



# BOARD OF FINANCE

Clifford J. Hurgin Municipal Center, 1 School Street  
Bethel, Connecticut 06801 Telephone: (203) 794-8501

## MINUTES OF REGULAR MEETING

Tuesday, January 8, 2013  
7:00 p.m.

CJH Municipal Center - Meeting Room "A"

RECEIVED

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TOWN OF BETHEL  
TOWN CLERK

**PRESENT:** William Kingston, Chairman, J. Phillip Gallagher, Patricia Smithwick, Eileen Freebairn, Claudia Stephan, Gary Regan and Timothy Draper. Also in attendance were Comptroller Robert Kozlowski and First Selectman Knickerbocker.

**Call to order/Pledge of Allegiance:** William Kingston called the meeting to order at 7:00 p.m.

**Public Comments:** none

**Minutes of November 13, 2012:** Patricia Smithwick made a motion, which was seconded by Gary Regan, to approve the minutes as presented. Vote, all in favor, motion unanimously approved. Claudia Stephan abstained from the vote as she was not in attendance at the meeting.

### **Comptroller's Report - June 30, 2012 transfers:**

Comptroller Robert Kozlowski noted that he would not have the final figures until the end of the month but does anticipate ending the June 30, 2012 fiscal year with \$100,000 to \$150,000 "in the black".

J. Phillip Gallagher requested that the Board of Education Director of Fiscal Services come to a future meeting of the Board of Finance to give an update on the Board of Education account.

**Transfers:** Patricia Smithwick made a motion, which was seconded by Claudia Stephan, to approve the year end transfers as presented. Vote, all in favor, motion unanimously approved.

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A/C	Department	Debit	Credit
5201	Treasurer	200.87	
5307	Finance Department	8,825.02	
5325	Town Insurance	8,260.66	
5352	Professional Services	129,340.46	
5313	Public Works	20,451.71	
5313	Building Maintenance	31,819.30	
5219	Fleet Maintenance	214.88	
5313	Tree Warden	96,192.12	
5316	Parks & Recreation	142,564.21	
5346	Non-Gov't Agency Subsidies	4,434.74	
5355	Misc. Charges & Transfers	17,064.44	
5350	Contingency		459,368.41
	<b>TOTALS</b>	<b>\$459,368.41</b>	<b>\$459,368.41</b>

A/C	Department	Debit	Credit
5305	Town Clerk		3,159.45
5307	Assessor		7,278.17
5350	Contingency	1,315,006.54	
5313	Selectmen		1,056.68
5201	Tax Collector		2,819.61
5201	Probate		1,463.23
5313	Data Processing		17,669.06
5313	Planning & Zoning		921.23
5201	Registrar of Voters		14,148.32
5505	Boards & Commissions		19,755.89
5113	Employee Benefits		188,872.33
5321	Utilities, Charges		396,593.25
5201	Emergency Management		8,556.09
5201	Fire Marshal		1,340.74
5201	Senior Center		391.82
5201	Building Inspection		2,204.57
5306	Bethel Fire Department		25,409.06
5306	Stony Hill Fire Department		21,026.28
5255	Police Department		1,163.20
5361	Social Services		2,145.16

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5313	Health Department		19,287.87
5313	Highway Department		22,774.47
5638	Debt Service		343,902.96
5201	Library		6.40
5701	Board of Education		207,952.97
5406	Board of Education Maintenance		5,107.73
	<b>TOTALS</b>	<b>\$1,315,006.54</b>	<b>\$1,315,006.54</b>

Bennett Memorial Park - Comptroller Robert Kozlowski advised that the Bennett Memorial Park account may fund the brook dredging project (bids came in too high - not enough was allocated). The town is in discussion about raising rental rates and other revenue producing options which may be pledged towards the cost of the dredging project. There is no formal recommendation at this time.

### Election of Officers

**Chairman:** Patricia Smithwick made a motion, which was seconded by Timothy Draper, to nominate William Kingston as Chairman. There were no other nominations. Vote, all in favor, motion unanimously approved.

**Vice-Chairman:** J. Phillip Gallagher made a motion, which was seconded by William Kingston, to nominate Claudia Stephan as Vice-Chairman. There were no other nominations. Vote, all in favor, motion unanimously approved.

**Secretary:** J. Phillip Gallagher made a motion, which was seconded by William Kingston, to nominate Patricia Smithwick as Secretary. There were no other nominations. Vote, all in favor, motion unanimously approved.

### Consideration of Elderly Tax Relief for Elderly - annual review

Tax Collector Ann Scacco was present at tonight's meeting to discuss the annual review of the Elderly Tax Relief program. Presently, the 321 people receive \$463,939.37 in benefits. The cap of the program is  $\frac{1}{4}$  of 1% of the annual town budget. She noted that if the top bracket of \$48,000 was increased, it would no doubt exceed the cap which would cause a proration of the cap resulting in less of a per person benefit and this would affect those most in need of the benefit program.

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It was discussed and agreed to look into further modifying the Elderly Tax Relief program to include asset restrictions.

J. Phillip Gallagher made a motion, which was seconded by Patricia Smithwick, to accept the state levels of income with the exception of the top tier, which will remain at \$48,000. Vote, all in favor, motion unanimously approved.

## **Consideration of recommendation from Board of Selectmen – funding of additional appropriation to supplement yearly car purchase – Bethel Police Department**

Chief of Police Jeffrey Finch and Captain David Bruckenthal were present to discuss the need for additional funds to purchase the three police vehicles which were included in this year's budget. Due to a number of factors, there is not enough funds to purchase and equip the three vehicles, they are, and the Board of Selectmen has recommended funding an additional \$10,000 to accomplish this purchase.

J. Phillip Gallagher made a motion, which was seconded by Claudia Stephan, to approve the recommendation of the Board of Selectmen and fund an additional \$10,000 for the police vehicles from the Contingency account. Vote, all in favor, motion unanimously approved.

## **Consideration of recommendation to Board of Selectmen – Fund Balance Policy Ordinance**

J. Phillip Gallagher made a motion, which was seconded by Gary Regan, to recommend the Fund Balance Policy (below) to the Board of Selectmen for consideration. Vote, all in favor, motion unanimously approved.

### **Town of Bethel General Fund Balance Policy Adopted by the Board of Finance January 8, 2013**

#### **POLICY STATEMENT**

A positive fund balance serves four important functions:

1. Eliminates the need for short term borrowing to handle cash flow between the start of the fiscal year and receipt of revenue from taxes
2. Periodically can be used to smooth out major fluctuations in the property tax rates

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3. Serves as a contingency fund that enables the Town to respond to unanticipated emergencies or opportunities.
4. Shows stability to bond agencies and credit rating companies to help, ensure and maintain that we are able to get the best rates and ratings available.

Credit rating agencies determine the adequacy of the unreserved fund balance using a complex series of financial evaluations. The size of the fund balance is an important, but not the only consideration in the Town's rating. Other important factors are the reliability of the government's revenue sources, economic conditions, community wealth factors, cash position, debt ratios, management performance, and fiscal decisions made by the legislative body.

This policy is intended to provide for a fund balance which satisfies the cash flow and the contingency needs of the community at the same time avoid over taxing the citizens through an excessively large fund balance.

### **The appropriate level of unrestricted fund balance is to be maintained in the general fund.**

It is the policy of the Town of Bethel to maintain a fund balance of 10 percent of the operating general fund expenditures. It will be practice that no less than 50 percent of the fund balance should available in liquid assets, occasionally dipping below when necessary for short term funding of cash flow and asset acquisition.

### **The policy for replenishing deficiencies.**

If at the end of a fiscal year, the fund balance falls below 10 percent, the Board of Finance shall prepare and submit a plan for expenditure reductions and or revenue increases. The Board of Finance shall take action necessary to restore the unreserved, undesignated fund balance to acceptable levels in no less than five years. The practice shall be to restore as soon as possible without over burdening the tax base.

### **The circumstances in which unrestricted fund balance can be "spent down"**

Operating emergencies

Unanticipated budgetary shortfalls and

In the event the fund balance exceeds 11 percent at the end of any fiscal year, the excess may be used in one or a combination of the following ways.

1. Transfer excess to the Debt Service Fund for future debt payments.
2. Transfer such excess to the Capital or Nonrecurring Fund for future capital projects.

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3. Use directly to reduce the tax rate in the subsequent year provided that care is taken to avoid a major fluctuation in the tax rate in succeeding years.

## Consideration of establishing 2013 regular meeting schedule:

Gary Regan made a motion, which was seconded by Patricia Smithwick, to establish a regular meeting schedule on the second Tuesday of each month, calendar is as follows:

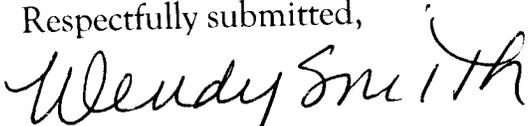
Tuesday, February 12<sup>th</sup>  
Tuesday, April 9<sup>th</sup>  
Tuesday, June 11<sup>th</sup>  
Tuesday, August 13<sup>th</sup>  
Tuesday, October 8<sup>th</sup>  
Tuesday, December 10<sup>th</sup>

Tuesday, March 12<sup>th</sup>  
Tuesday, May 14<sup>th</sup>  
Tuesday, July 9<sup>th</sup>  
Tuesday, September 10<sup>th</sup>  
Tuesday, November 12<sup>th</sup>  
Tuesday, January 14<sup>th</sup>, 2014

All meetings will be held in Meeting Room "A" and begin at 7:00 p.m. unless otherwise noted.

As there was no further business on tonight's agenda, Timothy Draper made a motion, which was seconded by Gary Regan, to adjourn the meeting at 8:03 p.m. Vote, all in favor, motion unanimously approved.

Respectfully submitted,

  
Wendy Smith, Recording Secretary