

**Beacon Falls Board of Finance  
10 Maple Avenue  
Beacon Falls, CT 06403**



**BEACON FALLS BOARD OF FINANCE  
Regular Meeting  
February 9, 2016**

**REVISED MINUTES**

**(Subject to Revision)**

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

Board Members Present: Joe Rodorigo, Joe Dowdell, Brian Ploss, Tom Pratt, Marc Bronn, and Jim Huk

Others Present: First Selectman C. Bielik; Town Treasurer Wendy Rodorigo; Region 16 Superintendent Michael Yamin; and Region 16 Board of Education members Sheryl Feducia, Christine Arnold, Priscilla Cretella, and Robert Hiscox

Chairman J. Rodorigo called the meeting to order at 7:00 PM.

**2. Region 16 Superintendent Michael Yamin & Board of Education Members - Discussion**

J. Rodorigo had the members of the Board of Finance and the members of the Board of Education introduce themselves. There were three topics for tonight's meeting that were sent to Superintendent Yamin: 1. Discussion and update on the current budget and surplus; 2. Discussion and update on the 2016/2017 budget; and 3. Update on the sale of Community School. M. Yamin indicated that the sale of Community School was in litigation and will not be a topic of discussion. M. Yamin indicated that they were at the FOI Commission last week and until a ruling is made, this is something that he cannot talk about. The Town of Prospect has scheduled a town meeting for February 29, 2016 to vote on whether to purchase Community School.

M. Bronn asked how the sale price was derived. M. Yamin indicated that everyone knows that estimates were received. On October 14, 2015, the Board of Ed did not accept the offer but did accept an offer on October 28, 2015. C. Bielik indicated that the Board of Finance does not all the information on how the offer price was accepted.

C. Bielik noted that we know that three appraisals that were given, that the Board of Ed went into Executive Session, and that the Board of Ed came out of Executive Session rejecting the offer by the Town of Prospect. Then, the Board of Ed voted for a number of \$873,000. C. Bielik indicated that no one outside of the Board of Ed and the people in the Executive Session know how that number was derived. There are vague explanations on how the appraisals were considered, the material condition inspection was considered, and the number was arrived at \$873,000.

M. Yamin addressed this by saying what was said during Executive Session is not going to be discussed but when they came out of Executive Sessions, a thorough explanation was given. They talked about the three appraisals that were received, the conditions of the property, not wanting to hold onto the property and the costs that would be incurred, and looked at comparisons and comps to the building that the Board of Ed was selling. The Board of Ed rejected the first offer and then indicated that they would accept an offer at this number and the Town of Prospect offer was accepted.

C. Bielik asked M. Yamin what factors led to the Board of Education's acceptance of the offer of \$873,000. M. Yamin stated that, though he could not discuss the matter in detail due to the discussion having occurred in Executive Session, the factors that went into the decision to accept the offer included the 3 appraisals, the current condition of the property, and the position that they did not want to hold onto the property for an extended period of time. M. Yamin also stated that a factor was an itemized list of repairs that needed to be done in order for it to be useable.

J. Huk asked if M. Yamin could agree that, since the appraisals had been verified to have included the condition of the property, that further reducing the asking price for the property because of a list of repairs constituted an effective "double-discounting" of the property to Prospect, with Beacon Falls effectively paying for those repairs out of its expected proceeds from the sale. No counter explanation of J Huk's statement was offered.

M. Yamin stated that, informed by his prior experience in real estate, he felt that the price of \$873,000 is fair for everyone involved, largely on the grounds that no one could predict what the final market price would turn out to be.

B. Ploss noted that three estimates were received and two of them were substantially higher, but the amount that was accepted was a lot less than the three quotes that were given on the property. M. Yamin mentioned that the Board of Ed's appraisal was \$1.2 million and M. Bronn mentioned that the town of Beacon Falls' appraisal was \$1.4 million and the town of Prospect's appraisal was about \$1.1 million. M. Yamin reiterated that the conditions of the building were discussed and what needed to be done to it. J. Huk noted that the conditions were built into the appraisals. M. Yamin noted that the offer still needs to go to a regional meeting for vote. The property is not sold at this time and needs to be voted on by the taxpayers of Beacon Falls and Prospect. The property does need to be sold before June 30, 2016 based on the contract and there are still two more layers of the process.

J. Dowdell asked how the number of \$873,000 come about. M. Yamin noted that it was determined by an itemized list of repairs that the Board of Ed agreed needed to be done to make the building usable. J. Dowdell noted that they are missing the “itemized list”. B. Ploss mentioned that we should be given a copy of that list. M. Yamin noted that copies of the inspection of the property and the three appraisals were given for review.

J. Huk indicated that all three of the appraisals took into account the repairs needed and now double discounting the cost of repairs. The cost of repairs is already included in the appraisal given at \$1.2 million and is now in there twice. M. Yamin responded that the \$873,000 is a fair for everyone involved, looking at it from a business perspective. J. Huk indicated that three professionals gave the appraisals and there is no answer to the question of double discounting and qualification of making this decision. J. Huk indicated that the Board of Ed is going against three professionals that gave the appraisals in real time. The real estate professionals gave the estimate at \$1.2 million and the non-professionals accepted \$873,000. The best number that makes any sense is the average of the three appraisal, which were significantly higher that what was accepted by the Board of Ed.

Priscilla Cretella noted that they know that the Board of Finance is upset by the Board of Ed’s decision. P. Cretella indicated that she takes offense to the statement that the Board of Ed is double dipping. There were many factors – the roof, leaks, ongoing upkeep – that went into that and is not double dipping. P. Cretella indicated that the Board of Ed is working for both towns. B. Ploss noted that his opinion is that Beacon Falls being given the same level of “help” or consideration that Prospect got on this.

J. Dowdell asked how long the building has been vacant and M. Yamin indicated that it was occupied as of June of 2015. J. Dowdell then asked when and where was it advertised on the market. M. Yamin indicated that it wasn’t since it had to go to the towns first. J. Huk noted that it went from a building where kids were going to school in to a building that was uninhabitable in a few months. M. Yamin noted that they have been patching things since 2012. S. Feducia noted that thousands of dollars for the repairs would have had to be requested from the towns.

J. Rodorigo moved the discussion to the current budget and surplus. J. Rodorigo noted that almost \$600,000 which was not part of the budget, making the surplus almost \$2 million. He also noted that the average percentage increase on the regional board over 6% for four consecutive years. This is taking the baseline, what the actuals were, plus the increases, adding them together making the new bottom, and compounded that four consecutive years. The percentage were 1.3; 1.7; 1.4; and looking at 1.8 now. This accounts for over 4 mils for the surpluses alone. What was spent outside what is budgeted is almost 3 mils. J. Rodorigo asked for an answer as to why the Board of Ed needs almost a \$2 million in surplus for four consecutive years.

M. Yamin indicated that \$660,000 was part of the budget. J. Rodorigo noted that it was not part of the budget because it is not based on the actuals. M. Yamin indicated that \$660,000 was part of the budget, and the revenue was \$340,000. The overcharge that J. Rodorigo

mentioned was \$250,000 for certified salaries; \$276,00 for non-certified; \$450,000 for Medicaid; \$300,000 for Special Ed. This was cut in the upcoming budget by \$200,000.

J Rodorigo indicated that they are over-salaried by almost \$400,000/\$500,000 annually and an adjustment would need to be made at some point. M. Yamin indicated that his first year in, they went to 2% and with this year coming in, the initial proposal is .15%. They are waiting for the GAP insurance and medical insurance. M. Yamin noted that 2 kids were placed in placement where the tuition is \$110,000 and busing is \$40,000. Transportation is going to be reduced after talking to the company. M. Yamin noted that last year, after April, there were 20 plus retirements or resignations. J. Huk asked what the normal is and M. Yamin indicated 4 to 5. P. Cretella noted that in her 31 years, the highest prior to this was 17.

J. Huk noted that the implication is not that anything is being done illegally. The implication is the control of the budget. J Huk mentioned that the town of Beacon Falls does not have the right to purchase anything that is not voted by and approved by the townspeople. J. Huk noted that the public has the right to know what their money is being spent on by the Region.

M. Yamin noted that another districts anticipate a surplus and budget for it. M. Yamin mentioned that when money is moved, it is line-itemed in the Board meeting so everyone can see where it comes from and where it goes. M. Yamin indicated that tomorrow's proposal is for an increase of .15% or \$60,000. It is a placeholder for the GAP and medical insurance. M. Yamin also noted an increase in the teachers' contract which is \$400,000, hiring a talented and gifted teacher, hiring a teacher for the SATs, and medical insurance is 10.5%.

J. Rodorigo indicated that the increase is actually 4% over the actuals. There was a \$1.8 surplus and there are \$38 million in expenditures. There is 5% increase over the actuals so this year, you are coming in flat at \$40 million and have to fill the budget between what the actuals where last year and \$40 million this year. By deducting the carryover of \$500,000, that gets you at \$1.4 million, a 4% increase over last year.

M. Yamin indicated that they don't back up into the number. They add up the teachers, add up all the salaries, add up all the non-certified salaries, look at all the contracts, look at medical insurance and property insurance, and then add up everything and get their number. J. Huk asked if they could receive the information on what is capital requests and their percentage. M. Yamin indicated that they will get all that once the Board of Ed votes in the budget.

J. Rodorigo asked if the sale of Community School goes through and the carryover of \$500,000, should Beacon Falls anticipate \$900,000 back in this year's current budget. M. Yamin indicated that they don't know where they are with this budget right now. With last year's budget, tomorrow night the Board of Ed will be talking about the capital non-recurring. J. Rodorigo noted that there is \$900,000 is open with the carryover of \$500,000. M. Yamin indicated that he cannot answer if the carryover is going back to the town. The Board of Ed will take action on it tomorrow night or will table it. S. Feducia indicated that

they will be discussing everything tomorrow night and the Board is not here tonight to discuss it.

J. Roderigo noted that the newspaper indicated that there was a question on how the Board of Ed was going to handle the money from the sale of Community School. M. Yamin indicated that they need to get legal advice if they are able to cut checks for 40%/60% or if they have to give it back in deductions of payments. They need to verify on how the money gets returned.

J. Roderigo asked if the Board had any comments or concerns. B. Ploss commented that his biggest concern is that no one here is stating that anything was done illegally or against the rule. The simple fact that the surpluses were spent and the information is stated in the meeting is nothing more than CYA. The Board of Finance cannot do that and it is not ethical. B. Ploss suggested that a note is given to every student to bring home to the parents.

J. Roderigo thanked the Board of Ed members and Superintendent Yamin for attending tonight's meeting. He asked if any of the member would like to say anything.

M. Yamin indicated that he welcomes these meetings and is listening to what people are saying. He indicated that the quality of education is improving and we will be getting a return on our investment. S. Feducia noted that nothing is being done illegally or backhanded going on. They are trying to save every penny that could be saved. There are unanticipated expenses that happen. The Board is trying to get all the school to a certain level of functioning. They are trying to do everything that they can. The bathrooms at Laurel Ledge had a cost of approximately \$80,000 and needed to be done. P. Cretella indicated that she has been on the Board of Ed for 31 years and everyone has their opinions. They are trying to do their best fir the kids. B. Hiscox thanked the Board for the opportunity tonight and will try to improve the budgetary process. It has been difficult with the number superintendents and Board members that they have gone through in the past number of years.

### **3. Public Comment**

Stan Osowiecki, 49 Diana Lane, noted that during the last snowstorm, the roads were not plowed. His wife had a doctor's appointment and Cook Lane was a mess, as well as Burton Road. He was informed that there are 4 action people on street duty right now. J. Dowdell corrected the information that there are 6 people active and one person of those 6 out sick. S. Osowiecki wanted to know if there is a vacancy and if so, what is being done to fill that vacancy.

M. Bronn asked how many plows does the town have and C. Bielik indicated that there are 6 plows. J. Roderigo agrees that the town is short-handed and the vacancy will be discussed during the budget process.

J. Rodorigo asked if there were any further comments by the public and there were none at this time.

#### **4. Approval of Minutes**

Motion to approve the minutes from the January 14, 2016 regular meeting and from the January 11 special meeting as submitted for tonight's meeting: Dowdell/Huk;no discussion;allayes.

#### **5. Correspondence**

##### **a. Board of Finance Clerk's Invoice**

Motion to approve and pay the clerk's invoices dated January 11, 2016 in the amount of \$46.25 and dated January 14, 2016 in the amount of \$80.00 as submitted for tonight's meeting: Ploss/Pratt;no discussion; all ayes.

##### **b. Other Correspondence**

J. Rodorigo indicated that the draft audit report was emailed to the Board and distributed hard copies to the Board at tonight's meeting. After a brief discussion, a special meeting will be scheduled for Wednesday, February 17, 2016 at 7:00 PM. The agenda will include the following topics: 1. Presentation of the Town Audit; 2. Executive Session to discuss the town audit (if needed). The Board of Selectmen, the Board of Finance, the Finance Manager, and the Town Treasurer are invited to attend this special meeting.

#### **6. Reports**

##### **a. Ambulance Service Report**

There was no ambulance service report submitted for tonight's meeting.

##### **b. Town Treasurer's Report**

The report was emailed to the Board prior to tonight's meeting. W. Rodorigo indicated that the transition from Naugatuck Valley Savings and Loan to Liberty Bank has gone relatively smoothly. They are looking at having credentials given to Erin Schwartz in order to be a 2<sup>nd</sup> person.

##### **c. Tax Collector's Report**

The report had been emailed to the Board by the tax collector. MaryAnn Holloway was unable to make to tonight's meeting. A disposition list was requested to be provided and this list was not received. J. Rodorigo indicated that he would really like her to attend the next monthly meeting in March.

**d. Town Clerk's Report**

The Board reviewed the report as submitted for tonight's meeting.

**7. Finance Manger's Report**

The Finance Manager's report was distributed to the Board. T. Broesler was not present at tonight's meeting.

Any questions that the Board may have can be added to the agenda for the special meeting being held on February 17, 2016.

**8. First Selectman's Report**

**a. Proposed Budget Transfers**

C. Bielik presented two budget transfers to the Board of Finance. The first was from the Fire Depart for a transfer of \$2,000.00 from Telephone to Physicals/Inoculations. The second was from the Registrars for a transfer of \$600.00 - \$300.00 from Deputy Registrar Wages and \$300.00 from Canvas Expense to Registrations/Conferences.

Motion to transfer \$2,000.00 from Budget Line Item 10.90.44.1030, Telephone, to Budget Line Item 10.90.44.1490, Physicals/Inoculations: **Bronn/Huk**;no discussion; all ayes.

Motion to transfer \$300.00from Budget Line Item 10.90.29.1011, Deputy Registrar Wages, and \$300.00 from Budget Line Item 10.90.29.1360, Canvas Expense, to Budget Line Item 10.90.29.1175, Registrations/Conferences: **Bronn/Huk**;no discussion; all ayes.

**b. Status of Proposed Ordinance on Town Treasurer's Duties (Bank Reconciliations)**

**c. Discussion on Search for New Engineers and Consultants, and on Nafis & Young Billing**

C. Bielik indicated that the only response received was from Milone & MacBroom.

**d. Discussion of the Organization of the Police Department**

C. Bielik and Pete Hess has not been able to meet as of yet. They do have a Council of Government on Friday and hoping to discuss what is needed.

**e. Update on Other Issues**

C. Bielik noted that there was a discussion during Comments from the Public at last night's Board of Selectmen meeting regarding the shortage of bodies in Public Works.

After a brief discussion, the Board of Finance entered into an Executive Session with C. Bielik and M. Krenesky asked to be included.

**9. Executive Session**

Motion to enter into Executive Session with First Selectman C. Bielik and Selectman M Krenesky at 8:26 PM in order to discuss the Public Works personal situation: **Rodorigo/Bronn;no discussion; all ayes.**

The Board of Finance exited Executive Session at 8:55 PM. J. Rodorigo indicated that the Board of Finance will take no action on the First Selectman's request to backfill the 6<sup>th</sup> position in Public Works for the remainder of this fiscal year.

**10. Old Business**

**a. Development of Board of Finance Policies/By-Laws**

J. Huk sent a copy of the By-Laws to the Board for review. The Policies part of this agenda item has already been agreed upon. J. Huk indicated that the original by-laws included on how the Board is selected in lieu of a departure. M. Bronn questioned the number of years for the officers for the term being 2 years. J. Huk indicated yes, it is a 2-year term and the person cannot go for the same position two times in a row, and this will go into effect 2017. M. Bronn questioned the possibility of a tie and who breaks the tie. J. Dowdell suggested that we postpone discussion in order for everyone to read the by-laws and prepare any questions that they may have. J. Rodorigo asked to have this agenda item on the agenda for the special meeting being held on February 17, 2016.



## **b. Development of Capital Plan**

J. Huk indicated that he is waiting to hear from T. Broesler. A list of all the existing assets is needed for T. Broesler to start the process of creating the plan. C. Bielik indicated that the request letter with the Excel spreadsheet attachment was signed out by him today and distributed to all departments.

J. Rodorigo indicated that the third agenda item for the special meeting is going to be the Creation of the Budget Workshops schedule.

## **11. Action Items**

There were no action items discussed at tonight's meeting.

## **12. New Business**

T. Pratt indicated that he wanted to go on record that he is against the state statute overrides the town ordinances. One of his reasons is that there is no checks & balances and feels that there should be balances. J. Huk responded that set-up controls are done when things are in a good state and the Board of Finance is a check on the Board of Selectmen.

## **13. Public Comment**

Sue Dowdell, Library Director, asked the Board to participate in the Friends of the Library's Scrabble Tournament on Thursday, March 31, 2016.

J. Rodorigo asked three times if there was any more public comment and there were no comments at this time.

## **14. Adjournment**

With no further business to discuss, J. Rodorigo asked for a motion to adjourn tonight's meeting.

Motion to adjourn tonight's meeting at 9:11 P.M.: **Pratt/Ploss; no discussion;** all ayes.

Respectfully submitted,

Marla Scirpo  
Clerk, Board of Finance

DRAFT