

**North Stonington Board of Finance
Approved Meeting Minutes of
Wednesday April 6, 2016
New Town Hall @ 7:30PM
North Stonington, Connecticut**

1. **Call to Order @ 7:33PM:** *In attendance:* Chairman Tim Main, Charlie Steinhart, Carolyn Howell, and Emile Pavolovics. *Absent:* Alternate Chris Hundt, Mustapha Ratib, and Tim Pelland
Alternate Member Bob Testa seated for Tim Pelland

2. **Pledge to the Flag:** Completed

3. **Public Comments:** J. Gross indicated that he had inventoried the box of old BOF booklets and found only one (1) missing. E. Pavolovics indicated that he was in possession of that item.

4. **North Stonington Ambulance Association budget review: No Representative present.** Email received by Chairman from Ambulance President indicated that a representative would not be attending meeting as directed by 1st Selectman Murphy. Emails also showed similar responses from both Fire Chief and Fire Company President. Discussion ensued as to the reason for this action. 1st Selectman indicated that he felt that the BOF did not have the authority to interview anyone. A request was made to provide the BOF any documentation which notified the Fire and EMS officials of this change. 1st Selectman indicated that he did not have it, and wasn't prepared to provide it.

Motion (Pavolovics/Steinhart): BOF officially requesting the document from the 1st Selectman. The 1st Selectman subsequently agreed to read the email, and provide the BOF a copy (*attached*) at a later time. (The motion was therefore withdrawn upon reading of the email). During the reading, the 1st Selectman advised of "adversarial relationships" if representatives chose to attend. The 1st Selectman was asked if this was meant as a threat. The 1st Selectman indicated that both the the Ambulance and Fire companies had "implied contracts", to which he elaborated his opinion. The BOF questioned what impact budget reductions could have on services. The 1st Selectman also indicated that he was trained in contract law. If either organization failed to fulfill their tasks, American Ambulance could be contracted, and mutual aid could be used for fire protection until something else was figured out. The 1st Selectman was advised that the Town was responsible to provide fire protection, and relying on mutual aid was a misuse of the program. Further discussions ensued. Copies related to the authority given by State Statutes to a BOF to make such requests for budget interviews. (*attached*) Also, auditor recommended such interviews was stated by BOF member Howell.

5. **North Stonington Volunteer Fire Company budget review: No Representative present.** Copy of emails declining attendance already provided to BOF members by Chairman.

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6. BOS Boobmbridge Appropriations; project updates: Selectmen Murphy and Mullane provided some background and rationale for the need for additional funds. 1st Selectman indicated that expenditures would be 100% reimbursed by State. Documentation provided .

Motion (Testa/Howell): Approve added appropriation of \$139,330 as presented for referral to a Town Meeting for appropriate action.

Vote to Approve: 5-0-0 Unanimous

Motion (Pavolovics/Testa): Modify agenda to move Item 10 Previous Minutes to Item 6A while 1st Selectman prepares for his budget presentation.

Vote to Approve: 5-0-0 Unanimous

6A Previous Minutes: Minutes reviewed and amended.

Motion (Testa/Steinhart): Approve minutes and amended

Vote to Approve as amended: 5-0-0 Unanimous

7. BOS 2016/2017 budget presentation continued from 3/30/16: Schedule D numbers as presented to BOF need to be corrected. 1st Selectman will work with Treasurer to correct and will present at next BOF meeting. A line-by line review of Capital items followed.

BOF questioned who designed Jet shed structure and what labor costs were estimated at.

BOF questioned rationale provided to justify need to mini excavator, including costs expended to rent one over last few years.

BOF questioned if dump truck refurbishment(s) would be bid out. 1st Selectman indicated "yes".

BOF questioned Town Building Maintenance. 1st Selectman indicated that \$23.5K already earmarked for new roof for New Town Hall meeting room.

BOF questioned the need for a sand-bag machine versus something more pressing by Civil Preparedness. This would require Town employees to operate.

BOF requested a long range expenditure plan for repairing of the 1750 home on the Hewitt Property.

BOF questioned the condition of the Fire Company car. Since no representative was present, the 1st Selectman will get the necessary information and provide it to the BOF.

BOF questioned an update on the phased radio upgrades for emergency services to cover dead-spots in the Lantern Hill area of Town. While the Land Fill was the desired site, the 1st Selectman indicated that there wasn't enough of a "fall zone" for a 300' tower. The 1st Selectman also felt that, despite a prior attorney review, the proposal should go out to bid. He also questioned if there was room on existing towers on the top of Wintechog Hill.

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(BOS 2016/2017 budget presentation continued from 3/30/16)

Comment was received that while some towers have agreements to provide space for municipal use at no cost, the Wintechog towers have no such verbiage. While there was space available, the Town would be billed monthly along with having to supply all equipment. The company proposing the Land Fill site offered revenues to the Town. BOF indicated that emergency projects should be given some priority in following up.

BOF questioned the legitimacy of a hand written proposal for funding to demolish several dilapidated Town-owned structures. It was provided as budget backup information by the 1st Selectman. The undated document was written on plain paper, devoid of any letterhead or signature, and contained spelling errors. The 1st Selectman indicated that he thought it may have been information obtained from Coon Excavation. Also questioned was the impact of the Green Gables being on the demo list now that it's been designated "historic".

BOF discussed the Selectmen's rationale for reducing school building repairs from \$75K to \$15K.

The BOF request for a legal opinion regarding the seating of Alternate members was refused as requested, but instead was answered by the 1st Selectman. The BOF again requested that an attorney review the questions, since the concept and Ordinance was new and the Board makeup could change over the ensuing years.

1st Selectman indicated that Town has been advised that we are being reduced \$287K from the ECS revenue line from the State in the 2016/2017 budget.

8. Monthly Budget Report reviews (BOS,BOE,Tax Collector): Received BOS and Tax reports for March. Will review in more detail at next meeting.

9. BOF future strategies:

Member Main will be absent for next meeting – Alternate Testa will be seated for Main.

Member Steinhart will be absent for next meeting – Alternate Hundt will be seated for Steinhart

11. Public Comments and/or Questions: None

12 Adjournment (Main/Steinhart): Vote: 5-0-0 @ 11:09PM

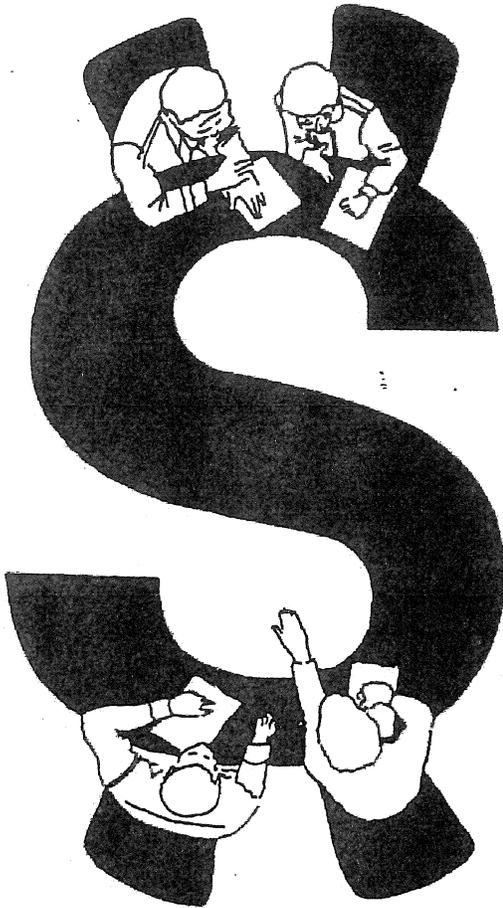
Submitted By: C. A. Steinhart IV, Vice Chairman 4/7/16

APPROVED 4/20/2016

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Handbook for Connecticut Boards of Finance



A Guide to the
General Statutes & Principles
of Financial Administration

By George E. Hill
Institute of Public Service
University of Connecticut

In recent years, the steady increase in the dollar amount of town budgets and the consequent rising interest in local spending policy has focused increased attention on the board of finance's activities. Increased spending has led to an intensified search for economy through improved administrative procedures. Many boards of finance have taken the initiative in instituting these improvements. As more dollars pass through the municipal treasury, budgetary controls must be more systematic and exact. Part-time board of finance members striving to fulfill their functions properly have sought administrative improvements which provide better time management for all involved.

Board of Finance Under Selectmen-Town Meeting Form of Government

In the towns which operate under the general statutes, the board of finance has complete charge of the town government's financial activities. Along with the budget-making power goes the opportunity to coordinate all town government functions and to recommend and effectuate administrative changes which will facilitate budgeting. Program budgeting affords a further opportunity to coordinate functions and activities, and to use the budget as a tool for planning a program of the year's projected accomplishments.

The board of finance actually has two roles to play in selectmen-town meeting towns: one in the area of policy making, the other in the area of administration. Acting directly as elected officials of the town, the board of finance is the principal architect of local financial policy which ultimately determines the extent of all governmental activity. Donning its other hat, the board becomes the administrator responsible for carrying out that policy. The board of finance has more influence over ultimate financial policy than do administrative officials under other forms of government; at the same time, it has equally significant responsibility for making that policy effective.

The board of finance's managerial role has grown out of the necessity to coordinate the activities of many part-time officials which serve

under the selectmen/town meeting form of government. The budget-making process provides the principal means of achieving this coordination. In using this power effectively, board of finance can exercise managerial control which approaches that of the chief executive in other municipalities. The management aspect of a board of finance's function in town government are not often recognized and used to the fullest extent, yet they are predicated on the same basis as is the extensive financial function exercised by a department of finance headed by a full-time director.

Use of this Handbook

This handbook sets out legal powers and duties of boards of finance and indicates accepted standards of financial administration under which a board should operate. Through adoption of these standard procedures the board will realize to the fullest extent the managerial aspects of its function, as well as facilitate performance of required statutory duties. Finally, discussions of the historical development of budgetary theory and practice is provided.

In preparing this handbook, direct reference in the form of extensive footnotes throughout chapters has been avoided wherever possible. The primary source for all of the chapters dealing with financial administration has been the very comprehensive texts, *Municipal Finance Administration and Management Policies in Local Government Finance*, both published by the International City Management Association. Complementing these texts is Moak and Hillhouse's, *Concepts and Practices in Local Government Finance*, published by the Government Finance Officers Association of the United States and Canada. Boards of finance members will find these books to be excellent guides in all aspects of finance administration and are urged to make continuous use of them.

In chapters dealing with accounting and auditing frequent reference is made to the publication of the Government Finance Officers Association entitled, *Governmental Accounting, Auditing and Financial Reporting*, (GAAFR) 1981 edition. Also very helpful is *Governmental Accounting and Financial Reporting Standards*,

Chapter 3

Powers and Duties of Boards of Finance

The board of finance's function is to consider the town government's finances from an overall viewpoint. The general statutes give the board specific responsibility for:

1. Preparing the town budget.
2. Setting the property tax rate.
3. Approving deficiency and special appropriations and transfers between appropriations.
4. Determining how town financial records are to be kept.
5. Arranging for an annual audit of town accounts.
6. Publishing the annual town report.

The statutes also establish certain relationships between the board and other town officials. A town charter may also require other procedures and duties.

Town Budget

Budget Procedure. Any Connecticut town may establish and maintain a budget system (S.7-148). The budget preparation authority for all towns having a board of finance is the board (S.7-344; S.7-359; S.7-381).

In the past, Connecticut's towns operated with two distinct kinds of budget and tax systems: (1) those towns which were on the uniform fiscal year and adopted their budgets before the fiscal year began; and (2) those towns which

adopted their budgets after the beginning of the fiscal year, did not collect taxes until several months after the budget year began, and hence, had to borrow substantial amounts in anticipation of taxes.

As of the fiscal year starting July 1, 1993, all towns and cities must be on the uniform fiscal year of July 1 through June 30. Failure to comply with the requirement of adopting the uniform fiscal year is a forfeiture of ten percent of the total amounts of state grants in aid to the town or city (S.7-382a; S.7-382b).

Budget procedure for towns is set out in Section 7-388 of the General Statutes. Estimates originate with elected officials and department heads. Every town agency which expended appropriations during the past fiscal year or which request appropriations for the coming year must report to the board of finance any information the board may require in connection with preparing the budget. For this purpose the board of finance must be given access to the books and records of such agencies (S.7-345). The public budget hearing is held two weeks before the annual budget meeting (S.7-388). After the public hearing the board shall meet in public meeting to make a decision on the budget (S.7-444). The final proposed budget must be published in a local newspaper, one with substantial circulation in the town. In towns with populations under 5,000, this publication requirement may be waived by ordinance. These towns must print or mimeograph copies of the budget report equal to 10 percent of the town's population and have these copies available to the public at least five days before the annual budget meeting (S.7-344).

Respectfully,

Charles A. Steinhart V

Fire Chief - NSVFC

On Mon, Apr 4, 2016 at 7:08 PM, Shawn Murphy <smurphy@northstoningtonct.gov> wrote:

Charlie & Brian,

The BOF has included you on their agenda this Wednesday to present your budget request. I have previously spoken to them requesting that any questions regarding the BOS general government budget proposal be submitted to myself. This includes all departments, boards and commissions, and contracted services. It is therefore requested that you decline their invitation to come before the BOF and ask them again to direct any questions they may have to the First Selectman.

As you are aware, the selectmen have made the decision not to forward your entire requested amount in the BOS budget proposal. The NSVFC request was reduced, now including only a 5% increase plus an adjustment for items previously included in capital requests now reflected in the operating budget request. Likewise the NSAA request was reduced, now including an approximate 5% increase. Your request to report directly to the BOF is seen to me as a avenue to circumvent the authority of the BOS.

It is my opinion, and that of attorney Frank Eppinger on May 11, 2005, that "The Board of Finance has two general duties: (1) to eliminate wasteful or extravagant expenditures by considering the financial aspects of the municipal government as a whole, rather than from the limited viewpoint of any particular department, whether it is the department in charge of education, fire protection, or police protection; and (2) to insure the town meets its current expenses from its current income by laying of a tax sufficient to meet the appropriations made." They should not be attempting to micro-manage the duties of the first selectman or selectmen.

To prevent any possible adversary relationships, please respect the authority of the BOS. Should you have any concerns about the budget decision already made by the BOS, you are welcome to come before the board for further consideration.

Sincerely,

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Shawn P. Murphy

First Selectman

Town of North Stonington

40 Main Street

North Stonington, CT 06359

Phone: 860 535-2877 x12

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