

October 19, 2009

The following minutes of the Board of Finance hearing are submitted subject to approval at the next meeting.

Chairman, Michael Jackson called the meeting to order at 5:00 p.m.

Members: Jack Boyer, Jack Field, Michael Jackson, Craig Schoon, Rex Swain, Barbara Brown

Alternates: Liddy Adams, Tony Bedini

Selectman: Mark Lyon

Treasurer: Linda McGarr

Guests: Valerie Friedman, Gary Lord, Philip Markert

Minutes:

Minutes of the September 21, 2009 meeting were accepted as submitted.

Treasurer's Report:

The Treasurer's Report was accepted as submitted. Linda McGarr will e-mail the Chairman reports on the STIF accounts. Jack Field moved that \$200,000 from the Town Aid Road account and all funds remaining in the Boat Launch account be transferred to the Nonrecurring Account to offset project costs that have been completed. Barbara Brown seconded the motion. The motion was unanimously passed.

Financials:

General Fund:

Mark Lyon reported the State has doubled the fees the towns must charge for various Land Use and Pistol Permits as of October 1. All other areas seem in order for this time of year.

Pension:

Rex Swain reported Craig Schoon has agreed to join the Town's Pension Committee. They have reviewed the various investment accounts and will meet with representatives from the First National Bank of Litchfield to discuss the Bank's role as trustee and/or custodian of the accounts, as well as their fees. They will also review assumptions used for calculating future coverage with the Town's actuary.

Financial Consultant:

The Board discussed the proposal submitted by Linda Savitsky regarding the future financial responsibilities of the Town. It was agreed a long-range plan should be instituted to update the current financial system. This would require articulating job descriptions and responsibilities, preparing a set of policies and procedures, reviewing space availability, and developing an RFP to obtain in-house software and hardware to coordinate with the systems used in the Tax Collector and Assessor's offices. Auditor's comments and advice will be requested.

Michael cautioned that the current system be continued for at least a year while the new system is being put in place. Mark noted he had spoken with a neighboring vendor as far as IT issues are concerned who would be willing to meet to discuss the requirements, including service agreements, etc. Ms. Savitsky's proposal will be reviewed in detail.

Areas to be considered should include:

- * Review of the way specific jobs are currently being done.
- * The possibility of job-sharing with other towns for IT skills.
- * Whether an IT person could be hired in conjunction with another job.
- * Whether independent contractors could be hired to fill some future positions that open up through

retirement, etc., thus reducing employee benefit costs.

All agreed on the importance of proceeding with a review of the current status of what is being done, how we are doing it, what lies ahead, and consultant costs for continued assistance with this process.

Education:

Jack Field referred to Dr. Armand Fusco and The Federation of Connecticut Taxpayers, both of whom are public advocates of citizen awareness as a means to restrain growth of property taxes in CT. Dr. Armand is a retired former school district Superintendent and is well recognized and experienced in the field of Education and is an advocate for better management and monitoring of school resources. He suggests the need for every town to become more fully involved in the understanding of the Education budgets.

Jack suggested the Board consider a collaborative effort of the Boards of Finance of the three member towns be held to discuss and better educate themselves on the mechanisms of the Region 12 budget. He felt it is time for the towns to become more assertive in understanding and more involved in development of the Region's annual budgets from the beginning of the budgeting process. While this may not be easy, and may meet with resistance, cooperation should be sought from the Region's Board and its Finance Committee.

He further suggested representatives of the three Boards of Finance meet to discuss this concept. Initially, an analysis of the previous year's financial audit of the Education actual spending vs. budget could be reviewed to provide better understanding as a basis for oversight of school spending and performance effectiveness. By February, the towns could be in a position to have reviewed the audit and compared it with other towns throughout the State. They could then suggest appropriate goals to the Region BOE for its consideration in the development of the budget for the following year.

The Finance Board realizes that its role in relation to regional school budgeting and spending is not as directly connected as are budgets and spending in school districts that are not regionalized. It also recognizes that the Regional Board of Education has exclusive statutory authority over the Region's budget and spending, subject only to approval of region-wide voters. However, it believes the willingness of the three towns to work together in a spirit of cooperation, and in conjunction with the Board of Education, is essential for a positive future for the Region.

For example, coordinating the contracting of towns' and region's work and purchases would make sense and should provide opportunities to save tax money. By doing this, the Boards of Education, Finance and Selectmen would be meeting their responsibilities to the citizens to assure total tax dollars are being spent most effectively to achieve both town and education objectives. Jack felt the Board of Education members already have a large responsibility for guiding and overseeing the Region's operations, and would benefit from sharing with the towns the work of budgeting, auditing of spending, and communication to taxpayers of plans for spending of 65-70% of their tax dollars.

It would be in everyone's best interest if the three towns and the Region could work toward a consensus on spending and education performance and make a conscious effort to cooperate. In this way, the Boards of Selectmen and Finance could support the Education budgets that had been fully evaluated and accepted as responsible and supportable.

It was suggested that the Ass'n. of Governmental Accountants may be a good contact to assist all in developing a better understanding of audits and budgets.

It was further suggested that a meeting of representatives of the Boards of Finance of three member towns be initiated and that the Chairman of the Board of Education be informed that a dialogue between the three towns regarding shared services would begin. The Board was enthusiastic about this proposal and

they were hopeful of a positive response from the Board of Education.

With relation to budgets, Philip Markert, in public comments, reported he had recently reviewed the Guidebook for Boards of Finance. He felt the Board of Finance may have more opportunities to impact school budgets than they realize. Michael noted there is a lot of latitude between a town and a school district that is included under a town's budget; however, the statutes do not allow the same latitude between towns and a regional school district. Cooperation between towns and regional school districts is of great importance and is an essential asset toward building a better school system. Mr. Markert felt the establishment of a tri-town committee would work well toward a better education for the taxpayers, and it is time for this to be done.

Gary Lord felt his Board of Finance most likely would agree to look into this, and that this group could become an advisory group to the Board of Education.

The meeting was adjourned at 6:30 p.m.

Respectfully submitted,
Kathy Gollow, Finance Secretary