the town website. It was suggested to contact CCM for additional comparative information.

It was noted the capital account for computers had \$5,500 and \$5,000 was added. Commissioners attempted to access the current information via the internet.

Bob Yamartino described a server provided by Apple that may be worth looking into and recommended that Joe Geruch contact them. Lucy Petrella suggested contacting Rich from D13 to see if his company can come in to assess and provide a bid.

Joe Geruch noted with the new system the first thing that gets shut down is email, and without email, they are unable to print checks and therefore the town has not been able to pay anyone for three weeks.

Lucy Petrella stated that Mark, the current service provider has been involved for over 5 years and should have anticipated some of these server problems.

Joe Geruch explained that the server was built four years ago for Middlefield, it was not a used one from another town as some believed. He explained when the town clerk started her system that computer company installed it into the server without ever talking to Mark. No one reviewed the demands the new system would make on the server. It was agreed that is an issue that needs to be addressed so it does not happen again.

Noting that time was an issue, board members stated their willingness to come in for a special meeting in order to review additional quotes/assessments.

It was noted that there was money in the capital account, but not enough to cover the quote from Lightening. There is also \$11,500 under computer network support-it was noted approximately \$1,000 was for miscellaneous issues beyond the normal costs.

**A motion was made by Mary Wolak to entertain at least two additional assessments and quotes on server installation and data transfer for town of Middlefield Computer system**

#### 5. Department budget formats and submission date (43:24)

Mary Wolack asked if the accounting software being used now contains mocks up for standardized budgeting. Joe Geruch stated it did not, but he has not reviewed the budget development system. He noted it would not have the instantaneous mil rate change. Mary Wolack asked if they could set up an across the board standardized budget request for each department use, and will each department be able to watch their budgets. Joe Geruch said no.

Jim Irish explained they would like to have a form that provides explanation by line item of what is new and what is different, with the ability to then drag and click the submission information into the accounting system.

Joe Geruch explained the reports that come out of the new system come out as Excel files so they should be able to move data from one Excel to another. He noted that would take some work to have it formatted as needed. Joe Geruch provided additional explanations of how the budget information appears.

Commission members discussed with Joe Geruch the directions they would like to go with department budget submissions.

Joe Geruch stated this software is not the panacea the commission thinks it is, as they will only get a certain amount of data from it, and they will not get the mil rate impact. Commission members agreed, they will have to do that by hand as they do the budget. Lucy Petrella described how she was able to pull up 6 years worth of data and the commissioners discussed how they could use that when working on the budgets.

In response to questions, Joe Geruch explained he notifies department heads at the end of December that he needs their budget information by the end of January. This meant the BOF needs to be clear on what they want before the end of the year that will be used for the new system and for the BOF to review for budget time. It was explained that if necessary department heads could manually fill in a printed sheet, but this could be a time to review if some needed computers.

Mary Wolack noted there were committees that were unable to get the data about their budget items, such as DMIAAB and land use boards.

Joe Geruch noted if there are concerns the treasurer has almost all the information and those with questions should contact her.

Jo Geruch explained there were no status reports due to the problems they are experiencing with the system. Once the program is set up, there will be public reports which commissioners can generate as needed. He noted the commissioners will have the ability to create their own reports as well, and there is history as far back as 1999.

He requested prior to going to reports that they go into view only and look at what is there, what fields are available.

Joe Geruch noted as of today based on several line items, they are about \$10,000 over budget which will need to come from contingency. He noted the settlement for the union contracts is about \$4,600; due to the number of lawsuits the insurance is approximately \$5,000 higher.

Commissioners reviewed the online system. Joe Geruch was asked when he creates the public files to put them in both Excel and PDF versions.

#### 6. Budget workshop dates (1:27:25)

Commissioners reviewed possible workshop dates, noting days they will not be available for budget season.

Joe Geruch noted he tries to have a first proposal done by early February and then they work on it, providing to the BOF by March 1. He noted if it were not for the new system he would already be working on some of the issues. Joe Geruch noted some of the workshops in the past have included a lot of time spent on departments with little or no room for change and suggested they focus on the bigger issues and the capital budget.

Commission members noted they receive a lot of good information from meeting with the departments even if there is not a lot of change to be made.

Joe Geruch urged the commission not to wait until the end to discuss the capital accounts.

Lucy Petrella stated she would like to have the workshop dates before the end of the year.

Joe Geruch noted in a few weeks when he has worked out the glitches and is more familiar with the new system he will train the commissioners on it if they would like.

Commission members gave Lucy Petrella the dates they will/will not be available early next year. It was noted a quorum is not required for workshops.

Board members discussed using the TV or a smart board to use during the workshops.

#### 7. Salary study evaluations (1:39:06)

Lucy Petrella noted she had no additional information regarding this. Mary Wolack noted if they are talking about competency based, the employee can start by writing down exactly what they do.

8. Approval of Minutes (1:40:03)

September 20, 2012

Lucy Petrella noted several corrections to be made.

**A motion was made to approve the minutes to the September 20, 2012 meeting with the following corrections:**

**Item 6, paragraph one, change \$3,000 to \$300**

**Page 3, paragraph three, change “one solution was to pay the half with a letter indicating this was a one time...” to “one solution was to pay the half with a letter indicating this was a one time payment”**

**Paragraph four, “evidence of a problem” should be followed with “in the past”**

**Last paragraph on page three, change “being” to “begin”**

**Item 7, page 5, change “Rebecca will follow up with Joe” to “Lucy will follow up with Joe”**

**This motion was seconded and approved by all voting members. Bob Yamartino abstained from voting.**

9. Adjourn

**A motion was made to adjourn at 9 pm; this motion was seconded and approved by all voting members.**

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## Middlefield Board of Finance

Regular meeting

December 13, 2012

Minutes

(not approved at time of filing)

1. Call to order

Lucy Petrella called the meeting to order at 7:16 pm; present are Lucy Petrella, Rebecca Adams, and Mary Wolack. Bob Yamartino arrived during the presentation regarding Lake Beseck. Alice Malcolm arrived during the presentation regarding Lake Beseck.

2. Lake Beseck environmental committee update (:34)

Darren Overton, Jon Brayshaw, Amy Poturnicki and Rob Poturnicki were present to discuss this issue, as well as Joe Geruch.

Amy Poturnicki explained what the committee has been working on regarding the water in Lake Beseck. She noted with the dam repair being scheduled for August the committee would like to manage the silted in areas of the lake on the north and west sides of the lake. She explained they had an estimate of \$40,000 to complete all the work, and asked the BOF for suggestions on funding.

Darren Overton reported they have applied through DEEP for a grant. He explained with dam work will come a significant lowering of the water level affording them a unique opportunity to address certain issues. They are working on a plan to coordinate the work during that time when the water is lowered.

Darren Overton provided information on the locations and quantity of the silt, and some of the work they need to accomplish to prepare for that removal, including an army corps of engineers permit.

Rebecca Adams acknowledged the unique opportunity to do the work while the water is lowered but the financial issues facing the town and state are expected to be significant this coming year.

There were discussions regarding the need for the town to remediate certain environmental issues originating from issues at the transfer station property. Jon Brayshaw explained they were looking at the installation of votechnic units to satisfy this need. It was agreed the question should be asked if this proposal will satisfy that requirement. Joe Geruch indicated there may be a good argument that this will qualify as part of that mitigation - and therefore allow certain funds the town has for this purpose.

Joe Geruch and Darren Overton discussed the estimate received and what it would cover. It was noted the grant being searched has a matching funds requirement, and the funds spent toward the lake may satisfy that need. Jon Brayshaw noted the material that will be removed may be of value and that may offset the cost of its removal.

The need for the townspeople to understand the value of the lake to the whole town was discussed.

In response to questions Darren Overton explained that Chuck Lee with the DEEP can better address the overall quality of the Lake and its' future needs. It was noted while the water level is down the lake will essentially be closed for a year and not available for recreational use.

Lucy Petrella asked about going out to bid for this work. Jon Brayshaw explained Quality Based Selection which allows them to choose based on factors other than cost.

In response to a question Darren Overton explained the study would not necessarily look at the impact of out of town boaters on the lake. He noted the DEEP is trying to control cross contamination issues with boats.

Bob Yamartino noted the town is funding the studies, the programs to mitigate any future damage to the lake, the state is going to build a dam but then the town has to fund them to monitor it, and yet the state has a boat ramp allowing anyone to use the lake without fee. It was suggested that the state should be paying for some of the studies. Jon Brayshaw noted that the timing, while the water level is down, is critical.

Jon Brayshaw noted he would work on the two tracks- one the grant and its matching funds, as well as whether this work can be qualified as part of the required mitigation.

The committee was advised to gather information on the magnitude of the project, looking at other towns as well. It was noted this whole project may cover more than one fiscal year.

Darren Overton provided information on other towns/lakes that have gone through this process. Jon Brayshaw described a scene from years ago when the lake was drained.

Board members discussed the budget process, noting it is best to have these issues on the table now for discussion.

### 3. Building inspector hours (46:07)

Jon Brayshaw noted the town's building official actually works for the state of CT department of public safety, by enforcing the state statutes having to do with building codes. He noted the official currently is part time, and noted in 12 years there have been 12 officials. He stated he was satisfied by

having a part time official but noted they need to be more flexible with his time as there has been a need for more hours lately.

Lucy Petrella reported the letter received from the official, Bob Meyers was that due to overflow he was going to work on Fridays until the department is caught up. Lucy Petrella stated the data concerning the permits does not support this. Rebecca Adams noted if the mechanical and other wise were included it comes closer.

Jon Brayshaw went over the data provided. Alice Malcolm stated the data was in line with previous years. Jon Brayshaw reported that he is trying to serve all the townspeople and there have been issues surrounding the building officials ability to get out there for inspections in a timely manner.

Board members questioned what other steps were being taken and if extra time is needed, just how much.

Lucy Petrella stated if there were complaints about inspections, she would question if the number of permits has increased, but it has not.

Bob Yamartino suggested that looking at the value of all the permits issued should provide a better set of data relevant to the amount of inspections needed. i.e. a more expensive house being built would require more inspections. July 2011 to July 2012 values were \$1.8 million from July to November of 2012 its nearly \$3 million. This would imply more complex jobs, more complex inspections.

Board members suggested they better determine how long he expects it to take to catch up. Jon Brayshaw noted that Powder Ridge may impact his work load as well. It was noted the next few months are historically a slower time for the official as well.

It was suggested the board could add a certain number of hours for use when needed.

Board members debated how to address this. It was explained that currently he works Tuesday, Wednesday and Thursday.

It was agreed Jon Brayshaw will determine how many hours are needed to get caught up.

In response to a question regarding the funding of special inspections at Powder Ridge, Jon Brayshaw noted that there will be some specialized inspections needed for electrical, mechanical or plumbing which the town will need to hire specialized inspectors for. He noted Bob Meyer has found a suitable inspector for \$35 per hour for electrical inspections and they will need to fund this.

Bob Yarmartino noted that from July 2011 to November 2011 value of permits was nearly \$2 million, and this year, July 2012 to November 2012 its is already near \$3 million. Fees collected last year by this time was \$17,000 (fully year \$36,000) and this year, year to date is already \$39,000. There have been more fees collected so far this fiscal year than the entire last fiscal year. With regard to Powder Ridge there will be additional fees collected. Bob Yarmartino asked that if they know Powder Ridge is going to cost a certain amount in inspections this fiscal year, they should look at getting a town vote to transfer that money because it is not in the undesignated fund.

Lucy Petrella suggested they also gather estimates for the inspections for plumbing and mechanical at Powder Ridge so they can be prepared for that as well.

#### 4. Computer update (1:21:50)

Joe Geruch reported there has been a delay in the server installation as they are waiting for two components of the hardware. Data transfer is expected to take four days, and will take place from Friday through Monday. It was clarified that the cost of this was included in the quote. He noted the current server is partially working at this time.

5. Transfers and line item overages (1:25:52)

Joe Geruch noted there were a few transfers left from the last one, such as reverse 911 system. He noted there will be a few line items getting close to expended including building expenses for town hall, equipment maintenance of public works and Brookside sewer. He reported that Powder Ridge refinance is going to come due in June, and explained if they are going to go for permanent financing they will need two to three months to arrange it. Bond counsel fee will be approximately \$17,000 for permanent financing and there is only \$3,500 in that line item, however there is \$14,000 remaining in the Powder Ridge capital line item, and suggested holding that in reserve for that use. Joe Geruch noted the various capital items coming up such as Lake Beseck and the financing will create a very large hit, but the town's fund balance is the largest its been in years so there will be some room. He noted that the permanent financing will be approximately at 5% to 5.25%.

In response to questions Joe Geruch noted because the town is unrated there are few banks that will cover this. Joe Geruch explained the time frames regarding when the banks will commit to interest rates and stated he would get an estimate from bond counsel on the rates for permanent financing in June. Board members discussed the taxable versus non-taxable questions.

Regarding the DECD grant Joe Geruch indicated it is down to the final drafting stages.

Joe Geruch noted the last of the STEAP grant at the park was used to install a new dinosaur feature.

Regarding budget formats, Lucy Petrella stated she would follow up on this.

6. Budget Workshop dates (1:45:14)

Lucy Petrella noted she sent out a listing of dates and if the board approves she will advise the departments - however the last week in April will be saved for the BOF to work on the budget only.

7. Minutes (1:47:10)

October 18, 2012

**A motion was made by Alice Malcolm to approve the minutes of the October 18, 2012 meeting as submitted. This motion was seconded by Mary Wolack and approved by all voting members.**

November 15, 2012

Page two, item 6, it should be noted the meetings are the third Thursday of each month, not the fourth.

**A motion was made by Rebecca Adams to approve the minutes of the November 15, 2012 meeting as corrected. This motion was seconded by Alice Malcolm and approved by all voting members.**

8. Old / New Business (1:50:30)

Rebecca Adams reported that she has accepted a job with CCM and will have to leave the BOF in January. She stated that a replacement is being looked for.

9. Adjourn

**A motion was made to adjourn at 9:10 this motion was seconded and approved by all voting members.**

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