



Town of Colchester, Connecticut

127 Norwich Avenue, Colchester, Connecticut 06415

**Board of Finance Minutes
Regular Meeting
Wednesday, February 19, 2014
Town Hall - 7:00 P.M.**

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NANCY A. DEWY
TOWN CLERK

MEMBERS PRESENT: Rob Tarlov, John Ringo, Thomas Kane and James McNair. Rob Esteve during the discussion of item 10a. (7:40 pm)

OTHERS PRESENT: First Selectman Gregg Schuster, Selectman Rosemary Coyle, Maggie Cosgrove, Dot Mworka. Citizens: Gary Siddell and Jim Kelly

1. **CALL TO ORDER:** Chairman Tarlov called the Wednesday, February 19, 2014 regular meeting to order at 7:02 p.m.
2. **ADDITIONS TO THE AGENDA:** Dot Mworka invited members to attend the 2/20 Board of selectman meeting to hear the presentation by the Registrar of Voters on equipment they are proposing the Town buy.
3. **APPROVAL OF MINUTES:** Tom Kane MOTIONED to approve the minutes of February 12, 2014 regular meeting with the exception of correcting Jane Smith's name to Jean Smith and that Selectman Stan Soby was not present. SECONDED by John Ringo. All members present voted in favor, MOTION CARRIED 4 - 0.

J McNair said he would like to see more detail in the minutes. For example: if it was stated that a member had concerns, those concerns should be stated in the minutes.
4. **CITIZENS COMMENTS:**
5. **DEPARTMENT REPORTS**
 - a. Finance Department - J. McNair asked if YTD numbers for the previous year could be added to the reports. M Cosgrove said it was possible but would require some time. J McNair asked if a risk and opportunity report could be created to project what financial events might occur during the balance of a fiscal year.
 - b. Treasurer: None
 - c. Tax Collector: None
6. **FIRST SELECTMAN'S REPORT**
 - a. Transfer Requests - none
 - b. First Selectman's Update
 - i. First Selectman Schuster stated the Governor's budget proposal which should have little impact for Colchester.

7. CORRESPONDENCE

- a. None

8. LIAISONS REPORTS: None

9. NEW BUSINESS

- a. **Review of Fund Balance Policy** – Town is current at about 9.5%. The policy has a confidence zone of 7% - 10%. Question was posed whether we should use fund balance for needed capital projects to keep us at about 8.5%. Members felt we should look at needs and be willing to use.

10. OLD BUSINESS

- a. **Review of Budget Transfer Draft** – R Esteve arrived at the meeting. Discussion of the revised draft. It was proposed there be a future joint meeting after budget season with BOS to discuss.
- b. **Process for collecting aging MVR and Personal Property Taxes** – will look create a policy to collect delinquent Motor Vehicle and Property Tax in May. First Selectman Schuster will investigate to see if we can collect taxes at Town hall after they have gone to collections.
- c. **Discussion of 2014 Budget Process**
 - i. Review of Survey - J. McNair stated he approved of the revisions to his original survey and was encouraged that the changes would help in getting people who did not participate in the survey in the past to become involved. First Selectman Schuster said that he had not had a chance to review the latest version but that it would be discussed at the 2/20 BOS meeting. With some minor changes, all members felt the latest version was good.
- d. **Discussion and Possible Action on future Elected Officials Compensation Process** – J McNair asked if elected officials had been asked about opinion of current salary levels. Will create a process in April and May.

11. CITIZENS COMMENTS

G. Siddell commented on the upcoming budget discussions and urged Board to focus on the big picture and not get bogged down in the minutia. J. Kelly urged the Board to use their power to hold the line on BOE expenses and focus on the declining enrollment's effect on the budget.

12. ADJOURNMENT

J McNair MOTIONED to adjourn at 9:20 p.m. SECONDED by J. Ringo. All members present voted in favor, MOTION CARRIED.

ATTACHMENTS:

- A. Town of Colchester Budget Transfer Policy Draft
- B. Budget Survey

Respectfully Submitted,

Rob Tarlov

Town of Colchester Budget Transfer Policy

1.0 Purpose

The purpose of this policy is to specify the Board of Selectmen's and Board of Finance's (boards) intent for dealing with the expenditures, transfers or supplemental appropriation of funds throughout the fiscal year. It is recognized that the boards have joint responsibility to approve unbudgeted expenditures, transfers and appropriations. It is also recognized that it is operationally prudent to have certain transfers occur at the end of the fiscal year once all line item expenditures are complete.

2.0 Transfers Expenditures not requiring prior approval of boards

- 2.1 The First Selectman may authorize the over-expenditure, up to the greater lesser of 5% (of what?) or \$5,000 (is this the right amount?), of any non-salary or benefit line item provided that there will be sufficient funds in other non-salary or benefit line items in the same department to cover the over-expenditure. (is this an annual cap per department or a per occurrence?)
- 2.2 The First Selectman may authorize the over-expenditure of any line item to deal with immediate matters of public safety such as a fire, weather event, or other such incident. The amounts should be presented to BOF for review at their next regular meeting.
- 2.3 The First Selectman may authorize the over-expenditure of any line item to comply with the terms of a collective bargaining agreement. (Should there be a cap, on which any greater amount needs BOF approval?)
- 2.4 The First Selectman may authorize the over-expenditure of any legal line item provided notification is given to the boards in a timely manner. (Need to reword so that it does not include all – there are situations where the Town has discretion as to whether they want to incur or continue to incur future legal cost)

3.0 Transfers Expenditures requiring prior approval of boards

- 3.1 Any supplemental appropriation
- 3.2 Any expenditure that will result in a transfer between departments
- 3.3 Any expenditure that will result in a transfer from salary or benefit line items within a department
- 3.4 Any circumstance not addressed in section 2 of this policy
- 3.5 With the exception of 2.3, any expenditure that will result in inclusion in future budgets.
- 3.6 Changes in a funded program should be referred to BOF for financial impact.

Appendix A – Departments

The following are identified as departments for purposes of this policy:

Boards and Commissions

Contingency

First Selectman

Human Resources

Finance

Tax Collector

Assessor

Planning/Building Code Administration

Town Clerk

Registrar of Voters

Information Technology

Police

Fire

Emergency Management

Public Works (including Public Works Administration, Highway, Fleet Maintenance, Grounds Maintenance, Snow Removal, Facilities, and Transfer Station) *(if they have separate budgets – they should be treated as separate departments)*

Engineering

Youth and Social Services

Cragin Memorial Library

Recreation

Senior Services

For statistical purposes, would you mind letting us know a little about you?

A. How long have you lived in Colchester

- less than 2 years
- 3-4 years
- 5-10 years
- 11-15 years
- 16-20 years
- over 20 years

B. Please indicate your age group

- 18 -29
- 30 -49
- 50 -64
- 65 or over
- Prefer not to answer

C. Children in the Colchester school system?

- Attended Colchester schools in the past
- Currently attending Colchester schools
- Will be attending Colchester schools in the future
- None of the above

D. Over the last five years, in how many Budget referendums did you vote?

- 0
- 1
- 2
- 3
- 4
- 5

1. Which comment best describes your feelings about local tax increases over the last 5 years?

- Tax increases have been too high for the services we get, cut services
- Tax increases have been about right for the services we get, maintain services
- Tax increases have not been enough for the services we need, increase services

As costs of most things go up every year, maintaining current services require higher taxes:

2. To maintain services, what amount of tax increase are you willing or able to afford?

- No Tax Increase (0%) Small Tax Increase (1-2 %) Modest tax Increase (3- 4%) Larger tax increase (5% or more)

3. If the Board felt a new service was of value to the Town, are you willing to accept an additional tax increase to pay for it?

- No Small Addition to Base (less than 1%) Moderate Addition to the Base(1-2%)

To keep tax increases to a minimum, it is likely that services would need to be reduced. In what areas should Board of Finance and be looking to increase spending to maintain services or to reduce services to maintain taxes.

4 When looking at the following Town services, the Board of Finance should do what for the following:

	Increase spending	Make no cuts at all	Make modest cuts	Make major cuts
Fire/EMS	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Library	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Recreation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Police	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Senior Services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Social Services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Recreation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Youth Services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Replacement of Aging Vehicles/Equipment	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Road Maintenance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Town Hall Services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

To keep tax increases to a minimum, it is likely that services would need to be reduced. In what areas should Board of Education be looking to increase spending to maintain services or to reduce services to maintain taxes.

5. When looking at the Education, the Board of Education should do what for the following school cost areas:

	Increase spending	Make no cuts at all	Make modest cuts	Make major cuts
Academic Programs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Extracurricular After School Programs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Facility Maintenance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Instructional Supplies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
School Library Books	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sports - Middle School	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sports - High School	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Teacher/Staff Training	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Technology/Computers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Several of our Town's Historic Buildings, Old Bacon Academy, DAR House (red building next to the Youth Center), Day Hall, are owned and maintained by the Bacon Academy Trustees. Operational expenses currently exceed current revenue and some of the buildings are in need of major repairs. Old Bacon Academy and another building (Senior Center) are being rented to the Town for the cost of the buildings' operational expenses. The Trustees have also advised the Town that they must sell the Senior Center Property.

6. Would you support the use of Town Funds to cover expenses of the historic building as well as provide funds to match potential grants to repair the buildings?

	Do Not Fund	Maybe	Fund
Budget Funds to Cover Expenses of the Historic Buildings, not being used by the Town.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Budget Money to be used by Trustees to obtain grants.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Purchase Current Senior Center Property, as a temporary solution for Town needs, and as an alternative to budgeting for the above.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

On average, Commercial and Agricultural land provide more in tax revenue to the Town than it costs to provide services. With residential property, average expenses are higher than the tax revenue.

As our Town's residential growth exploded over the last several decades, our business growth has not kept pace and many of our farms are now neighborhoods.

7. To diversify the tax base, would you support funding for the following?

	No Funding	Maybe	Yes, Fund Now	Yes, Fund Later
Hire a Full Economic Development Coordinator	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Contract with Public Relations Consultant	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Advertising to Promote Colchester	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Tax Abatements to Attract New Business	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Create Brochure Promoting Colchester	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Budget Money for the Town's Economic Development Commission to Promote Colchester	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Budget Money to Preserve Town Farmland.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>