



Town of Griswold

Board of Finance
Special Meeting
March 4, 2014
7:00 PM

Town Hall Meeting Room
APPROVED MINUTES



1. Roll Call/Call to Order: The meeting was called to order at 7:00 PM

Board of Finance Members Present:

Steve Merchant, Sr. – Chairman
Gail Rooke-Norman – Vice Chairwoman
Brian Baker
Scott Davis
Peter Dorff
Gary Levy
Daniel Webster

Also Present:

Erik Christensen, Director of Finance
Kevin Skulczyck, First Selectman
Tom Holowaty, Chief, Griswold Volunteer Fire Department
Bob Hanson, Chief, AA Young Volunteer Fire Department
Valerie Pudvah, Town Clerk
Ryan Aubin, Recreation and Youth & Family Services Director
Bill Czmyr, President, American Legion Community Ambulance
8 others

2. Old Business

a) Discussion and possible action on the Fiscal Year 2014-2015 Budget.

- **2201 – Emergency Services** – S. Merchant Sr. recused himself and left the room due to belonging to one Fire Department and working closely with the other. T. Holowaty and B. Hanson spoke on behalf of the department's budget. D. Webster asked the Chiefs of the fire departments about the difference in membership between the departments due to the discrepancies in training figures in their individual budgets. T. Holowaty stated that the membership is about the same and he is trying to push for more classes and certifications for his department. D. Webster also asked about supplies being higher for GVFD. T. Holowaty responded that they use more supplies because they arrive at the scene well before the Ambulance arrives as opposed to AA Young VFD. D. Webster also asked about the electricity line and if AA Young VFD paid electricity. B. Hanson stated they do not pay electricity but do pay water and sewer. B. Baker stated he would like to suggest both fire departments work with the Finance Director to set up line items that are equivalent to both budgets. D. Webster asked why department events and awards are \$5,000 for GVFD and only \$700 for AA Young VFD. T. Holowaty responded that they put on a banquet for the membership every year as a token that includes a dinner out with a DJ and a hall. It is one evening they give to

the membership for everything they give throughout the year. B. Hanson stated that his department pays for a lot of their banquet expense using money that was donated. P. Dorff asked if any capital type items are included in their budget. R. Hanson responded that there was no capital items included in their budget. B. Baker asked the Chiefs to include a compliancy line item to their budget. T. Holowaty stated the cost of physicals has also increased. Discussion followed regarding physicals. G. Rooke-Norman asked who line item 5150 – Dispatch Service serviced. B. Hanson responded it services both fire departments and the ambulance. D. Webster asked the Finance Director about line item 5120 Contractual Temp and Occasional and how it is paid out. The Finance Director responded that they are paid hourly. B. Baker asked if the 2.5% increase is to their wage. The Finance Director stated that it was an increase in their hourly wage and they had not received one since they started in 2007. B. Czmyr stated that the ambulance budget was not yet ready. *S. Merchant Sr. returned to the room.*

- **1501 – Town Clerk** – V. Pudvah spoke on behalf of the department’s budget. G. Rooke-Norman asked if an Assistant Town Clerk has been hired. V. Pudvah responded yes and she starts tomorrow. P. Dorff asked if the health insurance line item was adjusted for the new person. The Finance Director responded that it was.
- **5301 - Recreation/5302 – Youth & Family Services** – R. Aubin outlined the department’s budgets. Line item **5206 Printing and Publications** has decreased for each department from \$1,000 to \$500 due to more documents being produced electronically. He also stated the subsidy for the recreation program was decreased by \$3,000. R. Aubin talked about a new line item requested for \$4,000 to pay for Town events payroll. He also discussed a decrease in memberships of \$299. Discussion followed regarding Town events payroll and summer camp payroll. D. Webster asked about the decrease in heating fuel. R. Aubin responded that since moving locations, the heating costs have lowered. He stated other related changes were an increase in rent, a decrease in electricity and an increase in water. Other Youth Center changes were supplies and postage increased due to usage and phone, cable and internet decreased because he went to a bundle plan and part-time staff increased as a result of the minimum wage increase and one extra hour per week.
- **1101 – Finance** – E. Christensen outlined the department’s budget. Line item **5101B Financial Director** increased as a result of the Selectmen increasing by 2.5%. Line item **5110 Overtime Payroll** was increased from \$500 to \$1,250. The Finance Director explained that he would like to have the Assistant Bookkeeper do all of the Board of Finance meetings and minutes because he does not think it makes sense to pay him his salary to do minutes all day. His time could better serve the Town doing other things. Line item **5115 Longevity** decreased as a result of the new Assistant Bookkeeper not receiving longevity. Line item **5208 Annual Report** was reduced from \$500 to \$0 because it will now be available electronically instead of printing all copies. Line item **5212 Postage** was decreased from \$500 based on usage. Line item **5402 Finance and Accounting** was decreased from \$8,300 as a result of the GASB report for OPEB liabilities being due every two years and it will not be due next year. Line item **5406 Service Contracts/Leases** increased \$100.

- **1301 – Treasurer** – E. Christensen outlined the department’s budget. Line item **5125 Elected Officials** was increased 2.5% based upon the recommendation of the Board of Selectmen. D. Webster asked about the salary for Deputy Treasurer and if it was a union position. E. Christensen responded that a union employee does the Deputy Treasurer duties and is paid an extra \$1.00 per hour for those duties.
- **1701 – Legal** – E. Christensen spoke on behalf of the department’s budget. He stated that after talking with the First Selectman it was decided to keep the amounts the same as this year. He did mention he has not received a letter from the probate court so that figure can change. Discussion followed regarding legal fees.
- **4201 – Uncas Health District** – E. Christensen spoke on behalf of the department’s budget. He stated there was an increase of around \$400 and this is based on the per capita rate and what the State Health Department has for population. D. Webster asked if the rate was in line with the prior year. E. Christensen responded that it was the same and there was a slight increase in population.
- **4202 – Public Health Nursing** – E. Christensen spoke on behalf of the department’s budget. He stated there were no changes from the prior year.

b) Discussion and possible action on request from Board of Selectmen for an additional appropriation of \$70,000 to Griswold Ambulance.

P. Dorff stated that in looking at the audit report the total net assets are \$459,000 but there was discussion last week stating it was closer to \$100,000. P. Dorff asked E. Christensen what the right number is and what they should be looking at. E. Christensen responded that the net assets are \$459,000 but a majority of that is their property and equipment and he thinks the most important number to look at is the cash because in order to realize all of those net assets they would have to sell all of their equipment. D. Webster stated the most glaring liability is the mortgage of \$143,000 and they only have \$170,000 in cash and \$169,000 in liabilities. G. Rooke-Norman asked if the property generated any income. B. Czmyr responded \$600 a month. G. Rooke-Norman asked where that was on the revenue sheet. E. Christensen responded it was on page 4 the fourth line down under revenue. G. Rooke-Norman noted it was \$600. E. Christensen responded that they probably started renting it out in June so it was only one month. P. Dorff stated that if you look at cash the difference between 2012 and 2013 was \$60,000 and if that’s the measure they are running quite a deficit. S. Davis asked K. Skulczyck if the Selectmen were still in negotiations to put together a contract for the upcoming fiscal year. K. Skulczyck replied that they were starting to have a real sit down with himself, S. Merchant, Sr., E. Christensen, B. Czmyr and his representatives as well as the State. S. Davis asked if there have been any further discussions on putting together a contract for the remainder of this year. K. Skulczyck responded that it would have been desired but as time has gone by we have lost the opportunity to do so. **MOTION:** P. Dorff made a **motion** that was seconded by G. Levy to approve the additional appropriation of \$70,000 for Griswold Ambulance Service and send it to Town Meeting and then referendum. S. Davis stated his biggest hang up is not having a contract. He stated he is not saying Griswold Ambulance is not needed and public safety is not important but it’s just very uncomfortable just throwing \$70,000 out without having a contract. P. Dorff stated he agreed and he is also a little troubled that the ordinance is not being followed that all expenditures go through the finance office but that’s not

the Board of Finance's responsibility it is the Board of Selectmen's responsibility. D. Webster stated he is concerned that some of the money that we may fund may go to paying a mortgage that was a business decision and not a decision of ours. He also stated he would probably side with it to fund the operational expense as long as there were checks and balances from our finance department to make sure none of this money is going to pay the mortgage that we have no say and have no interest in owning any of the assets. B. Czmyr suggested that the \$70,000 would go toward operating the ambulance not toward the Pine Rd. property. P. Dorff asked if instead of paying the \$70,000 in monthly or quarterly installments, could the Town hold the money and use it to pay invoices from the ambulance service. S. Merchant Sr. stated we can do it any way we want to do it. P. Dorff stated that is how it's supposed to be done according to the ordinance. G. Rooke-Norman stated that the taxpayers voted on and approved the budget for 2013-2014 so a \$70,000 addition now for the remaining four months becomes a substantially larger amount per month than what the taxpayers had ever envisioned. S. Merchant Sr. stated they will have to vote on the \$70,000 as well. G. Levy stated he likes the idea of the paying the bills directly and S. Davis responded he would be more comfortable with that scenario. G. Rooke-Norman asked B. Czmyr if in the last year or two have there been additional people hired or put from part-time to full-time or wage increases of more than 2.5%. B. Czmyr responded that his personnel have not received a raise in five years. He also stated that they have two permanent employees; everybody else is per diem and has had the same amount of employees the last two years. B. Baker noted that on page 5 of the audit report it appears functional expenses of the organization have decreased from 2012 to 2013. D. Webster replied it looks like the bulk was in salaries and benefits. B. Baker asked if it was a true statement that they found a way to save \$40,000. E. Christensen responded that is what it looks like but he does not know the explanation behind the decrease. P. Dorff stated that \$25,000 of that was employee benefits that could have been anything. G. Rooke-Norman asked E. Christensen about the accumulated depreciation on page 3 of the audit report and said that is sort of a number on paper and asked if that was correct and does that mean that some of the other numbers are greater because everything balances and that is just a number on paper. E. Christensen responded that if you look at the statement of cash flows on page six if you look at the top of the page their net assets went down \$106,000 but then you take out things like depreciation which was \$34,000 so the actual cash used for the year was \$58,000 so depreciation is booked as an expense but is not actually cash going out the door. S. Merchant asked if the \$34,000 was part of the \$58,000. E. Christensen replied that it is not, it is part of the \$106,000. G. Rooke-Norman referenced page 6 and mentioned that the cash beginning in 2012 was \$370,000 and cash ending in 2013, so a span of two years, of \$170,000 so cash went down \$200,000. She asked if any of that cash went into restricted accounts or other assets that might not be reflected in the unrestricted. E. Christensen responded that it is all included in the unrestricted but some of the cash was used to purchase the building in 2012. G. Rooke-Norman asked how much of the cash was used for the building. E. Christensen responded that they paid around \$187,000 and that if you look at the statement of cash flows and you look at net cash used from investing activities the total for 2012 was \$197,000 that includes the purchase of land and purchase of equipment. Then you have the proceeds which was \$143,000 coming in for cash from the mortgage so the net between the two is about \$54,000 which would include any other equipment purchased. B. Baker asked how much cash they have on hand

now. E. Christensen responded that as of June 30 they have \$170,000. B. Baker asked if that was unrestricted or restricted. E. Christensen responded it was all unrestricted but they do have \$200,000 board designated as part of their net assets. B. Baker stated he is wondering how they are going to come up with \$143,000 to pay the mortgage on the property. D. Webster asked if he can assume there is almost \$70,000 in equity on the property with \$143,000 due and \$187,000 for buildings and \$20,000 for land. E. Christensen replied that on paper yes but the actual equity depends on the market value. S. Davis asked B. Czmyr to be clear, are there any restricted funds or any other cash anywhere that is not listed in the audit report. B. Czmyr responded that there is \$120,000 and that is all the money that is left. G. Rooke-Norman asked K. Skulczyck if the Board of Selectmen would consider prorating the \$70,000 that is needed to break even for the year. K. Skulczyck stated that they need the \$70,000 to get them through July. B. Baker, S. Davis, P. Dorff, G. Levy and D. Webster voted in favor, G. Rooke-Norman opposed; **motion carried.**

c) **Discussion and possible action on request from Board of Selectmen for an additional appropriation of \$41,068 for liability, auto and property insurance.**

S. Merchant Sr. stated this is something that was visited once before but the Selectmen would like them to act on it again. Now that the number is firm it can be sent forward at the actual number. **MOTION:** P. Dorff made a **motion** that was seconded by B. Baker to approve the appropriation of \$41,068 for liability, auto and property insurance. There was no discussion. All in favor with the exception of D. Webster who abstained; **motion carried.**

3. **Adjournment: MOTION:** D. Webster made a **motion** that was seconded by B. Baker to adjourn. There was no discussion. All in favor; **motion carried.** S. Merchant Sr. adjourned the meeting at 8:25 PM.

Respectfully Submitted,

Acting Recording Secretary
Erik Christensen