

MIDDLEFIELD BOARD OF FINANCE
405 Main Street
Middlefield, Connecticut 06455

Minutes of the June 7, 2018 Special Meeting

Jim Irish called the meeting to order at 7:15 pm.

Attendance:

Members

Others

X	Irish, Jim	A	Bailey, Ed (Ex Officio Member)
X	Kowal, Melissa		
X	Lowry, David		
A	Malcolm, Alice		
X	Nick, Joel		
X	Wolak, Mary	A	Rusilowicz, Al (Finance Director)

A=Absent

X=Present

The Pledge of Allegiance was recited.

Approval of the Agenda

Joel Nick made a motion, seconded by Dave Lowry, to approve the agenda as presented. Motion carried unanimously.

Public Comment

None.

Approval of Minutes from 5/14/18

Joel Nick made a motion, seconded by Melissa Kowal, to approve the minutes from the 5/14/18 meeting, as presented. Motion carried.

Review of Current Fiscal Year Spending-to-Date

Al Rusilowicz had forwarded the information to Jim Irish who reported that there is nearly \$2.6 million unexpended. As of now, 84.7 percent of the total budget has been expended and we are at 92 percent of the year. Mr. Rusilowicz believes there will be a pretty reasonable surplus this year. Dave Lowry and Jim Irish both felt this represented good fiscal management.

Jim Irish pointed out that the Town Website is at 139 percent, over by about \$800. Insurance Deductibles is at 125 percent. Automotive Maintenance is at 192 percent, over by about \$2,000. Tax Collector Office

Expenses is at 556 percent of budget, due to the auctions that were held. There was discussion about creating a specific line item for tax sales. None of these items present too much of a burden on the contingency account.

Animal Control is at 150 percent in sundry expenses, including heating the kennel and telephone. Mr. Irish questioned two different phone accounts (a cell phone and a land line) and suggested that the Town get a total inventory of cell phones. Mary Wolak wondered who signs off on the cell phone bills.

Dave Lowry noted that the Tree Warden hasn't been paid yet this year. Melissa Kowal asked about Park & Rec Office Expenses and suggested looking to see exactly what those are. It was felt that maybe the website is included in there.

The Board thanked Al Rusilowicz for his efforts and Mary Wolak stated that he has been a great addition to the Town.

Old Business

A. Discussion of Budget Process - Improvement Suggestions

Jim Irish asked if anyone had any comments about the budget process. Joel Nick felt that the Board was more efficient through this budget process and Dave Lowry felt that the people coming into the workshops knew what the Board was looking for. Mary Wolak felt that the people realize that the Board of Finance is not looking to cut their budgets and is here to help them. They also felt that Al Rusilowicz and Ed Bailey provided a great starting point for the budget.

Melissa Kowal was very impressed by the way that the budget process was handled and she felt it was a good structure to follow. Jim Irish noted that Durham publishes their calendar of meeting nights on the website and that might be something they would like to do as it may help with further transparency.

There was then some discussion about the statement from the Chairman of Durham's Board of Finance that they could have gone up half a mill or down half a mill. It was generally felt that they could have gone down more than they did. Jim Irish will speak to Laurie Tuttle to follow up.

New Business

A. First Draft and Discussion of Potential BOF Policies: Undesignated Fund Level, Yearly Contingency Amounts, Leveled Capital Plan

Jim Irish explained that they have been talking for some time about the undesignated fund being at a particular level and where that level should be as well as the contingency fund. They have also talked about a balanced capital plan and trying to even out the yearly reserves. He felt that these could be three areas that could be formalized into a policy. Right now, no other boards or commissions have policies but there is no reason not to have some formality.

Mr. Irish had a first draft available for the Board to review. He identified the purpose of the policy and what things should be in the policy. Dave Lowry felt it would state that the Board feels is best practice and Mary Wolak felt that it would be backed up by evidence.

Jim Irish recalled that, over the years, the undesignated fund has been as low as 9 percent (and even lower). Dave Lowry felt that people today have a better understanding of capital and Mary Wolak felt that the Board generally listens to the public. Joel Nick felt that it's important for the residents to know

why the Board of Finance does what they do. He supports the idea in general, but did wonder about the verbiage in terms of calling it the Middlefield Financial Policy. He thought maybe guidelines or best practices might be better terms. Mary Wolak suggested mission statement and best practices. Mr. Irish suggested Middlefield Board of Finance Best Practice Policies.

There was then discussion about the fact that there really is no political party line on this Board and that everyone is there for the Town as a whole. It was generally agreed that everyone on this Board has a voice. Joel Nick felt that it would be great if this could be included in the mission statement.

Mr. Irish summarized that the Board is looking for a mission statement, possibly underneath the title, followed by the policies. Everyone agreed. Mr. Irish reported that Al Rusilowicz has been creating a policy statement for the Town purchasing which continues to be reviewed at the Board of Selectmen. Melissa Kowal felt that that would mean there would then be a Policies and Procedures Manual for the Town and the Board of Finance policies would fit in there as well.

Jim Irish asked about the level of the undesignated fund and explained that he had put in 11 to 15, with 15 being CCM's recommendation. Melissa Kowal asked if 12 percent was a reasonable, attainable number and Dave Lowry felt that it would be. Mr. Irish felt it would be as long as there was no significant draw-down. Mary Wolak felt that the maximum of 15 needed to be included because of the issues with the State budget. Dave Lowry asked Mr. Irish to send the draft to the Board of Selectmen for their input.

Mr. Irish then asked about the operational contingency which was set at \$91,000 this year. In the past, they had used \$50,000 and then added in the salary and benefits for post-negotiation which got them to the \$91,000. Mr. Irish stated that the concept of contingency was to have money to be used for things that are discretionary, such as salaries. Municipal expenses is the town less the school expenses. Discretionary municipal would be less salaries and benefits and less the contingency amount that is set. That comes out to 1.5 percent of the budget, which is just around \$47,000. This year, 1.6 percent is right at \$50,000. He also mentioned that the Board could just specify \$50,000 plus predictable expenses, like salaries and benefits that have yet to be negotiated. It was generally agreed to specify a percentage, rather than a number but be able to add to the account as necessary. Joel Nick suggested adding a narrative as to some examples of what the contingency fund has been used for.

There was then some discussion about the status of the Building Inspector and legal fees.

Moving to the capital plan, Jim Irish felt this was worth codifying to be sure that the Town continues to plan an even stream of yearly capital reserves from taxpayer funds, thus enabling the timely purchase and replacement of anticipated Town capital items and helping to even out the year-to-year mill rate. Mary Wolak felt that this has made things better for the Town.

Melissa Kowal said she had talked to Pete Tyc and they have not yet heard about the grant for the respirators and Jim Irish reported that they did get the communications grant which is a multi-town grant. Mr. Irish also reported that the State budget raises the Town's ECS from last year by about \$100,000. We are also expecting to get this year's TAR funding, though it may not be by June 30th.

Jim Irish will incorporate the comments from tonight's meeting and send the draft out to the Board members as well as the Board of Selectmen and Al Rusilowicz.

Adjournment

Dave Lowry made a motion, seconded by Melissa Kowal, to adjourn the meeting. Motion was carried unanimously. The meeting was adjourned at 8:40 pm.

Respectfully submitted,

Debi Waz

Debi Waz
Alwaz First