

THESE MINUTES ARE SUBJECT TO APPROVAL BY THE BOARD OF FINANCE

The Board of Finance held their regular meeting on Thursday, January 22, 2015 in the Meeting Room at Town Hall South, 3 Main Street, Newtown, CT. Chairman John Kortze called the meeting to order at 7:30pm.

**Present:** John Kortze, Harry Waterbury, John Godin, Mike Portnoy, Joe Kearney

**Absent:** James Filan

**Also Present:** First Selectman Pat Llodra, Director of Finance Bob Tait, Bob Merola, Keith Alexander, Kathy Hamilton and 2 members of the press

**VOTER COMMENTS:** NONE

**COMMUNICATIONS:** Mr. Kortze received communication from the Charter Revision Commission (Attachment A). They have come up with a flow chart asking for input and timing on certain things. Mr. Kortze asked that if any members have comments to let him know.

**MINUTES** – Mr. Gordin moved to approve the minutes of the 1/12/15 meeting. Mr. Waterbury seconded, motion unanimously approved.

**FIRST SELECTMANS REPORT** – Mrs. Llodra provided a copy of the budget overview that was presented to the Board of Selectman (Attachment B). The goal is no tax increase and a reduction in the mill rate. The proposal as it stands asks for a 1.22% increase for the town side including the debt.

**FINANCE DIRECTOR REPORT** – Mr. Tait provided an annual salary report sorted by salary (Attachment C). A copy of the management letter from the auditor report was also distributed (Attachment D). The net effect is that there is some question as to how we are calculating certain reimbursement that we are entitled too and how we are recording certain types of information on the BOE side. That calculation has a direct impact on revenues that we may receive.

**NEW BUSINESS**

*Transfer* - Mr. Kearney moved transfer \$80,000 from Salaries & Wages Full Time to Salary & Wages Over time (Attachment E). Mr. Godin seconded, motion unanimously accepted.

*Budget Schedule* – Mr. Kearney moved to set the budget calendar as follows: 2/19/15 is the public hearing and the BOS presentation, 2/24/15 BOE presentation 2/26/15 BOE follow up, 3/2/15 BOS follow up and a possible vote and 3/9/15 to finish if needed. Mr. Waterbury seconded, motion unanimously approved.

**UNFINISHED BUSINESS**

*Current Debt Policy* – A copy of the current debt policy as well as the Moody's and S&P's reviews are attached (Attachment F). In there is a specific reference to our capital improvement plan and debt services. The council is asking the BOF to reduce the overall indebtedness going forward. Timing is very important. We don't want to write a policy and trip over it the very next year.

Mrs. Llodra suggested looking at a broader range of matrix. She handed out the Fundamentals of Municipal Economic Development (Attachment G). One of the matrix to be pointed out, is debt as a percentage of the grand list. She is not suggesting going in any particular direction, she is saying there is a lot more to learn. Taking the debt from 10% to 9% has taken 5 years. There needs to be a target on the

horizon. Benefits of investing in the community which grows our assets and we are borrowing when the cost is low.

Mr. Tait handed out debt per capita (Attachment H). If you look at the towns that have the same characteristics we are average with debt per capita.

*Managing Capital Projects* – Mr. Kortze asked for comments from members. It will be on the next agenda so it can be formalized.

*Update on school expense review* – Mr. Godin requested info from CCM and received space needs study from Region 13 which is Middlefield and Durham. He also has minutes from adhoc space needs committee in 2011 and information from Mr. Bienkowski from May of 2011, where he did a scenario about closing a school. Mr. Godin will incorporate Mr. Bienkowski's assumptions into his baseline figures.

Mr. Portneoy moved to add Mr. Kearney's historical and projected view of the budget to the agenda, Mr. Waterbury seconded, motion unanimously approved (Attachment I). - Mr. Kearney explained that his is a work in progress. The combined increase with debt is 1.38% which equates to \$1,536,000. The expected growth in the grand list is 1.25% which equates to 1,200,000.

**ANNOUNCEMENTS** – None

Having no further business, the meeting was adjourned at 8:45pm

Respectfully Submitted,  
Arlene Miles, Clerk