

Board of Finance Meeting:

Wednesday, September 21, 2016

Call to order @ 7:36pm

Members Present: Tim Main, Charles Steinhart, Carolyn Howell, Emile Pavlovics, Alternate Bob Testa seated for Tim Pelland.

Absent: Mustapha Ratib, Tim Pelland & Alternate Chris Hundt

### **Pledge to flag performed**

**Public Comments & Questions:** Mrs. Bob Carlson, Chairman of the Board of Education asked about direction from the Board of Finance considering that the Board of Education Budget was approved, however, there is still no town budget approved. Mr. Nero then spoke and asked about spending going forward because even though their budget passed, they are still in a quagmire – made the analogy that he feels like he's at his house waiting for the prom but he still has no date. Clarified – looking for some direction. He believed that it goes 12<sup>th</sup> to 12<sup>th</sup> going forward, but by State Law they have to have professional development teams come in and are slated throughout the year. Mr. Nero would like to know if they could function as if he was working with last years budget and stay within the confines of the line items of where they were last year. He believed that their budget went up .9 or somewhere there. He felt that it would not be a big deal if they stayed within last year's spending for the line items until a budget is passed.

**Emile Pavlovics** stated that he/we are to consider at 30 day extension. Under State Statute we cannot increase line item beyond last years. We just can't do that. – What I think we are going to propose is the same resolution, to propose to extend spending limits to what was last years spending limits. We cannot authorize to expend any more that what was spent last year. Emile explained because the budget passed for the Board of Education that they could move money around within their budget to juggle but we (the BOF) cannot expend any more money than what was approved for last year. Mr. Nero confirmed that that is what has was asking. He stated that the difference of 1% on their budget was not a big deal and he assumes that before January of next year we will have a budget pass...but they need to be able to function.

**Charlie Steinhart** –wanted to clarify that this was exactly the way that he thought this was supposed to work out. Charlie also stated that if they have a big bill or you can't push it off to let us know and we can modify that.

Mr. Nero wants to clarify that they can spend in line with last year during the same period – within last year's line items. Emile clarified that items can be shifted around within the total budget line item for the Board of Education.

*There was discussion about the 90 day extension that will be up in 5 days and that now only 30 day extensions can be made at a time, and Emile clarified it is not month to month but **30 days**. Emile said that the plan is to pass a continuing resolution or part of the plan.*

**Mr. Nero** elaborated that he did not feel that he would be over last year's budget at the end of the year. **Emile** clarified that the LINE ITEM for the Board of Ed is **one total line item and that they can move money around as they need to** - can't surpass the total from last year. Can shift around as they choose.

Shawn states he has one comment on that - "by the end of this week, they will go over every labor line item." -Emile stated to Shawn "you are not authorized" - Shawn responded " we have contract for 2% increase, likewise the Fire Department Insurance was all due and paid already, that particular line item is at close to 100% expended. So can always that not occur."

Emile clarified by stating, "I'm sorry but the law is the law"... "may I read" reading the law and clarified "The Board of Finance or other budget making authority, within the limits of appropriations specified within budgetary line items for the previous fiscal year. That's the law." And so Emile clarified to Mr. Nero that he has 1 line item and Shawn has numerous. "

Shawn responded that he just wanted to say, "we don't have a cash slow problem. We have over 50% of our revenues collected for the year and there is no reason to institute the stricter controls based on that."

Charlie stated that he guessed his concern is how do we have the right to overstep and ignore the State Statutes. "I don't think we have that right."

Emile stated that he thinks if he wants to get covered that he has to transfer within his budget to the line item last year.

Shawn responded "You can't make a transfer when you don't have a budget." Emile stated that "you are limited to what was there before by State Statute - Budgetary line items."

***There was discussion about the least spending whether it was last year's budget line item or this year's.***

Emile clarified that we no longer have a proposed budget anymore. ***There was discussion*** - Emile said it was shaky but somewhat justifiable according to what the state statute says. "We're not changing the big picture and we're not moving funds within the old picture.," Emile said, "that could justify that more better than "let's just ignore the law".

Shawn then asked Emile if that was his interpretation of the law and Emile responded that his interpretation of the law was to stick within the line items of the past fiscal year...and that is his reading the law. Emile commented further "considering we have a town to run, that might be a work around. "

**Shawn then stated that there were other line items that were overspent before any guidance was issued. Emile responded , “I’m not sure what guidance you needed, State Statutes provide the guidance pretty thoroughly. If we hadn’t done it yet you could have referred to the state statutes and have known that this was the only thing that you could do.”**

Shawn then stated “I’m not about to change anything, I just wanted to bring this to your attention.”

Tim Main asked if there were any other public comments. There were not, so he moved on to item #4.

#4 Emile asked that we read the motion that we passed from the prior minutes, they are as follows: (From the Minutes of August 17, 2016) Emile wanted to see if the wording needed to be changed except for the 30 days.

As Per Sec. 7-405 of the Connecticut General Statute;

- The Board of Finance authorizes minimal operating expense funding to continue the function of the General Government and the Board of Education. This Authorization is for not more than ¼ of the operating(Section B) expenses of the approved 2015/2016 budget or the proposed 2016/2017 budget (as proposed on June 29, 2016), whichever is lower.
- The authorization expires on September 28, 2016 and does not authorize any Capital spending.
- This authorizes the Redemption of Debt as specified in Section D of the proposed 2016/2017 budget, not the lower of the two.  
The Board of Finance realizes that certain line items may be impacted/affected differently and is willing to consider exceptions for extenuating circumstances.

This authorization is from July 1, 2016 through September 28, 2016.(90 days)

After reading the prior motion, Emile asked if anyone had any problems with that other than the dates. There was discussion. Shawn asked if there would be exceptions. He said “this one states there is.” Carolyn commented that weren’t there exceptions because they (the town) had already spent money that wasn’t approved at the time that the last motion had been made, at that point. There was discussion and Emile said that this was without closer reading of it and that this is where the transfers might come in at this point.

Shawn then responded that he had gotten a request from the Fire Department to spend some capital, and I told them to bring it forward – we have firemen operating without certified turnout gear. Emile responded that is a problem with the budget and those who advocated for the budget to be voted down. **Emile clarified that we(the BOF) advocated for the budget.**

**Emile makes such a motion, as we just read, changing it from ¼ to 1/12<sup>th</sup> and changing 90 to 30 days, with whatever the appropriate days would be. After checking a calendar. The authorization would begin on September 29, 2016**

**and run for 30 days, ending on October 28<sup>th</sup> 2016. Charlie Seconded Passed 5-0-0**

**Changed wording, as stated/modified above is as follows:**

**New Wording:**

As Per Sec. 7-405 of the Connecticut General Statute;

- The Board of Finance authorizes minimal operating expense funding to continue the function of the General Government and the Board of Education. This Authorization is for not more than 1/12<sup>th</sup> of the operating(Section B) expenses of the approved 2015/2016 budget or the proposed 2016/2017 budget (as proposed on June 29, 2016), whichever is lower.
- The authorization expires on October 28, 2016 and does not authorize any Capital spending.
- This authorizes the Redemption of Debt as specified in Section D of the proposed 2016/2017 budget, not the lower of the two. The Board of Finance realizes that certain line items may be impacted/affected differently and is willing to consider exceptions for extenuating circumstances.

This authorization is from September 29, 2016 through October 28, 2016.(30 days)

Shawn then stated that we received a Profit and Loss Statement for the end of August. He states you'll notice the budget column is zero. "We don't have a budget"

Emile responds - uses the analogy that Shawn is throwing himself on the court - because he killed his parents and now he is an orphan, further pointing out the difficulties that arise because we have no budget, from someone that advocated that we have no budget is pretty disingenuous.

Shawn then stated "so you have no recommendation for me is that what you are saying?". Emile responded that they could try to get a transfer if he could get a lawyer to say that that is authorized, then we will have to abide by that but that is a case of less than ideal, far less than ideal work around, "but that's all I can offer you." "We are hemmed in by state statutes and a failed budget."

Bob Testa wanted to clarify that they needed to spend only as necessary and Mr Nero stated that they would be fine until the end of the year. There was discussion between Mr. Nero and Mr. Testa and Mr. Nero clarified that he could go to the end of the year - and that he wanted to just make sure that he was not doing something

that was not in line with the Board of Finance. There was discussion and Mr. Nero stated he will be fine.

Bob Testa – asked about the proportionate. \_\_\_\_\_ – could make an additional appropriation based on the give back at the end of the year.

**Emile moves that item # 5 be moved into 3a position - Charlie seconded. Approved 5-0-0**

**Item #5 aka 3a** - Emile states “The Initial Meet and Greet has happened 3 year contract is up – meeting was held and dates assigned for potential discussion. Emile has covered for now but did not bring the dates. Emile states he is willing to continue to represent the Board as the official Board of Finance Representative – and if someone wants to fill in occasionally - Bob Testa does not mind feeling in if necessary if Emile is not able to attend.

Mr. Nero states he has 4 dates before mediator comes in on December 7<sup>th</sup> or 9<sup>th</sup>.

**Charlie made motion that Emile be the official Board of Finance**

**Representative, Tim Seconded – approved 5-0-0 (This was approved retroactively).** October 13<sup>th</sup> is the 1<sup>st</sup> meeting date. Emile to contact Mr. Nero to verify dates and also stated that the meetings start at 400pm- Mr. Nero asked Emile to reach out tomorrow and verify the dates.

#### **#5 – Review of the 9/20 Budget Referendum -**

Charlie Looked at votes that were cast – depending on which newspaper article you read was a little confusing.

Item #1 936 votes cast - 308 too high 345 too low (36.8% said it was too low) – understand that it’s not binding but don’t see as a mandate.

Capital - Rejected because it was too high but people wanted to add money back into the capital. – There was discussion about how the numbers could be read two different ways because of how people answered and voted. There was discussion. A lot of people didn’t appear to answer the advisory questions as it went down.

Charlie was hoping that it was a little clearer.

Tim Main- a lot of confusion on the budget.

Emile asked Carolyn if she had anything to say – Carolyn responded that “It was very confusing, but it doesn’t surprise me, with everything that went on prior to the referendum.”

There was discussion and Emile wanted to clarify that – advisory questions were for those who voted no.

- for every person that voted no at least 291 people were happy or at least content with the removal – would have to add 291 to the no’s and come up with 401 to 392.
- There was further comment and discussion by Emile-

Question 1b – 291 plus 110 felt that item should not be restored. The advisory questions were non advice yielding because we had no way of knowing how many

votes we would lose if you restored those items.. if you add the 291 to each of those it is very close all the way down the line. 291 were fine- a portion of those.

Nick Mullane- Made a statement "You have some numbers that people put in through an official ballot" Now what you are doing is using conjecture to what it meant – Nick commented further – even though you have the numbers of the voters I don't believe that is what these numbers mean and because they didn't vote. You didn't know what they meant or what their intent was. **There was discussion.**  
**Emile responded-** "Taking the fact that 291 people said yes to the budget- That means 291 people were happy or at least content with the labor line removal. "That's a fact" they said the budget is fine. It's not that they skipped it, they were asked not to vote on it. 110 also said we don't want that item in. Those are 2 groups that actually expressed their opinion. Emile said it might have been better if you had asked everyone to express their opinion. 291 expressed their opinion, they said those items are fine. – those items are not in the budget and those are fine, that is a fact. Emile said that there are some people that had said that they would vote against this budget if some items are replaced. – **You asked only the no's to vote**(that means 291 didn't get to express their opinion, but more expressed their opinion.)"

Shawn then stated that "they did vote on the advisory question and their vote should be considered.' Shawn then further stated that if they did vote on the advisory question that there is no reason why their vote shouldn't be counted.' There was further discussion where Emile clarified that because we have no way of knowing what they did on 1b you can either say it's a wash or no information – give 291 credit.

"Since we have no way of knowing on 1b. – The advisory questions were spectacularly unhelpful.", Emile.

Bob Testa- then stated you might as well just call a spade a spade, the advisory questions were triggered to try to get a desired result and all of the efforts leading up to this budget were disgraceful, unbecoming of an elected town official, and now you are living with the consequences of a failed budget that you pointed out. I find it funny that all these advisory questions- ten questions on the ballot, all geared toward pretty much the highway department, as a measure of it, appears to protect that. – At no time, and I'm curious, and any time all this and I'll call it propaganda that went out- about we can't plow roads, we're going to have to close the transfer station, **did you tell the people that the transfer station budget actually went up over last year? It wasn't even touched.** I know you mentioned it, I don't know if it was inadvertent or intentional at the Town Meeting, there is a vacancy at the town highway department –In a tough economic time, prudence would dictate, you don't fill that vacancy. The salary and benefits from that vacancy would have restored all of that funding – or most of it. Your labor line would have

definitely been restored. You would have had additional money that you could have opened the dump up on a Sunday with the additional labor and benefits costs that you saved, but rather than tell the people all that, you said, "oh my God, I'm going to close the dump on a Saturday. You people are going to get punished if you vote my budget down.' To me, it's false and misleading, you knew it and intentionally put out false information. The same information that came in that letter, that I'm assuming was put out there as a individual, not as a town official, with no town resources and no connection, just Mr. Murphy being Mr. Murphy saying I'm going to send a letter out, I have to assume that's what happened, but in that, the threat of closing the dump is in there. It reads to everybody that that is the First Selectman telling you this is what's going to happen. Nowhere in there does it explain during the 14/15 budget, when we had the worst winter in decades, and it was discussed with Nick Mullane and Mark Donohue and Myself(Bob Testa) we questioned the budget cautiously throughout that winter and were told that the majority of labor costs of the snow removal was on straight time during normal work hours, during all that snow - we were the only community that I know of, in the entire northeast that never went for an appropriation for snow removal. We lived within the budget and at the end, which I know this was not put out in the propaganda, that we gave back \$132,000 after the worst winter in decades. So all this information really makes me say to myself, the dishonesty, the agenda driven objective here makes no sense to me. If people knew all the \_\_\_\_ of the snow removal, they would have known that we wouldn't have to close the dump -to an already inflated highway department compared to towns of similar size, similar responsibilities.

There are towns around us that have a fraction of what we have, and they manage fine, with just as much roadway and just as much responsibility. But, here we are, \$40,000, wrap your head around that, "only 40,000 was cut from a labor line that you're telling me, the Board of Selectmen, knowing that they have a vacancy and knowing they gave back all that money after a terrible winter- cannot work within what was presented, I've got to be honest, I'm astonished by it." ...and the advisory questions, I agree, I said it, it was nonsense, 10 questions on a ballot, I can't tell you how many people were all confused thinking that the Board of Finance did this. Not one of these questions, not any input on - there was a complaint about input on the budget and this is a Board of Finance Budget and not one question was asked, "What does the Board of Finance think would be a good measuring stick or a barometer from the people, because it's going to come back to us. I don't see anything and Bob Testa Clarified to Bob Carlson that he is not saying this in a negative way, but there was no advisory questions made to the Board of Ed, other than, is the budget too high or too low. I am sure, knowing how it works over there, that the Board of Education and Mr. Nero made some tough decisions when they got reduced. Why wasn't any of your stuff put on here for reinstatement? Were you asked to contribute to this? Mr. Carlson replied, "no, we weren't asked \_\_\_\_\_ 44:42) Bob Testa elaborated some more regarding how the Board of Education could have had some input regarding an advisory question for items that they reduced. - Bob Testa then stated that this tells me what the rationale is behind this whole thing and I think the Board of Finance acted fiscally responsible, we made every effort to make

informed decisions, Carolyn pointed out pretty clearly at the town meeting, that the information was requested back in April and we were told it didn't exist and then it surfaces at a town meeting. No back up for over 2,000 hours of snow removal, no back up to support it. What was the answer we got? Well we got it off the back of cards, time cards, so if I look at the back of a timecard and it says snow removal, how do I know that it happened during the work day, overnight, if all it says is snow removal, that doesn't tell me anything and for years \_\_\_\_\_ because I've asked for it. There is no snow removal budget (46:05) so to try and separate that out is quite frankly, misleading, and like I said, the money's there, it's how it's being spent and the advisory questions \_\_\_\_\_ nothing tells me that people want to pay higher taxes. This whole thing about removing, I mean to throw in even the \$425 payment, the \$425,000 payment, all this said to me was divisive. This is just pitting people against certain line items, there were other adjustments made throughout the budget process, difficult decisions and it all comes back to, in my opinion, an agenda, and it doesn't serve the greater good. So, at this point, my thought process is, if we take the Selectmen's point of view, that people want to pay more money, then maybe the Selectmen can say, "give us a number, increase the budget a ½ a mill, increase it a mill, because the Board of Finance seemed pretty set that we weren't going to eliminate the payment for the Center for Emergency Services, that the cuts made and the reductions were very manageable based on the financial statements as the budgets were unfolding, but, if we are going to interpret it that people want to pay more money in taxes, then raise taxes.

Charlie commented. "They will. They will." In about 2 years we have a school project coming. The new USDA loan rate is 2.75%, so I recalculated the thing that Robin had sent us, a year or so ago before the formula with the 23,490,000 and it winds up, the annual payment is over 1 ½ million dollars, at our \$497,000 a mill right now, on the Grand List, that's 3 mill. Oh they will be paying more taxes. If the people in the town government and in the town, and us are naïve enough to think that \_\_\_\_\_. Once this hits, you think we've got a problem with the budget now, people are going to freak out. There was additional comment. Charlie elaborated, we've got big stuff coming and we were responsible \_\_\_\_\_ in line in order to help absorb some of this moving future wise out.

There was further comment and discussion - 49:00

Bob elaborated and stated that "clearly what went on, in my opinion was false and misleading and did not tell the full story, and was all steered for a desired result. The Board of Finance does a presentation at the Town Meeting, again in an effort to educate the people about how we came up with the budget, we get told it's not going to get to be put on the town website, after the town meeting, after it was presented to the people, despite our request. Then we learn the day of the referendum or the day before, it does get put on the town website, but then it gets altered, and items removed from it. And it just happens to be the items that the First Selectman disagrees with. Carolyn spoke up and clarified by stating "I think it was just altered, that one word, I don't think Tim actually forwarded all of the slides with the back up - but yes it was altered., without authority. Bob continues - "So a Board of Finance

document gets altered going into a referendum, altered by the First Selectman, and put on a town website, as if it's the Board of Finance Document, which is not true. Any time you alter it, the integrity of that document, in my opinion, is gone. But who has that authority to do that? We didn't do it. Unless I missed the meeting. There was further comment.

Bob continued, "I Commend the Board of Ed, Mr. Carlson, you are here, I know it's difficult, you guys made your way through, and I think it paid off, and you, your budget passed. No friction. -So, the Board of Finance is constantly being attacked by Town Hall, as being uncooperative, unreasonable, but Charlie touched on something very important, The Board of Finance has been looking at long range planning and strategizing, we know from the State that even though we took a hit this year, that was minimal, the next few years it could be very significant, in reductions in state aid. We know that's coming. The School Project passed, we know that's coming, the Board of Finance, in this budget, wanted to keep the commitment on the Emergency Services to not impact the people, and start to make room for all this debt, and we didn't want to pass high tax burdens on the people. That's what this budget was a foundation for and to have the efforts just blatantly, falsely torn apart, like it was some concocted scheme to hurt this town, was quite the contrary. It was in the best interest of the town - to establish and try to get our house in order, to move forward. -

There was further comment by Bob, Testa, and then Complemented Nick " I don't think you ever, or would ever do what happened during this \_\_\_\_, as a First Selectman. I don't think you would ever do that."

Nick then asked if he could make a comment-

Nick stated - "I agree with everything he did - I saw it, and the information that you just presented about how the budget is formulated, and how the overtime is calculated, and how we consider union contracts, and how we consider OSHA Requirements, are all taken into consideration. You saw how we did that while you were there for 2 years and everything adds up to a bottom line of what the labor department is and I dare you to back up your incorrect statements, about his work, with actual facts and data. And you can't do it."

Bob responded - "I want him to back up what he said"

"What our snow plowing budget? "

Shawn replied "I gave you the numbers" "it's what it cost"

There was further comment by Nick and Bob -

Nick then stated "There is a calculation that goes down and across, on the labor for the normal person at their wage rate and if the wage rate changes, by the union contract, and then what hours are added for the calculation of the snow, and that's based on historical data - and we have what there is generated, every year, that calculation and we have it, and that is what equals the labor line item. Then we take and record it. And on a time card there is when the person worked, whether it's a

Saturday, a Sunday, a Monday, Tuesday, Wednesday, and whether it's during the normal 8 hour time frame, and/or whether it goes over. On that calculation of the time sheet, which is audited sample by the auditor, we have all of that information. Everything you say about us being able to calculate and to justify, and do the historical data, and that last year had been, is being audited now, by the auditor. And also, in along with that, because we have CIRMA, as the worker's comp, they come in and look it and do the audit in regard to the worker's comp and the hours worked and everything – so everything you said about having no back up, no data, no collection of the facts, is totally incorrect, and you shouldn't have said that, because you were exposed to every bit of it for 2 years.”

There was then further comment/discussion. (56:53)

Nick continued – “you can look at every year, and we have given money back, when we didn't use it, and in some cases, it's quite a bit of money, in other's it's not. OK. I take total exception to your speech and your criticism of Mr. Murphy. He did nothing more than follow a very similar process than I did, that found out and passed audit time after time after time after time.”

Emile – Responded “ This is a discussion that might have been best been happening at the Town Meeting. One point about propoganda and such is, the arbitrary Selectmen's Hearing, they sent out a notice. The Mandatory Town Meeting, by statute, received no such notice. Where could the towns folk have heard about information, such as this discussion? By Town Meeting. But no card was sent out there. That strikes me interesting.”

(58:42)

Charlie Responds- Line Item \_\_\_ \_\_\_ \_\_\_ - That is all the Labor Lines for the Highway Department- There's \$791,000 there - the 40,000 we cut is ½ a percent - .05. 40,000 out of almost 800,000 - So we're going to shut the dump, we're going to do this and we're going to do that, it was a threat to the people, you know and Nick said he would have done it, he probably may have, I don't think Mr. Donahue probably would have, but this wasn't a bank breaker- the 40,000. It wasn't a bank breaker, they made it the issue and if you add up those lines it is just shy of \$800,000 there. That's a lot of money.

There was further comment and then Bob stated “ Nick just said it, Mr. Murphy has done nothing more than what has always been done for all these years. Nothing more, nothing less, the same old same old.” The problem is, when you are making tough budgetary decisions, you have to improvise, adapt, overcome – You can't protect the status quo when things are tough. Everybody's got to give.”

There was further comment, 1:00

There was further comment and discussion by Bob Testa regarding 2014/2015 year that they gave back \$132,000 and that there is currently a vacancy at the highway

department and that if the position is not filled then the labor and benefits will make up the 40k plus extra money to open the dump on Sundays and give back to the people.

Tim Main then interjected stating "we never did get the snow removal"- Tim clarified to Shawn that Carolyn had asked for that information and that Shawn could not provide it and then it show's up at a town meeting. So, Tim asked Shawn - "So how is that given to us?"

Shawn responds "When we pull out a report in quick books, it will not tell you how many hours were spent on snow removal, transfer station, "whatever" - it doesn't tell you -it isn't coded for what it is spent on. So, when I was asked for that information, we did not have a report that had that information."

"In order to get that information, after I learned it was proposed that \$40,000 be taken out of there, we went back at two years, at 52 weeks a year, of time cards." - On the front it tells you the number of overtime hours, but on the back, when we utilize overtime, we write down the number of hours on the back and the purpose., so by going through 52 x 2 years worth, we were able to come up with the budget for the overtime for different categories, and I provided that to you at the town meeting." No, I didn't have it and I didn't see the need to spend that kind of time doing \_\_. I knew what the overtime was being spent on. - To say that I had this report and I didn't provide it, when you asked for it, is incorrect."

There was further comment and discussion by Shawn, Bob Testa & Charlie Steinhart & Nick.

Then more discussion regarding line items and ability to transfer.

Then more discussion and comments regarding the highway department employees who work at the transfer station and where there overtime pay comes from.

Shawn brought up the union contracts. Bob questioned Shawn about letters of understanding. Further discussion about union protecting the existing jobs vs. if the vacant position is filled and then if cuts were made down the road to eliminate a position. Bob "I think they are reasonable people" Shawn responds " no they are not". Then further comment and discussion between Bob and Shawn & Nick.

Nick - "Historically there used to be 18 people on the highway, now there is 13 including the supervisors" - There used to be 2 ½ more people in the town hall. Between equipment and technology, we have reduced the amount of people and we're not doing things the same old thing and the good old boy."

There was further comment by Nick about union contracts and osha rules.

There was further comment by Nick about the transfer station and that only 40% of the people use the transfer station.. Nick elaborated further about part time people because of the union contract and limitations as to how many hours they can or can't work. Then there was further discussion and comment between Nick and Bob.

Bob " There was no justification for the scare tactics. The threats to the people. That these things are going to happen, because the budget doesn't support the rhetoric." "There is plenty of money there, it's that you just don't want to live within a reduction."

Charlie asked to clarify if there is still a vacancy in the highway department or did you hire a person? - Shawn - "we haven't hired anybody"

Charlie then asks for more clarification - "We have a vacancy, so what's not getting done now?" Shawn replies "It's not a priority to have Saturday hours at the transfer station vs. having 1 less highway crew being able to maintain the roads, the drainage, the roadside trimming. Only 40% of the people use the transfer station. Everyone uses the roads. If we reduce more from the highway department, we are not going to be able to get the work done. So yes, this isn't a scare tactic, it's a decision, we will close the transfer station in two weeks, and rather than - and by doing this cut you are trying to force us to get rid of a person. I'll tell you right now, we are not getting rid of a person."

There is further comment and discussion by Shawn and Charlie and

"I don't know why it is you think because we have a school project and a Emergency Services Project, that people said, reduce the operating budget. You guys are treating this like we have to reduce the operating budget because they voted these projects in. The didn't vote that they wanted to accept less services. They didn't say that.

Carolyn then stated " I don't think that you need to reduce the services, \_\_\_\_ I think if you sat with the union, I think that they are reasonable people and they probably would come up with a solution to the problem, and if you gave them the opportunity to do that, and also, when we asked to meet with the department heads, of you know the highway department, or anyone in the town hall, or the Board of Education, or whoever it may be, in the EMS to have everything be filtered directly through you, to you, is not good open lines of communication, and it impedes the whole process. Also, it creates miscommunication, misinterpretation. When you can sit down with people and actually have a face to face conversation and discuss the issues. We sat on the 29<sup>th</sup> of June, with Mr. Donahue, Selectman Donahue, and had lengthy, quality conversations with him. He was very reasonable, he explained how he felt personally, about each item, and there was back and forth, like ok, I understand that, and it's that kind of communication, and that's what we've been trying to do all of these months, but, every time we try to communicate or inform the public, it seems like there is a road block that is put up and just because things have been done a certain way, doesn't mean it's the best way or the only way, and perhaps we should look at other options and you know bring our town forward and have people work together and you guys should be encouraging the people and the departments in this town to work together. There should not be all of this divisiveness going on. This is not productive. This is what I do not like, is sitting here and knowing how many man hours we sacrifice ourselves, meeting and going over this information, and you don't have to agree with everything that we put in there, that's not the point. We compromise. We've talked about it. We're reasonable people. But, when

you get up and you walk out of meetings and you don't allow us to finish the conversations, or you interfere with conversations that we could have with the people that know best what is going on, it would have been helpful to have Mr. Holiday here, you know he could answer a lot of these questions and I know that you know – we asked about the truck refurbishment, that's something that we talked about, so we did work with you and you said it was something that you needed and you explained why and we're reasonable people and we agreed. We're like ok, that sounds fair. So, I mean, to say that we didn't work with you is not true. Or to say that we did not work with the Board of Education, that's not true."

Shawn commented – "After the failed referendum, you worked with us?"

Carolyn replied, "you brought six-thousand dollars worth of cuts. That's all you brought." – Shawn said "that was before the referendum" Carolyn clarified, "before this last referendum you brought \$6000.00 from the Board of Selectmen as suggestions, that's all." Shawn then again tried to say that was before the first referendum –

There was further comment by Carolyn, Nick and others.

Charlie commented " you are forgetting the timeline here" – "after the referendum was shot down the first time, you guys were here, we said we need you guys to turnaround and try to get down to ½ of your increase. "we'll go see what we can do" Of you guys went. You came back meetings later, "all we can cut is \$6000.00. We had \$124,000 and change increase and you came back with six thousand dollars. At that point you are right, you had your chance, and now it becomes our job.

Nick replied, we didn't know you wanted two hundred thousand.

There was further comment and discussion about how at the last meeting prior to the 1st referendum that there were discussions about reducing the increase by ½ and then it was decided that because notice was received so late my Mr. Carlson, that we would just leave it as it was and let the people decide. The people voted that budget down- so it had been discussed in detail in the Board of Finance Meetings leading up to that referendum. (1:19) Carolyn clarified stating " it had already been made clear to everyone that was involved what our intention was at that time, at least from my perspective. I don't recall at this time who was there, but we made it very clear that we were going to try to lower the budget by a certain amount and if everybody could work towards that. That was our goal" " So to say that you didn't know that. That's not true. Or it shouldn't be true. Because you should have known and you could have known."

Nick ask "so you gave us a number in advance of two-hundred thousand dollars? No you did not.

Carolyn responded " I would have to go back and look at my documentation – It was in the newspaper. There was an article in the newspaper, I believe the following day.

Shawn then asks "How did you work with the Board of Education on the budget?"

Carolyn replies - We asked them, we said you know, we need to cut and they came back and cut .

Shawn "That's considered working with them?"

Carolyn " Well, we can't tell them what to do, because they're the Board of Education, but they could have said "you know what?"

Shawn" you didn't work with the Board of Education. You gave me a number. I told you I would relay that to Peter Nero and I read in your minutes and your minutes say "murphy said that he would pass that on to the Board of Ed" . I said that I would pass it on to Peter Nero" Carolyn commented "At the library we talked a lot about what was going to happen, like what our goals were and could it happen? I think we planted the seed that this is where we were going."

Bob Testa commented about how the discussions happened during the original budget process. "if the budget fails and you get reduced, what happens? There was further comment and discussion about the questions that were asked about the education budget.

Bob then spoke about how Mr. Nero gave an honest and professional answer to the question what would happen if their budget fails again? - "We will manage and work within the restraints put upon us by the people." Bob clarified that he does not believe it's fair or easy . Emile spoke up about discussions at the town meeting about the correspondence about cuts that would need to be made- Board of Ed members came and asked us about it - so that was the case that the information was out there and if someone chose to ignore it - Emile then stated that at this point it may be best to move on.

Tim Main then asked to clarify if the Union tells them how to staff the transfer station - Nick started to answer and then Shawn stated he wanted to answer that question- "We have 3 people assigned to the Transfer Station. They work Tuesday through Saturday. They are also pulled sometimes during the week , but their schedule is Tuesday through Saturday. When they don't show up on Saturday because of sick, personal, vacation, we have to use overtime because the guys at the highway crew that have to fill in, have already worked 5 days, so it requires overtime."

Tim then asked "Have you ever looked at a minimum staffing of possibly two or go down a number?" Shawn replies- " The Rules with dealing with solid waste require that you have a certain number of people." Tim replied "Funny, Ledyard only has 1. Just wondering." Shawn replies "It's our practice to keep and we find it" - Then there was further comment and discussion by Tim, Emile, Shawn. Tim said "Well Ledyard just has one and they have a bigger town than us." Shawn then states to

Tim, "Well, I'm glad you have the ability to decide for the town how many people should work at the transfer stations. I'm glad you have that expertise."

There were further comments and discussion by Nick, Shawn, Tim, Emile, Charlie and Bob Testa. (1:25)

Charlie states he wants to clarify one thing. "The numbers I gave earlier, I added the highway department combined labor was \$791,000 the 40,000 equated to Five percent (5% ) not point o five percent (.05%).

Emile asked what numbers Charlie added up.

Charlie responds, I added up, B2708 – labor, B2706 is Highway foreman salary, and then Transfer station labor is B\_\_\_\_\_

Nick commented on the budget process and the transfer station.

Nick couldn't interpret, grasp or understand what number the Board of Finance wanted to get to. Then commented further on the undesignated fund. States he doesn't understand how much we want to put into the undesignated fund balance.

Nick commented further (1:33)

There was comment and discussion by Bob Testa about the Highway Foreman and the Fire Department being able to explain and advocate for their budget because they are asking for tax payer money. Bob then stated "there is no better advocate than the person asking for the money"

There was further comment and discussion.

Bob asked Mr. Murphy to clarify –and stated "obviously the effort went in to defeating the budget, so what is the plan going forward? You were told unequivocally that the payment for the Center of Emergency Services was not going to be taken out. That the Board agreed it would be fiscally irresponsible to do that. That we wanted it in there or we were going to be kicking it down the road and impacting the people even more when we have to. There was further comment by Shawn & Bob. Bob clarified further that this was told at the town meeting and the rationale behind it. There was further comment.

Charlie then discussed the actual \$415,554 payment being lower because of the lower interest rate - which is a savings of \$9446.00. So if we reduce the payment by this amount, we have reduced it – It never said to reduce it by how much. WE reduced it. (equal number round up to \$10,000) Winds up to be two payments of \$207.777. There was further comment and discussion and explanation regarding payment/interest rate based on information given by Robin. Shawn then asked about the Grant money. Charlie then asked "where is that money?" – Shawn replied, "It's been approved by the legislative body" – Charlie then asked if they had gotten it yet. Shawn replied " No, you have to use it first."

There was further comment and discussion.

So Bob asked Shawn to clarify that if \$105,000 is put into those items, you'll support the next budget. Shawn replies "Absolutely, if you add those things back in and reduce the 425 by " – Bob interrupts and states "No, that's not my question, the 425 is not being reduced- if it does get reduced it will get reduced according to the people by the ninety-four hundred dollars." There was further comment and discussion. Bob – "we'll reduce it by 10,000" – "So that's 10, then there's \$95,000, so if we find \$95,000 to transfer into those other line items, it's going to come out of your budget somewhere – it's going to be a reallocation of your money – but if the 95 goes into those areas that you want, you're going to take a hit somewhere else, you're fine with that?" Shawn "No" – Bob – "So, then you want it all?"

There was further comment by Shawn, Nick & Bob

Shawn then asked why we are adding to the undesignated fund. There was further comment and discussion about where the Auditor wants us to be in regards to the undesignated fund.

There was further discussion and comment between Bob and Shawn About ways to restore Shawn's budget which could also include raising the mil rate. Bob asked Shawn to clarify how much he would want to raise the peoples taxes to do what he wants to do. There was further comment and discussion.

Bob clarified that we are going to reallocate the \$105,000 and put a budget forward that is not going to raise the mill rate. There was further comment and discussion. Shawn would only say that he would vote to forward it to the town meeting, but would not say that he would support it. Emile "Will you support it?" – Shawn replies "absolutely not, I will personally not support it." (1:44)

There was further comment and discussion between Bob and Shawn and Carolyn.

Shawn " I can't rely on the Board of Finance for additional appropriation, I can't manage that way"

There was further discussion and comment about the 3<sup>rd</sup> trooper that was reduced and that it has not been a problem and that money was saved.

There was further comment and discussion? Shawn wants to know how many miles of road that they manage in the other towns – What is the comparison. Shawn "compare the miles".

There was further comment and discussion by Emile of how to accomplish providing alternatives moving forward. (1:50)

Tim asked Shawn when we could vote due to the Presidential election and the need to lock down . Shawn replied "You can vote on the Tuesday before Thanksgiving –

that is the earliest.” “We can vote before there is we hand count the ballots. Or rent machines”

There was further discussion and comment about the impact of reducing the mill rate or increasing the mill rate

Charlie commented that he has ideas about how to restore some money to road maintenance, highway labor, demo... Charlie provided ideas of where money could be pulled from – taking the money out of the CES to bring it to where the new payment would be because of the reduced interest rate, the sickle bar tractor – if you got rid of that because people said they want capital cut, that becomes \$56,896, you would have in your hand.

There was further comment and explanation by Charlie Steinhart about getting another year out of the tractor or doing a payment plan. – put \$25k back into road maintenance, put 10k back into the capital building demo – so basically they are only \$5k short from where they were and then you put the remainder- the \$21,896 back into labor.

There was further comment and discussion between Charlie, Emile and BobS

Shawn states he has the new number– \$392,962. Charlie asks how much are we borrowing? Shawn “borrowing 6 million, forty thousand.”

There was further comment and discussion by Shawn, Bob, Charlie & Emile

Shawn states the USDA requires a monthly payment. Emile asked if any of the papers for the USDA had been signed yet, Shawn replied “yes, the loan was approved at 2.75%” Emile asked if we were given a payment schedule, Shawn indicated that they were given a payment schedule- Emile asked Shawn if that is what he was reading off of. Shawn replied “no” – Emile then suggested that we wait until we get that.

There was further comment and discussion

Bob – commented on town land acquisition causing problems by acquiring these properties that require demolition– Bob suggested to reduce that line item down to to \$1.00 for this year and restore the remainder to demolition of additional \$9,999.00 .

There was further comment and discussion about the abatement and future needs for this line item. Bob asked for a consensus – raise the mill rate to meet the need or find it within the budget.

Shawn then asks to use the logic regarding something that hasn't been there before and asked us to use this logic on a \$135,000 brush truck. (2:06)

There was further comment and discussion by Shawn, Bob & Charlie about the new forestry truck, the old forestry truck, the current building, the new ambulance.

(41:37)

There was further comment and discussion about what would make Shawn happy and not 'fight' the budget.

2 options increase .2 mill (to come up with 105,000) or find 105 within the budget and put it in those areas but it's going to come out of somewhere else.

Further discussion regarding and 3<sup>rd</sup> option and then Tim mentions need to have information from Shawn – it would be nice to know what the payments are for the Center for Emergency Services building so we know where we stand – requested hard copy and electronic copy from Shawn.

There was further comment and discussion on reinstating money to the government budget and then should you also consider reinstating to the education budget even though it had passed, because they had already made significant cuts.

There was further discussion and comment.

To meet next Wednesday on the 28<sup>th</sup> – need to find a meeting spot and Mustapha needs to be there. It's critical.

Emile asked for something official regarding give back from last fiscal year.

Other ½ into undesignated – can figure out what surplus is going to be.

Board of ED said 72,000 – to contact by email to find out official surplus-

Shawn replied "The give back for the last fiscal year"

There was further discussion.

Emile explained that we are looking for actual numbers on the give back in an official notification from the Board of Ed and from Shawn – extra revenue and under expended – would like number from Shawn prior to next Wednesday.

**Shawn replies "The General Government \$197,950, Board of Education, I heard them say seventy something, the last number I heard was sixty-five thousand. .. Then there is a give back from Capital \$18,184." There was further comment and discussion.**

Emile then asked "What about revenue?" Shawn replied, "The shortfall was \$42,773." Emile replies then "the shortfall comes of the number" Emile asks Shawn if he doesn't mind to put this in a hard copy and getting it to us.

There was further discussion to clarify & confirm the numbers and which accounts this money came from.

# 6 annual report – Charlie sent everyone a copy of the letter that was sent out in 2013- changed dates and highlighted information in red. Someone needs to be

responsible for information that had come in – have Chairman send a letter and then the clock starts running.

Charlie- motion for the Chairman to send out a letter and - give someone as a point of contact to keep track- Charlie is willing to be responsible for this.

Emile moved that a letter be sent out and that Charlie Steinhart is in charge of the annual reports, and is the contact –the letter would state the date it is due and all information that is needed to report back to the Board of Finance – Charlie Steinhart is in charge of the annual report and is authorized to send out the letters, the dates they are due, and all decisions that are appropriate to getting that annual report to present to the Board of Finance for approval. Tim seconded – approved 5-0-0

There was further comment and discussion.

**#7 Budget Close out-** to work on next week

**#8 BOF Future Strategies-** Charlie needs to – have 20 year plan and keep working on this. Charlie – clarified to Shawn – need to keep working on this.. Need an update so we can start looking at capital down the pike.

Did not see anything about dump truck replacement – at some point will need to be replaced – Shawn said that they only provided a 5 year. – discussed roof replacement. There was further comment and discussion.

**#9 previous minutes** – will have to be pushed out.

**# Public Comments** –Shawn states he is looking at email addresses for all - Board & Commission members – have to wait until budget license – cost would be \$3500 There was further comment and discussion.

Nick – 2 comments – old tractor is really tired – constantly repairing it – Charlie- can you do a 2 year plan on it. 2<sup>nd</sup> thing- want us to reflect over town roads – dead limbs – to clear a dead tree during regular hours- In the future please be considerate of this particular line item.(Ryder Road)- Should not have any trees leaning over the road –

Hire outside contractor – everywhere there is a canopy should be cut – sensitive area – Nick – employment issues going on that will cost(legal/negotiating)- another account. Application of BIA into a higher – filed into federal register- Trying to get whole thing dismissed (Appeals Judge from Utah- is the one that )

Charlie – add appropriation – to minutes for next meeting.

- Return to item #7 – close out.-to go over next Wednesday – rather than just passing.- to check if there is money in there and the reason why

Emile motioned to adjourn the meeting @ 1028pm –

Charlie seconded approved 5-0-0

**Respectfully Submitted by**  
**Carolyn A. Howell, Board of Finance**  
**Filling in for Tim Pelland as Secretary**