



**TOWN OF MADISON  
BOARD OF FINANCE**  
REGULAR MEETING, February 15, 2017

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Draft- Subject to Approval

Present: Joe MacDougald, Mark Casparino, Bennett Pudlin; Jennifer Tung, Jason Ulstad

Also present: Tom Banisch, First Selectman; Stacy Nobitz, Finance Director; Kristen Bartosic, Accountant; Debra Milardo, Human Resources Director; 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 – Regular meeting of January 18, 2017 (regular meeting). On motion made by Mr. MacDougald, and seconded by Mr. Casparino, the Board voted unanimously to approve the minutes of the Regular Meeting of January 18, 2017 as submitted.
3. Chairman’s comments. There were no Chairman’s comments.
4. Citizen and Finance member comments. There were no Citizen or Finance member comments.

**NEW BUSINESS**

5. Review RFP for Auditing Services. Ms. Nobitz noted that Board members were provided a copy of the RFP for Professional Auditing Services for Certified Public Accountants to Conduct an Examination and to Render an Opinion on the Comprehensive Annual Financial Statements of the Town. Proposals are due 11:00 a.m. on March 22, 2017. Proposals will be for a one year contract for the Fiscal Year ending June 30, 2017, with an option to extend the contract for up to an additional four years with Board of Finance approval. Ms. Nobitz noted that the RFP includes a provision to be able to cancel the agreement by the Town serving written notification no later than

January 31st of the fiscal year to be audited. Ms. Nobitz also noted that on page 15 of the RFP, the proposer is required to submit, with their proposal, at least one report that has been awarded the GFOA Certificate of Achievement for Excellence in Financial Reporting within the past three years. The timeline includes a review of proposals including oral interviews between March 27 and April 14, with the Board of Finance appointing the auditor at their April 19th regular meeting. Firms are directed to submit their fee proposal under a separate envelope so the Selection Committee is able to review qualifications first.

The Board members reviewed wording in the last paragraph on Page 13 and recommended that the wording in the last sentence read as follows, "Barring a circumstance reported to the Finance Director, the final report is to be presented to the Board of Finance no later than November 15, 2017."

Ms. Nobitz recommended that the Selection Committee be made up of the First Selectman, Ms. Bartosic, herself and two members of the Board of Finance. Mr. Ulstad agreed to check his schedule to see if he could serve on the Selection Committee and Mr. MacDougald agreed to check if Mr. Cozean would also serve.

On motion made by Mr. MacDougald, and seconded by Ms. Tung, the Board voted unanimously to approve the Town of Madison Request for Proposals for Professional Auditing Services, February 15, 2017 as modified by the Board.

6. Discuss State Budget Update. Mr. Banisch noted that Board of Finance members were provided with a handout with information on the impact the Governor's proposed budget could have on Madison. Mr. Banisch noted that he attended a CCM meeting with the State Budget Director and gained additional information. For FYE 2017, the modified budget would be a net -264,307 and the FYE 2018 would be a net -331,764. An additional proposal calls for the Towns to take on responsibility for 1/3 of the Teacher's Retirement Program. This would be a \$2,602,739 expenses to the Town or a net -\$2,974,614 hit to Madison with the other reductions. He views the proposal regarding the Town's taking over a portion of the teacher pension especially unfair since the Towns never signed up for this responsibility and have had no input on how the pension was set-up, adjusted, controlled or funded. Since the State Teacher's Retirement Plan is currently only funded at 42%, even greater cost increases can be expected in the future.

Mr. Banisch commented that another unfair issue involves attempts to equalize mill rates. Many towns have mill rates in the 20s while many city mill rates are in the 50s and 60s. Under the proposed budget, steps could be taken to penalize the 138 towns who have been responsible in order to provide a benefit to the cities. He is especially concerned that there will be efforts to penalize towns who have responsibly generated reserves to plan for their future needs. The goal will be to adjust budgets so that all cities and towns end up with mill rates in the 40s.

Mr. Banisch noted that he will be attending a COST meeting today and they will be discussing concerns that any efforts by the smaller towns to negotiate could serve to open

up the door to the Governor's proposed ideas and will lead to increases years after year. There is some discussion about the towns joining together to sue the State in an effort to stop these proposals from moving forward.

Mr. MacDougald commented that the action taken by the State last year made it very difficult for the Town, but the current proposal will cause a particularly great hardship. What will make this year particularly difficult is the fact that final numbers might not be known until June 30th. In an attempt to move forward with planning, the Town will need to create a budget assumption and work with that number with an understanding that things could change for both the Town and Board of Education once the State budget is finalized. Last year the budget was set based on an assumed lower number and when a higher revenue number was finally received the cut items were put back into the Department's budgets. Hopefully more information will become available between now and the next meeting to assist with settling on a final number.

Mr. Banisch commented that he believes there will be strong push-back to the legislature from the Towns on the Governor's proposals.

Mr. MacDougald commented that the State is taking some actions to help resolve the budget crisis such as seeking employee concessions. The budget issues need to be resolved but it will take more than one year to solve these problems which took many years to create. This is the State's problem and creation so it is unfair to ask the Towns to play such a large role in resolving these problems.

Mr. MacDougald noted that there is a public hearing on the budget scheduled for March 9th at 7:00 at Polson School and he recommended that the hearing begin with a presentation on what is known about the State budget proposals. He suggested that Representative Kokaruda be asked to attend to provide input on the legislator's thoughts moving forward.

7. Discuss and take action to approve adjusting the salary of the Manager of Payroll and Accounting Services position to Grade 8 as recommended by the Job Evaluation Committee and approved by the Board of Selectmen. Funding is budgeted through a line item transfer from the Salary Reconciliation Account. Ms. Milardo noted that Board members were provided with a copy of the Position Description for the Manager of Payroll and Accounting Services. The Job Evaluation Committee is recommending that the salary for this position be adjusted to Grade 8. This change has been approved by the Board of Selectmen.

The adjustment for this salary is a part of the action to be taken under #9, approval of line transfers.

8. Discuss and take action to approve reclassifying the position of Accountant to the position of Supervisor of Account Management and adjusting the salary to Grade 9 as recommended by the Job Evaluation Committee and approved by the Board of Selectmen. Funding is budgeted through a line transfer from the Salary Reconciliation Account. Ms. Milardo noted that Board members were provided with a copy of the Position Description for the Accountant to the position of Supervisor of Account Management and Manager of Payroll and Accounting Services. The Job Evaluation Committee is recommending that the salary for this position be adjusted to Grade 9. This change has been approved by the Board of Selectmen.

The adjustment for this salary is a part of the action to be taken under #9, approval of line transfers.

9. The following line transfers are designated as routine and appropriate for approval as a single action by the Board of Selectmen, if so desired. Board members may request removal of any line transfer item from the consent agenda for review and discussion. On motion made by Mr. MacDougald, and seconded by Mr. Pudlin, the Board voted unanimously to approve line transfers totaling \$63,956.41.

10. First Selectman update on Town CIP projects. Mr. MacDougald noted that CIP projects were discussed at the last BOF meeting so no further discussion is necessary and this item can be removed from the agenda.

11. Review of Financials. Ms. Nobitz noted that there has been no change in the fund balance projection of \$1.6 million.

In response to a question by Ms. Tung regarding the continued remediation work at Griswold Park, Mr. Banisch explained there will be a special appropriation request for his work in the current year's budget.

In response to a question regarding the Arts Barn work, Mr. Banisch noted that \$75,000 has been budgeted noting that this project became more complicated due to the discovery of PCBs in the roof materials. This project is projected to be completed by June.

Ms. Nobitz provided a report on the Health Insurance reserve account noted that the account is currently close to goal since recent claims were 25% less than expected.

12. Citizen comments. There were no citizen comments.

13. Liaison Reports and Report from First Selectman. Mr. Pudlin noted that there was an outstanding turn-out for the referendum on the budget expansion with an 80 -20 margin for approval of this project.

14. Adjourn. On motion made by Mr. Pudlin, and seconded by Ms. Tung the Board voted unanimously to adjourn the meeting at 7:55 p.m.

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Terry Holland-Buckley, Clerk