



**TOWN OF MADISON
BOARD OF FINANCE**
REGULAR MEETING, January 20, 2015

Draft- Subject to Approval

Present: Joseph MacDougald, Mark Casparino, Bennett Pudlin, Jason Ulstad,
Sharon Kokoruda, Jennifer Tung

Also present: Tom Banisch, First Selectman; Stacy Nobitz, Finance Director; Mike Ott,
Public Works Director; Scott Erskine, Beach and Recreation Director;
Alma Carroll, Tax Collector; Joe Kask, Jessica Aniskoff, Blum Shapiro,
Auditors; Joe Beerbower, member of the public; MCTV

Mr. MacDougald called the meeting to order at 7:00 p.m.

REGULAR SESSION

1. Pledge of Allegiance. The Board of Finance and members of the audience stood and recited the Pledge of Allegiance.
2. Approval of minutes – December 15, 2015. On motion made by Mr. Pudlin, and seconded by Mr. Casparino, the Board voted to approve the minutes of the regular meeting of December 15, 2015 as submitted. Mr. MacDougald, Mr. Casparino, Mr. Pudlin, Mr. Ulstad and Ms. Kokoruda voted in favor of the motion and Ms. Tung abstained.
3. Chairman’s comments. There were no Chairman comments,
4. Citizen and Finance member comments. There were no Citizen or Finance member comments.

NEW BUSINESS

5. Presentation of the fiscal year ending 2015 Audited Financial Statements. Mr. Kask and Jessica Aniskoff were present to review and present the annual audit report and the Federal and State Single Audit. Mr. Kask reviewed the Financial Statements for the year ending 2015 including asset risk and tax collections. Madison was given a clean

opinion on the Financial Statements. Mr. Kask also reviewed the overview of activity in the Management Discussion and Analysis.

Mr. Kask noted that an opinion was provided on the General Fund and he noted that the unassigned fund balance is \$9.3 million which sets the fund balance at 12%. This is a favorable number which will be looked at with other factors in any review of the Town's financial health.

Mr. Kask reviewed the pension audit noting that the pension is funded at 78% which is a good level of funding.

Mr. Kask recommended that the Board review the audit and he agreed to come back if there are any questions.

Ms. Aniskoff reviewed the Federal Single Audit Report which is a review of the Federal grants received by the Town of Madison. The review shows Madison qualified as a low risk auditee. FEMA was the test grant and the auditors showed that accounting for this grant met all requirements of Federal grants.

Ms. Aniskoff reviewed the State Single Audit, a review of the State grants received by the Town of Madison. The review shows Madison qualified as a low risk auditee. The PILOT Program and Town Aid Road Program were the test grants and the audit showed that accounting for these grants met all requirements of State grants.

Mr. Kask thanked Ms. Nobitz and her staff for their assistance in providing the necessary financial information to perform the audit.

Mr. MacDougald requested that the Auditor aim for an audit presentation in November next year.

6. Discuss and take action on setting the interest rate for the Tax Deferral Program.

Ms. Carroll explained the Tax Deferral Program noting that this program allows eligible taxpayers to defer up to \$8,000 per year in taxes. She noted that criteria for eligibility are based on age, income level or disability.

Ms. Carroll noted that the Board of Finance has the responsibility to set the annual interest rate for the Tax Deferral Program pursuant to the Connecticut General Statutes. She noted that the interest rate set for the 2014 grand list was 1.0%. The Town is currently receiving 0.1675% on average on investments and the borrowing rate on the last bond issue was 1.684%

On motion made by Mr. Pudlin, and seconded by Mr. Casparino the Board voted unanimously to set the interest rate for the Tax Deferral Program at 1%.

7. Discuss and take action on the transfer of property taxes to suspense based on recommendation from the Tax Collector. Ms. Carroll noted that a recommendation has been made by the auditor to transfer taxes past due for five years to suspense. This action removes the taxes due as an asset for the Town but they are not removed as a liability to the individual who owes the taxes.

On motion made by Ms. Tung, and seconded by Mr. Ulstad, the Board voted unanimously to accept the recommendation of the Tax Collector and transfer \$33,145.77 of uncollectible uncollected property taxes to the suspense tax book.

8. Discuss and take action to approve a Special Appropriation in the amount of \$15,292.00 from the Beach & Recreation Department to replace funds expended to replace the Surf Club furnace which failed during the week before Christmas and New Year's Day. Mr. Erskine noted that a special appropriation request of \$15,293.00 is being requested to replace funds expended to replace the Surf Club furnace which failed during the week between Christmas and New Year's Day. This was an unexpected failure so the expense was not anticipated.

On motion made by Ms. Tung, and seconded by Mr. Casparino, the Board voted unanimously to approve the request of the Beach and Recreation Department for a special appropriation of \$15,293.00 from Contingency to Account No. 1-100-5100-0000-4300-552-79, Building Maintenance – Surf Club, to replace the Surf Club furnace which failed during the week between Christmas and New Year's Day

9. Discuss and take action on acceptance of grant in the amount of \$25,760 from the Bauer Trust Advisory Committee for Habitat Exploration Programs at Bauer Park and the Rockland Preserve. On motion made by Mr. MacDougald, and seconded by Ms. Tung, the Board voted unanimously to accept a grant in the amount of \$25,760 from the Bauer Trust Advisory Committee for Habitat Exploration Programs at Bauer Park and the Rockland Preserve, with thanks.

10. Initial discussion of taxpayer relief through use of the Fund Balance. Mr. MacDougald noted that the Board typically takes action to offset the increase in the mill rate by using a portion of the fund balance. Last year the Board provided information to the public on possible scenarios being considered but made it clear a definite decision would not be made until the end of the year due to unknown factors. He suggested the Board might want to begin a discussion on how use of a portion of the Fund Balance will be considered this year.

Ms. Tung commented it would not be appropriate to discuss ideas for use of the fund balance at the first public hearing since this is a Board of Selectmen hearing.

Mr. Pudlin commented that he agrees it would be too early to discuss use of fund balance at the first public hearing. However, he does agree it is helpful for the public to hear a discussion on possible scenarios being considered by the Board during the budget process.

Mr. Casparino agreed it would be helpful to discuss fund balance options at the later public hearing. He agrees with the way the Board handled this discussion last year.

Mr. MacDougald recommended that the Board announce, prior to the second hearing, that there will be a discussion on fund balance scenarios. This would occur part way through the budget workshops.

Ms. Nobitz provided information on the history of use of the fund balance from 2010-2015. She agrees it would be helpful to discuss this issue earlier in the budget process.

Ms. Tung suggested there be some discussion about using fund balance to a level that would bring the balance down from 12% to 10%, which is the required reserve, to ensure that resident are not being over taxed.

The Board members were in agreement that the Board should have a discussion on fund balance similar to last year and agreed an appropriate time to begin the discussion is at the second public hearing.

11. Discuss budget process and public involvement. Mr. MacDougald suggested that the Board members begin to think about which Departments to invite back for additional discussion on their budget and he requested that Board members contact Ms. Nobitz with their requests. The groups to come back should also be provided with the questions in advance so they can come prepared with answers.

Mr. MacDougald commented that it would also be helpful for the Board of Selectmen to advise the Board of Finance of the Departments in attendance at their presentations so the BOF members can choose to also attend.

Mr. MacDougald suggested further discussion on ways to attract more public involvement in the budget process. The usual methods including letters to the editor and public notices get the word out but other ideas to increase public attendance would be beneficial. Mr. Banisch noted that the new Town website will present other opportunities to publicize the budget process. He noted that in the near future they will have the ability for live streaming as well as on-demand streaming.

It was suggested that an announcement about the budget hearings be made at the Capital Improvement Planning Committee meeting tomorrow at 7:30 p.m. since public attendance is expected at this meeting.

Ms. Sullivan commented that the communications sent through the schools are helpful to get the word out to parents about budget meetings.

Mr. Pudlin recommended that the popularity of the Source should also be utilized to advise the public about the budget process and public meetings.

12. Discuss Liaison Assignments. Mr. MacDougald noted that, due to a scheduling conflict, Ms. Tung will not be able to be the liaison to the Senior Commission which meets on the second Thursday of the month at 5:30 p.m. Mr. Pudlin and Mr. Ulstad agreed to work together to share this liaison assignment.

13. Review of Financials. There was no discussion on the monthly financials.

14. Citizen comments. Joe Beerbower, 47 Woodlawn, noted that the State is currently covering the State pension at 42% which is the third worst in the country.

15. Liaison Reports and Report from First Selectman. Mr. Banisch thanked the Board for their consideration with setting the rate for the Tax Deferral program.

Mr. Banisch commented that while working on the budget it is important to focus on revenue in addition to expenses. One item they are looking into is changing the policy at the waste station and not allowing wood and brush items more than 4" in diameter. The site has now been cleaned up after receiving a great volume due to storms. Another option to look at is charging outside people for disposal to generate additional revenue. They will continue to look at other ways to generate revenue.

Mr. Pudlin noted that the Board of Education budget was voted on last night. There are some reductions due to the decrease in enrollment. He believes they are presenting a fair budget.

16. Adjournment. On motion made by Mr. Casparino, and seconded by Mrs. Tung the Board voted unanimously to adjourn the meeting at 8:20 p.m.

Terry Holland-Buckley, Clerk

