



# Town of Colchester, Connecticut

127 Norwich Avenue, Colchester, Connecticut 06415

Board of Finance Meeting Minutes  
Wednesday, July 16, 2014  
Town Hall Meeting Room 2 - 7:00 PM

**Members Present:** Chairman Rob Tarlov, Rob Esteve, Art Shilosky, John Ringo, Tom Kane

**Members Absent:** James McNair

**Others Present:** First Selectman Stan Soby, Board of Education member Brad Bernier (arrived around 8pm), Finance Director Maggie Cosgrove, Tax Collector Don Phillips, Selectman Rosemary Coyle, Registrar of Voters Dorothy Mrowka, Fire department Officers Walter Cox and Don Lee, citizen James Kelly, Bacon civics student.

1. **Call to Order:** Chairman Tarlov called the meeting of the Board of Finance Meeting of Wednesday, July 6, 2014 to order at 7:00PM.
2. **Additions to the agenda:** None
3. **Approval of Minutes:** July 2 ,2014 Regular Meeting.

John Ringo moved to approve, seconded by Rob Esteve. Unanimously approved, one abstention made by Tom Kane, MOTION CARRIED

4. **Citizen's Comments:** -None

5. **Department Reports**

- a. **Finance Department:** Maggie Cosgrove presented the June 30 financial reports. She is working on year-end transfers. Questions asked regarding the cost of the resident trooper, electricity and various revenue items.
- b. **Tax Collector – Reports and Discussion:** Tax Collector Don Phillips presented Delinquent Report and Collections Report. Also updated the progress on researching on-line payment services. Current work load of getting the tax bills out and collections has slowed down the research but high priority in August.

(6) **First Selectmen's Report:**

a. **Transfer Requests:** None

b. **First Selectman's Update:**

- Grant opportunity for regional speed enforcement equipment: laser units, etc. No Town contribution needed.

RECEIVED  
COLCHESTER, CT  
2014 JUL 18 AM 10:29  
NANCY A. ERAY  
TOWN CLERK  
Maggie Cosgrove

- NE Utilities grant opportunities for small clean energy projects.
- Senior Center got their transportation grant.
- Update on Objectives and Initiatives
  - Lockton has provided two dates in September for Affordable Care Act presentation and Tri-Board Meeting to create a health insurance funding policy. Stan will send out two dates to the three boards.
  - Several informal meetings held regarding School Building Project (Ron Goldstein, Tom Tyler and Stan Soby; new architect)
  - A Facebook post regarding needing help with budget survey has produced no results. Weekly Update to have request next Monday.
  - Jim Paggioli is working on final presentation to BOF.
- Stan reported that the sub-committee (2 BOS members, 2 BOF members, 2 Bacon Trustees) is stalled waiting for full engineers report with costs.

#### **7. Liaison Reports:**

- Rob Esteve reported that he and Rob Tarlov attended the BOE meeting. They approved 4-3 the reallocating some of the 2014-2015 budgeted health insurance contribution (48K) to restore sports at the middle and high schools.
- Rob Tarlov reported that Sewer and Water discussed needed repairs on the splash park. The pipes in the ground are leaking and the system intended to recycle the water is now using a lot of water paid by the Utility user. Repairs needed estimated to be 38K. Request will likely come to BOS and BOF in the future. Also Colchester Sand W needs to contribute money to equipment replacement at the Treatment Plan. Project to be between 1.2M and 1.5M. Joint Facilities has about 900K, East Hampton and Colchester to split the difference. They have the money in their Sewer Capital Fund.
- Art Shilosky that Commission on Aging reported that a study showed Colchester's Senior population to increase by 64%. Golf Tournament and dinner fundraiser coming up. Commission has started a study on a new Senior Center.

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

- Fire Department-
  - Chief Cox presented the 2<sup>nd</sup> quarter results for the Ambulance Incentive Program.
  - Discussed the progress on a Strategic Plan – working with Stan Soby to prepare a Request for Qualification.
  - Don Lee reported the need to plan for a 2021 replacement of the breathing replacement. Life expectancy is about 15 years, will need to

replace 41 units with a spare tank costing 7000 each in today's dollars.

BOF will discuss at future meeting putting into the capital equipment plan.

- Health Insurance Funding Policy – Rob Esteve stated that BOF should have discussion in advance of Tri-Board Meeting. Will be on 8/5 agenda.
  - BOF/BOS draft agreement for approving transfers/expenditures. Last week, Rob Tarlov had sent out the draft created earlier this year, by Gregg Schuster with comments made by BOF. Originally the next step was to be BOS review. Although nothing had changed since then, it was agreed that with a new First Selectman, that it should be reviewed, first, at the next BOF meeting.
  - Zero Based budgeting, discussion regarding the need to balance the historical perspective of each line item, with what is actually being spent today.
  - With the tightening up of line items, a need to increase future budgeted contingency and possible created a funding plan to maintain fund balance % was discussed. This will be put on the 8/5 BOF agenda.
  - As a follow-up to the Board's prior discussion on the need for the Board of Education to do 3 – 5 year planning to determine how to best respond to declining enrollment, Rob T reported that in discussion with Ron Goldstein that a Strategic Planning discussion would be on the BOE agenda in August.
  - Some items under the #1 priority discussion topics were added to one of the subcommittee's discussion items.
    - Tom Kane and Rob Esteve to work on the Tri-Board subcommittee tasked with creating a plan to communicate budget information between now and February. BOE has already provided two names.
    - Rob Tarlov and James McNair to work on the Tri-Board committee tasked with creating a plan to communicate budget information in the March to May time period, to include budget in brief, graphs, charts, etc. BOE has already provided two names.
9. **Citizens Comments:** Jim Kelly commented on several BOE items. Felt that post referendum action to move money from the health insurance funding to restore sports was wrong. These changes should have been made before the taxpayers voted. Also stated that the BOF needed to put more pressure on BOE to reduce their budget in face on ongoing declining enrollment. Felt that we had unfairly cut the Town side to offset the BOE increases. Also said that with current and projected enrollment falling, maybe we should be closing a school rather than building one.
10. **Adjournment:** A motion was made by Rob Esteve and seconded by John Ringo to adjourn at 9:03 PM. **MOTION CARRIED Unanimously.**

Respectfully submitted,

Rob Tarlov

AIP		COLCHESTER FIRE & EMS				Year 2014										
Pay Period	\$ Type	Month	Budget	Participants	Payout \$	Calls	EMS	I/shifts	3rd Tone	M/A/q						
#1	50/15	Jan.	FY14	24	6130	159	117	1	1							
#2	50/15	Feb.	FY14	26	6175	153	124	2	5							
#3	50/15	March	FY14	28	6315	149	114	1	6				Given - 27	EMS - 14	OverL - 13	
#4	50/15	April	FY14	25	6170	151	109	5	2				Recd - 32	EMS - 2	OOS - 1	
#5	50/15	May	FY14	23	5955	160	126	6	1				Given - 42	EMS - 2	OverL - 46	
#6	50/15	June	FY14	25	4795	119	99	4	0				46	EMS - 2	OOS - 4	
* #7	9 days 50/15	June	EOFY	17	1780											
#8	50/15		FY15													
#9	50/15		FY15													
#10	50/15		FY15													
#11	50/15		FY15													
#12	50/15		FY15													
											18 vol. shifts (6 hour) per week = 72 shifts per month = 216 per quarter					
AMBULANCE											INCENTIVE		PROGRAM			

Priority (A, B, C)	Subpriority (1, 2, 3)	2014 - 2015 BOF Objectives and Initiatives - updated at BOF 7/16 Meeting	NEXT STEP
A	1	<ul style="list-style-type: none"> <li>· Budgeting               <ul style="list-style-type: none"> <li>o Zero Based                   <ul style="list-style-type: none"> <li>§ Real number on project current year projections on proposed budget.</li> <li>§ 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"> <li>· Reducing postage because we no longer mail the large packages, we e-mail them</li> <li>· 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</li> <li>· Finance keeping conventions and meetings above historical actuals in case people want to go.</li> <li>· Budgeting for meeting clerks at higher number of meetings than have been held or where department head keeps the minutes.</li> </ul> </li> </ul> </li> <li>§ If the items are tightened;                   <ul style="list-style-type: none"> <li>· Increase contingency from .5% to 1%? Tighter line item budgeting requires a higher contingency?</li> <li>· 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.</li> </ul> </li> </ul> </li> </ul>	Discussed on 7/16. In creating budget for 2014/2015, sub-line items will be reviewed to be sure that amounts relate to actual expenditures in addition to the historical perspective.
A	1	<ul style="list-style-type: none"> <li>· Energy Project</li> </ul>	Reviewed on 7/16. Further discussion to determine if/what contingency should be raised to and add to a Fund Balance Policy a funding plan to maintain balance in our confidence Zone. Will be kept on BOF agenda.
A	1	<ul style="list-style-type: none"> <li>· Health Insurance Funding – establish a new policy for calculating annual funding and reserve requirements.</li> </ul>	Stan working with Jim P to make presentation to BOF
A	1	<ul style="list-style-type: none"> <li>· Did we finalize an agreement with BOS/First Selectman for approving expenditures that require line item transfers before the money is actually spent?</li> </ul>	Stan will send out two dates in September for Lockton presentation to BOF and a Tri Board meeting. BOF will also discuss at 8/5 Meeting
A	2	<ul style="list-style-type: none"> <li>· Survey               <ul style="list-style-type: none"> <li>o How well did it reflect final results?</li> <li>o What can be done to improve clarity and response?                   <ul style="list-style-type: none"> <li>§ Rework questions as well as adding or removing</li> </ul> </li> <li>o Time Line                   <ul style="list-style-type: none"> <li>§ BOE wants sent out in September. We should get input and direction from BOE.</li> <li>§ Town: January?</li> <li>§ A third survey in late February?</li> </ul> </li> </ul> </li> </ul>	Rob T sent out draft created earlier this year and will be on BOF agenda for 8/5 for review.
A	2	<ul style="list-style-type: none"> <li>· Survey               <ul style="list-style-type: none"> <li>o How well did it reflect final results?</li> <li>o What can be done to improve clarity and response?                   <ul style="list-style-type: none"> <li>§ Rework questions as well as adding or removing</li> </ul> </li> <li>o Time Line                   <ul style="list-style-type: none"> <li>§ BOE wants sent out in September. We should get input and direction from BOE.</li> <li>§ Town: January?</li> <li>§ A third survey in late February?</li> </ul> </li> </ul> </li> </ul>	Stan has placed on Facebook a request for Citizens to help review questions. Will also be part of Colchester Weekly Update on 7/21 e-mail. Ron G in favor of survey but concerned with how questions are created.

A	2	<p>Improving the narratives for Budget documents. Too much is still given verbally at meetings that are poorly attended.</p> <ul style="list-style-type: none"> <li>o Graphs and a Budget in Brief <ul style="list-style-type: none"> <li>§ Review BOF graphs and new ones created on 6/24 by Town staff</li> <li>§ Choose relevant graphs and how to best create relevant and objective graphs to be included in a "Budget in Brief" <ul style="list-style-type: none"> <li>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"> <li>§ "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</li> <li>§ Also if spending were the same as last year, what would mill rate be?</li> </ul> </li> </ul> </li> <li>o People Costs <ul style="list-style-type: none"> <li>§ Have official document explain benefits package   contracts</li> <li>§ Have Budget document stating # staff get contractual increases by increase range 1-2%, 3-5%, 6% and higher</li> <li>§ Have Budget document for Town and BoE showing labor salaries and benefits as % of Budget</li> <li>§ Having Budget document showing headcount trends for Town and BoE.</li> </ul> </li> <li>o Communicating, Informing and Educating the Voter during the upcoming year. <ul style="list-style-type: none"> <li>§ Social Media</li> <li>§ Outreach Meetings away from Town Hall</li> </ul> </li> </ul> </li> </ul>	<p>SubCommittee of 2 members from each Board. BOE has two volunteers, BOF: James and Rob T. BOS will do on 7/17 and then Stan to coordinate meeting dates</p>
A	1		<p>Discussed at 7/16 meeting and determined should be discussed by this sub-committee.</p>
A	3	<p>BOE: need a deadline to establish a 3 - 5 year plan to adjust to declining enrollment.</p>	<p>SubCommittee of 2 members from each Board. BOE has two volunteers, BOF: Tom and Rob E. BOS will do on 7/17 and then Stan to coordinate meeting dates</p>
B		<p>Continued study of reorganization of Town Hall</p>	<p>BOE to have Strategic Planning on August Agenda.</p>
B	1	<p>Financial Reports:</p> <ul style="list-style-type: none"> <li>o Getting better reporting of sub line items. Should reflect the same line items, including sub items, as the budget.</li> <li>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.</li> <li>o Encumbrances and irregular spending patterns of some line items make it difficult to know where we stand <ul style="list-style-type: none"> <li>§ AYTD comparison with last year would provide better perspective <ul style="list-style-type: none"> <li>· 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.</li> </ul> </li> </ul> </li> <li>o Giving us quarterly reports showing significant opportunities for savings and risk.</li> </ul>	

B	<p>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</p> <ul style="list-style-type: none"> <li>o Create a Funding Plan</li> <li>o Should the capital needs of the schools be removed from the BOE budget <ul style="list-style-type: none"> <li>§ The actual building projects are a Town expense, the ongoing maintenance is not.</li> <li>§ The BOE when faced with a decision of capital vs operation has always deferred the capital and maintenance</li> <li>§ BOE cannot do capital planning (funding) beyond the current year.</li> <li>§ Having capital maintenance within the BOE budget removes BOF ability to plan and make these decisions</li> <li>§ The Town has transfers and capital outside the operational budget, BOE does not.</li> </ul> </li> </ul>	
C	<ul style="list-style-type: none"> <li>o 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.</li> <li>o How do we create parity for nonunion position pay increases with union</li> <li>o Policy for elected officials pay</li> </ul>	Short discussion held as to why BOF member not involved on Town negotiations
C	<ul style="list-style-type: none"> <li>o 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"> <li>o Park &amp; Rec <ul style="list-style-type: none"> <li>§ What expenses should be paid from here?</li> <li>§ What if the programs create surplus and build up the fund?</li> <li>§ What is the fund is operating at a deficit?</li> <li>§ Other department have similar funds, but unlike this fund, we know little of them.</li> </ul> </li> <li>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.</li> <li>o Senior Center Donation Fund <ul style="list-style-type: none"> <li>▪ Newsletter was paid from this previously, then when it was suggested to no longer outsource this, the</li> <li>▪ A Golf Tournament is being held to raise money for the Donations Fund.</li> </ul> </li> </ul> </li> <li>o Grants – do we have a grant writer? I know Jenny did this as First Selectman and appeared to be good at it.</li> </ul>	Discussion to be had regarding creating a P&R Program Fund Policy
	<ul style="list-style-type: none"> <li>o School project – do we need this school – can we afford this school – we can't get a mill rate increase of &lt;1% approved by a comfortable margins</li> </ul>	Stan, Ron and Tom T have met and further meetings taken place with new architect and additional info being gathered

	<p style="text-align: center;">Fire Department Strategic Plan</p>	<p>At 7/16 meeting, Stan and Chief discussed work done to date and the plan to send out an RFQ. (in 30 to 60 days) Also discussed need to replace breathing apparatus in 2021. 41 needed with today's cost of 7000 each for apparatus and spare tank. (Projected future cost: \$340K). Should this be added to the Equipment Capital Plan, for next needed purchase in 2021 and then in 2036.</p>
--	---	---