

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



**BEACON FALLS BOARD OF FINANCE
Monthly Meeting
August 12, 2014
MINUTES
(Subject to Revision)**

1. Call to Order/Pledge of Allegiance

Chairman Joe Dowdell called the meeting to order at 7:30 P.M.

Board Members present: Joe Dowdell, Jack Levine, Joe Rodorigo, Bob Doiron (arrived at 7:36 P.M.), and Brian Ploss

Not present: Marc Bronn

Others present: First Selectman Chris Bielik, Selectman Dom Sorrentino, Selectman Peter Betkoski (arrived at 8:39 P.M.), Fire Chief Jim Trzaski, Finance Manager Tom Broesler, Town Treasurer Mike Krenesky, and 3 members of the public.

2. Approval of Minutes

Motion to accept the July 15, 2014 meeting minutes: Levine/Rodorigo; no discussion; 3 ayes, 0 nays, and 1 abstained – Brian Ploss (was not at the last meeting).

3. Financial Manager's Report

Reports were distributed to members for review.

Tom Broesler, the new Finance Manager, was present at tonight's meeting if the Board of Finance has any questions.

Joe Dowdell introduced Tom Broesler as the new finance manager. It has been only three days since he started the job. Other for the General Fund, the other funds are not in the system according to T. Broesler. The bank accounts have not been reconciled.

He spoke to Amanda Backhouse last week and she has a bunch of journal entries for them to go over together. Payroll is not in the new system. He has contacted the software people to schedule training for the payroll system.

J. Dowdell asked if anyone had any questions. J. Roderigo thought the payroll people were coming in over a week ago for training. C. Bielik indicated that training was going to be the week of July 24th. The training had to be moved due to the request from the software people. We are in the process of trying to get the training in here as soon as possible. All the personnel lines in the budget now are inaccurate.

T. Broesler asked how much information as the Board want and Joe the Dowdell indicated that he has a copy of the report and that they request that he be at the meeting so if the Board has any questions, he can answer as they're reading the report.

B. Doiron had a question regarding the heating oil. Under Expenditures on page 6, the heating fuel shows we spent \$26,700 and we haven't even started the season yet. C. Bielik noted that the report is through June 30, 2014.

4. Public Comment

There were no comments from the public at tonight's meeting.

5. Treasurer's Report

Reports were distributed to members for review.

J. Levine asked if it was the Board of Selectmen who authorizes the use of the bank, is it the Treasurer who decides. C. Bielik indicated that it is the Board of Selectmen. He also asked if the bank comes to him before being set up and C. Bielik responded yes.

J. Dowdell asked if there were any other questions. J. Levine asked M. Krenesky about investments reports. M. Krenesky indicated that the report is a direct runoff from the bank account. It is a snapshot of what's in the bank account. He indicated that as long as he has been treasurer, there have been no investment accounts that have been reported back to the Board of Finance. J. Levine indicated that there should be a report that shows how much do we have invested, what the rate is, and what bank is it coming out of. M. Krenesky indicated that he will do what he can to get it.

J. Levine asked for the Chairman to notify the Treasurer the Board of Finance would like a monthly report that indicates the amount of investments, interest rates, and the bank that are used, as well as the date of investments. M. Krenesky indicated that all repo accounts at Naugatuck Valley Savings and Loan have disappeared. Now all the accounts are interest-bearing accounts. As of this month's report, the repo accounts are at zero.

M. Krenesky wanted to make mention that the new payroll system will produce all the reports necessary for the state and federal government regards to quarterly reporting. We are again sitting on fines because a report was missing information. J. Roderigo indicated that the previous finance manager looked at it and called to see what needed to be fixed. He found out what was necessary to fix it and sent in the necessary paperwork but it takes 45 days for the government to make their decision. As of yet, we have not received a letter indicating that we do not need to pay the fine. An additional payroll check was issued and information was not included on the quarterly report.

6. Town Clerk's Report

Reports were distributed to members for review.

7. Tax Collector's Report

There was no Tax Collector's report distributed to members for review since it was a very busy month of July for collecting taxes and the department needed extra help during the month. C. Bielik informed the Board that as of Monday morning, M. Holloway was making the last of the deposits for taxes collected. C. Bielik indicated that M. Holloway will be at the Board meeting in September to make a presentation on her back-taxes plan.

8. Selectman's Report

a. Transfers

The Town Meeting for the vote on the transfer for the Radio Tower program will be on Thursday, August 14, 2014 at 7:00 P.M. The vendor is starting even though he hasn't received our payment as of yet. There was a procedural error that wasn't cost until it was too late.

C. Bielik next indicated that it is good news that we have Tom Broesler in as finance manager now. He is very methodical and challenges do not scare him. C. Bielik is encouraged by what he has hearing so far. Last week, we had Amanda Backhouse and Adam Goldberg working with Tom Broesler. To clarify and help with any concerns that members of the board of finance may have, the Chairman of the Board of Finance and the Board of Selectmen were the only ones who knew that Adam Goldberg had intention of resigning. There were personal reasons that Adam Goldberg wanted to keep it quiet and we honored that. He did give us four weeks from the time that he decided to make the move. C. Bielik neglected to let everyone know of this change before his vacation, but J. Dowdell sent out an email.

At the Board of Selectmen meeting last night, there is a new grant available that we felt is worth pursuing. DEEP has about \$10,000 per municipality interested in building electric vehicle charging station. Some of the criteria of where it must be located indicate that it must be near or within walking distance to restaurants, and proximity to major thoroughfares. There are two sites in town of possibility – one being the train station, and the other the commuter parking lot. We have to coordinate with Connecticut DOT because they owe the train station now. There would be no cost to us if we are awarded 100% of the grant money for the installation of the charging station. There would be support maintenance costs that would have to be considered budget as well as the cost of the electricity used. Pat Gallagher from the COG gave us the associated costs to the electricity costs. The benefits into be worth the expenditure for the town. J. Dowdell asked if the person using the charging station is charged for the use and C. Bielik indicated no, that the municipality is supplying the service. J. Levine suggested installing a camera to help in case of vandalism.

C. Bielik noted that we are considering the train station as the primary location because the Connecticut DOT owns it. Whoever owns the land that the charging station is on is the one who is responsible for the maintenance and upkeep. There is more to go on this. It was noted by Kenny George that the deadline to apply for the grant is August 27th to get 100% of the funding. C. Bielik indicated that Pat Gallagher mentioned that as long as we have intent to proceed going forward and that is somewhat of a soft deadline.

J. Dowdell indicated his concern is that we have to budget pay for somebody's fuel to drive their car. B. Doiron indicated that we will have to benefit for the town. C. Bielik indicated that they are trying to promote green energy. There will be signs on the highway indicating that there is a charging station in town.

9. Unfinished Business

a. Status Report on Resolving Pending Audit Problems

There was no discussion at tonight's meeting and this will remain on the agenda under Unfinished Business until it is resolved.

10. New Business

a. EMS Fund Discussion

Joe Rodorigo began by saying that he sent an email to everyone about if we should take over the EMS fund from Beacon Hose Company. His suggestion was that we ask to have that fund sent to us as a monthly report. One thing that the Board hasn't done is that in regards to the audit, we should pick the annual auditor. We being the Board of Finance and the Board of Selectmen.

The cost of the auditor should be taken out of the EMS fund so there is no impact to the town budget. J. Levine indicated that it was not his intention for us to take over the bookkeeping but for the money to go into the bank account of the town in the text and approved by the Board of Selectmen. The auditor, selected by the Board of Finance, reviews the account. People running it now are trustworthy and honest, but sometime in the future it may be different.

J. Dowdell asked if the first thing we should do is to ask for a report from EMS. J. Levine indicated that he does not know the legalities of this because it has been set up with the town not in control of this and that there might've been an earlier agreement that it was separate. He indicated that he is suggesting that the Board of Selectmen and the Board of Finance meet with EMS and if you have a discussion as to what can be agreed to the benefit of everyone. It may be good to get input from our auditor and see what she suggests that would not be intrusive but would give us all the sense that best practices are being used.

Fire Chief Jim Trzaski, as well as the Treasurer Tom Pratt and assistant Kenny George, were present at the meeting. Fire Chief Trzaski indicated that this is a good time for discussion since they got their audit the other day. Fire Chief Trzaski asked if both the Boards and EMS decide on the auditor together. J. Levine indicated that what he believes is no, that there should be a separation of duties. The auditor should be independent. Fire Chief Trzaski noted that this goes back in history when they were in need of daytime responders. They found that they were having a hard time in finding volunteers during the day. The first Selectman at that time, which he believes was Sue Cable, and Ambulance Coordinator Jeremy Rodorigo, formulated an agreement between the town of Beacon Falls and Beacon Hose Company. They were able to start billing through Beacon Hose Company and not the town of Beacon Falls. All the billing goes through their organization.

Tom Pratt indicated that since he came back to the department and became Treasurer, he did feel as if there were a few things off. He agreed that the individual who was doing the balancing of the books had a tie in somewhere else. That individual actually drained the account and gave the town 80% in their department 20% for three years in a row. Those account started at \$0.00 3 years in a row. There were no capital funds to operate on a daily basis. They were always trying to get money back in and because we are a small community, we lost thousands of dollars over time when people could not pay their bills. With Fire Chief Trzaski taking over this, we have a billing service where they send out one bill and that is it. If we don't get paid, we don't get any money.

We started off with one paid employee and realized that a second employee is needed for during the day. These employees are not town employees, there are no benefits paid to these people and there is no cost to the town for these employees. We are guaranteed 24 hour emergency service per day. Fund wise, we are finally getting back to where we should have money. He did question the previous account it how a professional drain the accounts and have no capital funds to work with on a daily basis. After many years of struggling, they have hooked up with an accounting firm with a good reputation. They sat through the years of 2010 through 2013, and found errors in 2012 books. After the accounting firm reviewed all the numbers, they said that they should have about \$50,000 as capital at any time during the year. They have the payroll service, a billing service, and Workmen's Comp. paid out of the EMS fund.

J. Levine indicated that all he is suggesting is collect the money, provide the great service that you do, and the money goes into a bank account that is separate from the town money so it is only used for the EMS and an auditor is selected by this board. The bank is selected by the Board of Selectmen and now the bank account and the statement shows the debits and credits in the water reviews it. This would make all the difference in the world between a transparent situation and a nontransparent situation. Fire Chief Trzaski suggested leaving it as it is and giving the bank statements to the board every month.

Kenny George mentioned that there sometimes where refunds are r needed to be given and checks need to be written. As you can see with the expenses that are listed, and there is an agreement when purchases are made through the funds approval is requested from the Board Selectmen. Those purchases are for anything besides payroll, insurance, and billing. The disadvantage is that we may be faced with not having enough money at some point in time to pay the employees.

J. Rodorigo indicated that going back to his email, is to let Beacon Hose do what they always have done, give us a monthly reports showing the breakdown of what's going in and what's going out, the Board of Finance will choose the annual auditor which will be paid for out of the EMS fund. Fire Chief Trzaski noted that they would be very happy with that but still would like to sit down and have a workshop with the Boards so they could solidify the contract.

J. Dowdell, as his own personal opinion, mentioned that it irritates when he hears that it is not town money and if you did not receive hundreds of thousands of dollars from the town every year - if you did not come to us to say that we need \$10,000 to repair and ambulance one month and next month come back and say we need another \$2500 - that I can see you say that it's not town money. But when we are pouring money in there, it as we should, supporting it, don't say that it's not town money. Fire Chief Trzaski responded by saying that it is not town money because the town did not want to hire two town employees and put it in their lap. They took the responsibility hired the two in order to better the emergency services for the town.

J. Dowdell asked to see the agreement and C. Bielik indicated that he will look at the office and thinks he may have a copy otherwise he will get one. J. Dowdell asked if he could get it to us within the next few weeks and C. Bielik indicated that he will.

Fire Chief Trzaski noted that that they deal with the cash account and when they talk to the accounting firm, they were told that they truly cannot do an audit on a cash account. They would prefer more of an accrual accounting method. When you look at the bottom number and the number since \$19,000, there is actually \$9,000 that is encumbered on software that was purchased. The software is for patient care reports and for billing. It is a mandate to have that. The final payment has not been given yet because they're not quite happy yet with the software. T. Pratt also noted that there is approximately \$52,000 in the account and when he took it over in October 2012, there was only approximately \$23,000 in the account. You need to have capital to keep operating a business on a daily basis.

J. Rodorigo asked what it would take to have a three-year reserve. T. Pratt responded that right now were not getting a true figure because people are paying us from bills several years ago. J. Rodorigo noted that you know what your expenses are and if you take your estimated expenditures what do you think. T. Pratt responded by saying for the 2014-2015 year, the estimate would be approximately \$160,000, but that is high because we don't know the call volume. And that is with everyone paying their bills. Fire Chief Trzaski indicated that their concern is that if the account zero out, Beacon Hose Company is on the hook for paying for those employees.

J. Dowdell would entertain a motion to receive monthly reports from Beacon Hose Co. in regards to the EMS Fund.

Motion to ask the fire department in reference to the ambulance service account to provide the board of finance a monthly report of that account and at the end of the year the board of finance will choose the audit firm to audit that account:
Rodorigo/Levine; no discussion; all ayes.

b. Finance Director Position

J. Dowdell began by saying that we are on our third finance manager. He thinks that we need to seriously take consideration what it will take to get a full-time director. Perhaps it may take funding it properly. He believes that it's something that we should take the time to discuss and make a recommendation to the Board of Selectmen that it is their decision. C. Bielik believes that if we start the discussion now and moving towards a place where we can make a decision for next budget season, he would be amenable to that discussion. B. Doiron mentioned that we should find out from T. Broesler if he would be willing otherwise the town would be hiring a fourth person.

J. Rodorigo mentioned that if you read our charge, our charge is the financial best interest for the town of Beacon Falls. If you take that into consideration as we move forward on our third financial director, when we lost M. Gomes he questioned the First Selectman last year and C. Bielik when he came into office, why are we replacing him and not changing the position, not changing what we were requiring, not changing the number of hours, and did not seem to make sense knowing that we had problems. When we hired a new person, there was still a question about the number of hours. When we spoke with the auditors, the auditors said it was a full-time job. The only way that the person in that office is going to be successful is one of two ways. One, he puts in more hours than what we pay him for. That's not really fair and doesn't give us an understanding of what that office requires. Two, he is going to fail whether we know he is failing or not because it went years of issues before starting coming to life. J. Rodorigo noted that it is his intention that it should be a full-time position. We should send it out as a full-time position; if T. Broesler wants to reapply he can reapply. The last guy told us it was going to take a year before he could balance the books. His position is that we forgo T. Broesler and our suggestion to the Board of Selectmen is to hire a full-time director.

J. Levine indicated that he agrees that the position needs more hours. He remembers asking last year's financial manager about increasing the number of hours and he said that's not the problem. He would support the idea to increasing the hours but has a problem with not giving time to the current financial manager.

After some time we will be able to make a rational decision to see if he is working out or not. If he is working out, and the Boards and public support an increase in salary, then it's a win. If he is not working out, then he is let go because of his performance, and then we go to a town meeting for this year to ask for a transfer of funds or more money for a full-time employee. B. Doiron indicated that we just went through this with Public Works. They said that they needed a seventh guy and our response was that you just took over the job and give it some time and work with what you got. We need to give the guy an opportunity to see what he can do.

J. Roderigo indicated that it took us seven years to recognize that there was something wrong and we didn't make any corrective action. If we did seven or eight months and we could be behind seven or eight months. J. Levine believes that this has to start from the administrative board. The Board of Selectmen can say that were not hiring anybody new or we are not increasing the number of hours or pay. The Board of Selectmen needs to decide if they wanted to talk about this, and if they do, and then come up with what they want to come up with and then recommend it to the Board of Finance.

C. Bielik indicated that the Selectmen are here and will speak for them by saying that they made an executive decision by hiring T. Broesler and are comfortable with it. In six months from now, when the next budget planning cycle starts, if we want to revisit that hiring position of the funding standpoint, that would be the time to do so and reopen the discussion. In our opinion, anything that is talked about here, with all due respect, doesn't matter to us at this point. The decision has been made. We appreciate the input from here because it is always constructive and want to move forward and get good ideas.

B. Ploss agrees with J. Levine and B. Doiron and was going to go the same way that the First Selectman was going out. If the current financial manager bails for any reason, then we immediately begin discussing making a full-time position. Otherwise, roll until next season, notify the current manager to have him start thinking about it to see if he's interested in it, and do it at the next budget planning. Perhaps we should put it out to public vote to ask for more hours. It may not be a bad idea right now to ask if interested in working X will now more hours per week for X amount of dollars.

A motion would like to be made to the Board of Selectmen regarding the Finance Director position. J. Dowdell said he would entertain the motion.

Motion to make a strong recommendation to the Board of Selectmen to approach the current Finance Manager and ask him to consider an additional 7 ½ hours or work for the compensation for up to \$19,000: **Rodorigo/Doiron; no discussion;** 4 ayes, 1 nay.

Motion carries by a vote of 4 to 1.

Motion if anything happens to the current Finance Manager, before replacing that position, there would be a recommendation for a joint discussion between the Board of Finance and the Board of Selectmen for discussion of potentially more hours up to and including full-time: **Ploss/Rodorigo; no discussion;** 4 ayes and 1 nay.

Motion carries by a vote of 4 to 1.

J. Rodorigo wanted to add something. He spoke to a former finance director for an accounting Projects sewer treatment plant. The way that it is broken down there is a \$1,000,000 band, a \$600,000 bond and \$100,000 in a grant. That money is to be used for upgrades and studies of the sewage treatment plant. At last accounting, while we are at 2 ½ years into the study, we have spent \$600,000. The accounting and billing for that is very erratic. He would like to recommend that before spending any more money on the study; let's get some answers as to where we are and what the actual accounting is for those three different line items.

Motion to recommend to the Board of Selectmen to stop paying for any more bills regarding the waste water treatment plant study and get a full accounting of those accounts and understanding of where we are in the project before we move forward: **Rodorigo/Levine; discussion was that the Board of Selectmen and Board of Finance should receive a steady reporting thereafter. B. Doiron was questioning the legality of stop payment due to contractual obligations. J. Levine noted that the motion should be change to have a discussion between the Board of Selectmen and the Board of Finance based on the full accounting, and then after that discussion, we will decide where to go with it.**

Motion to recommend to the board of selectmen to get a full accounting of the wastewater treatment plant study and understand where we are in the project and have a joint discussion based on that accounting and decide where we will go with it: **Rodorigo/Levine; no further discussion;** all ayes.

11. Correspondence

a. Board of Finance Clerk's Invoices

Motion to accept the July 15, 2014 invoice from the Board of Finance Clerk and pay the total of \$72.50: Doiron/Ploss; no discussion; all ayes.

J. Dowdell spoke about the flow rate from the wastewater sewage plant was reported at 5,293,179 gallons totals out to us \$26,466. This comes from the State.

CCM has its annual convention is on October 21 of anybody is interested.

12. Comments from the Public

J. Dowdell asked if there were any comments from the public and there were none.

13. Adjournment

With no other business to discuss at tonight's meeting, J. Dowdell asked to adjourn.

Motion to adjourn the meeting at 9:16 P.M.: Doiron/Ploss; no discussion; all ayes.

Respectfully submitted,

Marla Scirpo
Clerk, Board of Finance