



Town of Colchester, Connecticut

127 Norwich Avenue, Colchester, Connecticut 06415

AGENDA FOR REGULAR MEETING of BOARD OF FINANCE February 18, 2015 –Town Hall – 7:00

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COLCHESTER, CT
2015 FEB 13 AM 9:07
TOWN CLERK

1. CALL TO ORDER
2. ADDITIONS TO THE AGENDA
3. APPROVAL OF MINUTES: February 4, Regular Meeting and February 5 Tri-Board Meeting
4. CITIZENS COMMENTS
5. CORRESPONDENCE
6. WORKMENS COMP
7. BUDGET DISCUSSION
8. DEPARTMENT REPORTS
 - a. Finance Department
 - b. Tax Collector – Reports and Discussion
9. FIRST SELECTMAN'S REPORT
 - a. Transfer Requests
 - b. First Selectman's Update
10. LIAISON REPORTS
11. NEW BUSINESS
 - a. Review of 12/31 Program Fund
 - b. Review of 12/31 Ambulance Incentive Program
 - c. Survey
12. OLD BUSINESS
 - a. BUDGET REVIEW and 2014-2015 PLANNING OBJECTIVES
 - i. Updates
 - b. Review of Capital Improvement Plan – Equipment –
 - c. Capital Improvement Plan – Facilities – creating a funding schedule
 - d. Discussion and Possible Action: Elected Officials/Nonunion employees – compensation plan
13. UPDATE POCD
14. CITIZENS COMMENTS
15. ADJOURNMENT

**Board of Finance Meeting Minutes
Wednesday, February 4, 2015
Town Hall Meeting – 7:00 p.m.**

Members Present Chairman Rob Tarlov, Art Shilosky, Rob Esteve, John Ringo, James McNair

Members Absent: Tom Kane

Others Present: First Selectman Stan Soby, CFO Maggie Cosgrove, Board of Education Liaison Brad Bernier, Selectman Denise Mizla, Registrars of Voters: Dot Mrowka and Diana Giles, Senior Services Director Patti White, Citizens: Gary Sidell, Jim Kelly, and Laurie Robinson

1. **CALL TO ORDER:** Chairman Tarlov called the meeting to order at 7:02 p.m.
2. **ADDITIONS TO THE AGENDA:** None
3. **APPROVAL OF MINUTES – January 21, 2015:**
R. Esteve motioned to approve the minutes of the January 21, 2015 regular meeting, seconded by J. Ringo. Members voted in favor with J. McNair and J. Ringo abstaining. **MOTION CARRIED.**
4. **CITIZEN'S COMMENTS:** J. Kelly expressed opinions on the upcoming budgets for both the BOE and Town.
5. **BUDGET DISCUSSION FOR DEPARTMENT LONG TERM NEEDS AND ADDITIONAL INITIATIVES:**
 - a) **Registrars of Voters:** D. Giles and D. Mrowka spoke about for the possible purchases for Registrar of Voters which included the need for fire-proof filing cabinets for voter registration cards and items needed for voting days.
 - b) **Senior Services:** P. White gave a presentation which included information on the increase of the senior citizen population which is expected to reach 40% by 2030. She discussed current challenges at the Senior Center as well as the need for additional driver hours due to a 49% increase over last year's medical transportation requests.
6. **DEPARTMENT REPORTS**
 - a) **Finance Department:** Members reviewed recommendations from McGladrey to address control deficiencies based on the audit for year ending June 30, 2014. First Selectman Soby will develop a proposal to address the first recommendation which is to centralize grant and program activity monitoring. Based on the second recommendation: R. Esteve motioned to increase the capitalization policy to require all future expenditures and asset purchases costing more than \$5,000 be capitalized and depreciated over the assets' useful lives, seconded by J. Ringo. Vote was unanimous. **MOTION CARRIED.**
 - b) **Tax Collector – Reports and Discussion:** None

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7. FIRST SELECTMAN'S REPORT

a) **Transfer Requests:** None

b) **First Selectman's Update:** Members received a memo from the Assessor giving the 2014 Grand List Totals. (See attached). Lt. Governor spoke at a SCCOGS meeting and was not optimistic about the State budget. Public Works and Highway Department should be commended for the job they did with snow removal. Probate Court budget is going down. C3 has requested funding in the upcoming budget. They are doing good things and the cost of prevention is less than the cost of remediation. An inquiry was received regarding Police Commission minutes from December and the questionable use of funds to purchase a gift for a staff member. No money was spent but it will be made clear to the Commission at their next meeting that this would have been a misuse of funds. He recently attended *CT in the Capital* in Washington, DC with Senators Murphy and Blumenthal. This was paid for with personal funds. The Fuel bank received \$3,000 in thanks to Family Pizza, Reliable Oil, and community donations. Freezin' for a Reason is coming up this month.

8. **LIAISON REPORTS:** R. Esteve reported Superintendent Mathieu presented his proposed budget to the BOE with a 0.84% increase. March 3rd the budget will be presented to the BOF.

9. NEW BUSINESS:

a) **Survey Results - discussion and possible action:** 659 completed the survey. L. Robinson reviewed the results with members. There will be a link to the results on the Town's webpage.

b) **Budget Format - discussion and possible action:** M. Cosgrove is working on putting together the layout.

c) **Budget Schedule - format and communications:** BOE and Town budgets will be presented to the BOF on March 3rd. BOF will discuss the Town budget with First Selectman Soby on March 4th and the BOE budget with Superintendent Mathieu and Chairman Ron Goldstein on March 5th.

d) **Review of Department Presentations - Information needed for 2/18 meeting discussion:** First Selectman Soby will discuss with department heads about what they presented at the BOF meetings over the past couple months and then determine priorities to be included in the budget. The BOF will be given a number for the total budget and the number for the cost of the new items deemed needed.

10. OLD BUSINESS:

a) **Budget Review and 2014-2015 Planning Objectives -updates:** None

b) **Capital Improvement Plan - Equipment:** M. Cosgrove is consulting with the

Financial Advisor on possible leasing of fire equipment and the building project.

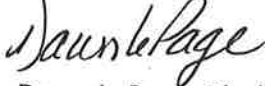
c) Capital Improvement Plan - Facilities: (see 10b)

d) Elected Officials/Nonunion Employees - Compensation Plan: First Selectman Soby share a policy draft where nonunion and elected officials would receive an annual salary/wage increase equal to the average increase computed from all contracts in effect at the time. He will update the draft based on member feedback and comments.

11. CITIZENS COMMENTS: D. Mizla asked for clarification on dates for budget meetings and workshops.

12. ADJOURNMENT: J. McNair motioned to adjourn, seconded by R. Esteve. Vote was unanimous. **MOTION CARRIED.** Chairman Tarlov adjourned the meeting at 9:37pm.

Submitted by



Dawn LePage, Clerk

2/4/15

**Town of Colchester
Office of the Assessor**

Memorandum

To: Stan Soby, First Selectman
From: John Chaponis, Assessor
CC: Board of Selectman, Board of Finance, Maggie Cosgrove, CFO
Date: January 31, 2015
Re: 2014 Grand List Totals

The following is the totals for the October 1, 2014 Grand List. The total reflects a .6% increase. The additional 7.4 million in assessment equates to an additional \$226,000 in tax dollars based on last year's mill rate.

	<u>2013 Grand List</u>	<u>2014 Grand List</u>
Real Property:	1,038,115,600	1,044,354,400
Motor Vehicle:	115,959,200	117,413,600
Personal Property:	<u>40,600,000</u>	<u>40,300,000</u>
Net Grand List:	1,194,674,800	1,202,068,000
Prorates:	1,900,000	1,900,000
Motor Vehicle Supplement:	<u>15,100,000</u>	<u>15,100,000</u>
TOTAL:	1,211,674,800	1,219,068,000
Corrections & BAA	<u>- 2,500,000</u>	<u>- 2,500,000</u>
NET GRAND TOTAL:	1,209,174,800	1,216,568,000

**Tri-Board Meeting Minutes
Wednesday, February 5, 2015
Colchester Town Hall
Meeting Room 1 – 6:00 p.m.**

Board of Selectmen Members Present: First Selectman Stan Soby, Denise Mizla, Bill Curran, Rosemary Coyle, Kurt Frantzen by phone

Members Absent: None

Board of Education Members Present: Ron Goldstein, Don Kennedy, Mike Voiland, Mary Tomasi, Brad Bernier

Members Absent: Mike Egan, Mitch Koziol

Board of Finance Members Present: Chairman Rob Tarlov, Art Shilosky, Rob Esteve, James McNair

Members Absent: Tom Kane, John Ringo

Others Present: Building Committee members: Tom Tyler, Joe Ruiz, Steve Wells; Director of Facilities Ken Jackson; Principal Chris Bennett; Superintendent Jeff Mathieu; Tecton Architect Barbara Joslin; CFO Maggie Cosgrove; Citizens: Ralph Marshall, Gary Sidell, Tom Mills, and additional citizens

1. **CALL TO ORDER:** First Selectman Soby called the meeting to order at 6:02pm. Board of Finance Chairman R. Tarlov called the meeting to order at 6:02pm. Board of Education Chairman R. Goldstein called the meeting to order at 6:02pm.
2. **CITIZEN'S COMMENTS:** Ralph Marshall suggested hours be set up where citizens can to WJMS before referendum.
3. **PRESENTATION ON CURRENT STATUS OF SCHOOL BUILDING COMMITTEE:** The architect, B. Joslin, gave a brief overview of NESDEC projections, building programs, potential phasing, proposed demolition plan, the selected option, pupil service and second gym renovations, project costs, and anticipated schedule. T. Tyler pointed out that costs of some items, such as access roads and demolition, that in the last proposed project were divided among the school, senior center, and community center, are now reflected in the school only project. Renovations for the second gym are mostly to meet ADA codes and update HVAC system. The cost currently reflects no reimbursement for renovation done to the gym. If it can be shown that the gym is used as part of the academic program this could change. By the time the town will begin paying on this project there will be a reduction in the town's current debt. C. Bennett explained how it is determined if 4 person or 5 person teams are needed for the academic program and therefore the number of classrooms needed. There is a maximum number of students a teacher can have. When enrollment drops it is not as simple as eliminating a teacher or needing less rooms. The building has been designed to reflect the drop from 5 person teams currently being used to a 4 person team due to the projected decrease in enrollment. The projected cost for the project is \$48,656,713 with state reimbursement of \$27,992,481, anticipated cost to the town being \$20,664,232.
4. **DISCUSSION AND POSSIBLE ACTION ON THE RECOMMENDATION OF THE WJMS BUILDING COMMITTEE:**

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R. Coyle motioned to proceed with the WJJMS Building project option as presented with the assumption of an early June referendum, seconded by D. Mizla. Motion was unanimous. **MOTION CARRIED.**

B. Bernier motioned to proceed with the WJJMS Building project option as presented with the assumption of an early June referendum, seconded by M. Tomasi. Motion was unanimous. **MOTION CARRIED.**

J. McNair motioned to proceed with the WJJMS Building project option as presented with the assumption of an early June referendum, seconded by R. Esteve. Motion was unanimous. **MOTION CARRIED.**

5. **CITIZENS' COMMENTS:** Ralph Marshall stated again that being able to tour WJJMS and see the current condition of the school is what would determine how he votes at referendum. Tom Mills questioned the need for a second gym and asked what needs to be done to the school to fix the current problems.

6. **ADJOURNMENT:**

R. Coyle motioned to adjourn the Board of Selectman meeting, seconded by D. Mizla. Motion was unanimous. **MOTION CARRIED.** First Selectman Soby adjourned at 7:24pm.

D. Kennedy motioned to adjourn the Board of Education meeting, seconded by B. Bernier. Motion was unanimous. **MOTION CARRIED.** Chairman Goldstein adjourned at 7:24pm.

J. McNair motioned to adjourn the Board of Finance meeting, seconded by R. Coyle. Motion was unanimous. **MOTION CARRIED.** Chairman Tarlov adjourned at 7:24pm.

Submitted by,


Dawn LePage, Clerk

**Tri-Board Meeting Minutes
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Colchester Town Hall
Meeting Room 1 – 6:00 p.m.**

MOTIONS

Board of Selectmen Members Present: First Selectman Stan Soby, Denise Mizla, Bill Curran, Rosemary Coyle, Kurt Frantzen by phone

Members Absent: None

Board of Education Members Present: Ron Goldstein, Don Kennedy, Mike Voiland, Mary Tomasi, Brad Bernier

Members Absent: Mike Egan, Mitch Koziol

Board of Finance Members Present: Chairman Rob Tarlov, Art Shilosky, Rob Esteve, James McNair

Members Absent: Tom Kane, John Ringo

Others Present: Building Committee members: Tom Tyler, Joe Ruiz, Steve Wells; Director of Facilities Ken Jackson; Principal Chris Bennett; Superintendent Jeff Mathieu; Tecton Architect Barbara Joslin; CFO Maggie Cosgrove; Citizens: Ralph Marshall, Gary Sidell, Tom Mills, additional citizens

1. **CALL TO ORDER:** First Selectman Soby called the meeting to order at 6:02pm. Board of Finance Chairman R. Tarlov called the meeting to order at 6:02pm. Board of Education Chairman Ron Goldstein called the meeting to order at 6:02pm.

2. **CITIZEN'S COMMENTS:**

3. **PRESENTATION ON CURRENT STATUS OF SCHOOL BUILDING COMMITTEE: DISCUSSION AND POSSIBLE ACTION ON THE RECOMMENDATION OF THE WJMS BUILDING COMMITTEE:**
R. Coyle motioned to proceed with the WJMS Building project option as presented with the assumption of an early June referendum, seconded by D. Mizla. Motion was unanimous. **MOTION CARRIED.**

B. Bernier motioned to proceed with the WJMS Building project option as presented with the assumption of an early June referendum, seconded by M. Tomasi. Motion was unanimous. **MOTION CARRIED.**

J. McNair motioned to proceed with the WJMS Building project option as presented with the assumption of an early June referendum, seconded by R. Esteve. Motion was unanimous. **MOTION CARRIED.**

4. **CITIZENS' COMMENTS:**

5. **ADJOURNMENT:**

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Submitted by,

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2014 - 2015 BOF Objectives and Initiatives

Priority (A, B, C)	Subpriority (1, 2, 3)		NEXT STEP
A	1	Health Insurance Funding – establish a new policy for calculating annual funding and reserve requirements.	DONE
A	1	Energy Project	DONE
A	2	Did we finalize an agreement with BOS/First Selectman for approving expenditures that require line item transfers before the money is actually spent?	DONE
		Budgeting	
		o Zero Based	
		§ Real number on project current year projections on proposed budget.	
		§ Some budgeted items appear to be a carryover of prior years rather than numbers based on actual spending. Some examples from this year	
A	1	<ul style="list-style-type: none"> Reducing postage because we no longer mail the large packages, we e-mail them Nancy wanting one expense item kept at the current budgeted amount despite actual reductions in spending so she could use it in another line item Finance keeping conventions and meetings above historical actuals in case people want to go. Budgeting for meeting clerks at higher number of meetings than have been held or where department head keeps the minutes. 	Approach to budget - present the cost of those items that are ongoing items to determine the cost of maintaining current services.
		§ If the items are tightened:	
A	1	<ul style="list-style-type: none"> Increase contingency from .5% to 1%? Tighter line item budgeting requires a higher contingency? Create a policy for funding to maintain fund balance %? At this point we create by luck and by loose budgeting on some items. Current interest rates are at no help in having fund balance keep pace with budget increases. 	Have departments prioritize new initiatives and assign cost/benefit to each separate from the above.
		Survey	
		o How well did it reflect final results?	
		o What can be done to improve clarity and response?	
		§ Rework questions as well as adding or removing	
		o Time Line	
		§ BOE wants sent out in September. We should get input and direction from BOE.	
		§ Town: January 2?	
		§ A third survey in late February?	
A	2		DONE

A

2

Improving the narratives for Budget documents. Too much is still given verbally at meetings that are poorly attended.

		<ul style="list-style-type: none"> o Graphs and a Budget in Brief § Review BOE graphs and new ones created on 6/24 by Town staff § Choose relevant graphs and how to best create relevant and objective graphs to be included in a "Budget in Brief" 	DONE
A	1	<ul style="list-style-type: none"> o Connecting the maintenance of services with a dollar amount and % increase. There was a lot of confusion what maintaining services actually meant. <ul style="list-style-type: none"> § New initiatives" calculated separately to see impact on the mil rate. This would also produce the impact on the mill rate if current services were § Also if spending were the same as last year, what would mil rate be? o People Costs <ul style="list-style-type: none"> § Have official document explain benefits package contracts § Have Budget document stating # staff get contractual increases by increase range 1-2%; 3-5%; 6% and higher § Have Budget document for Town and BoE showing labor salaries and benefits as % of Budget § Having Budget document showing headcount trends for Town and BoE. 	Discussed at 7/16 meeting and determined should be discussed by this sub-committee.
A	1	<ul style="list-style-type: none"> o Communicating, Informing and Educating the Voter during the upcoming year. <ul style="list-style-type: none"> § Social Media § Outreach Meetings away from Town Hall 	Work still in progress with subcommittee - continue after referendum?
A		<ul style="list-style-type: none"> o Review the process for negotiating union contracts. BOE totally excluded from this process. Is only the First Selectman involved before and during the negotiations or is BOS involved in the process before the end when approved. <ul style="list-style-type: none"> o How do we create parity for nonunion position pay increases with union o Policy for elected officials pay 	DONE
A	3	<ul style="list-style-type: none"> o BOE: should have a deadline to establish a 3 - 5 year plan to adjust to declining enrollment. 	In Process as part of Strategic Plan
B		Continued study of reorganization of Town Hall	

Financial Reports:	<ul style="list-style-type: none"> o Getting better reporting of sub line items. Should reflect the same line items, including sub items, as the budget.
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		<ul style="list-style-type: none"> o Should be delivered to BOF by the Friday before the meeting. Getting them on Monday or Tuesday or day of the meeting does not give time to review. o Encumbrances and irregular spending patterns of some line items make it difficult to know where we stand § A YTD comparison with last year would provide better perspective <ul style="list-style-type: none"> · Same on proposed budget as the projections by department heads of year end spending often are not relevant to reality. Many just write down the budget amount. A quick check of some items show some item consistently come in under the projected amounts. o Giving us quarterly reports showing significant opportunities for savings and risk. 	
B	1	<ul style="list-style-type: none"> · We now have two studies for the capital needs of our buildings. Not a plan until we have financial projections and a method to fund <ul style="list-style-type: none"> o Create a Funding Plan o Should the capital needs of the schools be removed from the BOE budget <ul style="list-style-type: none"> § The actual building projects are a Town expense, the ongoing maintenance is not. § The BOE when faced with a decision of capital vs operation has always deferred the capital and maintenance § BOE cannot do capital planning (funding) beyond the current year. § Having capital maintenance within the BOE budget removes BOF ability to plan and make these decisions § The Town has transfers and capital outside the operational budget, BOE does not. 	Discussion to remain on BOF Agenda
B	2	<ul style="list-style-type: none"> · Update Current Equipment Reserve Plan Heavy Apparatus - is was proposed we factor in as lease purchases. 	In Process - Maggie, Jim, Financial Advisor,
		<ul style="list-style-type: none"> · Program Funds – don't think the voter is aware of the fact that money is raised outside the budget providing relief to the taxpayer <ul style="list-style-type: none"> o Park & Rec <ul style="list-style-type: none"> § What expenses should be paid from here? § What if the programs create surplus and build up the fund? § What is the fund is operating at a deficit? § Other department have similar funds, but unlike this fund, we know little of them. o Youth services does their own fundraising and pay for many expenses not covered by the budget and even acquired a van in the past. Great work, but should there be any oversight or at least transparency. <ul style="list-style-type: none"> o Senior Center Donation Fund <ul style="list-style-type: none"> ▪ Newsletter was paid from this previously, then when it was suggested to no longer outsource this, the expense was ▪ A Golf Tournament is being held to raise money for the Donations Fund. 	Cheryl and Stan to begin working on Rec Program Fund Policy after 57 Fest follow-up is completed with goal of completing by budget creation.
		<ul style="list-style-type: none"> · Grants – do we have a grant writer? I know Jenny did this as First Selectman and appeared to be good at it. 	
A	3	<ul style="list-style-type: none"> · School project – do we need this school – can we afford this school – we can't get a mill rate increase of <1% approved by a comfortable margins 	IN PROCESS
		Police and 2417	Not to be included in 2015-2016

A

3

Fire Department Strategic Plan

Stan and Chief working on plan