

**Board of Finance  
Marlborough Elementary School - Media Center  
March 9, 2016  
Regular Meeting  
7:00 P.M.**

**Call to Order**

Chairman Knowlton called the regular meeting to order at 7:02 p.m. Seated were Doug Knowlton, Cliff Denniss, Ken Hjulstrom, Erik Young, and Susan Leser. Alternate Midge Denno was seated for the vacancy. Also present was alternate Dan McMahon.

**Additions**

Mr. Denniss made a motion, seconded by Ms. Leser, to add **BOS Transfer** to New Business. All voted in favor.

Ms. Leser made a motion, seconded by Ms. Denno, to add **Transfer of Funds for North Main Street Culvert**. All voted in favor.

**Public Comments**

Evelyn Godbout, Selectman, welcomed Dan McMahon to the Board of Finance and thanked him for his willingness to serve. Mr. McMahon stated that he is a CPA. Mr. McMahon wanted to make it clear to the Board that he no longer has a contract with Blum Shapiro so his serving is not a conflict of interest.

John Stimpson, Saner Road, said that the number one concern right now is the Board of Education budget. He advised the BOF to review it carefully. Mr. Stimpson pointed out that the BOE always has funds left over at the end of the year and they keep it and spend it. The town cannot afford to continue to throw money to the BOE. Senior citizens live on Social Security and did not get a cost of living increase this year and they cannot afford to pay this.

Amy Traversa, First Selectman, said that the BOS thanks the BOF for their continued commitment to the town.

**Board of Selectmen Presentation of their Recommended Budget to the Board**

The Board of Selectmen gave a PowerPoint presentation of their recommended budget for the Board of Finance to work from. Ms. Traversa thanked the Board of Selectmen and town staff for helping to put the budget together. Before speaking about the actual budget, Ms. Traversa explained many budget considerations that they had to work with, including all the decreases in funding from the state. The figure that was presented did not include a \$300,000 increase that the RHAM BOE added to their current budget. The local BOE failed to come in with a decrease in their budget even though the student population has decreased. Also, at their last meeting, the local BOE voted to add another teacher back into the budget, just in case they need one at a cost of about \$78,000. Another item to review carefully is the Resident State Trooper program.

The proposed 2016-17 town budget presented was \$24,005,041. This does not include the \$300,000 added to the RHAM budget. It also does not reflect the in-kind services given to the school from the town of about \$500,000. The capital improvements do not include any grants that the town may receive from the state. The breakout is as follows: RHAM (\$8,608,149; 36%), Local BOE (\$7,422,854; 31%), Town Operations (\$4,862,525; 20%), Debt (\$2,237,587; 10%), and Net Capital Items (\$853,926;

4%). Out of the 169 towns in Connecticut, Marlborough is ranked #9 in debt. We are much closer to the bottom in population at #122. This shows we have fewer people to pay our debt, resulting in higher taxes.

Regionalism has become very popular in recent years. The town just joined Tolland County Mutual Fire Aid at a savings of \$42,000, with no change in service. The town plans to continue to share the building official with the town of Hebron. The animal control officer is also a shared position. They are looking into sharing senior vans as a way to cut costs. The general fund was funded from the surplus funds from the Boards of Education. The town no longer receives large surpluses from the schools. The schools are spending their surpluses on non-budgeted items instead.

The state is going to begin capping the mill rate for motor vehicles. This year it will be capped at 32 mills and the following year the mill rate will be capped at 29.3 mills. Since Marlborough's mill rate is higher than either of these, the town will lose money. Annually, the Grand List has either decreased or it has only increased by less than a percent over the past five years.

Public Works is asking to replace the 2001 dump truck with a Freightliner with a lease to purchase program. They will go out to auction with the old truck to help defray the cost.

Over the past seven years, the elementary school student population has decreased by 22%. RHAM has decreased by 14.5%. With the declining enrollment, the budgets should be coming in with decreases, not increases. Our levy is going up each year with RHAM because Marlborough students are declining at a slower pace than the other two towns.

The overall tax increase in the proposed town budget is over 5%. The budget includes money for a clerical office floater to cover when someone is out sick, or if an office is vacant during lunch, etc. The finance office is looking for an additional four hours of clerical help to be added. The budget changes the Park & Recreation Director position from part-time to full-time. They are hoping to cover some of that salary with the Park & Recreation fund from profits from programs. Another change is removing the health insurance benefit from the Fire Marshall and adding to his salary. No other part time employee is entitled to health insurance benefits so this is to keep everything fair. The First Selectman has asked for reports from the Fire Marshall, with no results. The Fire Department may become the holder of these reports. A new item is the Middlesex Paramedic Service. They are charging the towns that use them \$1 per capita and plan to increase this each year by one dollar for the next five years. The First Selectman is hoping that the ambulance association may be able to contribute to this cost. The budget includes almost \$10,000 for the lake weed control program. The Chairman of the Lake Advisory is requesting this as year one of a three year program. The First Selectman stated that the town operations part of the budget is already slim and advised the BOF to look very closely at the BOE budgets for cuts.

Ms. Leser left the meeting and alternate Dan McMahon was seated for her at 8:35 p.m.

### **Board of Selectmen Transfer Request**

**MOTION:** Mr. Denniss made a motion, seconded by Mr. McMahon, to approve the transfer of \$16,530.90 from CNR Construction North Main Street Culvert Project to CNR Engineering South Main Street Fawn Brook Bridge Project as requested by the Board of Selectmen on 3/3/16.

**DISCUSSION:** Members of the Board said that it is frustrating each month hearing new figures for these projects. Mr. Hughes, Director of Planning and Development, said that the government keeps changing the rules which is changing the numbers. The Board asked if there was anything in writing for them to review and that advance notice is helpful in making these decisions. Ms. Traversa said everyone will get a copy of the memo and apologized for not getting the memo out to the Board earlier.

**VOTE:** All voted in favor, except for Mr. Hjulstrom who abstained due to not having enough information.

### **Transfer of Funds for North Main Street Culvert**

**MOTION:** Mr. Denniss made a motion, seconded by Mr. Young, to approve the transfer of \$53,000 from CNR Construction to CNR Engineering North Main Street Culvert Project.

**DISCUSSION:** Again, members of the Board said that it is frustrating each month hearing new figures for these projects and that advance notice would have been helpful. Mr. Hughes said that if the money is not transferred, the town will not get the 80% funding from the government.

**VOTE:** All voted in favor, except for Mr. Hjulstrom who abstained due to not having enough information.

### **Unfinished Business**

#### **Selection of Blum Shapiro Partner to Conduct 2016-17 Audit**

The Board reviewed the biographies of the four partners emailed to them and held a discussion about who would be the best choice for the town. All of them were good candidates.

**MOTION:** Mr. Denniss made a motion, seconded by Ms. Denno, to re-instate Gerry Paradis as the partner responsible for the town audit for FY 2016-17.

**DISCUSSION:** The Town Treasurer's office has worked with a couple of the partners and has not had a problem with any of them. Since Mr. Paradis has worked with the town, he is familiar with our policies and accounts, and since Mr. Kash has been the partner in charge for the past couple of years, it makes sense to go back to Mr. Paradis now.

**VOTE:** All voted in favor of the motion.

#### **Finalize Budget Workshop Dates**

3/17/16 – Local Board of Education

3/24/16 – RHAM Board of Education (at a different location TBD)

3/31/16, 4/7/16. The regular BOF meeting is scheduled for 4/13/16 and that is the last date the Board can meet in order to get the revisions to the town hall in time for publication before the public hearing which will be held on 4/25/16. The Town Meeting is scheduled for 5/9/16.

#### **Town Monthly Financial Report**

The figures look great for the heating oil, diesel, and snow removal. Ms. Traversa told the Board that the numbers were locked in for the heating oil and the diesel for the trucks and if they do not use it, they still have to pay for it. Only \$15,000 has been spent on legal fees of the \$75,000 budgeted. A check

went out this week for \$6,000. When the Board asked the First Selectman if we would be using all of the \$75,000 budgeted, she replied that there is no way of telling what might come up, but that negotiations were all set until 2017.

### **Liaison Reports**

**WPCA** – Mr. Denniss reported the WPCA rescheduled their meeting and he could not attend. He did, however, read the minutes from the meeting and the meeting seemed pretty routine.

**Local BOE** – Mr. Denniss reported that the local BOE held a public hearing prior to their meeting. At their regular meeting, they briefly reviewed the Community Outreach program. They also worked on their budget. The insurance rate has come in slightly lower. They voted to re-instate one of the two teachers that the Superintendent recommended deleting. This increased their budget by about \$78,000. The Superintendent's budget had \$5,000 for contingency, but the Board voted to put in \$28,000, with the stipulation that if they did not use it, they would return it to the town. The BOF believes the BOE will find a way to use all the money so they don't have a surplus.

**RHAM** – RHAM BOE attended the Board of Selectmen Forum. The majority of their discussion was on infrastructure, not education.

**Chairman** – Chairman Knowlton passed out a paper copy of the local BOE budget to the members.

### **Approval of Minutes**

Mr. Hjulstrom made a motion, seconded by Mr. Young, to approve the minutes from the February 10, 2016 regular meeting with the following changes:

- *Evelyn Godbout* was also present at the meeting;
- Page 2, Under Liaison Reports, not successful meeting should have "*between the BOS and BOE*" added;
- Under WPCA Report – 350 feet of pipe was *flushed out*, not replaced;
- Change budget appropriate to budget *appropriated*;
- Under Blum Shapiro, 2<sup>nd</sup> paragraph, the town center land funds should be changed to *business park land acquisition fund*;
- The ten million for the teacher's retirement pension fund should be in a paragraph all by itself;
- Joe Kash is not CEO, he is a *managing partner*;
- Under the BOF Budget, the audit should be \$13,200, not \$13,700;
- Under the Tri-Board Meeting, the three Chairmen will *meet to set ground rules for future meetings*, not see if they can accomplish something;
- Under the Selectmen's Report, change "Currently the Assessor's office is in a big mess because of the DMV registration issues" to "*Currently DMV registration issues are causing confusion in the Assessor's office.*";
- The auditor commented that the tax collection rate is 99% or better;

All voted in favor, except Mr. McMahon, who abstained because he had not yet become a member of the Board last month.

**Public Comments**

Amy Traversa, First Selectman, told the Board that they are in the process of clearing out the business park line item per legal resolution. The Forum discussion on the 4<sup>th</sup> Tuesday in March will be on Earth Day and the education and cleanup project.

Dick Shea, Bull Hill Road, informed the Board that Monday night the RHAM BOE will be holding their budget workshop meeting in Marlborough. Special education will be the main item discussed.

The Board of Finance thanked Evelyn Godbout for their special snack she provided.

**Adjournment**

Mr. Denniss made a motion, seconded by Mr. Young, to adjourn the meeting at 9:57 p.m. All voted in favor.

Respectfully submitted,

Deborah Rihm  
Board Clerk