



# Town of Griswold

Board of Finance  
Regular Meeting  
December 18, 2012  
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  
Peter Dorff – Vice Chairman  
Brian Baker (arrived at 7:13)  
Scott Davis  
Gail Rooke-Norman  
Daniel Webster  
John Wolkowski

**Also Present:**

Erik Christensen, Director of Finance  
Elizabeth Dorff, Board of Education Chairman  
Holly McCalla, Board of Education Business Manager  
4 other persons

**2. Approval of Minutes**

G. Rooke-Norman asked that in the November 20, 2012 minutes, in the 12<sup>th</sup> line up from the bottom of section 4, old business, that the word exempted be changed to excluded. **MOTION:** P. Dorff made a motion that was seconded by J. Wolkowski to approve the November 20, 2012 regular meeting minutes as corrected. All in favor with the exception of B. Baker who was not present to vote; **motion carried.**

**3. New Business**

**a) Finance Director monthly report.**

*A copy of said report is available in the Finance Office.* The Finance Director discussed current year numbers. He mentioned there was not a lot of change from the previous meeting. Revenues collected to date are 43.07% which is a little over \$13 million. The one issue with revenues is with tuition that we know about that is projected to be about \$140,000 less than what was budgeted. He mentioned there were two items, the first a FEMA reimbursement for \$3,731 and reimbursement for transportation subsidy from SCRRRA for \$9,400 that were not budgeted for. As far as expenditures year to date we are at \$10,628,429 which is 34.01% of the budget. The few line items talked about previously, technology maintenance is over by about \$1,000, Tax Collector advertising as discussed at the last meeting has been reimbursed and is no longer over, and the transfer station electricity is over by \$107 as has been discussed. There was one new line item overspent. That was for the Town Clerk land records-Town Code update which is over by \$302. That is a result of the two recent business incentive ordinances that were passed so the Town Code had to be updated to reflect the new ordinances. S. Merchant Sr. asked if it was likely to continue to go over. The Finance Director stated that it would if more new ordinances were put in place because every time there is a

new ordinance the Town Code has to be updated.

The Finance Director discussed a letter received from the State relating to the reimbursement for bond interest for the high school project that was finally paid off last year. The State is claiming that they sent us \$109,371.38 too much for this project and they are seeking to receive reimbursement for it. The Finance Director has been talking to the State to find out what happened and how this happened as has Paul Smith, Superintendent of Schools. The State claims that when the bonds were refinanced to a lower interest rate half way through the project, the State did not adjust the reimbursement rate enough to compensate for the lower rate. In addition, the State claims they inadvertently sent a check last year for \$54,685.69 which is exactly half of what they are seeking the reimbursement for so what happened was instead of sending us a bill for that amount they sent us a check for that amount. These are the funds that were included in the general fund under new school grant that we were receiving up through last year. The mistake was by the State itself. No one from the Town or the Board of Education did anything to create this it was just an error the State made in their calculations. Paul Smith and the Finance Director are requesting more information from the State on how they came up with this number before we agree to pay it. P. Dorff asked if we had a record of receiving the check for \$54,000. The Finance Director indicated that we did. G. Rooke-Norman asked what years this pertained to. The Finance Director stated the refunding was done in 2001 and the last payment was last year. G. Rooke-Norman asked the Finance Director if he along with Paul Smith was going to consult an attorney prior to paying the bill to see what our true liability might be. He stated yes and that he can't pay the bill without getting Board of Finance approval as well. S. Merchant, Sr. suggested talking to Steve Mikutel to see if he can do anything about the bill. G. Rooke-Norman stated she would like to know if the State is going back to look at the mistake to make sure we are being treated fairly. P. Dorff asked the Finance Director if he had the records for when the bond was refinanced in 2001. The Finance Director stated that he did have the bond paperwork. P. Dorff asked the Finance Director if he could make sure the error is what they claim it is. The Finance Director stated he should be able to calculate what the interest reimbursement should have been because he does know what the reimbursement rate was. He is going to have to go back through each year and run all of the numbers. D. Webster asked if the technology maintenance line item was going to continue to be over budget and what will continue to impact that line item. The Finance Director stated that it will continue to be overspent because there will continue to be a monthly maintenance fee of \$250. Also, if there are any more problems with computers or the server this would increase as well.

**b) Discussion and possible action on budget transfer of \$15,000 from the contingency exchange account to capital expenditures for the purchase of internal locking mechanisms at the GHS and GMS.**

S. Merchant, Sr. mentioned that the Capital Improvement Committee has been meeting and the school has made their number one priority classroom internal locks and he thought in light of what just happened rather than wait for the Capital Improvement Committee or wait for a whole budget cycle why don't we take it out of contingency and give it to them now. S. Merchant Sr. stated it might be an issue about when they do it as far as disturbing the classrooms. H. McCalla stated that it has been discussed that the bid documentation will state the work has to be done on the weekends or after 2:30 in the afternoon so school will not be disturbed. S. Merchant Sr. discussed a handout given by the school to the Capital Improvement Committee describing the project and

stated the elementary school was done as well as the new portion of the middle school. P. Dorff asked where the prices came from. H. McCalla stated they received quotes for the project but price could change if it went out to bid and was not considered an emergency expenditure. P. Dorff asked if the State has issued anything regarding the lockdown procedures. H. McCalla responded there was not but the school's lockdown procedures have been reviewed with the Fire Marshall and State Police. J. Wolkowski asked if the Federal Government could come up with a new plan that could change the procedure to some degree after we put it on. H. McCalla stated she does not anticipate this happening anytime soon if at all. H. McCalla explained the lockdown process. S. Merchant, Sr. stated that based on what happened Friday the procedure to lockdown the classrooms takes way to long. D. Webster asked if the lock would inhibit the egress out of the classroom. H. McCalla responded that it would not. It is just a one action exit and can be opened by a key from the outside. P. Dorff asked if the keycards and cameras were adequate in the main entrances. H. McCalla responded that they were and there was going to be discussion about the middle school door at the School Building Committee meeting. S. Merchant Sr. stated that obviously we probably can't afford it but he does not think they can afford not to do anything. B. Baker stated that seeing what happened Friday he would prefer not to wait. **MOTION:** B. Baker made a **motion** that was seconded by D. Webster to take the money out of contingency to give to the Board of Education to put this into play and protect our kids the best we can and be proactive about it. P. Dorff asked just to be clear on the price is it \$14,000 for the classroom doors and an additional \$4,700 for the office doors? H. McCalla stated that to be quite honest she did not know. \$15,000 was their request to the Capital Improvement Committee. P. Dorff asked if the motion should be amended for the cost to not exceed \$20,000. B. Baker asked the Finance Director what the total cost was per the quote. He responded the cost is \$19,155.20. **MOTION:** B. Baker amended his **motion** not to exceed \$20,000 for the cost of the project. D. Webster seconded the **motion**. All in favor; **motion carried**.

#### 4. Old Business

##### a) Discussion of Town ethics policy

S. Merchant Sr. asked if everyone had copies of the report from the ethics commission. S. Merchant Sr. explained to D. Webster that as far as we know the Finance Director attached the budget but they could not find it so we sent them another one. The Finance Director confirmed that he had sent another one. He mentioned that they moved pretty fast on this issue so he is hoping they do again. D. Webster asked when the next meeting is. The Finance Director responded that the next regular meeting is in the beginning of January. S. Merchant Sr. stated that they met on the 4<sup>th</sup> and the 11<sup>th</sup>. D. Webster stated that he did not know they were meeting and would have loved to have been in attendance. He wants to know if there is any way to find that out. S. Merchant Sr. stated that when he talked to N. Sylvestre they were just going to wait until January to meet but S. Merchant Sr. told him that may screw the Town up on their budget process so he agreed to hold some special meetings but he was not aware of when they were. S. Merchant Sr. is assuming he will do the same for the other one once he gets the information. D. Webster asked if there was a way we could get the Town Clerk to notify the Board of Finance when the meeting will be since it is an advisory opinion request from the Board of Finance. The Finance Director stated he would let the Town Clerk know. S. Merchant Sr. asked if anyone had any questions on the report for S. Davis. P. Dorff stated there was one scenario they talked about regarding if pink slips were handed out that would be a mitigating factor. G. Rooke-Norman responded that if additional money was voted it doesn't guarantee who's pink

slip would be rescinded. She also stated that there is a section of the Code of Ethics that talks about a class of people all being treated the same which is what we asked the ethics commission to look at. It is not any discussion that this Board makes that could impact that. D. Webster stated they made specific reference to the bargaining unit but there is a bargaining unit in the Town Hall that sets the pay scales so there is moving and dancing around that as well. B. Baker asked if there was a statutory requirement of when they have to issue pink slips to potentially laid off employees. H. McCalla stated if there was a budget unresolved we don't need to issue one at the point. There is only a deadline for non-tenured teachers if they will not be renewed. B. Baker asked if we would be in violation of statutory requirements if we did not notify teachers ahead of time. H. McCalla responded that she did not think so. B. Baker asked why does New London do it and we don't. H. McCalla responded maybe they are being proactive but it is not a statutory requirement. E. Dorff stated if it is before May 1<sup>st</sup> it is a non-renewal if it is after May 1<sup>st</sup> it is called a termination. Either way you could do it anytime. E. Dorff stated it would be easier to do it earlier but it makes more sense to wait to lay them off to avoid unemployment costs. B. Baker stated he is not talking about laying them off just sending them a notice of potential layoff. E. Dorff responded that if you do that they will start looking for another job and you will lose them. S. Merchant Sr. asked that a copy of the response for the request for advisory opinion gets filed with the minutes. D. Webster asked about the letter that was sent to the Selectmen and where do we stand with that because there was much more in there than the request for advisory opinion such as the training everyone should be receiving and meeting minutes. S. Merchant Sr. stated the letter went to the Board of Selectmen and the last conversation he had with the First Selectman he was waiting to see what results the Board of Finance got and then was going to proceed. The Finance Director stated he had talked with the First Selectman as well regarding the letter and the First Selectman stated he talked to Norm regarding the items mentioned in the letter to get his feedback and then is going to move on from there. D. Webster stated that according to the ethics ordinance we are all supposed to sign that we received it but he never has as long as he has been on the Board. P. Dorff asked that if we send a letter to the Selectmen is there a requirement for them to note it in the correspondence of the Selectmen's meeting. The Finance Director stated he did not know. S. Merchant Sr. stated that they all received it. P. Dorff mentioned that it was not read in as correspondence at the Selectmen's meeting. S. Merchant Sr. responded that maybe the First Selectman wanted to look at it first before he put it forward. G. Rooke-Norman stated that we should ask that it be entered as correspondence at the next regular meeting.

## **5. Any Other Business**

P. Dorff stated that he received a letter at home regarding the ambulance mailer. Discussion followed regarding the letter and the Griswold Ambulance mailer. P. Dorff stated that he would like to follow up with Griswold Ambulance to get a statement of cash flows for the first six months. D. Webster asked who owns Griswold Ambulance. G. Rooke-Norman stated we have asked that before and if they ceased to be a 501(c)3 organization where would the assets go and what do their by-laws state but they have not had an answer for this. P. Dorff stated that is one question the other is that he would like to see if they are in the red for operating expenses. He is more interested now in their operating expenses. B. Baker stated if they are a private entity, why are we funding a private entity? P. Dorff stated there is a requirement for us to provide ambulance service. B. Baker stated maybe it is time to go out for bid. Discussion followed regarding the PSA Griswold Ambulance holds. G. Rooke-Norman had a concern on when do you cross the line that you use Town funds that have been

contributed to your organization in order to go out and present information that may not be entirely accurate. G. Rooke-Norman wants to know when does the management decisions become an issue as far as whether we should be contributing money to cover expenses that may not have been needed to be incurred. P. Dorff stated that the mailing should not be an operating expense. D. Webster stated that you can make an argument that they used taxpayer's money to mail out the mailer. P. Dorff mentioned that we need a policy that says they could only use contributed money for operating expenses. Discussion followed regarding the Pine Road property and what the contributions could be used for. G. Rooke-Norman stated she would like to see their by-laws. J. Wolkowski mentioned why don't we put in another request and send them a letter requesting information. Discussion followed regarding the request for information. **MOTION:** P. Dorff made a **motion** that was seconded by J. Wolkowski to send a letter to the ambulance service requesting information that we need for the budget process. There was no discussion. P. Dorff, J. Wolkowski and G. Rooke-Norman in favor, S. Merchant, Sr., S. Davis, D. Webster and B. Baker opposed; **motion failed.**

6. **Adjournment: MOTION:** D. Webster made a **motion** that was seconded by S. Davis to adjourn. There was no discussion. All in favor; **motion carried.** S. Merchant, Sr. adjourned the meeting at 7:49 PM.

Respectfully Submitted,

Acting Recording Secretary  
Erik Christensen