

Beacon Falls Board of Finance

10 Maple Ave.

Beacon Falls, CT 06403



**BEACON FALLS BOARD OF FINANCE
Regular Monthly Meeting
June 12, 2012
MINUTES
(Draft Copy-Subject to Revision)**

1. Call to Order/Pledge of Allegiance

Chairman Marc Bronn called the meeting to order at 7:34

Members present: Joe Dowdell, Jack Levine, Brian Ploss, Robert Doiron

Members absent: James Huk

Others present: First Selectman G. Smith, Selectman C. Bielik, Treasurer, M. Krenesky, Beacon Falls Financial Manager M. Gomes, Gary Komarowsky

2. Approval of Minutes – May 2012

Motion to accept the May 15, 2012 Special Regular Monthly meeting minutes: Doiron/Dowdell; all approved. M. Bronn abstained as he was not at the May 15 meeting.

Motion to accept the May 30, 2012 Special meeting minutes: Ploss/Doiron; all approved. J. Levine abstained as he was not at the May 30 meeting.

3. Comments from the Public - none

4. Treasurer's Report – M. Krenesky

Reports were distributed to members.

Comments:

J. Dowdell questioned the amount of \$50.92 in a police that account doesn't change. M. Gomes stated this is not under his control. M. Krenesky will find out the source of this money.

M. Bronn asked how much grant money is owed to the town. M. Gomes explained that \$400,000 from a DEEP grant was requested 6 weeks ago, \$150,000 is due from the state of CT for bridge work and another \$150,000 state reimbursement is due for the Streetscape. \$300,000 from capital projects was transferred to bridge projects.

J. Levine questioned where the authority process of transferring funds between accounts comes from, especially when making transfers from the general fund.

C. Bielik stated that it seems like the town is always chasing money for reimbursements and that the town treasurer has authority to transfer funds.

J. Levine respectively requested that the legality of approval to transfer these funds be clarified and that the Board of Finance should have a say in these transfers. ***He requested that this topic be put on agenda under Old Business for next month for further discussion.***

J. Dowdell questioned the dog fund line item. M. Gomes explained that it is for dog license fees; approximately \$2,500-3,000 goes to the state of CT for their portion. Currently there is over \$8,100 in that account and he will check to see how to move that balance, after payment to the state, to the general fund.

Motion made to accept the Treasurer's Report: Dowdell/Levine; all approved except B. Ploss who departed at 8:46 before motion was made.

M. Krenesky proposed moving funds in the Melbourne Trust to a higher interest earning account to try to make the fund last longer. Two annual \$1,000 scholarships for WRHS graduating seniors are paid from this account.

5. **Tax Collector's Report** – no report

6. **Town Clerk's Report** – Len Greene, Sr. – April & May reports

Motion made to accept the April and May 2012 Town Clerk's Reports: Doiron/Dowdell; all approved.

7. **Finance Manager's Report – M. Gomes**

J. Levine asked what the fund balance will be and the difference from 4.3% fund balance; First Selectman G. Smith commented that it would depend on how town vote goes.

Motion made to accept the Finance Manager's Report: Dowdell/Doiron; discussion: none; all approved.

- a. Board Clerk's Invoice: Motion to accept clerk's invoice requesting payment for the May 15 & 30 meetings and pay the bills as submitted: Bronn/Doiron; all approved.

8. **Board of Selectmen**

First Selectman G. Smith state that the loan vote was moved to referendum rather than at the June 14 town meeting. A petition will send it to referendum on June 21. He explained that there are many steps to follow per state statues, in this loan package there are two outstanding bond issues for waste water treatment phosphorous & sewage, which has a deadline of July 14 cannot be rolled over anymore. This loan package all bundled together would save more money. There are two outstanding USDA loans (older notes for Rimmon

Hill) of \$6 million at 4.65% interest. Refinancing these loans would bring the interest rate down to 2.2% and would save the town about \$500,000 in interest.

At their special meeting on June 8, the Board of Selectmen approved a referendum vote for these resolutions, June 21 is the soonest it can be done.

G. Smith gave a breakdown of the overages in the town budget:

Blackberry Hill project, completed in November 2011, had an original estimate of \$524,351 but with \$56,498.06 engineering costs, and for police coverage at \$17,365.00, it brought the total project up to \$598,115.57. Two grants of \$200,000 each were used to finance this project which has an outstanding balance of \$198,115.55.

\$40,000 from the Oak Drive project can be used towards this deficit. Payment for the guard rails will come from the line item for guardrails in the highway maintenance budget. It will cost \$12,000 to replace the guard wires.

Comments:

J. Levine suggested transferring the money from the contingency fund for the guardrails.

M. Gomes: bonds may be sold for up to a 9-month period in July, but timeframe is too short to refinance if the referendum does not pass on June 21.

J. Levine noted that if the resolutions do not get approved on June 21 and the town needs to use monies from the fund balance, the town bond rating could potentially go down, resulting in higher future interest rates. Contracts are in place and money has been obligated, and must be paid from somewhere. The current fund balance is \$882,000.

C. Bielik commented that this year, the Boards of Finance and Selectmen took a risky, aggressive approach to the town budget, not anticipating a contingency, but the town budget needed to pass before a bond issue could be formulated.

R. Doiron speculated that if a safer approach to the town budget was taken, the budget probably would have been defeated.

M. Bronn summarized that two projects were started and not fully funded; the town has an aging ambulance needing replacement which continued to be put off; old equipment continued to need repairs, and the sewer treatment plant has been neglected.

J. Levine encouraged everyone on BOF and BOS to tell voters publically that this is a resolution vote is important and show a united front in supporting its passing. In the end, it will cost the town more if this resolution is voted down.

G. Smith reiterated that the BOF and BOS agreed to these resolutions and stick by their decision. At the town meeting on Thursday June 14, there will be handouts explaining the resolutions along with a list of all 9 BOS & BOF members with their phone numbers to encourage the voters to call any of the members if they have questions.

M. Gomes noted that there was no money to loan these projects anymore; cash flow is a serious problem. M. Gomes informed the Board that based on all the previous items discussed, there is a shortfall of \$500,000 on the payment due to Region 16.

M. Bronn stated that if the referendum fails, it can be put out for another vote 2 weeks later.

There are 5 separate questions for the resolutions to vote yes or no.

B. Ploss asked if the questions are in a set order or if they can be changed, answer: no

M. Bronn said the perception on the street is that grants may be out there. M. Gomes clarified that the money has to be paid out first, then it's reimbursed.

a. Transfers

M. Gomes noted that town employees would get paid for any accrued time on the books on June 30, at the end of fiscal year.

M. Gomes noted an additional transfer of \$600.00 from the Fire Marshal to the Police Department for computers.

Motion made to accept all budget transfers as presented by the Board of Selectmen: Levine/Doiron; all approved.

9. New Business - none

10. Old Business

The Beacon Falls mill rate for 2012-2013 was set at 31.10 during a Special Board of Finance Meeting on May 30.

Account management procedures continue to be documented by an assistant hired to go department by department which addresses a previous audit issue.

11. Correspondence

Received a request from J. Huk for a No Conflicts letter from the Board of Finance.

12. Adjournment

The next regular meeting will be Tuesday July 10, 2012 at 7:30 PM

Motion to adjourn the meeting at 8:54 PM: Doiron/Dowdell; all approved.

Respectfully submitted,

Martha Melville
Clerk