

BOARD OF FINANCE

Minutes of the Special Meeting held on April 10th 2017

	<u>Regular Members</u>	<u>Others</u>
Present	Y John LaPorta (CHM)	Gordon M Ridgway, First Selectman
	N Lisa Lansing	Barbara Herbst, BoF Clerk
	N Celia Senzer	John F. Green, Treasurer
	Y William Hurlburt	Thomas Barrett
	N Janet Sanders	
	Y Jack Preston	
	<u>Alternate Members</u>	
	Y Joseph Pryor	
	N Darilyn Woods	

Call to Order

7:33 p.m.

Chairman asked Joseph Pryor to sit for Lisa Lansing.

1 - Correspondence

A letter was received from State of Connecticut, Insurance Department which is appended to these minutes labeled Appendices One. It was determined through review of the letter and brief discussion that the Town of Cornwall has not received or been involved in any type of performance or payment bond with the companies listed.

2 - Minutes

Minutes for the 3/1/17, 3/8/17, 3/15/17 and 3/28/17 meetings were provided to all members via email as well as available at the meeting.

Motion

William Hurlburt Made a motion to approve all sets of the minutes as presented.

Jack Preston Seconded the motion.

Motion passed unanimously

3 - Reports

Board of Selectmen

First Selectman Ridgway updated the Board on the following items;

- Bond resolution for Bridge Project funding has been passed by the Town and final funding documents are in progress.
- Possibility that there are sufficient residual funds in various completed Capital Projects that can be utilized to replace the DPW pick-up truck. The BoS will be reviewing the information and possibly coming to the Board with some budget transfers to facilitate the purchase of a vehicle.
- Trinity Conference Center is poised to re-enter a formal agreement with the Town to pay a PILOT fee of \$20,000 annually as they had in the past. Their property has been removed from the taxable Grand List.
- The BoS had a preliminary discussion regarding underground fuel tanks on properties owned by the Town.
- No progress to report on the project in West Cornwall being referred to as "The Bend"

Finance Director

Finance Director, Barbara Herbst reported that the 2016 Grand List was reduced by \$898,800 as a result of adjustments made by the Board of Assessment Appeals.

Additionally reported was the information that as part of the financing for the Bridge Projects, the loan proposal from TD Bank has included language that stipulates it will be considered a default of the loan if the Bond rating of the Town falls to A3 or A-. It was noted that Cornwall's current rating is Aa2 which is the highest rating a town of this size can have and to fall to the A3 would be a reduction of four rating increments.

4 - Proposed Budget FY '18

A draft summary of the proposed budget was available at the meeting and is appended to these minutes, labeled Appendices Two. For discussion purposed, the estimated debt service for the Bridge Project Funding was included as well as the amount of Teacher Retirement funding that the Governor is proposing be contributed by Cornwall taxpayers. General discussion ensued and it was noted that the Board of Education did provide an updated budget document showing the reduction imposed by the BoF at their 3.28.17 meeting as well as the correction of the clerical error. The current presentation of the BoE budget is a 2.21% decrease overall including the Region One assessment. The original BoE

proposed budget showed a \$99,196 reduction in the CCS portion and a \$116,162 increase in the Region portion for a total increase of \$16,966. Currently the BoE proposed budget reflects a \$195,500 decrease in the CCS portion of the budget and a \$108,593 increase in the Region One portion, combined for a total decrease of \$86,907 or 2.21%. As part of the discussion it was decided that the estimated debt service as well as the estimated Teacher Retirement figures be broken out and shown as individual lines for clarity. Additionally, TRB should be spelled out as Teacher Retirement Board.

Motion

Bill Hurlburt Made a motion to accept the Proposed Budget for FY '17 - '18 in the amount of \$6,971,712 and to bring this to the electors and citizens of Cornwall for review on April 21st, 2017.

Discussion

Joe Pryor Seconded the motion.
Brief discussion ensued.

Motion passed unanimously

#5 - Adjournment

Motion


Jack Preston Made a motion to adjourn the meeting.

Joe Pryor Seconded

Motion passed unanimously

8:43 PM

Submitted:


Barbara E. Herbst, Board Clerk

Note:

Minutes remain "Draft" until accepted at the next regular scheduled meeting, please see subsequent meeting minutes for any corrections to these minutes.



STATE OF CONNECTICUT
INSURANCE DEPARTMENT

March 27, 2017

Town of Cornwall
Board of Finance – John LaPorta - Chairman
26 Pine Street / P.O.Box 97
Cornwall, CT 06753

Appendices One

Our File No.: 5424

Dear Mr. LaPorta:

The Investigations Unit of the Connecticut Insurance Department (“Department”) reviews insurance related issues.

The Department determines if statutory requirements and contractual obligations within the Insurance Commissioner's jurisdiction have been fulfilled.

We seek your assistance in furtherance of our investigation into a Company named **Great Northern Bonding Company; aka Eastern Shores Casualty and Indemnity; aka Continental Surety Company** which is owned and operated by **Mr. Leo Rush**.

Please advise if your town has received or been involved in any type of performance or payment bond with these companies since March 28, 2014. If so please provide a **copy of the bond and summary of its status**.

We appreciate your assistance and cooperation. If you have any questions, please contact me. Please provide a response by April 30, 2016 by mail or email.

Sincerely,

Richard Reid

A handwritten signature in black ink that reads "Richard Reid".

Associate Examiner
Fraud & Investigations Unit
Connecticut Insurance Department
TEL: (860)297-3848
FAX: (860)297-3872
e-mail: Richard.Reid@ct.gov

		FY 2015-2016	FY 2016-2017		FY 2017-2018	
		Actuals per Audit	YTD Expenses through 1.17.17	Budget	Proposed Budget	
	Assessor	41,349	25,080	40,971	39,870	-2.69%
	Board of Assessment Appeals	150	0	500	500	0.00%
	Board of Selectmen	95,063	56,061	98,771	101,678	2.94%
	Finance Department	59,026	42,683	60,232	61,776	2.56%
	Hammond Beach	35,200	29,938	38,784	39,797	2.61%
	Highway Administration / Suppli	373,342	234,058	425,918	437,715	2.77%
	Highway Vehicle Maintenance	66,731	19,001	40,000	40,000	0.00%
	Insurance and Benefits	324,211	248,148	347,789	352,510	1.36%
	Land Use	33,768	10,925	35,216	35,893	1.92%
	Organizational Support	113,984	105,085	127,000	135,216	6.47%
EXPENSE	Park & Recreation	47,095	16,594	46,948	48,394	3.08%
	Payroll Expenses	47,153	28,550	51,038	53,114	4.07%
	Probate Court	3,040	3,112	3,113	3,100	-0.42%
	Public Health & Welfare	39,051	33,135	50,589	51,379	1.56%
	Public Safety	154,696	59,105	164,897	167,662	1.68%
	Registrars of Voters	13,875	6,308	12,257	10,372	-15.38%
	Sanitation & Recycling	140,929	82,195	143,242	145,135	1.32%
	Tax Collector	38,630	22,596	37,000	37,789	2.13%
	Town Clerk	55,887	30,224	61,119	64,692	5.85%
	Town Office Administration	44,765	32,863	45,652	45,900	0.54%
	Contingency and TRB	0	0	30,000	223,000	643.33%
TOTAL BOARD OF SELECTMEN		1,723,343	1,085,661	1,861,036	2,095,494	12.60%
*	Debt Service	175,675	181,175	181,175	362,250	99.94%
	Board of Education	4,091,296	2,317,445	4,068,862	3,978,968	-2.21%
***	Capital Expenditures	610,000	647,000	602,000	535,000	-11.13%
TOTAL EXPENSE		6,600,314	4,231,281	6,713,073	6,971,712	3.85%
*	Includes a projected	\$180,000 in debt service for Bridge Projects				
	TRB	\$193,000 in TRB assessment that will be sent to State of CT				
***	Removed	\$100,000 that was a place holder for Bridge Projects				
	Current Mil Rate	15.31				