



# Town of Madison, CT

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## Board of Finance

Draft

Minutes of a regular meeting of the Board of Finance held on January 16, 2019, 7:00 p.m. at the Town Campus

Present: Jean Fitzgerald, Mark Casparino, Judith Friedman, Ken Kaminsky, Kevin Kranzler, Bennett Pudlin

Also present: Stacy Nobitz, Finance Director; Kristen Bartosic, Accountant; Scott Erskine, Beach and Recreation Director; Captain Race, Police Department; Ed Brunt, Supervisor of Dispatch Operations Police Department; Mike , Samantha Thomas, Mahoney Sabol; Gus Horvath, member of public; MCTV

Ms. Fitzgerald called the meeting to order at 7:00 p.m.

### **REGULAR SESSION**

1. Pledge of Allegiance. The Board of Finance and members of the audience stood and recited the Pledge of Allegiance.
2. Approval of minutes – December 19, 2018. On motion made by Mr. Pudlin, and seconded by Mr. Casparino, the Board voted unanimously to approve the minutes of the regular meeting of December 19, 2018 as corrected with changes provided to the Board Clerk.
3. Chairman's comments. There were no Chairman's comments.
4. Citizen and Finance member comments. There were no Citizen and Finance member comments.

### **NEW BUSINESS**

5. Presentation of the fiscal year ending 2018 Audited Financial Statements. Members of the Board were provided with a copy of the audit and Mr. reviewed highlights including the Federal and State Single Audit, End of School Reports

for the Board of Education, Financial Statements, Town Funds, Report on Compliance and Internal Controls, Federal Single Audit, and State Financial Assistance.

Mr. noted that, overall, there were no errors or issues with the reports, or deficiencies identified so a clean report has been issued. He also noted that there were no issues related to Management.

Mr. also reported that the Fund Balance is now \$22.7 million which is a \$1.5 million increase from the prior year. \$10 million of the Fund Balance is unassigned. Mr. also noted that the Internal Service Fund was a little below for the Self Insurance Fund but this is not a concern. In addition, he noted that the net Pension liability was reviewed and was reasonable with the Town making its annual required contributions. He recommended that additional information was requested from the actuary.

Mr. commented on the State Teacher Pension noting that this liability is carried by the State. There has been some discussion about passing this liability to municipalities but this is not likely happen, but if it did it would be a large liability.

Mr. offered to be available to answer any questions the Board members have after they have had an opportunity to review the report.

Ms. Fitzgerald commented that two issues the Board should focus attention on moving forward is the State Teacher Pension liability issue and Town Pension liability issues.

6. Discuss and take action to approve the Deferral Program Interest Rate. A motion was made by Mr. Pudlin, and seconded by Mr. Casparino, to set the annual interest rate for the Town Tax Deferral Program.

Ms. Nobitz explained that, pursuant to the Connecticut General Statutes, the Board of Finance needs to set the annual interest rate for the Town Tax Deferral Program in January using the prevailing town borrowing rate or the rate of return on short-term investments as a guide. The interest rate set for the 2017 grand list was 1% and the Town is currently receiving 2.18%, on average, on investments and the Town borrowing rate on the last bond issue was 1.45%

On motion made by Mr. Pudlin, and seconded by Mr. Casparino, the Board voted unanimously to set the annual interest rate for the Town Tax Deferral Program at 1%.

6A. Discuss and take action to approve the Abatement and Freeze Program Interest Rate. On motion made by Mr. Pudlin, and seconded by Mr. Casparino, the Board voted unanimously to add to the agenda for action approval of the cap for the aggregate amount of tax benefits available under the senior tax freeze program and the property tax relief program provided under section 20-10 of the Town Ordinance.

Correspondence from Orietta Nucolo, Assessor, noted that under section 20-10, the combined initial cap shall not exceed 1% of the previous year's total town and educational budgets. The total 2018-2019 fiscal year Town and Educational budget is \$83,067,201 so the 1% not to exceed amount is \$830,672. Ms. Nobitz noted that the current use of these programs is well below the 1% cap.

On motion made by Mr. Pudlin, and seconded by Mr. Casparino, the Board voted unanimously to, as pursuant to Town Ordinance 20-11 (16), set the cap for the aggregate amount of tax benefits available under the senior tax freeze program and the property tax relieve program at \$830,672, which is 1% of the total 2018-2019 Town and Education budget.

7. The following line transfers are designed as routine and appropriate for approval as a single actin by the Board of Selectmen, if so desired. A board member may request removal of any line transfer item from the consent agenda for review and discussion. On motion made by Mr. Pudlin, and seconded by Mr. Casparino, the Board voted unanimously to approve Line Transfers totaling \$64,200.00.

8. Discuss and take action to close the East Wharf Beach Park Walkway Account. On motion made by Mr. Pudlin, and seconded by Mr. Casparino, the Board voted unanimously to accept the request of the Director of Beach and Recreation and close the East Wharf Boardwalk project funded in CNRE in 2016-17 for \$50,000, with an understanding that the boardwalk will be constructed with the remaining funds of \$37,000 allocated from the former LOCAP fund with work to be completed by the Beach and Recreation Grounds staff.

9. Discuss and take action to approve a Special Appropriation request from the Police Department/Communications in the amount of \$10,677.70 to fund radio equipment due to unanticipated failure of current equipment. The representatives from the Police Department noted that the communications equipment for the Public Works Department has failed. An effort has been made to repair this equipment but it is beyond its useful life. As communications equipment it falls under emergency management but is utilized by the Public Works.

On motion made by Mr. Casparino, and seconded by Mr. Pudlin, the Board voted unanimously to accept the request of the Police Department/Communications and approve a special appropriation of \$10,677.70 from Contingency, for unanticipated radio equipment failure.

10. Review FY 2019-20 Budget Process. Ms. Nobitz noted that the Board members will be receiving a copy of the total budget next week.

11. Review of Financials. Ms. Nobitz noted that the Municipal Stabilization Grant was received.

Ms. Nobitz reported that the Health Insurance Account is at 78% of expected claims. They plan to build a 2% increase into the FY 19-20 budget.

12. Citizen comments. Mr. Horvath commented on the importance of budgeting to not plan on a specific amount for State aid.

13. Liaison Reports and Report from First Selectman. Mr. Casparino noted that the CIP has completed their work. He thanked the staff of the Finance Office for their assistance in completing this important task.

Ms. Friedman noted that the sub-Committee to the Tri-Board had a public presentation and approximately 60 residents were in attendance. This group was more diverse than those present at the previous presentation since it included not just parents of school age children but also households without school age children and senior citizens. There were many questions and comments. The group is working to put all of the information and comments from the presentations together into an organized report. In general, the public agrees that some action needs to be taken regarding facilities but any action needs to also be fiscally responsible. There were also comments about the importance of not repeating some of the mistakes made with the construction of the new high school and to insure that any facility considered provides for diversity of use including community mixed use. The next full Tri-Board meeting will be set by the Board of Selectmen.

Ms. Fitzgerald noted that she and Mr. Banisch had met with representatives from the Ambulance Service to discuss concerns about funding and sustainability of the current model. They will be looking at a number of options including use of Town Employees, an increase from part-time to full-time staff, outsourcing and shared services. They are gathering information, including how service is provided in other towns, to have available by the end of March to begin to work on this topic. The Human Resources and Finance staff are involved in looking at the finances and a consultant will be hired if necessary. In addition, they are also looking at the medical billing process.

Mr. Kranzler commented that he believes level of service, balanced by fiscal responsibility, is critical and seen as a high priority by residents.

Mr. Banisch reported on his attendance at a COST meeting where the majority and minority leaders spoke. The issue of the teacher's pension was discussed and it was generally agreed that the municipalities should not be held responsible for any pension liability from the past but they might look into passing on responsibility for new hires to the municipalities using a system that would be equal to a social security contribution.

Mr. Banish noted that he had met with IBIC and they recommended not moving forward with a bond issue until May or June and to use Town funds for cash flow as needed. There would be no impact in the current year. This could be a benefit to the Town since bonds are selling at a premium now. The bond issue will pay back the Town first.

14. Adjourn. On motion made by Ms. Fitzgerald, and seconded by Mr. Kranzler, the Board voted to adjourn the meeting at 9:05 p.m.

Terry Holland-Buckley  
Clerk