

MIDDLEFIELD BOARD OF FINANCE
405 Main Street
Middlefield, Connecticut 06455

Minutes of the September 13, 2018 Special Meeting

Jim Irish called the meeting to order at 7:11 pm.

Attendance:

Members

Others

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

A=Absent

X=Present

The Pledge of Allegiance was recited.

Approval of the Agenda

Since Al Rusilowicz was not present at the beginning of the meeting, the agenda was reordered. Dave Lowry made a motion, seconded by Alice Malcolm, to approve the agenda as revised. Motion carried unanimously.

Public Comment

None.

New Business

A. Preliminary Calendar: FY-19 Budget Process

Jim Irish spoke with Ed Bailey and Al Rusilowicz and Mr. Bailey will present his budget to the Board of Finance on March 7, 2019. Mr. Irish would like to aim for April 18th for the Board of Finance public hearing.

Al Rusilowicz joined the meeting at this point.

Mr. Irish went on to explain that the school district will hold their referendum on May 7, 2019, so the town meeting and budget referendum will be on May 13, 2019. That gives the Board six weeks to get through the budget workshops and finalize the discussions.

B. Comment: Yankee Institute Municipal Fiscal Analysis - Middlefield 72

Ed Bailey had sent information about this on August 18, 2018 and explained that the Yankee Institute gave Middlefield a rating of 72. The information had stated that if a town is under 60, they are in trouble and if they are over 80, they are in good shape. Seventy-five towns were rated lower than Middlefield. Jim Irish explained the five criteria that were used for the rating. Middlefield received a 10/10 rating on pension and unemployment and an 8.8/10 on home value. The town received a 30/30 rating on long-term obligations and revenue. However, the town did get a lower rating on the "general fund vs. total expenses" criteria. Jim Irish pointed out that one thing that helps the town with the general fund is knowing exactly what will be spent on education each year. The analysis used a ratio of 11.52% from several years ago. Al Rusilowicz provided a new General Fund Balance Analysis that shows our current ratio at year-end FY-18 is 16.2% (unaudited). This would give Middlefield a strong, Yankee Institute total score above 80.

Expanding on the reasons for the higher fund balance, Al Rusilowicz explained that tax collections were \$250,000 over, but there had been a lot of foreclosure sale activity. The sale of the fire truck also increased the revenue by \$70,000. And total expenses were ~\$287,000 under budget.

C. Other

Jim Irish reported that he went to the Board of Education meeting last night and the District had a surplus of \$980,000 from expenses that were primarily salaries, benefits, tuition and transportation and \$117,000 of surplus revenue, totaling \$1.1 million. He felt that the surplus was about a half million in previous years, but he did not check that. Mr. Irish also reported that Bob Moore had attended the Durham town meeting and they are hoping to have a referendum for Korn School in December (close to \$7 million). They will also have a referendum in November for culverts and another in January for the public safety complex. The total of the three referendums is approximately \$16 million, with the effect on the individual taxpayer being \$178 per \$100,000 of assessed value. Dr. Taylor suggested that the Board of Education create a contingency plan in case the Korn School referendum does not pass. Dr. Veronesi has decided to put off any bonding that comes from the utilization studies until May or June. Jim Irish does believe that the Utilization Committee is still hoping to make a recommendation to the Board in the November time frame and a Board of Education decision on the schools in the December meeting.

Mr. Irish also reported that the Board of Education will hold a retreat on October 9th to talk about priorities and other issues, with the next Board of Education meeting to be held on October 10th. He also reported that the Board of Education passed the policy that allows the Chair to appoint members of the community to committees, but they will be non-voting members. He also encouraged Board members to think about people from the community who might be interested in serving on these committees.

Jim Irish also stated that they have gotten an extra five years out of the buses, but have had two breakdowns already. Kim Neubig felt that the Board of Education may need to look at the fleet of buses in the next budget year,

Old Business

A. Update: New Accounting System update

Al Rusilowicz reported that there have been a few hiccups and it is a slow process, but the town will stop processing on the old system as of September 30, 2018. They hope to begin processing checks on the new system next week. Bills are actually scanned into the new system. They are hoping to have Blum Shapiro come in some time in October to show any interested Board of Finance members how to access the system. The only limitation is that there can only be two people on the system at one time.

B. Update: Public Works Contract negotiations - general comments

Al Rusilowicz stated that the contract was ratified by the Public Works union today and will hopefully be approved at the next Board of Selectmen meeting.

C. Update: Cell Tower/Fire Department Equipment

Jim Irish spoke to Ed Bailey and was told that a dialog was underway with SBA. Written paperwork is being prepared and should be ready soon. There are two issues, Valley Shore and Middlefield Fire Department, but Mr. Irish wasn't sure whether they were being handled as two issues. Ed Bailey had stated that there was nothing in the contract that gives the town any rights to put anything on the cell tower and one option would be for SBA to charge rent for the space. Mr. Irish also explained that the building at the bottom of the tower also belongs to SBA.

Review of 2018 Fiscal Year Spending - Al Rusilowicz

A. FY18 year-end transfers: Account to account, capital to expense, TAR to expense

Al Rusilowicz reviewed the sheet that included the original budget, the revised budget and the expenses before any internal transfers, total expenses, over/under budget and then the final transfers for the Board of Finance to approve. He did not feel that there was anything significant in the final transfers, with nothing over \$20,000. He had tried to zero out the overs and unders within each category. If they could not do that, the balance came out of the contingency.

Mr. Rusilowicz also mentioned that State Trooper salaries were over budget for overtime, but salaries in general were under budget. He did state that Police Services was over budget on the revenue side as well. Al Rusilowicz also stated that the two troopers that the town has now are at the low end of the pay scale. He also pointed out that \$5,000 went from the Park & Rec budget to the capital budget for the pavilion roof.

Al Rusilowicz explained that he had reviewed the expense accounts and capital accounts for both the Town Hall and the Community Center and had moved some expenses to the expense side from the capital side. He did this in an effort to preserve the capital funds. Jim Irish summarized that approximately \$15,000 got moved into the expense side of the budget. Mr. Rusilowicz also noted that \$16,400 was taken from TAR and moved into road maintenance.

Dave Lowry suggested that they plan for tree removal in the next budget season. Al Rusilowicz stated that Bruce Villwock had come in with a list identifying about 20 trees that should be removed. He noted that there was \$30,000 in the capital budget for tree removal, but a big chunk of that has been used. CIRMA has strongly suggested that any tree removal company that is hired is fully insured. Mr. Rusilowicz felt that the town will probably go out to bid on tree removal. They will also ask John Wyskiel to have Eversource trim anything that can be remotely tied to them.

Jim Irish reviewed that there were only two circumstances where an account was overspent by more than 10 percent: summer camp payroll and public works equipment maintenance.

Al Rusilowicz also mentioned that Old Home Days had spent about \$18,000 and will reimburse the town about \$16,000 of that total, with a net cost to the town of \$2,556 for the event. He reiterated that property taxes were over-collected by \$254,000 and \$20,000 from the State of Connecticut was over-collected (which will go down by about \$10,000 due to sharing the senior bus with Durham). Melissa Kowal pointed out that land use fees will go down next year due to joining the Health District. Mr. Rusilowicz also pointed out that the town collected \$7,832 more than budgeted for police services. Interest income was way over budget.

Mr. Rusilowicz also provided information on the capital fund expenditures.

C. Vote to consider proposed transfers

Jim Irish reviewed that the largest transfer being approved in any individual account is less than the \$20,000 limit and is, in fact, \$16,265 for the police payroll transfer.

David Lowry made a motion, seconded by Melissa Kowal, to approve final transfers as proposed on handout prepared by Al Rusilowicz, Finance Director, and reviewed by the Board of Finance. Motion carried unanimously.

Approval of Minutes from 8/2/18

Jim Irish suggested adding the words “for Old Home Days” after the total expenses on page 3 to clarify the \$18,158 expense.

Jim Irish made a motion, seconded by David Lowry, to approve the minutes from the 8/2/18 meeting, as amended. Motion carried unanimously.

Mr. Irish announced that the next Board of Finance meeting will be held on October 11, 2018.

Adjournment

Alice Malcolm made a motion, seconded by Jim Irish, to adjourn the meeting. Motion was carried unanimously. The meeting was adjourned at 8:34 pm.

Respectfully submitted,

Debi Waz

Debi Waz
Alwaz First