

Minutes of the Board of Finance Regular Meeting and Budget Review Meeting
Town Hall Meeting Room – April 11, 2011 – 7 p.m.

Members present: Justin Donnelly, Joseph Sangiovanni, Dennis Kreps, Sam Fuller, Brian Kost, Ryan Anderson, alts. Peter Boyd, Eric Harrington Absent: J. Lennon
Also present: First Selectman Tom Frenaye, Selectman Brian Fitzgerald, Director of Finance Deborah Cerrato, Secretary Bobbie C. Kling

Chairman Justin Donnelly called the regular meeting to order. The Chairman asked for a motion to add “Trash Collection Fees to the Mill Rate” to the agenda of the regular meeting and to move the Executive Session before the agenda item, Budget Transfer. The Agenda was so amended. The Chairman stated he would allow Bruce Remington, Chairman of the Water Pollution Authority, to speak after the agenda items, Review of Minutes.

The Chairman called for Citizen Comment:

Mr. Tom Sheridan, Jr., spoke against adding the trash fee into the mill rate. He felt it was unfair to businesses and to farmers. He noted that those who use the service should pay for it which is what the present system provides. Mr. Donnelly thanked him for his comment.

Minutes: Mr. Kreps moved to approve the minutes of the March 14, March 21, amend the March 28 minutes, page 2, change PD to “PD Budget” and approve the minutes of April 4, 2011; Mr. Sangiovanni seconded. The minutes were approved as amended.

Chairman of the WPCA, Bruce Remington, reported that upon review of the WPCA budget, the WPCA will be giving the Town \$260,000 rather than the reported \$136,993 from the Assessment Fund. He also pointed out that the WPCA was requested, and did grant commercial sewer fee concessions to new businesses in and near the Mach One Industrial Park. The Chairman noted that he will meet with Mr. Remington and Ms. Cerrato to discuss the method of accounting of the revenues from the State (Prison Use Charge). The Chairman thanked Mr. Remington for his updated information.

Other Post Employment Benefits (OPEB) Actuary update – Timothy Ryor – Hooker & Holcombe Inc.(H&H) was present. Ms. Cerrato stated that Mr. Ryor was here to answer any question the Board has regarding the OPEB. Mr. Harrington stated that last year the Town put \$700,000 in to the OPEB Trust and he is not clear if that that is enough, too little or too much. Mr. Ryor stated that H&H is in the process of doing the 2010 OPEB valuation; he noted they are waiting for some data from the Board of Education and hope to have the updated report for 2010 completed 6-8 weeks after all data has been submitted. Board members asked questions based on the 2008 OPEB report. Mr. Kreps asked what Mr. Ryor thinks the ARC number should be. After discussion, the figure of \$900,000 a year was specified unless the new valuation notes a different number. The Town has approximately a \$13,200,000 liability for approximately 495 (active and retired) employees and or spouses.

Treasurer's Report – Ms. Davidson noted in her report, General Fund Investment Income Analysis 7/1/10 to 6/30/11, that as of March 30, the interest earned, \$82,058.35. She projects a short fall of the budgeted goal (\$140,000) of \$40,000.00.

Police Cruiser Purchase Request – Chairman of the Police Commission, Don Miner, and Captain Huntley, Suffield Police, were present. Mr. Miner reviewed a memo dated April 7, 2011, Request to order additional police cars this budget year. Ford has discontinued manufacturing the Crown Victoria police cars. Next year, they will be replaced by a new Police Interceptor. We think we may still be able to buy some Crown Vics now if we act quickly and could commit to ordering them now. Mr. Miner asked the BoF if the Police Department could order two Crown Vics now if we can find them available at an anticipated cost of \$47,085 total. There is more than sufficient money in the Off Duty Fund to cover such a purchase. The Off Duty Fund has grown this year due to the improvements being made by AT&T. These cruisers would be instead of the 2 being requested in the Police Department budget for FY 2011-12. This will allow the department to not purchase the Interceptor in the first year of production, which tends to have “bugs” to work out. If approved, the proposed FY 2011-12 police budget would be reduced by the same amount. Mr. Miner noted that the Board of Selectmen approved of the request April 6. After a brief discussion, Mr. Kost moved to approve the Suffield Police Department's purchase of two police cars (Crown Vics) this budget year using funds (\$47,085) in the Off Duty Fund. Mr. Sangiovanni seconded. The motion was approved by unanimous vote. The understanding is that the line item for 2 new cars will not be in the 2011-2012 budget.

Chairman Miner distributed a 5 page report of requested data by the BoF. Captain Huntley reviewed the Index Crime data, comparing the Crime rate with other towns. He noted that current Suffield's solvability rate is about 70% which is very good; that is unheard of. Captain Huntley also stated that Police Departments do not routinely divulge the solvability rate. Mr. Miner reviewed the remaining reports. The Board complimented Mr. Miner and Captain Huntley on their reports and suggested that the Police Department submit such data each year.

Executive Session: Mr. Kreps moved to enter Executive Session for the purpose of discussing Legal Fees; Mr. Sangiovanni seconded. The meeting was voted in Executive Session at 8:01 a.m. Persons attending the Executive Session: First Selectman Frenaye, Selectman Fitzgerald, Director of Finance Deborah Cerrato, Secretary Bobbie C. Kling and the Board of Finance. The Board of Finance meeting entered Open Session at 8:10 p.m. No formal action was taken.

Budget Transfer:

Tax Rebates – The Tax Collector has requested a transfer of \$25,000 to cover additional tax rebates. This is simply a refund of overpaid taxes and is necessary due to the extra refunds processed because of the vacancies in the Assessors Office at the beginning of the fiscal year. The Board of Selectmen has approved this request. Mr. Kreps moved to

transfer from Contingency 0195011 50920, \$25,000 to Tax Collector – Tax Rebates 0141451 50808; Mr. Sangiovanni seconded. The motion was approved by unanimous vote.

Legal Fees – The First Selectman has requested additional funding. The Board of Selectmen has approved a request to transfer \$25,000 to the Legal Fee line item. This request is being made due to the unanticipated need for legal advice for various issues. Mr. Kost moved to transfer \$25,000 from Contingency 0195011 50920 to Legal Fees 0141551 50341; Mr. Kreps seconded. The motion was approved by unanimous vote.

Budget Highlights – Director of Finance Deborah Cerrato noted one change to her report; the Highway overtime is now \$87,000. Mr. Kost requested a projection of Highway expenses for the year, to determine if the Town can buy salt for next winter in this fiscal year.

Adding Trash Collection Fees to the Mill Rate –

Mr. Kreps moved that the Board of Finance include the trash fee into the mill rate; Mr. Fuller seconded.

Mr. Kreps stated that Mr. Sheridan had some good comments.

If we roll the fees into the mill rate, the State will grant more PILOT (Payment In Lieu Of Taxes) revenue, since the calculation is based upon the mill rate. And that would lower the mill rate for everyone. Mr. Donnelly stated it would burden some farmers that have multiple locations. That is a real issue. Mr. Donnelly stated that it is estimated to bring in an additional \$200,000, based upon the current reimbursement amount. The Town would not receive that increase until a year after the change was made, because of how the calculation is done.

Mr. Kost stated that he did not feel he could vote on this issue until we know what percentage the proposed budget will increase.

Mr. Kreps stated that this has to be explained very carefully at the Public Hearing, but we need to make a decision.

Mr. Donnelly stated that the first thing the public is told is that they will not pay a separate trash fee if the trash fee is included in the mill rate. The public needs to be educated. The Town will get an increased PILOT payment if the Town's mill rate is higher, if the formula, used to calculate PILOT funds, remains the same.

Chairman Donnelly called for a vote: 4 in favor; Mr. Kost voted against, Mr. Donnelly abstained.

The regular meeting was adjourned at 8:25 p.m.

Chairman Donnelly called the Budget Review meeting to order.

He asked for citizen comment: None

Correspondence: Mr. Donnelly noted received the April 7, 2011 memo from Julie Nigro, WPCA

Medical Insurance update – Mr. Robert C. Lindberg sent two reports which were distributed to the BoF.

Overall Budget Review – The Chairman distributed a memo from the First Selectman dated April 11, 2011 which listed his budget adjustments since 2/28/11. Ms. Cerrato stated that her presentation included the First Selectman’s adjustments.

Budget presentation:

Mill Rate Estimate for 2011-12, Revenue Summary 2011-12, Expenditure Summary 2011-12, Capital Expenditures, as recommended by ACCE, 2011-12 were reviewed. Her figures assume that all the bond issues are approved. She noted that the \$108,000 for the Fire Pump for the VOAG/High School is included. Her estimate reflects a 4.56% increase in the budget, and a 3.78% increase reflected in the mill rate.

Mr.Kreps: We have a Memorandum Of Understanding (MOU); but not signed by Board of Education (BoE).

BoE has increased by \$200,000 (higher than flat)

BoS has increased by \$147,000 (higher than flat)

Discussed:

Farmland Preservation, whether to be funded at the requested amount or not at all LoCIP Funds use for the proposed Rehab/construction of Ff Tyler Place to a Town Road or for another project.

The BoF reviewed the Capital Expenditures as recommended by ACCE (Advisory Commission on Capital Expenditures):

Desktop computer replacement should be placed as an operating expense, to happen next year.

F Tyler Place reconstruction (\$94,000) LoCIP Grant, leaves \$31,000 (remove \$31,000) from Capital Expenditure, consensus

Farmland Preservation; \$200,000 (remove \$300,000) consensus

Operating Budgets:

BoE; reduce by \$200,000

BoS; reduce by \$100,000

To what extent do we use Fund Balance ?

Mr. Kost said we are now at 15% Fund Balance and we should stay there at 15%. Mr. Kreps thinks we should use some of the Fund Balance. The amount was set to \$250,000. We are currently anticipating an additional \$159,000 in the current budget by the State for FY 2010-11.

Estimated 4.64% increase in budget if we roll the trash fee into the mill rate, and 3.24% increase in mill rate.

Mr. Donnelly stated we need more information so we can finalize this budget Thursday, The First Selectman has to make his \$100,000 reductions by Thursday, so that the Board of Finance can approve the budget. The BoF does not have line item approval on the BoE so they only need to approve the budget total. Bob Eccles, chairman of the BOE Budget Committee, will inform the BoE of the reduction of \$200,000 in the FY 2011-12

budget request What will be the unexpended fund balance at the end of the fiscal year?
The BoF discussed the use of any of the Fund Balance for the proposed 2011-12 budget.

A Special Budget Review Meeting is scheduled for Thursday, April 14, 2011 in the Town Hall at 7 p.m.

The meeting was adjourned at 9:35 p.m.

Respectfully submitted, Bobbie C. Kling, Secretary

BF.BOBBIE.MIN.April.11.2011