

**TOWN OF SOMERS
BOARD OF FINANCE
REGULAR MEETING MINUTES
*Monday, November 24, 2014 at 7:00pm
Lower Level Conference Room***

Mr. Jim Persano Called the Meeting to Order At 7:00 P.M.

Members Present: Mr. Jim Persano, Mr. Tom Mazzoli, Mr. Tom Geib, Mr. Steve Krasinski, Mr. Mike Parker, Mr. Joe Tolisano. Also present were First Selectman Lisa Pellegrini, Selectmen Kathy Devlin and Bud Knorr and CFO Mike Marinaccio.

BOE Update: None. However, Mr. Marinaccio passed out a written update sent to him by Mr. Boutwell. The update addressed the status of the Fire Alarm and Generator project along with the School Roof project. In addition Mr. Boutwell requested a correction and amendment of the 9/22/2014 BOF minutes to more accurately reflect his report to the BOF.

Selectmen's Update: Ms. Pellegrini updated the Board of Finance on the following:

Revaluation:

Public Act 14-19, approved May 5, 2014, allows a municipality to delay a revaluation scheduled to be implemented in the 2014 assessment year until not later than the 2015 assessment year. After final analysis, the 2014 taxable real estate grand list based on the revaluation is down 4.1% or \$30,856,960. An assessment of \$30,856,960 times the current mil rate of \$23.37 is a loss of \$721,127.15 in revenue last year. Further decreases may be expected as a result of Board of Assessment Appeals. Vision Government Solutions Inc. quoted \$22,000 to postpone the revaluations until next year. The Board of Selectmen is in favor of delaying the revaluation for one year and would like input from the Board of Finance on this matter.

Mr. Krasinski made a motion to recommend to the Board of Selectmen to delay the revaluation scheduled to be implemented in the 2014 assessment year for one year, seconded by Mr. Tolisano. All were in favor, motion passed.

State Municipal Aid Cuts:

Ms. Pellegrini shared with the Board a conversation Secretary Benjamin Barnes had with CCM regarding a potential decrease of \$10 million in Municipal Aid to Towns and Cities in the current budget in response to the statewide budget deficit. Secretary Barnes requested suggestions from CCM as to where to cut \$10 million of municipal aid. Ms. Pellegrini will be participating in

the CCM conference call to discuss the matter. At this time it appears that the Governor does not have the authority to make such mid-year cuts to municipal aid. Additional information will be provided within the CFO's update.

Town Meeting:

Ms. Pellegrini updated the Board that the Selectmen had rescinded the Town Meeting request for \$31,000 to pay for hazardous material abatement and building removal at Camp Ayapo. The costs will be absorbed through the operating budget and said there will be a new line item in the proposed budget for Camp Ayapo maintenance. She also said there was an unintentional oversight in the approval process and assured the Board the process had been corrected. Mr. Persano suggested the Selectmen come to the Board of Finance with a proposal for the building removal.

CFO's Update: CFO Marinaccio updated the Board on the following:

Audit:

Mr. Marinaccio stated that the audit was substantially completed with the only remaining items being the signing of the attorney representation letters; the completion of some footnote disclosures; and the signing of management's representation letter. When asked about the preliminary results he stated that this year there were only two audit adjustments vs. forty-two from last year. Also, there are no material weaknesses (last year's was fully resolved); and no significant deficiencies.

Budget:

With regard to the proposed potential cuts to the Municipal Aid to Towns, Mr. Marinaccio stated that the funds in question were never budgeted for in this year's budget because the grants weren't approved until after our fiscal year began. In addition the Town was granted more PILOT money than it had budgeted. Mr. Marinaccio distributed a YTD budget to actual expense comparison for expenditures, highlighting various items for further discussion. Overall, actual expenses are tracking on target and within the budget.

Pension:

- Discussed were Pension Funds: Have been moved out of Merrill Lynch over to Morgan Stanley.
- An RFP for a new pension advisor is being prepared; Will be putting together Selection Committee to review proposals, interview finalists and recommend a selection to the Selectmen.
- Pensions are Town, Fire, and Cemetery Fund which will be combined into a single RFP. The funds will still maintain their individual integrity.

- Mr. Persano questioned if the rate being charged by the present advisor was too high. Mr. Marinaccio said that there is no indication that their rate is too high.
- Mr. Marinaccio pointed out that the Cemetery Fund investments are being self-managed.
- Mr. Krasinski questioned if these dollars include the fire retirement fund? Mr. Marinaccio responded no with regard to full-time firefighters, but yes to the volunteers.

Banking:

Mr. Marinaccio reported that last remaining bank account at Bank of America was closed out. This is the Tax Collector's which totaled approximately \$500K. It was moved to Webster. Our funds are now held in United/ Rockville Bank, Webster, and State (STIF) Fund.

The Town now has a LOCKBOX for tax payments; this will be up for January payments, all payments will go to Webster Banks processing center in New Britain where documents (checks and invoice payment stubs) are imaged and funds are immediately deposited. This is being done at no additional cost to the Town.

We are also speaking to First Data – the Largest Credit Card Processing Company – to develop a plan for credit card payments of various town fees. The plan is to standardize the process across all Town Departments. The Town will also act as our own middle-man allowing us to reduce fees charged to customers using their cards.

Other Business: NONE

Approval of Minutes:

10/27/2014 Regular BOF Meeting Minutes

Mr. Tolisano made a motion to amend the above minutes, correcting the date of 11/3/13 to 11/4/13 in Section C of Item 6 and to approve said amended minutes, seconded by Mr. Parker. All were in favor and the motion passed.

Other Business: None

Adjournment:

Mr. Persano called for Adjournment.

Mr. Tolisano made a motion to adjourn the meeting at 7:40 pm, seconded by Mr. Krasinski. All were in favor and the meeting was adjourned.

Respectfully Submitted: Janice Bergeron, Recording Secretary