

Town of Colchester, Connecticut

127 Norwich Avenue, Colchester, Connecticut 06415

**Board of Finance Minutes
Special Meeting Minutes
Wednesday, February 1, 2017
Colchester Town Hall @ 7pm**

MEMBERS PRESENT: Chairman Rob Tarlov, Thomas Kane, Andreas Bisbikos, Andrea Migliaccio, and Roberta Lepore, and Stefani Lowe

MEMBERS ABSENT: none

OTHERS PRESENT: First Selectman A Shilosky, Board of Education R Goldstein and B Bernier, BOS R Coyle and D Mizla, Superintendent J Mathieu, Fire Chief W Cox, Deputy Chief D Lee and Clerk T. Dean

1. Call to Order

R Tarlov called the meeting to order at 7:05p.m.

2. BOE Presentation and Discussion – Out of District Tuition Plan

Chairman R Goldstein presented the out of district tuition revenue plan (attached).

Discussion ensued on any cost related to taking on the Norwich students, listed items revenue will be designated towards, percentage of revenue distribution, per pupil cost, ESC funding, class sizes, and number of Norwich students.

R Goldstein stated the intention of the BOE is to continue to work collaboratively with the Board of Finance in regards to the plans for Norwich tuition. He also stated that per state statute they are not required to get BOF approval, nor does it get reported through the budget. Discussion between R Goldstein and R Tarlov on determining the best course of action and purpose, and work collaboratively to come up with a policy to ensure that this is done in the future.

3. Opengov.com Webex Presentation: Transparency Software – Brian May presented

4. Approval of Minutes: January 18 Special Meeting

A Migliaccio moved to approve the minutes of the January 18, 2017 Special Meeting, seconded by S Lowe. Unanimously approved with one abstention by S Lowe. MOTION CARRIED.

5. Citizens Comments

M Kehogren commented on the upcoming budget process in regards to the Norwich revenue. Also commented on survey results.

L Saglowich stated that Bacon Academy has excellent teachers. Budget cuts make the town less competitive.

J Francour stated he feels Colchester students will go to other schools if the BOE budget keeps getting cut. Asked about the AP testing financial waiver and where the money comes from. Also supports the BOE budget.

J Maine asked about the Norwich tuition revenue and residents should have a say in how it is spent.

R Goldstein stated the BOE has statutory authority on how the money is spent.

V Rose supports fully funding the BOE budget at the 2.66% increase.

M Keogren stated that if you cut in the BOE budget the students will go to magnet schools.

J Kelley spoke on the Norwich tuition revenue and that in the presentation it stated tax payer relief. He doesn't see, on what was proposed, that it does that. Also stated that Norwich students and the relative cost for maintaining should be applied to operations. Also stated his support on the software program presented.

R Coyle stated that the BOE program for Norwich was creative thinking outside of the box to bring in new revenue. Stated that the BOE budget has limited ability to maintain what's necessary for outstanding education to continue. She also stated that she does not support using the revenue to support operations.

B Bernier stated it is difficult to articulate the cost for each student.

6. Correspondence - attached

RECEIVED
TOWN OF COLCHESTER
2017 FEB -7 PM 10:41

7. 2017-2018 Budget – Department Head Presentations

8. First Selectman

a. Transfer Requests - none

b. First Selectman Report

Town received a large donation from S&S Worldwide to the Fuel/Food Bank. Grand List is down 1.1%, much better than anticipated.

9. Department Reports

a. Finance Department - none

10. Liaisons

a. Reports

A Migliaccio reported that she toured the Police Department facility and discussed their budget with the Sargent.

T Kane reported on the Building Committee – Presentation from a solar company. Projected savings if went to solar is \$600,000, over a 20 year lease, at no cost to the town.

11. New Business

a. 2017 Budget Discussion – Budget Facebook – Budget Forum – Communications – Survey

Survey – results and comments are on the website. R Tarlov stated results were not much different than last year results. S Lowe stated they are capturing a small percentage of 16,000 perceptions. Stated she wasn't sure if it was due to the way questions were posed or just non-interest.

Discussion on past referendums vs percentage of same answer and the validity of how much weight to judge the survey.

Facebook – used to send out information only and send viewers to the town website for more information. Will be up and active soon.

Budget Forum – R Tarlov stated the feedback from the forum indicated that getting information out via better channels was needed.

12. Old Business

a. Transparency Software: Discussion and Possible Action

R Lepore did much research. Started with three options, narrowed down to two; cleargov and opengov. The summary of options was indicated in an excel sheet (attached). The Board felt the best choice was opengov, and after much discussion, choosing the intel package at \$12,000 would be the best option to leverage data and make better decisions. The Board also agreed that purchasing the software would be a way to meet the communities expectation and request. A Shilosky stated that he agrees with the thought behind the software but that he can't commit to funding until he determines what the revenue stream is for the budget, state funding, and budget needs.

The Board recommends to the First Selectman to support the \$15,100 (includes start up fees) cost to implement the Transparency software.

13. Citizens Comments

J Cox asked when a decision would be made on the BOE budget. R Tarlov stated 2/28 is the Public Hearing for both budgets, 3/2 is the town budget review, 3/3 is the school budget review, 3/6 is the Public Forum. All residents can give input at these sessions.

J Kelley spoke regarding transparency software and it would help free up the CFO on fielding finance questions. Supports the transparency software.

14. Adjournment

A Migliaccio moved to adjourn at 10:18pm seconded by T Kane. Unanimously approved. MOTION CARRIED.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Tricia Dean', with a long horizontal flourish extending to the right.

Tricia Dean, Clerk

Attachments:

BOE Presentation

Correspondence

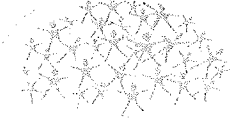
Fire Department Presentation

Transparency System Review

COLCHESTER PUBLIC SCHOOLS

2017-18

Tuition Revenue



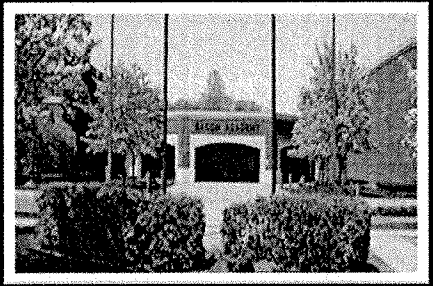
COLCHESTER
PUBLIC SCHOOLS
Branch Office
Lynn S. Perry

February 01, 2017

1

Let's Be Proud....

Bacon Academy



Chosen by Norwich Students!

"Our very own magnet"

2

Why It Happened

Colchester has LONG been known for the quality of its entire school system.

At BACON ACADEMY, the tradition of excellence and academic achievement has attracted attention.

**Great Core Offerings
Career and Tech Ed
Advanced Placement Offerings
Great Electives
Award-winning Band
Gold-Key Artists
Tournament Level Athletics
And MORE....**

How It Happened

Discussions with Norwich

**Presentation
to Norwich Board of Education**

**Attendance at
High School "Fair"**

EDUCATIONAL SERVICES AGREEMENT

This Agreement is effective immediately upon execution by and between the NORWICH BOARD OF EDUCATION, (hereinafter "NORWICH"), and the COLCHESTER BOARD OF EDUCATION (hereinafter "COLCHESTER").

WHEREAS, COLCHESTER maintains a high school, Bacon Academy (hereinafter "Bacon") approved by the Connecticut State Board of Education, which provides facilities for a high school education, grades nine (9) through twelve (12) inclusive; and

WHEREAS NORWICH desires to avail itself of Bacon's high school facilities for the purpose of providing a high school education to some of its eligible resident students.


NOW THEREFORE, in consideration of the mutual promises, covenants and stipulations set forth herein, NORWICH and COLCHESTER agree as follows:

1. **Services:** On the terms and conditions described herein, COLCHESTER will provide educational facilities, instruction, courses and activities for such NORWICH students as are enrolled in grades nine (9) through twelve (12), as required and in compliance with applicable provisions of the Connecticut General Statutes and related regulations of the State Board of Education. Such enrolled NORWICH students shall be subject to all the requirements, privileges, restrictions, policies, rules and regulations, and awards accorded to Bacon's student body.
2. **Enrollment of Students:**
 - a. **Number of Norwich Student Enrollees in the Class of 2020:**

Educational services shall be provided for up to fifteen (15) qualified resident students of NORWICH who desire to enroll in the 9th grade at Bacon for the 2016-2017 school year, in the Bacon Academy Class of 2020.
 - b. **Number of Norwich Student Enrollees in Classes Thereafter:**

Thereafter, up to ten (10) students may enroll in the 9th grade at the beginning of each school year for the remainder of the initial Agreement term, or term extension, if applicable. The parties may increase the number of enrolled NORWICH students in any school year by mutual written agreement.
 - c. **Lottery:**

In the event that a larger number of NORWICH students desire to enroll in Bacon than the numbers specified above for any particular school year, NORWICH and COLCHESTER shall select the specific NORWICH students eligible to enroll by conducting a blind lottery in a manner agreed upon in writing by the Superintendents of COLCHESTER and NORWICH.



**Anticipated
Revenue
FY 2017-2018**

\$367,900.00


5

Using the Revenue


As a Board and Administrative Team,
we realized two things:


(i) the reason we are getting this revenue is Bacon Academy and its offerings; and

(ii) this money must provide dollar-for-dollar taxpayer relief

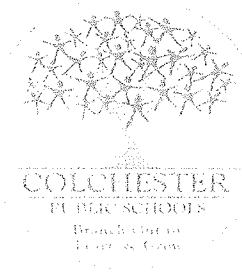
 Bacon Academy Tuition Revenue 2017-2018 Tuition Allocation \$14,716 per student					
	TOTAL \$	DISTRICT	BA	Dist	BA
1	14,716	0	14,716	0%	100%
2	29,432	0	29,432		
3	44,148	0	44,148		
4	58,864	0	58,864		
5	73,580	0	73,580		
6	88,296	0	88,296		
7	103,012	0	103,012		
8	117,728	0	117,728		
9	132,444	0	132,444		
10	147,160	0	147,160		
11	161,876	7,368	154,508	90%	90%
12	176,592	14,716	161,876		
13	191,308	22,074	169,234		
14	206,024	29,432	176,592		
15	220,740	36,790	183,950		
16	235,456	44,148	191,308		
17	250,172	51,506	198,666		
18	264,888	58,864	206,024		
19	279,604	66,222	213,382		
20	294,320	73,580	220,740		
21	309,036	80,938	228,098	90%	100%
22	323,752	100,069	223,683		
23	338,468	113,313	225,155		
24	353,184	126,558	226,626		
25	367,900	139,802	228,098		
26	382,616	153,046	229,570		
27	397,332	166,291	231,041		
28	412,048	179,535	232,513		
29	426,764	192,780	233,984		
30	441,480	206,024	235,456		
31	456,196	219,268	236,928		
32	470,912	232,513	238,399		
33	485,628	245,757	239,871		
34	500,344	259,002	241,342		
35	515,060	272,246	242,814		
36	529,776	285,490	244,286		
37	544,492	298,735	245,757		
38	559,208	311,979	247,229		
39	573,924	325,224	248,700		
40	588,640	338,468	250,172		

\$14,716 Source 2016-16 Net Current Expenditures dated October 2016

 Tuition Revenue Bacon Academy Items	
Proposed Purchases from Tuition Funds	Amount
Replace outdated computers, vinyl printer, projector and furniture for graphics lab	\$50,000
Replace 25-year old technology for world language lab	\$40,000
Updated technology and replace used furniture for Alternative Education	\$10,000
Complete Wi-Fi to ensure reliable wireless environment	\$35,000
Restoring Advanced Placement (AP) test requirement for all students in all AP classes	\$35,000
Update technology and furniture for the Library Media Center (LMC)	\$60,000
TOTAL	\$230,000

 Tuition Revenue Non-Bacon Academy Items				
	FY 2017-2018 BUDGET	FY 2016-2017 ADOPTED BUDGET	(INCREASE/ DECREASE)	PERCENT CHANGE
SALARIES	24,875,208	24,548,092	327,113	1.33%
BENEFITS	6,689,203	6,153,513	535,690	8.71%
INSTRUCTIONAL	922,648	1,051,000	(128,352)	-12.21%
TRANSPORTATION	2,467,738	2,392,344	75,395	3.15%
PROFESSIONAL SERVICES	257,492	268,371	(10,879)	-4.05%
PROPERTY/LIABILITY INSURANCE	134,637	130,665	3,972	3.04%
OFFICE SERVICES	309,231	321,088	(11,857)	-3.69%
TUITION	2,775,556	2,871,085	(95,529)	-3.33%
FACILITIES & GROUNDS	1,511,388	1,546,496	(35,108)	-2.27%
CAPITAL OUTLAY	215,735	215,735	0	0.00%
PAYMENT TO DEBT SERVICE FUND	212,336	206,675	5,661	2.74%
SUB-TOTAL	40,371,170	39,705,064	666,106	1.68%
REDUCTION FOR DISTRICT SHARE OF NORWICH TUITION STUDENTS	(139,802)		(139,802)	
TOTAL	40,231,368	39,705,064	526,304	1.33%

Questions...



January 25, 2017

Colchester Board of Finance
Colchester Town Hall
127 Norwich Ave. Suite 203
Colchester, CT 06415

Re: 2017-2018 Education Budget

Dear Board Members,

I attended the meeting on January 24th regarding the Superintendent's presentation of the upcoming budget for the 2017-2018 school year. Each year, I say to myself that they can't possibly make any further cuts to our education budget and every year, we are faced with deeper cuts. We are at a point where the cuts are just devastating to the tremendous staff members, this town and most importantly, the children. We CAN'T continue with these cuts any longer. I am tired of voting on "bare bones" budgets year after year. These continued cuts are ultimately robbing the children of the opportunity to receive a great education while preparing them for this difficult world. It is time to reverse the trend and to move forward on the INNOVATION fast track.

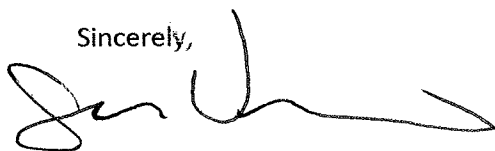
I moved to Connecticut in 2008 when my job relocated from Rhode Island to Rocky Hill, CT. Not knowing the state very well, my wife and I drew a radius on a map and began researching various towns. One of the highest priorities was education for our child. My daughter is in 7th grade and has done very well in school but I feel terrible for her that she might not be afforded some of the opportunities that I had during my school years. Some of my fondest memories were from the sports I played and the team camaraderie that was experienced. The field trips and clubs I participated in were also great experiences and helped mold me into the person I have become today.

If we continue with these cuts, our children will not grow into well rounded young adults because WE, as Colchester citizens, did not afford them of those opportunities. These children will not be prepared for college or life in today's workforce if we continually limit their options. That is absolutely shameful.

I wholeheartedly support the NO CUT, 2.67% increase budget and plead with you to work with the Board of Education to bring this budget to referendum. I would actually be supportive of investing more funds into the budget for our children.

Last night, there was a positive showing of residents who feel the same way and there is a buzz generating in the community about the vote in May. I am hopeful and optimistic that this surge will continue to grow leading up to that vote and I am determined to communicate this to my friends, neighbors and fellow residents every chance I get. There are a lot of people who support this notion, so again, I urge you to work with the BOE regarding the 2.67% NO CUT budget for referendum.

Sincerely,



Jason Duckworth

1/24/2017

Colchester Board of Finance
Colchester Town Hall
127 Norwich Avenue Suite 203
Colchester, CT 06415

RE: 2017-2018 Board of Education Budget

To the Colchester Board of Finance,

As a parent of two children in the Colchester school system, I recently attended a meeting with the Superintendent of Schools to review the various proposed 2017-2018 budget options. The meeting was attended by a large number of concerned parents.

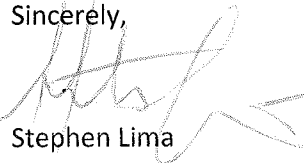
I found the meeting very helpful and I wanted to ensure I contacted the Board of Finance immediately.

The Superintendent outlined three possible budget scenarios: a modest increase YoY (**2.67%**), a more modest increase with some program and personnel cuts (**1.33%**) and a "near-zero" budget with substantial cuts (**.15%**).

I want to clearly and unequivocally state that I support the 2.67% proposal presented as the starting point for the BOE. Additionally, I would actually support investing MORE dollars in our school system if that option were available.

Please work with the Board of Education to come up with a budget that will NOT impact the education budget.

Sincerely,



Stephen Lima

From: Kathleen Carnelli <kcarnelli@gmail.com>
Sent: Wednesday, January 25, 2017 9:30 AM
To: Robert Tarlov
Subject: Budget

Hello,

I attended the meeting with the Superintendent of Schools to review the various proposed 2017-2018 budget options on January 24th . During the meeting the Superintendent outlined three possible budget scenarios: a modest increase YoY (2.67%), a more modest increase with some program and personnel cuts (1.33%) and a “near-zero” budget with substantial cuts (.15%).

I want to clearly and unequivocally state that I support the 2.67% proposal presented as the starting point for the BOE. In addition, I would actually support investing MORE dollars in our school system if that option were available.

Many of the citizens of Colchester chose to live in this beautiful town PRECISELY for the education system. To continually have to fight to get a budget passed is simply unacceptable given the high taxes we pay in this town. Taxes that many of us pay with the understanding that they support our wonderful school system. Really, the education system is really the only reason I can justify paying the amount of taxes that I do each year.

Please do NOT be swayed by the “zero increase” people in town. Please put forth a full and robust budget to the Board of Finance. I can assure you that the pro-education citizens in Colchester will flood the voting booths this year to ensure that a solid and realistic budget is ratified this May.

Thank you!

Kathleen

Tricia Dean

From: Robert Tarlov
Sent: Tuesday, January 31, 2017 4:21 PM
To: Board of Finance Members
Cc: Tricia Dean; Ronald Goldstein; Art Shilosky
Subject: pdf - BoF Correspondence - Colchester Fund Balance Policies
Attachments: Fund Balance Response to CCW .pdf

Resending as a pdf as the edits came through on at least one

From: Robert Tarlov
Sent: Tuesday, January 31, 2017 3:38 PM
To: Board of Finance Members
Cc: Tricia Dean; Ronald Goldstein; Art Shilosky
Subject: BoF Correspondence - Colchester Fund Balance Policies

From: Robert Tarlov
Sent: Sunday, January 29, 2017 5:15 AM
To: James McNair
Subject: Colchester Fund Balance Policies

Hi James,

Read your post re: Fund Balance and the 4 questions taxpayers should be asking. On the attached, I have attempted to provide some background on some of the related Town policies as well as answers to the 4 questions.

Rob

Rob Tarlov, Chairman, Board of Finance
860-608-4293

Surplus (or deficits) comes from two sources, revenue and expenditures coming in differently than assumed. The expenditures are more controllable, as Town personnel manage what is spent in order to come in under budget during the fiscal year, the revenue cannot be predicted as easily nor is there much that can be done to ensure that it comes in as assumed.

Coming in under budget is a good thing if the budgeted amounts are realistic. I think today, the Town budget is a conservative, yet realistic projection of what will be spent. Over the last 5 or 6 years, we have reduced or removed many recurring budget items. Budget amounts had been carried over from prior years, regardless if the money was spent, and at budget creation time, most line items were projecting current fiscal year-end spending equal to the budgeted amounts.

I think the primary point of the James post is that being conservative in projecting both revenue and expenditures is fiscally responsible, but when things go right, and we don't need all of the dollars collected in taxes, how and when can these dollars be returned to the taxpayer.

Below, I will try to answer the four questions put forth for taxpayers to ask town officials.

In looking at the breakouts of the revenue from year to year, there is little consistency in where the higher or lower amounts come from.

Some items are reimbursement items and the additional revenue is tied to an unbudgeted expense, such as special education. The additional revenue goes into the General Fund, but the school budget is still expected to come in under budget despite this add on.

In the two years James has highlighted, the Town had lower than projected revenues and despite coming in under budget on the expenditures, the town ran a deficit for both years. For those two years, much of it came from a lower collection rate on current and prior years' delinquent taxes than projected.

In the 2007 - 2009 period, in addition to the more than \$1,500,000 in Fund Balance money used for mil rate relief, another \$350,000 was used to cover the deficits. During that period, the Town had two successive years of no tax increase and the budgets cut spending on capital and roads and the fund balance decreased to almost 6%, leading Moody's to reduce our rating.

10 years ago the Revenue Line for investment earnings of 500K to 600K and earnings provided substantial taxpayer relief and also could easily cover the needed increase in fund balance required to maintain the fund balance percentage. Our investment earnings over the last couple of years is less than 50K per year.

In 2015/2016, most of the additional revenue came from three sources, collection of taxes at a higher rate than we assumed, a large increase in building plans which increased building permits and road inspection fees, and conveyance taxes from increased real estate activity.

In preparing the budget, it would not be prudent for us to simply assume a higher collection rate, but we do have a revenue item for collection of past years' delinquent taxes. No one expected a building boom in town, which continues in the current year. For the most part this is a residential building boom, which does not portend well for future budgets.

We need to be conservative in the expected revenue from the State as Town Budgets are done before the State budgets and often their projected revenue is not received. Additionally, the State has begun a practice of reducing our revenue after our budgets are passed and the Towns' fiscal year has begun. This happened in 2015/2016 and has happened twice already in 2016-2017.

Most of the expense savings on both the Town and School side came from positions vacated during the year and the lapse in time before a replacement is hired. This is impossible to predict, and I don't think it would be wise to allow administration to spend this money on unbudgeted items. Also, workmen's comp claims will show as a savings in the salary line item, and hence the department, but will show up at some point, somewhere else in the budget (Insurance), sometimes in a different year.

On the Town side, every Department Head is held to their budget. If one department budget or line item is coming in under budget, the 1st Selectman does not encourage additional spending in that department or in another to use all of the budget approved by the taxpayers.

Some unexpended funds are already allocated for other items per town policies: Snow Removal Reserve (67,621) and BOE Capital Reserve (145,882). Both policies are on the Board of Finance page of the Town website. The transfer to Snow Removal Reserve actually occurred before the close of the year

Why can't Board of Finance reconsider General Funds Balance policy for tax relief?

We have a fund balance for three reasons: rating companies require it, reserve for future projects, and reserve for emergencies and opportunities.

We created a Fund Balance Policy in 2010 that would put the Town in a good light when our ratings were reviewed. Ratings have a direct impact on the amount of interest we pay when we borrow money. The amount of interest the Town pays impacts the amount of taxes we pay, in that a lower rating causes higher interest rates on money we borrow.

Before the Town created the Fund Balance Policy, we regularly used fund balance as a revenue item in the budget. Moody's reduced our rating early in 2011 citing our use of fund balance for that purpose. Later that year Fitch reaffirmed their previous rating, citing as positives, the new Fund Balance Policy and the fact that we were no longer using the fund balance for mil rate relief.

The percentage of the fund balance in relationship to the budget is important as the ratings of towns with Fund Balance percentages between 10 and 15% receive the highest ratings. Board of Finance decided that to keep balances high enough to produce those percentages, meant that those dollars were not being used for current needs. The Board instead decided to focus on maintaining percentages in the 7 – 10% range.

In these new times where the State has begun making post referendum and mid fiscal year reductions in revenues, the town should stay on the high end of the 7 – 10% range. We learned last week on the same day as you the public, that for the first time in many years, we are above 10% and have not yet determined how much our spending since 6/30 has impacted that percentage (10.76%) and have not yet had a discussion as to how we want to handle the excess. We could earmark it for large fire apparatus, road maintenance and improvements, senior center construction to offset required debt, capital reserve, etc. In addition, we have yet to begin funding our OPEB (Other Post-Employment Benefits) liability. This had been put off to the future as there have been other more current needs to address.

Over the last 5 years we have been putting more into fund balance than we have been spending from it. Why? First we have been recovering from the low fund balance percentages reached in 2010 and we had not yet exceeded the high limit of our confidence zone, second we have had several major items in our capital plan that will require financing (school, senior center, major fire apparatus). A healthy fund balance will reduce our cost of borrowing, which is set when the financing occurs, hence requiring lower taxpayer dollars for 20 – 25 years into the future, and the dollars on hand could be used to reduce the amount needing to be borrowed, too.

We will not use fund balance as a revenue item in the budget for mil rate relief, but we do use fund balance and reserves for capital items that will not appear in a future budget. The text of the fund balance policy is on Town web site, but this was a visual created by Board of Finance when the policy was established.

		POTENTIAL USES	REQUIRED ACTION TO USE
Target Spread	Hi Caution	<p>< 5%</p> <p>Specific Urgent Situation Only</p> <p>Mill Rate Relief does not constitute a Specific Urgent Situation</p>	Requires approval by a vote of 4 members of the Board of Finance at an official meeting, and only upon the determination of a specific urgent situation by both the Board of Finance and the Board of Selectmen (by regular voting procedures).
	Cautionary Zone	<p>5% to 7%</p> <p>The funds can be used only for general mill rate relief and only if the percentage of mill rate increase without the use of Fund Balance is greater than the prior calendar year's percentage rate increase in the Consumer Price Index (CPI) plus 1%. CPI shall be the index as calculated by Bureau of Labor Statistics, Northeast Region All Items</p>	<p>Requires approval by 4 members of Board of Finance.</p> <p>Should attempt to fund one time expenditures to avoid needing to replace this item in the following year budget.</p>
Target Spread	Confidence Zone	<p>7% to 10%</p> <p>Capital Projects</p> <p>Repay debit, if permissible</p> <p>Other Designated Accounts</p> <p>Other One Time Projects</p>	Requires a majority vote of Board of Finance members present, but no less than 3 members in favor of approval
	Above Confidence Zone	<p>> 10%</p> <p>Capital Projects</p> <p>Repay debit, if permissible</p> <p>Other Designated Accounts</p> <p>Other One Time Projects</p>	<p>Possible action to bring down to 10%. If the Fund Balance is in excess of 10%, the Board of Finance should provide an explanation why such a level is necessary and/or desirable.</p> <p>Requires a majority vote of Board of Finance members present, but no less than 3 members in favor of approval</p>

This following piece was created by Board of Finance in 2016 to explain the purpose and history of the Fund Balance Policy:

UNASSIGNED FUND BALANCE POLICY AND HISTORY

The Town's Unassigned Fund Balance Policy was created by Board of Finance in 2010, and amended in 2012.

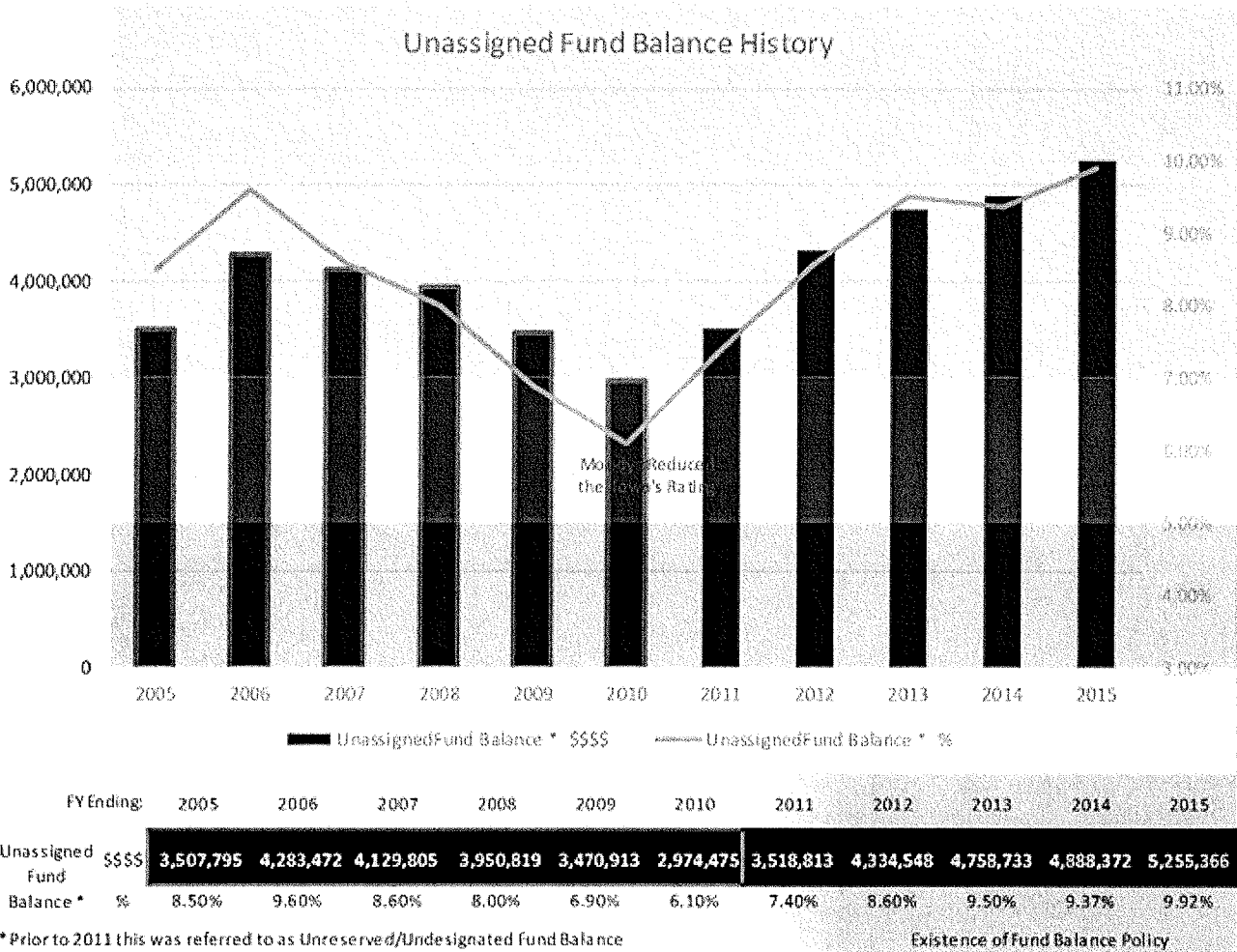
The Unassigned Fund Balance is our rainy day fund/emergency fund/opportunity fund. It is also one of the key measures the rating companies use. Post 2008, the rating companies would like to see the amount above 10%, (of our operating budget) we do not want to tie that much capital up when there are so many current needs, so we have chosen to balance the % and needs by using 7 - 10% as our goal. Having a policy, and following it, is also a key measure. In the two months between the Moody's and Fitch reviews (below), one major thing happened - we did not use the 2010/2011 budgeted transfer from fund balance. Lower ratings = higher interest rates paid on our bonds. Although we have used unassigned fund balance during the years for unexpected expenses last year's snow removal expense and a large legal expense, we have not used it in the proposed budgets as a revenue item.

From the Town's audit:

- In June 2011, Moody's Investors Service downgraded the Town's bond rating to Aa3 from Aa2 mainly due to consistent declines in reserve levels from 2006 to 2010 driven by the Town's practice of appropriating General Fund reserves to balance annual operating budgets (mill rate relief), and revenue shortfalls in those years. Moody's went on to note that the FY 2011-2012 adopted budget did not include a fund balance appropriation which will help prevent any further decline in reserves and stabilize the Town's financial position.
- In August 2011, Fitch Ratings affirmed the Town's bond rating of AA. Fitch noted that Town finances are stabilizing after four years of planned draws on General Fund funds balance, and that the Town has a below average debt burden with a rapid

payout, and a strong tax collection rate. Fitch also noted the recently approved fund balance policy which sets forth that reserve levels will be maintained within a range of 7-10% of total expenditures.

Many use the terms General Fund and Unassigned Fund Balance synonymously, but General Fund includes other accounts such as Assigned Fund Balances (earmarked for future anticipated expense) or Restricted Fund Balances (which can only be used for specific expenses).



Why have a surplus in roads?

Since 2010/2011 the town has spent 100.2% of what was budgeted.

In 2014/2015, when the snow budget was over-expended by 439,059.45, town staff (Department Head, CFO, First Selectman) made a decision to hold back spending (42,591) on road maintenance to help cover the deficit in the snow budget.

BOF, when they learned in December of 2015 through a budget transfer request that town staff had made the decision earlier in the year (prior fiscal year) to cut back on road maintenance to cover the snow removal deficit, stated that they should be informed in a timely fashion when spending is held back in large amounts, and especially on items, like road maintenance, that BOF has identified as a priority. BOF further directed the First Selectman to add that amount to the following year's budget request for road improvements.

Subsequently learning from the 2014/2015 completed audit that the year ended up with an overall surplus, Board of Finance removed that additional amount from the budget request and approved a \$50,000 appropriation from Unassigned General Fund Balance for Road Improvements to cover that year's intended spending, saying the taxpayer had already paid this amount in their taxes and that the money should come from the funds that were originally intended to be used.

If the question is asking why the unspent money in the other line items in the Highway Budget couldn't be used for the Road Improvement line, the answer is that it could be, but there are several issues. The department is Public Works, so the Director would need to be sure he didn't need dollars from Highway for Fleet Maintenance, Field Maintenance, etc. He would also have to get approval to proactively overspend a line item. Finally, large projects like road improvements need advance preparation for contracting and supply requisitions. By the time there is enough confidence that there are no surprises coming and that one could safely use some of the unexpended funds from other line items, there would be no time to get everything in place and to do the road improvements in the current year.

Could we decide that want to appropriate money from Fund Balance for Road Improvements after the year closes? We could, and have, but in making these decisions, we are looking at many competing needs for that money.

With the growing rainy day fund, where will it be going for the coming year?

As of June 30 audit, we were .76% (\$395K) above our confidence zone, and 2.26% (\$1175K) above the midpoint of our confidence zone.

In the seven months since the close of the fiscal year (ending 6/30/2016) represented by this audit, BOF and BOS have approved the use of about \$600,000 of General Fund money for purchase of the Senior Center, planned purchase of land possibly to be used for a future Senior Center, road improvements, HVAC repairs at Bacon Academy, HVAC repairs at CES, and the purchase of a Student Transportation Van. In addition, a planned Town meeting will be held, seeking approval of a grant application, which will require a town match of between \$100K and \$150K for repair/reconstruction of a town bridge.

We will continue to work with the Finance office to provide updated percentages to keep the fund balance percentage within our identified Confidence Zone of 7% -10%. Also the fund balance needs to grow as the budget grows to keep the Fund Balance percentage the same. So we need enough surplus to cover that amount as well as other disbursements occurring during the year.

Why have a surplus in schools when every penny is needed someplace?

Asking the Board of Education to spend every dollar that was approved in the budget recreates a "use it or lose it" culture that was so prevalent in businesses 20 years ago and still occurs in many government budgets today.

On the Board we have discussed the relative size of the unexpended year end amounts and we reviewed the following chart. While 100,000 is a lot of money to any of us, based on a 40,000,000 budget, it is the equivalent to the median income family, having about \$20 left at the end of each month.

	Unexpended BOE	% of the Budget	Equivalent Dollars Median Colchester Household Income	Audit Page #
2010-2011	30,013	0.09%	79	
2011-2012	56,602	0.15%	137	61
2012-2013	41,580	0.11%	99	59
2013-2014	203,792	0.52%	465	61
2014-2015	111,665	0.28%	251	67

* Assumes 15% Fed Income Tax and 6% state.

The school budget has no reserves and no borrowing ability, so predicting unexpected expenses and managing budget with several months to go in the fiscal year is difficult. The administration and board may put off budgeted purchases to avoid overspending, and then find they did not need to do so

Town policy created over 10 years ago, dictates that these unexpended dollars be used for School Capital items. These are projects that we have been unable to do, reserving for costs that would occur in a future budget, or reducing required debt for future large projects identified in the School Facility Plan. In addition it provides the BOE money for unbudgeted, unexpected capital repairs. For the current year, the Board of Finance has recommended, pending Town Meeting approval, money to replace a 1999 Van and money to repair air controllers at Bacon and CES schools.

The Boards received much criticism in the planning for both school building project referendums that prior boards had failed take care of the buildings we had. We had already recognized the past problems in priorities and taken corrective action, so we see this as a very important need that is not fully met in the budget process and the good use of unexpended funds.

Although I was not here when this policy was created, I much prefer this approach than expecting the Board to go out in the final week and make purchases to spend all of the budgeted money. I believe that using the unexpended funds for this purpose replaces maintenance and capital improvement dollars that should have been in past budgets and the current budget, and would at some point have to appear in future budgets.

The audit is a snapshot in time. The important fund balance percentage shown in the audit exists for that one day. It does not reflect a changing budget and it does not tell the story of what came out of fund balance up to that day or what has come out since, and it does not reflect the future needs and plans of the Town.

The intent of fund balance is not to create an ever growing bank account for the town, but as stated is used to maintain a fund balance percentage acceptable to the rating companies, provide a contingency fund for the town to cover deficits and unexpected needs and opportunities, and to fund desired projects that would either need to be funded in future budgets or left to deteriorate to poor conditions. Although it would not be prudent to use fund balance in the budget as a revenue item for mil rate relief, using it to pay for one time expenditures or transferred to current reserves or for debt reduction to avoid expenditures that would have to be in the budget, accomplishes the same end.

Tricia Dean

From: Robert Tarlov
Sent: Tuesday, January 31, 2017 3:41 PM
To: Board of Finance Members
Cc: Ronald Goldstein; Tricia Dean; Art Shilosky
Subject: BOF Correspondence: understanding education capital spending paper trail
Attachments: Updated Facilities Plan 11-18-2015.pdf

Rob Tarlov, Chairman, Board of Finance
860-608-4293

From: Robert Tarlov
Sent: Saturday, January 28, 2017 9:04 AM
To: James D McNair III
Subject: Re: understanding education capital spending paper trail

see below, answered as best I can.

Rob Tarlov, Chairman, Board of Finance
860-608-4293

From: James D McNair III <jmcnair3@comcast.net>
Sent: Friday, January 27, 2017 12:48 PM
To: Robert Tarlov
Subject: understanding education capital spending paper trail

Rob,

Know you're busy. I must admit the more I dig into this the more I realize I either was asleep at the wheel or did not ask enough questions. When you have time can you refresh my memory.

Sources for education capital needs comes from two sources. Education surpluses and voter approved appropriations. Subject to the limitations of the Charter, BOF could approve an appropriation from Unassigned Fund Balance that would not be from Education Unexpended Funds. In my opinion, this would have to constitute some unexpected emergency facility failure which cost exceeds the current balances in Assigned Fund Balance and Capital Reserve and would need to go to Town Meeting due to the Charter. (The amount currently in Assigned Fund Balance would need a Town Meeting also)

BOE revenue surpluses go into Fund Balance, revenue deficits come out of. The future OOD Tuition payments coming to the town go into the General Fund. Like ECS, this revenue will be in the budget as non-tax revenue. It will impact the mil rate and our taxes, but will not be reflected in the BOE budget. Any increased expenses from the out of district will increase the budget, the offsetting revenue will not. Some towns do net budgeting, we do not as it is seen as too risky.

The surplus is laying the General fund. Is this account called the reserve capital account? I state this because the BoE document notes a \$56K transfer from voter appropriation to a reserve account. In two places, Assigned Fund Balance and BOE Capital Reserve. Unexpended funds go to Assigned Fund Balance. Board of Finance and Board of Selectman action is required to move to BOE Capital Reserve. Amounts over .5% of the Town Budget, not including the BOE Budget must go to Town Meeting, too. The appropriations made at the last meeting are from Assigned Fund Balance (source: Unexpended Funds) and will go to Town Meeting.

The 2016-2017 Adopted Budget, as you show below, shows a line for \$56K to be transferred to capital reserve for the current year fiscal year, as does the 2017-2018 Proposed Budget. This amount was initially 100,000 in the 2015/2016 and 2016/2017 budgets, but was reduced to the \$56K during the budget process and now, for the Proposed Budget, is the starting point.

The Unexpended Fund Policy is predicated on ***"The Board of Education has developed, and will continue to develop, a comprehensive capital improvement plan for the school district"***. Budgeting for Capital Reserve was a result of BOF pushing for the creation of a long term Facilities Plan with a funding plan for the first 5 years.

I see Maggie has a detailed report for the planned capital appropriations and wonder if she has an existing report that details the same for appropriations from the reserve capital account. I think there may have been confusion in my previous request about a paper trail. If no report exists, I didn't want Maggie to create one. Yet for her to state the balance prior to the January transfer being about \$275K then she must have something on hand to let her know. She did not state that in January. It was last year, when I asked several times for the total and offered my estimates at those times. My current estimate of \$275 is after the appropriations recommended by BOF last week.

Globally speaking, assuming the policy started around 2007, then about \$ 700K in savings flowed into the reserve. If the balance was \$275K then I need to find about \$425K. I believe that all amounts prior to 2013/2014 were transferred to BOE Capital Reserve. Because the unexpended amounts for 2013/2014, 2014/2015, 2015/2016 were in excess of .5% all of that money has not moved. That total was \$460K, which flowed into Assigned Fund Balance. We moved about \$67K of the 2014/2015 money to BOE Capital Reserve and we are now in process of using about 118K for HVAC repairs and a student van. (460K - 67K - 118K=275).

So in addition to this \$275K, there was \$256K in BOE capital reserve. The BOE Capital Reserve Fund was established in 2010/2011. That was my first budget, so don't know specific date of policy or how it was handled before I was on the Board.

I think if you take that total (275 + 256 = 531K) minus your number of 700K, less transfers from BOE budgets (110K if the total each year was transferred), plus the 118K recently appropriated, you are looking to see how about 125K was spent since 2007. I can remember approving several appropriations since 2010, and those must be documented.

I am not saying it didn't go to good use. I feel the public should know to address misperception. Attached is from Town Facilities Plan. This update was presented last year to BOF and includes the BOE's Plan. The actual plan goes beyond 20/21, with the big item being roof replacement for Bacon Academy. At the insistence of the Board of Finance, the Board of Education is moving toward a funded capital improvement plan, similar to the one created by the Town. Several citizens at the Board of Finance meetings, not realizing that this has been work in process, have stated that we should be doing this. The BOE Unexpended Funds Policy is part of that funding plan.

In addition to the Facilities Plan, the BOE budgets contain a 3 year capital plan anticipated to be funded in the budget over the next 3 years (current plus next two). I have tracked those items over the last two years to see, what has been added, what has been removed, what has been completed and what has been deferred. I have been working with Jim P to see if we can incorporate those plans in the budget into the facilities plan as we do on the Town side, where we indicate what will be funded from reserves and what will be funded from the budgets. The current year is included in their facilities plan with the total reflected on the spreadsheet and reference to the attachment, but not the next two.

Thanks,

James

**COLCHESTER PUBLIC SCHOOL
FACILITIES DEPARTMENT
FY 2015 / 2016 & 2016 / 2017 CAPITAL BUDGET - PROJECT STATUS REPORT
(01/10/17)**

FY 2016 / 2017						
LOC	PROJECT DESCRIPTION	STATUS	VENDOR / CONTRACTOR	BUDGETED	EXPENDED / ENCUMBERED	CAPITAL BALANCE
	FY 2016/17 APPROPRIATION					\$215,735.00
D/W	Reserve Capital Account	Complete	N/A	55,735.00	55,735.00	160,000.00
BA	Roof Mechanical Repairs	Complete	New England Masonry & Roofing	31,500.00	30,530.00	129,470.00
	Wall Restoration					
BA	HVAC Repairs	Work let as required		20,500.00	14,489.78	114,980.22
		Repair compressor on CU A44 & Replace fan motor on AHU #3	McKenney Mechanical		(6,649.00)	
		Repair refrigerant leak & replace contactors and crank case heater on CU B2	McKenney Mechanical		(3,302.51)	
		Replace main network controller on EMS	A.M.E.		(4,538.27)	
BA	Duct Cleaning	In the process of securing quote; work to be scheduled summer 2017	TBD	18,000.00	0.00	114,980.22
BA	Roof Repairs - Multiple Locations	Work to be scheduled spring 2017 as required	TBD	6,000.00	0.00	114,980.22

Tricia Dean

From: Robert Tarlov
Sent: Tuesday, January 31, 2017 3:40 PM
To: Board of Finance Members
Cc: Tricia Dean
Subject: Correspondence for 2/1 Meeting

From: Robert Tarlov
Sent: Friday, January 27, 2017 8:32 AM
To: James D McNair III
Subject: Re: maybe one less request?

BOE Capital Reserve Fund had 256K as of 6/30. Transferring into this account would be the BOF appropriated transfers from Assigned Fund balance originating from unexpended and budgeted transfers from the BOE budget. Looks like the budgeted amount from 2015/2016 was used for other capital items as they came in at budget, but the audit does not show any money coming in.

Not sure exact amount of the Assigned Fund Balance designated for School Capital Reserve, but I estimate about 275K after recent approved appropriations, and accounting for the unexpended funds in the audit. I've asked for a number at meetings, not getting an answer, I would offer my estimate, and the reply is, "that sounds about right".

The appropriations below, will first go, after Town Meeting approval, to reserve funds and then disbursed from there.

For transfers out, I would check minutes 2013/2014FY and before. In looking at the audit, It doesn't look like any money came out in 2015/16 or 2014/2015

Rob Tarlov, Chairman, Board of Finance
860-608-4293

From: James D McNair III <jmcnair3@comcast.net>
Sent: Thursday, January 26, 2017 3:40 PM
To: Robert Tarlov
Subject: maybe one less request?

Rob,

Two questions may take this request off your plate from me.

When the following came before the Board did Maggie state what the balance of the fund was?

Are all of these listed as such in the minutes with what and how much. I can then go through all minutes (ugh) and use word search to find.

First Selectman

a. Transfer Requests

i. BOE Capital Appropriation Requests – Discussion and Possible Action

Discussed recommissioning recommendation for CES HVAC. Discussions on why it wasn't on the original building project or the Honeywell project. Was not an immediate problem but over time became noticeable. D Dander explained his position as to why he did the research and brought it to the BOF attention. B Bernier, CFO and R Tarlov stated that the CES building contractor successfully completed the task back then and it was not because of their work that the issue occurred. Other items discussed for the appropriation requests; vehicle used to transport students, and controllers to help indoor air quality at Bacon. The funding total of \$117,960 will come from the General Fund Assigned Balance to Capital Reserve Building Maintenance and Capital Reserve Vehicle.

A Migliaccio moved to approve the appropriation of 117,960 from General Fund Assigned Balance pending Board of Selectmen action and Town Meeting approval, seconded by A Bisbikos. Unanimously approved. MOTION CARRIED.

Tricia Dean

From: CHARLENE LABRUNA <clabruna@snet.net>
Sent: Friday, January 27, 2017 7:42 PM
To: Tricia Dean
Subject: Re: Colchester Budget Survey Last Chance 2017-2018

I'm not sure why you ask people to complete surveys, never does a budget reflect what the people actually want. Why would the budget surplus not have been rolled into the following year's budget. In all of the years I have lived in Colchester, has the town had a decrease or no change budget. How is that possible? This is exactly why so many people are abandoning this town. This doesn't give faith to the people that the budget is being well estimated, especially, since there was a surplus this year.

Sent from AT&T Mail on Android

From: "The Town of Colchester" <townhall@colchesterct.gov>
Date: Fri, Jan 20, 2017 at 4:04 PM
Subject: Colchester Budget Survey Last Chance 2017-2018

TOWN OF COLCHESTER

**THE BOARD OF FINANCE COLCHESTER TOWN BUDGET SURVEY CLOSE DATE IS THIS MONDAY,
JAN 23RD**

The annual Colchester Budget Survey is live on the Town website. You may also use this link to participate <https://www.surveymonkey.com/r/MRVT6T3>

The budget survey is available until this coming Monday, Jan 23rd at 4am. This survey is one of several ways the elected board members use to obtain resident input.

We hope voters will take advantage of this opportunity to provide us their thoughts.

Robert Tarlov
Chairman, Colchester Board of Finance
860-608-4293

January 25, 2017

Colchester Board of Finance
Colchester Town Hall
127 Norwich Avenue Suite 203
Colchester, CT 06415

RE: 2017-2018 Board of Education Budget

To the Colchester Board of Finance,

As a parent of five children in the Colchester school system, I recently attended a meeting with the Superintendent of Schools to review the various proposed 2017-2018 budget options. The meeting was attended by a large number of concerned parents.

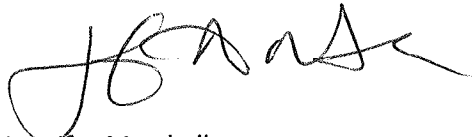
I found the meeting very helpful and I wanted to ensure I contacted the Board of Finance immediately.

The Superintendent outlined three possible budget scenarios: a modest increase YoY (2.67%), a more modest increase with some program and personnel cuts (1.33%) and a "near-zero" budget with substantial cuts (.15%).

I want to clearly and unequivocally state that I support the 2.67% proposal presented as the starting point for the BOE. Additionally, I would actually support investing MORE dollars in our school system if that option were available.

Please work with the Board of Education to come up with a budget that will NOT impact the education budget.

Sincerely,

A handwritten signature in black ink, appearing to read 'J Marshall', written in a cursive style.

Jennifer Marshall

1-25-17

Colchester Board of Finance
Colchester Town Hall
127 Norwich Avenue Suite 203
Colchester, CT 06415

RE: 2017-2018 Board of Education Budget

To the Colchester Board of Finance,

As a parent of three children in the Colchester school system, I recently attended a meeting with the Superintendent of Schools to review the various proposed 2017-2018 budget options. The meeting was attended by a large number of concerned parents.

I found the meeting very helpful and I wanted to ensure I contacted the Board of Finance immediately.

The Superintendent outlined three possible budget scenarios: a modest increase YoY (2.67%), a more modest increase with some program and personnel cuts (1.33%) and a “near-zero” budget with substantial cuts (.15%).

I want to clearly and unequivocally state that I support the 2.67% proposal presented as the starting point for the BOE. Additionally, I would actually support investing MORE dollars in our school system if that option were available.

Please work with the Board of Education to come up with a budget that will NOT impact the education budget.

Sincerely,


Erin Mancuso

January 26, 2017

Colchester Board of Finance
Colchester Town Hall
127 Norwich Avenue Suite 203
Colchester, CT 06415

RE: 2017-2018 Board of Education Budget

To the Colchester Board of Finance,

As a parent of two children in the Colchester school system and two that have already graduated, I recently attended a meeting with the Superintendent of Schools to review the various proposed 2017-2018 budget options. The meeting was attended by a large number of concerned parents.

I found the meeting very helpful and I wanted to ensure I contacted the Board of Finance immediately.

The Superintendent outlined three possible budget scenarios: a modest increase YoY (**2.67%**), a more modest increase with some program and personnel cuts (**1.33%**) and a "near-zero" budget with substantial cuts (**.15%**).

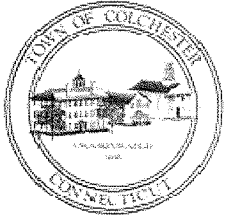
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Please work with the Board of Education to come up with a budget that will NOT impact the education budget.

Sincerely,

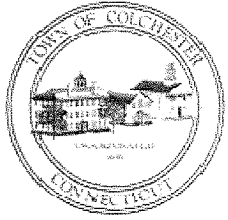
A handwritten signature in cursive script, appearing to read "John & Deborah Grottole".

John & Deborah Grottole



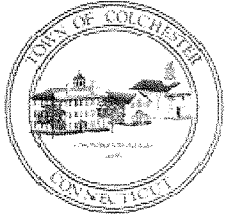
Colchester Fire & EMS

- Services we provide: Fire, Rescue, EMS, Traffic Control. 365/24/7
- Also: Public Service, Support for Community Events, Public Safety Education
- Fire Prevention
- **2016** = 1870 calls
- Monthly av. = 156 calls



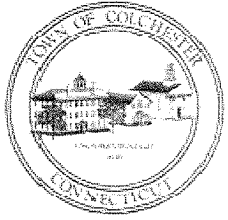
Colchester Fire & EMS

- Fire = 71
- EMS = 1320
- Hazmat/Electrical = 51
- Service Calls = 176
- Good Intent Calls = 108
- False Alarms = 143
- Special Incident = 1



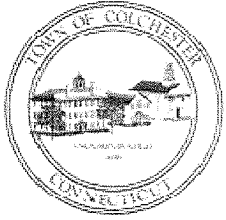
Colchester Fire & EMS

- FY17 Operations Budget
- \$1,235,606
- 8 F/T personnel
- 100 Volunteers
- BLS Transport with 2 Ambulances
- Billing Revenue



Colchester Fire & EMS

- 911 QVEC Dispatch Center
- Incentive Programs for Volunteers
- Training
- Overtime
- Vehicle Repair
- Recent Retirements- 2 FF/EMTs Hired
- New Addition: Fire Marshal



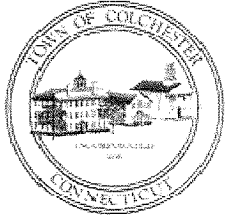
Colchester Fire & EMS

Capital FY17

- Tanker 128- refurb –RFP

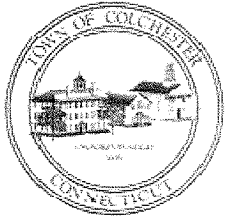
Capital FY18

- Ambulance replacement
10 year plan 2007-2017



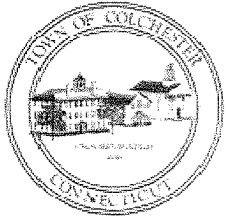
Colchester Fire & EMS

- Co1 HQ
- Facility Repairs
- Roof Replacement-**done**
- Mold Remediation- **done**
- Parking Lot repair- **not done**
- Underground Fuel Tank-**not done**



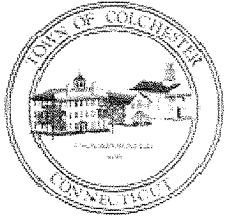
Colchester Fire & EMS

- Per-Diem Program
- Back-Fill (vacation, sick, emergencies)
- Sat. /Sun.
- FF/EMT/Driver x1
- 20 hours



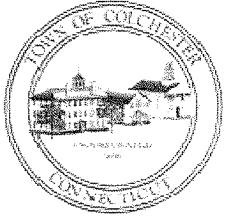
Colchester Fire & EMS

- Ambulance Incentive Program
- \$72,000 FY17 12 months
- July – Dec. 2016 = \$40,740 (7)
- \$6000/mo. Budget
- Av. Participants = 21
- Additional Holiday Period



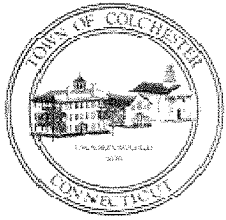
Colchester Fire & EMS

- FY18 Projected Line Item Increases
- Contractual
- Service Contracts
- Fuel Heating
- Building Repairs
- Vehicle Maintenance



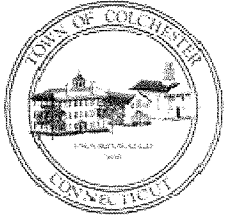
Colchester Fire & EMS

- Training
- State Budget cuts
- Regional Fire Schools
- Increases passed on to local level
- Career Staff -overtime



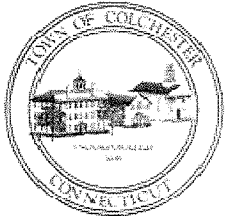
Colchester Fire & EMS

- Middlesex Hospital Paramedic Program
- Municipal per capita 5 year plan
- Just to keep existing program
- \$16,500 - \$82,500
- 2nd year hold
- CHFD ALS Paramedic Capability



Colchester Fire & EMS

- New Skill Set(s)- Paramedic
- Full- time FF x2 + Per Diem
- State approval DPH OEMS
- Medical Control/Site Control
- Equipment
- Start-up costs / Billing Revenue

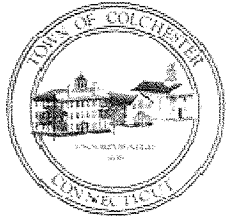


Colchester Fire & EMS

Priorities

FY 18

- Incentive Programs
- Training
- Overtime
- Vehicle Repair
- Fire Marshal




Colchester BOF

Thank you for this opportunity to present !

QUESTIONS ?

Colchester Transparency System Review

Presented by the Board of Finance
2017



Objective

- > Utilize technology to enhance transparency of town finances to Colchester citizens. Seek a software solution with data integrity to provide real time information on revenue and expense in a easy to understand format. Develop a solution that will allow citizens to customize views of data in a format that is useful to them. Encourage community engagement and awareness by sharing details of financial strengths and challenges the town faces.

Key Requirements to be considered

- > Proven data integrity
- > Experience working with similar size population and budget towns
- > Strong reputation of vendor for executing on promises
- > Easy to use interface and simplicity of data layout
- > Flexibility in reporting
- > Ability to add on future enhancements (budget, tracking of other town data)
- > Ease of working with finance department to ease additional burden
- > Training provided
- > Reasonable costs

Systems Evaluated

- > ClearGov
- > OpenGov
- > Munis
- > Process for Evaluation
 - > Had each organization present to Board of Finance (BOF)
 - > BOF reviewed system on line
 - > BOF performed additional due diligence with two top vendors
 - > BOF in some cases requested a second presentation
 - > BOF checked references with other towns
 - > BOF recommended best solution to First Selectman

Summary Comparison

Area	Munis	OpenGov	ClearGov
Cost- Annual	\$7,500 (2,500-5,000-9,000)	\$12,400	\$5,250
Vendor Stability	Good	Good	Risk
Easy use	Med	Good	Good
Robust analytics	Low	Good	Med
Robust Demographic tool	None	Med	Good
Add on's available		Yes	No
Ease to maintain	Good	Good	Poor
Similar customers	Yes	Yes	No Customers In CT

Recommendation On System

- Based on comments at our last meeting and my further research, I recommend the OpenGov solution, which has the most robust, easy to use analytic dashboard solution, which can grow with the town by offering the ability in the future to:
 - > Automate the budget process (seasonal cost)
 - > Be used by town departments to track and report activity (fire calls, ambulance calls, police calls, public works projects, snow removal)
 - > Provide what-if scenarios for future financial planning
 - > Customize views that meet the town's needs.
- OpenGov also allows for a less dynamic entry level solution that only supports transparency for \$6,000 annually but does not include customized reports or dashboards.
- OpenGov has a proven customer base with direct interface to Munis Software.

Open Issues To Be Decided

- > Implementation date
- > What level of detail the public has access to
- > Who reconciles the data
- > What budget pays for cost
- > How do we train public

EVALUATION CRITERIA

	Munis		Cleargov.com		Opengov.com			
	Comments	Score	Comments	Score	Intelligence Plus Transparency	Score	Transparency (financial only)	Score
COSTS								
Start up	\$ 2,500.00		0		\$ 2,700.00		will be some cost	
Annual	First Year	\$ 7,500.00	\$ 5,250.00		\$ 12,400.00		4,000 - 6,000	
	Second Year (if 2 year contract signed *)		\$ 5,250.00					
	Third Year (if 3 year contract signed *)		\$ 5,250.00					
	Thereafter	\$ 7,500.00	\$ 5,250.00		\$ 12,400.00		4,000 - 6,000	
Upgrades			included		Included		Included	
Reporting			Included but needs to be developed rolled out to all their customers		Included		Included with limited selection	
Customization			Banner, some comments		full customization		full customization	
Issue Resolution			BY customer Service Rep		BY customer Service Rep		BY customer Service Rep	
Training			unlimited		unlimited		unlimited	
Potential Future costs - Other			None noted		Only if add budgeting		none noted	
COMPANY EVALUATION								
Year Established			2015		2012		2012	
# of Clients	Nationwide		40		1400+		1400+	
	New England		36		30+		30+	
	Connecticut		0		12		12+	
Number of Employees			10		120		120	
Ratings from current users			Will check References		Will check References		Will check References	
Vendor Responsiveness/Professionalism			Within 24 hours; operating hours 8 to 6		Within 1 hour; operating hours 8:30 to 9		Within 1 hour; operating hours 8:30 to 9	
Data Ownership			Give them license to use our data		Colchester		Colchester	
Vendor stability <i>is this covered in the first section above?</i>			Will get back to me		Sales doubled last year. 4 years operating cash flow avail.		Sales doubled last year. 4 years operating cash flow avail.	
R&D pipeline			Try to enhance regularly		65% of employees are developers		65% of employees are developers	
Support for upgrades			None needed - all on line		Yes		yes	
Press kit available			Press release standard		Full press package		Full press package	
Support for Reporting			Yes		Yes		Yes	
OVERALL SOFTWARE EVALUATION								
Look and Feel of the application			Good demographics/easy to read screens		Good demographics/easy to read screens		Good demographics/easy to read screens	
Data Input/Export Flexibility/Ease implementation	easiest		staff involvement 1 month process in steps. Upload to excel.		staff involvement- 1 day process direct link into Munis once mapped		staff involvement- 1 day process direct link into Munis once mapped already done with 150 customers	
Data Input/Export Flexibility/Ease - ongoing uploading	automatic		must upload excel each time need to update		can be scheduled once mapped		can be scheduled once mapped	
Mapped specifically to our Chart of Accounts	yes		NO		Yes		Yes	
Can town set parameters to choose peer towns ?			Yes		Yes		Yes	

Benchmarking Database of Towns available	?	All CT Towns once they upload publicly	Current Customers with some Metrix for public data (civic dashboard)	Current Customers with some Metrix for public data (civic dashboard)
Can town add commentary ?	Yes	Yes	Yes	Yes
Simplicity of Use By Public		Yes	Yes	Yes
Can be used to project results of long term financial planning?	No	No	Yes	No
Used to build budget		Only input numbers for reporting	Yes* (additional Cost)	No
Drill down to check level?	Yes	Yes	Yes	Yes
Website Widgets		Yes	Yes	Yes
Measure /Track Performance/Activity (fire, Ambulance, police, etc)	No	No	Yes	No
Export to Excel?		Yes	Yes	Yes
Data Integrity (reconciliations)		Partnership	Partnership	Partnership
Ability to link to ancillary information		No	Yes	No
Number of concurrent users allowed		Unlimited	Unlimited	Unlimited
Archiving requirements		Unlimited	Unlimited	Unlimited
Mobile Apps?		Already Formatted	Already Formatted	Already Formatted
Speed		internet speed	15 mil rows sub second	15 mil rows sub second
Customizable screens		Banners	Yes	Yes
SECURITY				
Type of passwords				
Different levels of security access? (N/A for transparency only)		No	Yes	Yes
Read only access	Yes	Yes	Yes	Yes
What if you forget password - who do you contact		Colchester Owner	On line tool	On line tool
VENDOR EVALUATION				
TOTAL SCORE				

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How long have you used Open gov

live in 2015

2015

how big is your budget

total city budget 60M

Total 51M

how much staff time does it take

initial set up

really easy export chart they set it up. She created many reports she loves create them for her. Did report based on color car has most parking tickets. Can take anything from spreadsheet and create open gov report to show differently

Set up takes fair amount of time as they did a pilot for their software company admin unified community. She spent 20 to 40 hours of time. They also did a lot of public notification and planning. Open gov helped

on-going

10 minutes each month. Exports each month and uploads

Now it takes few minutes

what part of open gov do you use

intelligence model not building budget yet

Has intelligence level.

how long did implementation take

she took a year to create all reports she wanted but it was on her schedule could have been done same day

Took 6 months because did not focus on just the system

were there any issues	no issues with vendor or process	no issues
does the data reconcile correctly	she does it and has not had issues	no issues
how often do you refresh data	Monthly	monthly
what level do you allow disclosed on line	disclose to cost center and account level. Will use for all public safety because citizens love it	disclose account level. Has not turned on check level to outside but does allow to boards and internally
what do you think of the team	she things they are attentive and advise her well	She thought they were excellent and very very helpful.
what is there response time if you have any issues	within the hour -	we really have not had issues, we had questions and within a day got back to them
what's the best part of the system	such an easy way to be transparent.	The graphics, easy to read information, transparency is good PR on local Trust. She would like to have more department heads to use it more to get data out. User friendly and see trends so much easier
what do you wish you could change	cant think of anything	cant think of anything at this time
are the dashboards and reports easy to use	yes	yes
did you customize? How easy was it?	continues to build new reports	some but want time to do more

anything you would give us advice on if we implement the system	pre-plan reports in advance as it's a more efficient way then having lots of version.	Know we are going to dedicate some staff time in the beginning to get it right
how many people have been using	past 90 days 38 visitors and spent average of 7 min	Did not have that info handy. She thought a decent number of people maybe around 50 a month depending on time of the year. Off budget season maybe only 10 a month
	she goes not had any questions from people because they answer their own questions on line. Budget and expense	There has been no additional questions coming in asking questions about data they see on system. Some people who always asked questions they still ask questions.
general comments	thinks there is so much you can do with the system and so creative in how you look at data loves the system and would recommend the vendor.	She likes it it has been received well. They would like to do more if they had time. Does lots of graphs as its easier to show things. She would recommend this system.

