

DRAFT

**MONROE BOARD OF FINANCE
Monroe, Connecticut**

**Regular Meeting
February 15, 2012**

Present: Chairman Mark Reed
Vice-Chairman Michael Manjos
Board Member John Ostaszewski
Board Member Scott Ownes
Board Member Ted Quinlan

Also present: First Selectman Steve Vavrek
Finance Director Carl Tomchik
Tax Collector Manny Cambra
Treasurer Ron Bunovsky, Jr.
Heidi Meade

Absent: Board Member Chris Baudouin

CALL TO ORDER-*Chairman Reed* called the meeting to order at 7:30 p.m.

Motion to Accept the Amended Voting Record and Minutes

Motion: (J. Ostaszewski)

To accept the Amended Meeting Minutes and Voting Record of January 18, 2012

Second: (T. Quinlan)

Discussion: Board Member Ostaszewski said that he had asked a question regarding EMS rather than Board Member Baudouin. Mr. Tomchik noted that AMR is the current provider not EMR.

Motion passed 5-0

EXECUTIVE SESSION-There was none at tonight's meeting.

FIRST SELECTMAN'S COMMUNICATIONS- *First Selectman Vavrek* stated that the budget is very aggressive this year and that the biggest driver of it is Chalk Hill. He asked the board to consider giving him a 3 year term to turn Chalk Hill around. *First Selectman Vavrek* continued that there is a new Parks and Recreation Director coming in with experience in turning buildings around and that he has already been contacted by several people, including the daycare director, who are interested in a long term lease. *First Selectman Vavrek* continued that he will guarantee that within 3 years, Chalk Hill will generate revenue and provide possibilities for the community that don't presently exist. He added that he is also asking for \$369,000 to fund EMS which is housed at Chalk Hill. *Board Member Quinlan* asked if that was in the budget; *First Selectman Vavrek* said

that it wasn't *First Selectman Vavrek* stated that EMS needs the space that Chalk Hill provides for continued training and growth; EMS is beginning to break even and he felt that they would lose some of their volunteers if organization takes a step back. He added that even though it seems like a lot on the town side, the funds are needed to address EMS and Chalk Hill. *First Selectman Vavrek* said that he has spoken with *Jim Agostine*, the new superintendent, about Chalk Hill and he said that keeping it open would allow for the possibility of moving the IT Department back there which would provide more room and training opportunities the staff. He noted "there is a partnership that is forming that will only strengthen us at Chalk Hill." *First Selectman Vavrek* reiterated that he is confident there is money to be made at Chalk Hill. The cost of keeping the building open is approximately \$420,000 a year though *Chairman Reed* noted there was no projected revenue. *First Selectman Vavrek* responded that even though programs aren't there now it does not mean there won't be. He mentioned the possibility of EMS offering training classes and like the YMCA, the town could offer youth and family activities to generate revenue. There will be further discussion on projected revenue at the budget workshop on March 7th. *Board Member Quinlan* said that he needs to see a detailed plan that includes realistic revenue projections and how they will be supported. *Board Member Ownes* added that the plan should include options such as what the costs are for Chalk Hill to remain open and the cost to "mothball" it. *First Selectman Vavrek* said that he will provide the board with greater detail but asked them not to "shut down an opportunity" and to have a vision of what the needs of the town actually are and trust that those services are needed. *Board Member Quinlan* said that it is a great concept but he needs to see plans. *First Selectman Vavrek* added that if Chalk Hill were closed, there would be a loss of revenue from existing activities such as the Parks and Recreation programs. There was a brief discussion on the CIFAP priority items such as the Town Hall renovations and repairs to Stepney Elementary; their projected cost is approximately \$4.1 million and *First Selectman Vavrek* noted that the town needs to address them as it was not fiscally responsible to continue to wait to do repairs until there was an emergency. *Board Member Quinlan* asked why sewers were not on the list; *First Selectman Vavrek* said there is a sewer study and having sewers required Bridgeport and Trumbull's participation. *Board Member Quinlan* continued that putting in sewers at a later date would involve ripping up roads that the town has spent millions of dollars on, *First Selectman Vavrek* said that the repairs have been on the town roads and the roads where sewers would be most assessable, Routes 25 and 111, are state roads. *Board Member Quinlan* added that he felt that there should be at least an estimate of the potential costs for sewers.

PUBLIC PARTICIPATION- *Chairman Reed* said that several emails were received. *Ernest LaFollette* had emailed the board members regarding the Board of Education's Enterprise funds; he felt that the funds from that account should be returned to the town. *Debbie Dutches* had sent an email regarding whether the expenditures exceeding appropriations in certain departments required transfers. *Mr. Tomchik* responded the audit "was closed out on the perspective that we did not have enough actually in appropriations to cover excess appropriations in other departments, we had excess revenue and the excess revenue over expenditures for the fiscal year were \$3000. There is no requirement to close out or do transfers at that particular level and the auditors were aware and had no problem." *Ms. Dutches* stated that did not have an indication of what accounts were over budget and she wanted to see where monies were moved. *Mr. Tomchik* responded, "it

provides an actual, true expense for every line item, you can look at the budget and the actual expenditures and the shortages are documented.” *Chairman Reed* added that it was totally transparent and it is what the board had been requesting for the past few years. *Chairman Reed* also noted that *Ernie Stone* had sent an email regarding the Capital Expense budget; he confirmed with *First Selectman Vavrek* that it will be in the budget when it goes to Town Council. it will be in the budget when it goes to town council. *Mark Antinozzi* asked about the interest on the bonding; *Chairman Reed* responded on how it would impact the budget. *Debbie Dutches* asked if she understood it correctly that if the Board of Education has a certain amount to spend and \$100,000 is returned to the town, all the town needs to see is the return. *Vice-Chairman Manjos* said that they wanted to see the accounts were over or under budget and *Mr. Tomchik* noted that the Board of Education has chosen to show the transfers and that they have to work within their appropriated budget. *Vice-Chairman Manjos* said that the Board of Finance does not have a problem with the Board of Education showing negative accounts but they were told that the Board of Education’s accounting system could not show negative accounts. *Board Member Quinlan* said that because they don’t have line by line approval of the Board of Education’s budget, too much time is devoted to discussing transfers. *Ms. Dutches* said that they have looked at deficit fund balances that appear in the audit year after year and she noted that they have received all the money they are going to for the Masuk renovations. She asked if they could roll the deficit balance from the Masuk renovations into bonding; *Mr. Tomchik* replied they could not.

NEW BUSINESS

Year end transfers-There was no further discussion at tonight’s meeting.

Town Reserve Funds-There was no further discussion at tonight’s meeting.

Unanticipated Education Funds Account-*Chairman Reed* said that *Ms. DiBlasi* has sent him a copy of the state statute regarding the procedure for unexpended funds.

Resolution for bonding for roads-There was a vote anticipated on the resolution at tonight’s meeting. *Vice-Chairman Manjos* asked how they arrived at the \$600,000; *Mr. Tomchik* replied they got \$400,000 got back from a grant and there was \$500,000 in the budget for a total of \$1.5 million. *Board Member Quinlan* said that he needs to see a written plan and that he does not have the information he needs before agreeing to spend \$600,000. *Vice-Chairman Manjos* agreed. *Chairman Reed* said that the board wants to see a spreadsheet with projected expenditures per year, how much we have bonded for and how much is in the operating budget. *Board Member Quinlan* also requested measurements on the work to be done including how many miles of roads are projected, status updates throughout the project as well as the life expectancy of the repairs. *Chairman Reed* said there was a detailed study done prior to bonding and he asked if they could go back to that study for the metrics on the project and see what has been done. *Chairman Reed* reiterated that they have not seen a plan; *First Selectman Vavrek* stated that *Doug Arndt*, Public Works Director, would be able to provide all the board members with information on the project. *Ms. Meade* added that *Mr. Arndt* has a computer program that incorporated the TCI index study that was done and that he has expertise with the information. It was asked if *Mr. Arndt* would be able to give a presentation of the program to the board members.

BOARD OF EDUCATION CORRESPONDENCE

Insurance Fund-*Chairman Reed* noted that claims for January had significantly increased; Board of Education member *Kelly Plunkett* said that it was a timing issue due to holiday processing.

Expense Reports-*Chairman Reed* noted that expenditures for supplies were down with only a quarter of the budgeted amount expended.

REVIEW OF FINANCIAL REPORTS

Expense & Revenue Summaries- *Mr. Tomchik* said there is \$150,000 in legal expenses due to several cases from Planning and Zoning that are still active. *Chairman Reed* noted that we are halfway through the snow budget and asked if it was due to the October storm; *Mr. Tomchik* said it was partially due to that.

Departments-It was noted that the Town Clerk would probably run short at the end of the year but it is dependent on the real estate market.

Tax Collector-*Mr. Cambra* reminded the board members that his reports are “a moving target.” He said he is currently at 98.24% and the best he can do between now and the end of the fiscal year is 2%. He said that he will not exceed that amount because for the first time in a long time, the town is foreclosing on residential and commercial properties. He said that he has been very aggressive in collection efforts. He continued that he will request that the board allow him to suspend the 2006-008 Grand Lists. *Mr. Bunovsky* noted that Union Savings raised their interest rate on the money market slightly and Newtown Savings has remained the same. *Mr. Tomchik* said that the premiums are too high on the bonds currently available.

COMMITTEE REPORTS

There were no reports at tonight’s meeting.

OLD BUSINESS

There was no further discussion on the following at tonight’s meeting:

Revised & Acceptance 2010-2011 Audit (vote anticipated

Communications regarding Medical Insurance Fund

Tax Collector Correspondence Regarding Old Credit Balances

Report on FY 2011 year close-out

Communication regarding Board of Education funds returned to the general fund

Discussion regarding Town Reserve funds

Discussion regarding proposed town budget

Discussion regarding change in systems for financials-ADS/MUNIS

EMS staffing contract with ERM draft

Pension Committee-It was noted that the pension committee still needed to be formed.

Subcommitte report on debt service-*Vice-Chairman Manjos* and *Board Member Ownes* presented their report on debt service.

Vice-Chairman Manjos said that the purpose is to standardize and rationalize the issue of debt management for the town. He said that that policy is the biggest piece of it and what the limits set out. They set out limits on the debt service, limits on debt to the total budget, debt to ENGL and the pay-out rate. All this will limit the amount of total debt and set a limit on what can be spent in a particular year. He said that they spoke with Moodys regarding their study and Moodys said that the numbers are very conservative. *Vice-Chairman Manjos* said they are in a good position with the level of debt the town

has now. He said that though there are a lot of things that need to get done, this will require the town to schedule projects out. *Board Member Ownes* said that the debt service is 6.2, the debt to ENGL is 1.35% and the pay-out is 74.2%. *Vice-Chairman Manjos* said that Pay As You Go can be done as a dollar amount or a percentage amount; he said that it will limit what the town can do and force us to pay today for things we are doing. He said that it is not realistic to go to 20% tomorrow and they discussed starting at a 10% level. *Vice-Chairman Manjos* said that the number is an average of other towns and “it’s basically a down payment theory.”

ADJOURNMENT

Motion: (J. Ostaszewski)

Motion to adjourn the meeting at 9:25 p.m.

Second: (M. Manjos)

Discussion: None

Motion passed 5-0

Respectfully submitted,

Diane Behringer
Board of Finance Clerk