



Town of Colchester, Connecticut

127 Norwich Avenue, Colchester, Connecticut 06415

Board of Finance Meeting Minutes
Wednesday, July 2, 2014
Town Hall Meeting Room 2-7:00 PM

RECEIVED
COLCHESTER, CT
2014 JUL 11 PM 12:58
NANCY A. BRAY
TOWN CLERK

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

Members Absent: Tom Kane

Others Present: Commission on Aging Chair Gary Siddell, Board of Education member Don Kennedy, Selectman Denise Mizla, Selectman Rosemary Coyle, Registrar of Voters Dorothy Mrowka, Gayle Furman

1. **Call to Order:** Chairman Tarlov called the meeting of the Board of Finance Meeting of Wednesday, July 2, 2014 to order at 7:00PM.
2. **Additions to the agenda:** None
3. **Approval of Minutes:** June 18, 2014 Regular Meeting and June 24, 2014 Special Meeting

Rob Esteve moved to approve both the June 18, 2014 regular meeting minutes and the June 24, 2014 special meeting minutes, seconded by James McNair. Unanimously approved, one abstention made by John Ringo, MOTION CARRIED

4. **Citizen's Comments:** -None
5. **Department Reports**
 - a. **Finance Department:** None
 - b. **Tax Collector – Reports and Discussion:** None
- (6) **First Selectmen's Report:**
 - a. **Transfer Requests:** None

b. First Selectman's Update:

- The recount of the June 27, 2014 referendum has been completed. There has been legal action on the absentee ballots and it has gone to the lawyer.
- First Selectman Soby introduced the Acting Town Clerk as Gayle Furman. Mrs. Furman will start as a temporary employee working with the current town clerk for training and orientation. Upon the current town clerk's resignation, Mrs. Furman will become the Acting Town Clerk. This will require a transfer of monies.
- Reed Gustafson has been appointed to the position of Building Inspector for up to 90 days. They will reevaluate where to go from there.

7. Liaison Reports:

- The Economic Development Commission meeting was cancelled.
- The police Department indicated that there were no transfers at this time but one is coming up for monies from the sale of the Dare car. The Drug box collected approximately 500 pounds of drugs to be destroyed.
- The Board of Education budget meeting was cancelled.

8. Budget Review and 2014-2015 Planning Objectives – General Discussion

There was discussion on the following objectives and they were prioritized based on the deadlines and importance of each.

- Survey: The Board asked if the Board of Education would want a survey in the September time frame and if they would want to help draft the questions. Mr. Kennedy said he will discuss it with Mr. Goldstein. Mr. Soby suggested that they could get someone from the community to help. He will send out an e-mail and see about other ways to seek a volunteer.
- The Board discussed the need for the Board of Education to do 3 – 5 year planning to determine how to best respond to declining enrollment.
- Budget Process: The Board proposed exploring way to communicate information to the taxpayers in two time frames (from now until March and then March until May (Budget in Brief). Mr. Tarlov asked if there should be a tri-board to study. Mr. Soby suggested that there should be two members from each board. Mr. Tarlov asked if graphs and budget in brief should be separate and if the same approach should be used with a subcommittee. The response was yes.
- Health Fund: It was stated that the Lockton had a great, informative presentation that BOF should hear. Also as we now have reserves close to amounts to have a sustainable funding policy in place before the Board of Education does their budget. A Tri-Board Meeting should take place this summer to establish.

- Energy Project: Mr. Tarlov said he would like to see if and when it was completed and what the current results are and similar to the projections for electricity saving in the Town Budget, would like to know similarly for BOE and for other areas like heating oil, water, etc.
- The Board picked as their first priority a review of the budget process.

9. Citizens Comments: None

10. Adjournment: A motion was made by Rob Esteve and seconded by Art Schilosky to adjourn at 9:02 PM. **MOTION CARRIED Unanimously.**

Respectfully submitted,

**Gayle Furman
Clerk**

Priority (A, B, C)	Subpriority (1, 2, 3)	2014 - 2015 BOF Objectives and Initiatives	NEXT STEP
		<ul style="list-style-type: none"> · Fire Department Strategic Plan 	Was not discussed as was on last page which did not print.
		<ul style="list-style-type: none"> · Budgeting <ul style="list-style-type: none"> o Zero Based <ul style="list-style-type: none"> § 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 <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. § If the items are tightened; <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. 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 mill 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 mill rate be? o People Costs <ul style="list-style-type: none"> § Have official document explain benefits package I 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. 	Will be on 7/16 BOF Agenda
A	1		
A	1	<ul style="list-style-type: none"> · Energy Project 	Stan Working with Jim P to make presentation
A	1	<ul style="list-style-type: none"> · Health Insurance Funding – establish a new policy for calculating annual funding and reserve requirements. 	In Progress. Stan arranging for Lockton presentation to BOF and a Tri Board meeting
A	2	<ul style="list-style-type: none"> · Did we finalize an agreement with BOS/First Selectman for approving expenditures that require line item transfers before the money is actually spent? 	Rob T to send out draft created earlier

A	2	<ul style="list-style-type: none"> · Survey <ul style="list-style-type: none"> 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? 	<p>Stan to publicize a request for Citizen to help review questions. Don K to check with Ron about BOE Survey</p>
		<ul style="list-style-type: none"> · Improving the narratives for Budget documents. Too much is still given verbally at meetings that are poorly attended. 	
A	2	<ul style="list-style-type: none"> o Graphs and a Budget in Brief <ul style="list-style-type: none"> § Review BOF 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 B 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 	<p>SubCommittee of 2 members from each Board. BOF to appoint two on 7/16</p> <p>SubCommittee of 2 members from each Board. BOF to appoint two on 7/16</p>
A	3	<ul style="list-style-type: none"> · BOE: need a deadline to establish a 3 - 5 year plan to adjust to declining enrollment. 	<p>Rob T and Ron to talk</p>
B		<ul style="list-style-type: none"> · Continued study of reorganization of Town Hall 	
		<ul style="list-style-type: none"> · 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 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 <ul style="list-style-type: none"> § A YTD comparison with last year would provide better perspective · 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 	
B 2	<ul style="list-style-type: none"> 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. 	
C	<ul style="list-style-type: none"> · Review the process for negotiating union contracts. BOF 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 	Short discussion held as to why BOF member not involved on Town negotiations
C	<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 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. 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 ▪ A Golf Tournament is being held to raise money for the Donations Fund. 	Discussion to be had regarding creating a P&R Program Fund Policy
	<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. · School project – do we need this school – can we afford this school – we can't get a mil rate increase of <1% approved by a comfortable margins 	Stan, Ron and Tom T to meet