

**TOWN OF SOMERS
BOARD OF FINANCE
REGULAR MEETING
MONDAY, November 24, 2008**

I. CALL TO ORDER

The regular meeting was called to order by Chairman James Persano at 7:05 pm. Members present were Steve Krasinski, George Warner, Mike Parker, Tom Mazzoli and James Persano. Also present were Finance Director Greg Simmons, Board of Education representatives Dr. Maynard Sufredini and Bill Boutwell and Selectmen David Pinney and Joe Tolisano.

II. BOARD OF EDUCATION UPDATE

Mr. Boutwell updated the BOF on some unbudgeted additional costs. There is an additional out-of-district placement that will add about \$46,000 to this year's BOE Expenses. There has also been a change to an existing out-of-district placement that will add about \$30,000-\$35,000. Furthermore, the BOE expects that this year there will be a 10% reduction (up to \$50,000) in an excess costs grant that is received from the State to cover some of the out-of-district placement expenses. Other increases over budgeted amounts will be incurred in pension funding costs and an unbudgeted expense is for a long-term substitute teacher. Mr. Boutwell said that the BOE has been using a 75% spending cap on discretionary spending since July to hold down expenses.

Unfortunately the recent reduced energy costs will not positively impact the BOE this year because they locked in at \$3.65 per gallon for oil for this year and \$2.60 for next year. The electrical costs are still subject to the terms of a very favorable 5-year agreement with Trans Canada.

Dr. Sufredini explained that the BOE is currently planning next year's budget. Currently there is a hiring freeze on any additional personnel unless mandated by law. In anticipation of upcoming reductions in State funding, the BOE is asking for early guidelines for their budget from the BOF. Dr. Sufredini further stated that the Commissioner of Education will be cutting \$283,000,000 from the Department of Education.

The BOF recommended that the BOE should try to keep their budget flat, recognizing that level funding does not mean level service. Contracted salary increases will require decreases in other areas and Dr. Sufredini said that class sizes will need to increase. Special Education is mandated by law and will be unaffected by budget shortfalls. Allowing an increase for contracted salary increases but keeping other spending flat would result in a 3.5% to 4% increase. Dr. Sufredini has discussed the possibility of sharing services in technology and testing with other Town's superintendents but they have shown no interest in doing this.

III. BOARD OF SELECTMEN UPDATE

Mr. Tolisano explained that the Town personnel has been restructured with each employee now working for a Director who reports to the BOS. Part of this effort has been to give all employees a job description. Each Board and Commission has been assigned an employee. Greg Simmons is the BOF's assigned employee. Joe Tolisano will represent the BOS and will be working more closely with the BOF and Mr. Simmons. The changes have been done to improve efficiency and communications.

The BOS has instructed the Directors to devise ways to cut 3-5% from their budgets.

IV. MEETING DATES 2009

A motion was made by Mr. Parker, seconded by Mr. Mazzoli and unanimously voted to accept the 2009 calendar year meeting dates as proposed.

V. SPECIAL REVENUE FUNDS DISCUSSION

Mr. Simmons had prepared a list of the Town's special revenue accounts providing the account name and purpose. He explained the accounts and each was discussed by the BOF.

This review of special accounts was precipitated by a transfer request from Fund #16 by the Recreation Department. When the Recreation Department sponsors a class a percentage of the fee charged for the class goes to Fund #16. This amounted to \$2305 last year. Mr. Simmons suggested that shutting this fund down would be unwise because if the Recreation Department has a bind they can go to this fund instead of requesting more money from the BOF. At this time however they do not go through the BOF to access the funds in this account, but this could be changed to put the BOF in the loop. Currently the oversight for this account is with the Recreation Commission, Selectman Pinney and Mr. Simmons.

The BOF does not think that monies donated for a specific purpose should be managed by them and they do not want to micromanage, or impair donations. Their concern is that purchasing is being done by departments without purchase orders or other controls. Mr. Tolisano said that the new department structure should stop that, since lapses of this kind will be reflected in the job evaluations and potential raises of Directors. The BOF will table this issue for review in the future.

VI. STATE GRANT REVENUE

Mr. Simmons provided the BOF with an analysis of anticipated State grants. The BOF had asked for this information so the Town could be proactive in preparation of anticipated shortfalls. The BOF reiterated that they are looking for flat funding this year and with everyone's cooperation the Town should do all right.

VII. MINUTES APPROVAL – October 27, 2008

A motion was made by Mr. Krasinski; seconded by Mr. Mazzoli and unanimously voted to approve the minutes of October 27, 2008 meeting of the Board of Finance.

VIII. CORRESPONDENCE

The Planning Commission forwarded a copy of a letter from the State Office of Policy and Management. The letter informed the Town of their responsibility to adopt a Plan of Conservation and Development at least once every 10 years with a penalty for non-compliance.

IX. BILLS, TRANSFERS, AND APPROPRIATIONS

There was a discussion regarding a \$5,850 transfer from Fund#16 to cover a cost overrun incurred for the installation of the warning tracks at Field Road. According to Mr. Krasinski the job was contracted in November 2006, the job was supposedly done and final payment was made in March 2007. A question was raised as to why this additional expense is only now coming to light.

Mr. Pinney explained that the original contractor was incapable of doing the whole job. A portion of the contracted price was withheld from this contractor, however not enough was withheld to pay the contractor who did finish the job. Furthermore, he added that the original contracted amount was not enough to cover the work and materials that were ultimately provided. A bond had not been required of the original contractor. The work was recently completed by Frank's Landscaping.

A motion was made by Mr. Mazzoli and seconded by Mr. Warner to approve the following transfers:
Voting for: Mr. Mazzoli, Mr. Parker, Mr. Warner; Opposed: Mr. Krasinski; The motion carried.

By the Selectmen for a transfer of \$5,850.00 from Fund #16 to CIP Rec. Field Improvements (68-10-765.4).

By the Fire Department for transfers of \$700.00 from Personal Protective Gear (20-16-574.1) to Paid Uniform Purchase (20-16-565.1), \$700.00 from Fire Department Laundry (20-16-566.1) to Paid Uniform Purchase (20-16-565.1).

By the Town Clerk for a transfer of \$600.00 from Postage (10-12-533.1) to Supplies (10-12-520.1).

A bill for \$675.00 was received from W.G.Reveley & Associates, LLC. The BOF agreed to delay paying this bill until after discussion with the attorney.

ADJOURNMENT

A motion to adjourn the meeting at 8:31 p.m. was made by Mr. Mazzoli and seconded by Mr. Parker; the motion carried by unanimous vote.

Respectfully submitted,

Jeanne Reed, Recording Secretary

MINUTES ARE NOT OFFICIAL UNTIL APPROVAL AT A SUBSEQUENT MEETING