

**Beacon Falls Board of Finance  
10 Maple Ave.  
Beacon Falls, CT 06403**



**BEACON FALLS BOARD OF FINANCE  
Regular Monthly Meeting  
September 10, 2013  
MINUTES  
(Draft Copy-Subject to Revision)**

**1. Call to Order/Pledge of Allegiance**

Chairman Jim Huk called the meeting to order at 7:34

Members present: Joe Dowdell, Brian Ploss, Marc Bronn, Jack Levine

Member absent: Robert Doiron

Others present: First Selectman Gerard Smith (departed 7:50), Selectman Chris Bielik, Selectman Dave D'Amico, Town Treasurer Mike Krenesky, Town Finance Manager Manny Gomes and about 6 members of the public

Chairman J. Huk reminded the Board that the discussions during reports are permitted but to limit the discussions during motions per parliamentary procedure.

First Selectman Gerard Smith requested that his report be moved ahead in the agenda. J. Huk complied by moving the First Selectmen's Report to #4 after Public Comment.

**2. Approval of Minutes – August 13 & 20, 2013**

Motion to accept the August 13 and 20 2013 regular monthly meeting minutes: Levine/Dowdell; no discussion; all aye.

**3. Comments from the Public**

Mike Krenesky, 22 Maple Ave: commented that in light of the house fire at 144 Blackberry Hill Road on Sunday, September 8, he hoped that the Board of Finance recognized the need for the immediate purchase of a ladder fire truck and asked for endorsement from the Board of Finance. J. Huk indicated that the Board of Finance no longer has any say on the subject of the fire truck.

**4. First Selectman's Report**

First Selectman Gerard Smith shared information he just received after discussions with the bond council and the banker regarding the bonds to be financed. The town approved bonding the \$420,000 for the Depot Street Bridge overruns and he suggested not bonding this as part of the package, but to take the \$230,000 balance due from the general fund. \$145,000 and \$45,000 refunds will offset the rest of the cost. He noted that interest rates

are starting to rise and the bonds need to be refinanced sooner rather than later. The Board of Selectmen will hold a special meeting on Thursday September 12, 2013 to approve.

The \$700,000 for the waste water treatment project and 2 RDA loans will be in the bond package.

J. Huk asked what the current general fund balance percentage was.  
M. Gomes did not have an accurate figure.

J. Levine asked what the net balance of revenues less expenditures was for this fiscal year.  
M. Gomes commented that it hadn't been calculated yet.  
It was noted that last year the general fund was at 4.5% which was considered very low.

J. Levine commented that he understood the grave concern about the need for a new fire truck but the Board of Finance had no more authority over its acquisition.

G. Smith noted that a vote taken at the September 9, 2013 special Board of Selectmen meeting about changing the wording of the bonding of a new fire truck was inappropriate because it was added to the agenda of a special meeting and shouldn't have been. This will be voted on again at another special Board of Selectmen meeting on Thursday, September 12, 2013. The recommendation will be to reword the bonding language and go back to a public meeting about the purchase of a fire truck. This purchase has already been authorized by the town, but he doesn't want to wait until July 2014 as per the previously approved bond wording. G. Smith commented that the soonest the town could get a new ladder truck would be in the spring of 2014.

G. Smith commented that he was at the house fire on Sunday, September 8 and saw the need for this equipment so the fire department can operate safely and effectively.

J. Huk commented that in all the public hearings and comments, safety was never raised as an issue to justify the cost of purchasing a new fire truck. He noted that this purchase was out of the Board of Finance's control.

J. Levine requested the status of the general fund before the Board of Finance was asked to vote on using the \$230,000 from the general fund for the Depot Street Bridge overruns.  
M. Gomes promised an estimate of the general fund which would be accurate within 60 days of revenue/expenditures before a vote is called for.

a. Transfers: none

**5. Treasurer's Report - from Mike Krenesky (in graph form?)**  
Reports were distributed to members for review.

J. Huk requested the Town Treasurer provide a report of the same data in a graph format showing the course of a year, in addition to the current report submitted.

M. Krenesky noted that he had received a letter about the IRS fines and forwarded it to First Selectman Smith. In the letter, the IRS explained the fines levied on the Town of Beacon Falls. From the original \$1,200 in fines, all but \$359 was rebated by the IRS, and that was kept due to having bad records over the last 10 years.

**ACTION:** J. Huk will request a copy of the IRS letter from G. Smith and forward to the Board of Finance.

**6. Tax Collector's Report -** from Ursula Henry  
No report

Motion to request the Tax Collector's August 2013 report be emailed to the Board of Finance by 9/15/13: Huk/Dowdell; all aye.

**7. Town Clerk's Report** – from Len Greene, Sr.  
Reports were distributed to members for review.

J. Huk noted the Board of Finance received a Town Clerk memo dated 9/4/13 reminding about the FOI laws and timely postings of minutes and agendas.

**8. Finance Manager's Report** – from Manny Gomes

J. Huk requested that M. Gomes email the reports to the Board of Finance the Friday before their meeting.

a. Budget projections/forecasting

J. Levine will forward a sample report to use as an example to M. Gomes which he already forwarded to G. Smith.

J. Levine explained that this report was not to be too detailed but a general forecast of big ticket items, if there are any issues on benefits, snow removal or anything significant regarding budget line items in danger of a deficit.

M. Gomes agreed to review the sample report.

J. Levin reiterated that the Board of Finance had no real indication of problems until after the fact, as has happened in the past and stressed the need to be in the loop.

J. Levine asked if the books for 2012-2013 were closed yet. M. Gomes responded no.

J. Levine commented about the formulas in the Finance Manager's reports if the YTD net + YTD expended + YTD encumbered + YTD unexpended were supposed add up because they didn't. M. Gomes concurred that the reports are

not always accurate and that has been a key problem with the accounting system, which is now being replaced.

As an example, J. Levine asked why the Regional Council of Gov'ts bill was paid when it caused a deficit in that line item. He wanted to know who approved the bill as it went over budget.

Motion to get an explanation of line 10-39-1415 of Regional Council of Gov'ts bill for \$3443.00 which exceeded its budget of \$2583.00 when there was no Board of Finance approval for a transfer: Levine/Dowdell; all aye.

b. Update on finance software

M. Bronn asked about new finance software and if an amount could be entered if it went over the budgeted amount making that line item a deficit.

M. Gomes reported that the new finance software was installed at the end of July and was running on same computer system. The account structure needed to be fixed because the old software had more digits in the balance sheet. The fields need to be the same size. All the old fields were modified for the new software which was covered as part of the installation. There were some mistakes in the old software as assets and liabilities were mislabeled; conversion should be completed this fall.

J. Levine noted he would back off on his request for a budget forecast report as the Finance Manger has his hands full this fall with closing out the FY 2012-13 books, installing new software and going through an audit.

c. Update on audit

M. Gomes reported the auditor did preliminary work. The audit is due to begin on November 18, 2013.

d. Board Clerk's Invoice: Motion to accept clerk's invoice requesting payment for the August 13 & 20 meetings and associated administrative work and pay the bill as submitted: Levine/Dowdell; all aye.

**9. Unfinished Business**

J. Huk requested the status of Town Clerk compensation be added to the October meeting agenda under Unfinished Business.

**10. New Business – none**

## **11. Correspondence**

J. Huk noted the Board of Finance received a Town Clerk memo dated 9/4/13 reminding about the FOI laws and timely postings of minutes and agendas.

## **12. Comments from the Public**

Lauren Classey, 79 Munson Rd: commented that she attended the public hearing at the fire house on September 3, 2013 and was confused about having a public hearing to approve funding to pay for the Depot Street Bridge overruns when the funds were already approved and Nafis & Young were paid out of the general fund. She noted that any payments or transfers over \$20,000 require a town vote for approval.

J. Huk commented that not all money received from the bonds and grants would go back to general fund. The Board of Finance at some point needs to approve the funding, but it was not done earlier so had to be done last month.

J. Levine commented that the Depot Street Bridge engineering representative attended a Board of Finance meeting to explain the overruns which included change orders approved by the prior administration and that commitments were made to pay the money; transfers were not requested and the Board of Finance was not kept informed. This current Board of Finance had requested the background information from Nafis & Young.

L. Classey commented that a commitment to pay was not an approval to pay, which required a town vote.

J. Huk explained that he couldn't comment on what had happened in the past as it was a different Board of Finance involved when all this occurred.

L. Classey asked if it was usual to have to request a report from the tax collector.

J. Huk said a tax collector's report was received for the August meeting.

L. Classey asked why the Board of Finance meetings aren't recorded as was her practice when she clerked for the Board of Finance for 6 years.

J. Huk said recording meetings was not to be done without the Board's approval and any recordings of meetings must be archived with the Town Clerk.

L. Classey noted that she was required to record the Board of Finance meetings and archive these recordings.

J. Huk indicated that the practice was not continued with the current board.

M. Krenesky commented about the previous Board of Finance concerns of the town hall telephone account; he researched the account and provided information to J. Huk and G. Smith

including the bills for last year. J. Huk suggested adding this item to the October Board of Finance meeting agenda.

J. Huk asked if there would be any value added to the meeting to have a report of any payments made the previous month over a certain amount.

J. Levine commented that he wouldn't want to impede the finance manager from doing the bond issue, audit, and closing books with a request for an additional report.

M. Gomes commented that a payment report is a canned report and should be easy to create but it may not have the details J. Huk was looking for.

### **13. Adjournment**

The next regular monthly meeting will be Tuesday, October 8, 2013 at 7:30 PM.

Motion to adjourn the meeting at 8:40 PM: Levine/Bronn; all aye.

Respectfully submitted,  
Martha Melville  
Clerk for the Board of Finance