

Town of Seymour
Board of Finance

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Minutes

Regular Meeting
Tuesday, September 24, 2013 at 7:00pm
Norma Drummer Room, Seymour Town Hall

Members Present: David Bitso, Trisha Danka, Beverly Kennedy, Bill Sawicki, John Stelma, Ed Wasikowski

Members Absent: Heather McDaniel

Others Present: Rich Buturla, Tony Caserta, Michael Flynn, Rich Grudzias, Frank Loda, Kurt Miller, Doug Thomas

Item #1 – Call Meeting to order

Chairman Trisha Danka called the meeting to order at 7:00pm.

Item #2 – Pledge of Allegiance

Everyone saluted the Flag and recited the Pledge of Allegiance.

Item #3 – Seating of Alternates

None

Item #4 – Public Comment

None

Item #5 – Approval of Minutes—August 27, 2013 Regular Meeting

Motion to approve Minutes from August 27, 2013 Regular Meeting.

Motion: Bill Sawicki

Second: Ed Wasikowski

Yes: 6

No: 0

Abstain: 0

Item #6 – Opinion Letter Regarding the WPCA – Attorney Richard Buturla

- Section 10.14 of the Town Charter was amended and stated that the WPCA budget shall include “expenses for depreciation on capital assets used in sewer plant operation”
- Per the charter, “expenses for depreciation” is not just depreciation. Depreciation is not specifically defined. It is an accounting concept put in the charter.
- The WPCA financial statement lists \$563,278 entry for depreciation.
- Per the WPCA depreciation schedule, the portion of depreciation attributable to plant operations is \$423,602
- The last budget approved by the Board of Selectman had \$339,129.54 available for additional capital improvements. This can be used for a reserve for depreciation of WPCA sewer plant.
- No amount is specified that needs to be allocated for depreciation yearly, but depreciation expenses must be included in the budget.
- Trisha Danka asked if this is following standard GAAP policy. Richard Buturla said that the charter doesn't specify. Bill Sawicki said that state statutes say they need to use GAAP policy. This is an Enterprise Fund. Commercial Accounting rules apply. They need to have depreciation expense. If they will be upgrading their equipment, they will need to establish a debt service. The town should not be funding the bill for the WPCA.

- Richard Buturla said that if it is the intention of the Board of Selectmen and Board of Finance to have the capital reserve match what is carried on the books, the best way to go is to do an ordinance. As soon as Trisha Danka has the information to do this, she will forward to the rest of the Board of Finance.

Item #7 - Comments from the First Selectman

None

Item #8 –Report from the Finance Director

- Last year’s fiscal year reports and current year reports were in the package.
- The areas showing an impending shortage are:
 - Legal claims (currently at \$45,000) – per First Selectman Miller there is a large legal settlement pending and could be looking at a transfer next month.
 - Unemployment compensation (currently at \$2,000)
 - Overtime – Police Department – currently using \$6,000-\$7,000 per week; 3 people still in the academy and 4 people out on workers comp.
 - Public Works – seasonal employees – will use this money in the spring

Item #9 - Transfer Requests

Transfer #17 –Elderly Services

Transfer from Salary Part Time to Salary Regular Employees \$966.14 – director’s operation required additional coverage time for the assistant director. Part time salary less than budget due to less hours used for bus trips.

Trisha Danka requested the forms for timecards and leave requests be updated to a more current version as they are antiquated and not easily read. She also asked if, in the meantime, approvers could be sure to date their approvals. She mentioned nothing can be done about the forms now as we cannot backdate anything and the forms available at the time are the forms available, but there is now a summary sheet provided explaining all of the back-up. Beverly Kennedy then noted that the hours/rates do not add up on the attached sheets.

Motion to table the transfer pending review of the details and more accurate backup.

Motion: Bill Sawicki Second: David Bitso
 Yes: 6 No: 0 Abstain: 0

Transfer #2 – Public Works

Transfer of \$25,000 FROM: Contingency TO: Trees

Transfer for removal of dead and potentially dangerous trees. List of tree locations attached.

Per First Selectman Miller, the truck that we currently have cannot perform the cutting of these trees. With the new truck we anticipate purchasing we would be able to in the future. Trisha Danka asked if we can use FEMA Funds for this. Per First Selectman Miller we do not have this much money left in the FEMA Fund.

Motion to approve the above transfer.

Motion: Ed Wasikowski Second: David Bitso
 Yes: 6 No: 0 Abstain: 0

Transfer #3 – First Selectman’s Office

Transfer of \$20,000 FROM: Contingency TO: Property Purchases

To purchase water company property approved by the Board of Selectman. Resolution attached.

First Selectman Miller offered the following commentary: In May 2012 we were approached by the Regional Water Authority regarding the purchase of an access road off of Squantuck Road. Currently it is an access road for the water company. There are 6 houses on the road that have been there since the 1950's. The banks are saying that the homeowners have no legal access to their homes. They are not able to sell or refinance their mortgages. The residents met with the RWA about having the town purchase the property (about 2 acres). According to Attorney Stanek the property is appraised at \$14,000. But the Town has been assessing the property at \$25,500 for years. At a recent meeting with the RWA attorneys, they offered to sell the land to the Town for \$20,000. Then we would give the residents (and the water company) lifetime easement. Also, we may be able to develop part of the land in the future. It was only recently discovered that these people have been using the road not knowing that they had no legal access to it. The P & Z Committee and the Board of Selectmen have unanimously approved this transfer. Some financial costs will be appropriated to the homeowners for legal fees/portion of cost. Right now, their homes have no value. They can't sell or refinance.

Discussion: Trisha Danka said we do not have enough information as the Board of Finance to make a decision as only a resolution was attached. There is no map, no explanation as to how the real estate professionals have not provided disclosures in the past, or information on how many mortgages were done on these properties over the past many years. Ed Wasikowski asked if we could get something in writing from the homeowners that they would be assuming some costs and how much so that they also had a stake in the property if the town were to move forward in good faith. Also if we could find out what possibilities there are for developing/selling part of the property? Ed Wasikowski asked what benefits there are to this for the town. Kurt Miller said that there is possible revenue if we sell off some of the land in the future but there is no guarantee of that because no work has been done to survey those kinds of possibilities. Most importantly we help these residents. First Selectman Miller said there should not be a problem with the residents contributing something towards costs for this, but we have nothing in writing. David Bitso suggested that we could charge each resident \$2,000 easement fee to recoup some of these costs.

Motion to table the transfer detailed above.

Motion: Ed Wasikowski Second:

No second for the motion.

Motion to approve the transfer detailed above.

Motion: David Bitso Second: Bill Sawicki

Yes: 3

No: 3 (John Stelma, Trisha Danka, Ed Wasikowski)

Abstain: 0

Motion does not pass.

John Stelma asked if this issue could be brought before the Board of Finance again. Kurt Miller said he would speak to the attorney and ask, but we should be able to.

Item #10 – New Business

None

Item #11 – Correspondence

Included in this month's package was a Fraud Risk Assessment

Item #12 – Public Comment

Michael Flynn – 85 Skokorat Street – felt that this matter (of purchasing the land for \$20,000) should be referred to the Attorney General’s Office.

Item #13 – Adjournment

Motion to adjourn

Motion: David Bitso

Second: Bill Sawicki

Yes: 6

No: 0

Abstain: 0

Meeting was adjourned at 8:21pm.

Submitted by:

Monica Dimon

Recording Secretary