



TOWN OF MADISON CONNECTICUT 06443-2563
BOARD OF FINANCE

Owen Charles
Fillmore McPherson
Kathleen Rossini
Kathleen Stahelski
Jennifer S. Tung
David Youngerman

Minutes of the regular meeting of the Board of Finance held on December 19, 2007 in the Madison Town Campus

Present: Kathleen Stahelski, Owen Charles, Fillmore McPherson, Kathleen Rossini, Jennifer Tung

Also present: Al Goldberg, First Selectman; Dotty Bavin, Finance Director; Helen Burland, Alma Carroll, Tax Collector; Scott Erskine, Jeff Rosenberg, Beach and Recreation; MCTV and members of the press

Ms. Rossini called the meeting to order at 7:30 p.m.

1. Approval of minutes – Regular meeting of November 14, 2007. On motion made by Ms. Rossini, and seconded by Ms. Tung, the Board voted unanimously to approve the minutes of the regular meeting of November 14, 2007 as submitted.

2. Citizen and Finance Member Comments. Mr. McPherson noted that a couple of months ago he had brought up the Tax Relief Deferral Program. He had been told by a resident that some seniors did not apply for the program because they understood that if an individual is on the Tax Relief Deferral program, it is considered a lien and they are unable to obtain a loan for a car purchase. He talked to credit managers at several car dealerships and was advised that for a majority of the loan departments this is not true. Mr. McPherson advised that if an individual is on the tax deferral program this will have no impact on obtaining credit.

Ms. Rossini noted that there was talk at the Board of Selectmen's meeting to establish a committee regarding a new tax relief program. They plan to start with a small initial meeting with a representative from the Board of Selectmen and Board of Finance, and later have a joint meeting to discuss the program.

Mr. McPherson noted that there had been an incorrect statement in the newspaper by Al Goldberg. Mr. Goldberg was quoted as saying that Ms. Rossini is the first woman Chairman of the Board of Finance in recent memory. Actually Mary Jo Walker had been Chairman only 6 year ago for 4 years.

3. Discuss revenue report from Beach and Recreation. Ms. Bavin noted that the 06-07 Beach revenue was short \$52,351 from the revenue estimate. The Beach revenue estimate was based on prior history. Last year the system was changed to make it more user-friendly by switching from individual passes to car tags and this had ramifications on the actual revenue. Mr. Rosenberg noted that the fees were doubled a couple of years ago and some residents have adjusted to only purchasing one tag. This change will most likely have an impact on the 2007-2008 revenue projection also. The Beach and Recreation Commission feels feel that the shortfall is due to a reduction in attendance and a change

allowing free admittance to youths aged 13-20, walkers, joggers and cyclists. They plan to make adjustments to try and reach this years' estimation by opening up sales earlier in the year and through better publicity.

4. Discuss and take action on approving Budget Workshop Schedule: Ms. Rossini noted that there was discussion at the Board of Selectmen level about combining some budget hearings to minimize the number of hearing dates for the Board of Selectmen and Board of Finance. Additional dates will be set if needed. The Public Hearing is scheduled for Thursday March 13, 7:30 p.m.

Mr. McPherson recommended that the subject specification descriptions for the April 21, 22 and 24 be deleted to allow for more flexibility for discussion at these workshops.

On motion made by Mr. McPherson, and seconded by Ms. Tung, the Board voted unanimously to approve the 2008-2009 Budget Workshop Schedule with the description for the April 21, 22 and 24 workshops removed.

5. Discuss and take action on setting interest rate for Garnet Park Water Main Project. Ms. Carroll provided a brief description of the Garnet Park Water Main Project which was established by ordinance. As per this ordinance the Board of Finance needs to set an interest rate which is to be 3% below the prime rate and not to exceed 8.5%. As of November, 2007, the prime rate was 7.5%.

On motion made by Ms. Tung, and seconded by Mr. McPherson, the Board voted unanimously to set the interest rate for the Garnet Park Water Main project at 4.25%.

6. Discuss and take action on setting interest rate for the Tax Deferral Program. Ms. Carroll provided a brief background description on the Tax Deferral Program. She noted that pursuant to Section 12-129A of the CT General Statutes, the Board of Finance must set the annual interest rate for this program. The interest rate for the 2006 grand list was 5.5%. The Town is currently receiving 4.97% on its investments. She recommended that the interest rate be set no higher than 5% for the 2007 grand list.

On motion made by Mr. McPherson, and seconded by Ms. Tung, the Board voted unanimously to set the interest rate for the Tax Deferral Program at 4.5%.

7. Discuss and take action on transfer of property taxes to suspense based on recommendation from the Tax Collector. Ms. Carroll provided a brief background description on the process of transferring property taxes to suspense. Ms. Bavin noted that the information on individuals owing back taxes is coordinated with the State Department of Motor Vehicles so that individuals cannot register their vehicles if they have an outstanding tax bill.

On motion made by Ms. Tung, and seconded by Mr. Charles, the Board voted unanimously to accept the recommendation of the Tax Collector and transfer property taxes totaling \$61,133.95 to suspense as provided on a list from the Tax Collector dated November 26, 2007.

10. Discuss and take action on special appropriation request of \$13,500 from Tax Collector. Tax Collector has 25 requests from leasing companies to have motor vehicle bills from the 2005 grand list

adjusted due to the vehicles being sold or otherwise disposed of. The motor vehicle tax bills were all paid in full in July 2006, so the adjustments create overpayments that total \$3,467.71. There is also one appeal from the 2002 grand list where a refund in the amount of \$9,228.40 needs to be made because the property is sold (Pending Board of Selectmen approval of 12/17/07). On motion made by Ms. Tung, and seconded by Mr. McPherson, the Board voted unanimously to approve a request for a special appropriation of \$13,500 from Contingency to Account #1-100-1135-0000-9000-780-00, Tax Collector – Prior Year Refunds, for refunds for overpayments made in July, 2006 for vehicle bills for the 2002 and 2005 grand list for vehicles that were sold or otherwise disposed of by leasing companies thereby requiring adjustments.

8. Discuss and take action on a special appropriation request in the amount of \$84,227 to fund settlement agreement with Chief Paul Jakubson regarding the CT General Statutes requirement associated with hypertensive disabilities associated with employment as a police officer. Ms. Burland noted that \$84,227 is being requested for an unbudgeted settlement agreement reached with Chief Jakubson regarding a Connecticut General Statutes requirement associated with hypertensive disabilities associated with employment as a police officer. This is a one time obligation to Chief Jakubson.

Mr. McPherson commented that, while he is disappointed with the State Statute, he understands that the Town is obligated to pay this settlement.

On motion made by Mr. McPherson, and seconded by Ms. Tung, the Board voted unanimously to approve a request for a special appropriation of \$84,227 from the Fund balance to Account #1-100-7100-0000-2302-920-00, Employee Benefits – Heart and Hypertension, for a settlement agreement with Chief Jakubson associated with employment as a police officer.

9. Discuss and take action on special appropriation request of \$100,000 for Legal Services. There has been a significant and unanticipated activity requiring legal services with the Police Department personnel issues. (Pending Board of Selectmen approval on 12/17/07). Ms. Burland noted that there has been significant and unanticipated activity requiring legal services primarily with Police Department personnel issues. They keep an internal log of legal services by Department. They believe that \$100,000 is a fair request for the balance of the year, however, if all of the funds are not required they will go back to the general fund.

On motion made by Mr. McPherson, and seconded by Ms. Tung, the Board voted unanimously to approve a request for a special appropriation of \$100,000 from the Fund balance to Account #1-100-1110-000-3101-000-00, Legal Services – Town Counsel, for additional legal services.

11. Review of Financial reports. In response to a question by Mr. McPherson, Ms. Bavin noted that an item on the revenue page was related to a foreclosure item being brought to a conclusion. Ms. Bavin noted the Town had received notice that it will receive \$278,789 from a settlement with CRRA. Members were provided with a copy of a newspaper article on the settlement.

Ms. Bavin noted that the Town received \$215,166 as State reimbursement for the Island Avenue portable classrooms. At the time they were not an eligible item for reimbursement, but this has since been changed.

12. Review Board of Finance Liaison Assignments to Town Boards and Commissions. Ms. Rossini noted that members were provided with a list of assigned liaison positions to Town Boards and Commissions. There is still a list of unassigned Town Commissions and Committees and Senior Tax Relief should also be added to this list. She noted that a liaison is not necessarily required for all of the Commissions and Committees, however, when projects are ongoing it is helpful to have a Board of Finance representative assigned.

Mr. McPherson commented that it is helpful for the Board of Finance to have a relationship with some of these groups, however, it is also important for them to maintain a degree of independence.

Mr. Goldberg commented on the new Senior Tax Relief Committee which will be charged with further study and decision on this program. The Study Committee will include participation by the Board of Selectmen, Board of Finance and Senior Commission to discuss what the program is trying to achieve. The Board of Selectmen will then appoint a Study Committee which will be asked to submit a report in 90 days. The goal is to complete the report so their findings can be included in the 2008-2009 budget cycle. Additional information will be available after the next Board of Selectmen's meeting. They will want to schedule a joint meeting with the Board of Finance in January. At this point they are trying to define the process.

Ms. Stahelski commented that this is one situation where the Town intermixes financial with social policies and will need to make some philosophical decisions.

Mr. Charles agreed to serve as the Board of Finance liaison to the Library Committee and Mr. McPherson agreed to serve as the liaison to the Senior Tax Relief Committee.

13. Workshop Schedule.

A. Ms. Rossini noted that there will be a joint retreat of the Board of Finance, Board of Selectmen and Board of Education on January 2, 2008 at 6:00 p.m. following a 5:30 p.m. supper, in Daniel Hand High School. The retreat will be an opportunity to introduce the boards to each other and to discuss the rules and roles of each board.

B. Ms. Rossini noted that there will be a GASB meeting on January 3, 2008, 7:30 p.m. at the Town Campus to learn more about the change coming from the government standard's board and about how GASB will impact the budget and medical benefit for retirees. This will be an open ended discussion and a facilitator will be utilized.

C. Ms. Rossini noted that an FOIA, 90 minutes workshop will be held on January 24, 2009, 7:00 p.m. at the Town Campus designed for members of elected and appointed Boards and Commissions.

D. Ms. Rossini noted that there will be CCM Leadership Training Meetings on January 5, January 26, and February 5. There will be a number of presenters and it is geared toward Board of Finance members to provide budgeting tools.

Mr. Charles noted that he has attended a CCM workshop previously and it was very good and well attended.

14. Liaison Reports. Ms. Stahelski reported that at the Board of Education meeting, the Superintendent of Schools submitted a draft budget which is tied to the Strategic Plan Initiative. The draft budget provides for a 6.29% increase in the operational budget for an overall increase of 5.91%. Ms. Stahelski reported that Anita Rutland will be serving as the Acting Superintendent until the new Superintendent, Mr. Klein, comes on board in March.

Ms. Rossini reported that at the Selectmen's meeting they discussed the communications tower as a possible source of revenue. She noted that there has been some neighborhood opposition expressed.

Ms. Rossini noted that the Selectmen took action on reappointments stating that a successful slate of candidates was put up. A total of 16 democrats and 13 republicans were appointed.

Ms. Rossini stated that the Board of Selectmen discussed the Police Department personnel situation. She noted that with three retirements, there are 26 officers budgeted, however, only 18 officers are on the roster. The Department is looking to move forward with replacing the officers and there will be expenses related to recruiting. She noted that there will also be a budgetary impact with overtime until the positions are filled.

Ms. Rossini noted that the Investment Committee had significant activity. A transition meeting was held with the current and new Committee members. Mr. Scarpati, Mr. McPherson, Ms. Bavin and Mr. Williams were asked to attend. They discussed the status of the investments and there were some concerns about the loss of investment in the STIF accounts. While investment rates have been good, they are currently beginning to fall. They met with the STIF Account Representative and they are watching these accounts. They have moved some money from these accounts into 3 month CDs during the current market of fluctuating interest rates. Ms. Bavin stated that this has occurred in the past and Mr. Williams and she frequently research the best returns for the town. Ms. Rossini noted that in January, when tax revenue begins to flow in again, they will need to make some additional decisions regarding STIF and other investment options. Mr. McPherson commented that he feels that the STIF accounts are very safe.

15. Report from First Selectman. Mr. Goldberg noted that Don Oslander was reappointed as Comptroller. This position provides an important check and balance.

Mr. Goldberg noted that the budget process has begun with the first phase being completed by Department staff. He noted that he did not identify a target percentage for the budget since he believes the target should be developed by the Board of Finance.

Mr. Goldberg commented that he has been impressed by the senior staff who have proven to be very professional.

16. Citizen and Finance member comments. There were no citizen or Finance member comments.

17. Adjournment. The meeting was adjourned at 9:30 p.m.

The next regular meeting will be held on Wednesday, January 16, 2008.

Terry Holland-Buckley
Clerk