

**Regular Meeting of the Eastford Board of Selectmen
Wednesday, February 4, 2015, 7:00 PM
Eastford Town Office Building
16 Westford Road
Eastford, CT 06242**

Agenda

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(THIS MEETING WAS RESCHEDULED FROM 2-2-2015 DUE TO SNOW)

- 1. Call to Order**
- 2. Citizens Comments**
- 3. Approval of Minutes**
 - **Regular meeting of the Board of Selectmen on January 5, 2015**
- 4. Approval of Financial Goals and Policies**
- 5. Reset Town Budget Hearing Date**
- 6. Set Special Board Meeting to Review Budget Workbook**
- 7. Set Board Budget Preparation Meeting Dates**
- 8. Connecticut State Library Historic Documents Preservation Grant Resolution**
- 9. Connecticut Department of Emergency Services and Public Protection Resolution**
- 10. Endorsement of NECCOG Regional Performance Incentive Program Applications**
- 11. Nahaco: Band Fest, Funding, Caretaker**
- 12. Regional Services for Land Use Enforcement/Inspections and Building Officials**
- 13. Accept Resignation of Theresa Neely from the Eastford School Readiness Council**
- 14. First Selectman's Report**
- 15. Communications**
 - **OPM Letter Re: STEAP Grants**
 - **Building Construction Report**
 - **Camp Nahaco Park Financial Report**
 - **CCM Prescription Discount Card Program**
 - **State Police Report**
- 11. Add to the Agenda upon two-thirds vote of members present and voting**
- 12. Citizens Comments**
- 13. Adjournment**

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Present: Arthur Brodeur/First Selectman, Terry Cote/Selectman, Robert Torcellini/Selectman

Also Present: Thomas Latham/Finance Director

Call to Order:
AB called the meeting to order at 7:00 pm.

Citizens Comments:
None

Approval of Minutes:
AB/RT moved to approve the minutes of the regular Board of Selectmen meeting on January 5, 2015. Unanimous

Approval of Financial Goals and Policies:
AB/RT moved to approve the Financial Policies as submitted by the Finance Director. Unanimous

*TOWN OF EASTFORD
BUDGET POLICIES
For Fiscal Year 2015-2016*

- 1. The General Fund and the Municipal Reserve Fund, which are the only funds with legally adopted annual budgets, function in a highly integrated fashion to provide the operating funds and capital investments necessary to provide important government services to the Town. The General Fund includes General Government, and Eastford Board of Education. The Municipal Reserve Fund provides a reserve for funding many of our current and future capital and nonrecurring expenditures. Budgetary comparisons are included in the appropriate financial statements and schedules.*
- 2. By December 30, 2014, or specified dates in January 2015, as indicated in the Board of Selectmen's budget request letter, each department head, office, agency, board or commission of the Town, supported wholly or in part from Town funds, shall submit budget requests in the form required by the Board of Selectmen. Each must discuss what programs and services are provided, and indicate what goals were achieved in the current fiscal year and what is to be accomplished during the ensuing year. Budget requests must include capital improvement requests for all foreseeable capital projects needed in the next five years in great detail, and for the subsequent five years in less detail. All operating budget requests shall be accompanied by detailed estimates of expenditures to be made and of revenues to be collected during the ensuing fiscal year. The Board of Selectmen or the Finance Department may follow up on these requests and seek further information.*
- 3. By January 30, 2015 the Eastford Board of Education shall present to the Board of Selectmen:*
 - a. Statements of the Board of Education's proposed operating program and expenditures for the coming fiscal year, along with comparisons of amounts expended in the last completed fiscal year and estimated amounts to be expended in the current fiscal year;*
 - b. Information on amounts of General Fund (ECS/transportation) and other grant revenue (and its use) received in the last completed fiscal year, and estimates for the current and ensuing year;*
 - c. Budget requests including all foreseeable necessary capital improvements needed in the next five years in great detail, and for the subsequent five years in less detail. (Those include all capital projects and purchases whether funding may come from the education budget, grants or the Municipal Reserve Fund, as they all must be considered in developing our long-term capital improvement and financial plans);*
 - d. And such other information as will assist the Board of Selectmen and the Town Meeting in deciding on appropriations.*
- 4. On February 7, 2015, the Local Capital Improvement Committee will meet to carry out their duties as specified in the Town ordinance establishing this committee. They will recommend a Ten Year Capital Improvement Plan to the Board of Selectmen.*
- 5. By February 13, 2015, the First Selectman shall present to the Board of Selectmen whatever drafts and documentation have been assembled by him and the Finance Department relative to the items in this section. The Board of Selectmen will complete their budget presentation package by April 15, 2015.*
 - a. A budget message outlining the financial situation of the Town government and describing the important features of the budget plan;*
 - b. Statements of the First Selectman's proposed operating program and expenditures for the Town functions and Town-supported functions, other than those of the Boards of Education, along with comparisons of amounts expended in the last completed fiscal year and estimated amounts to be expended in the current fiscal year;*

- c. *Information on amounts of revenue collected, by source, in the last completed fiscal year, estimates for the current and for the ensuing year, including information and estimates regarding property tax revenues for the same periods;*
 - d. *Statements of the condition of the Town funds and of the debt service obligations of the Town, proposed capital improvements to be undertaken during the ensuing fiscal year or later years, and the proposed method of financing them;*
 - e. *And such other information as will assist the Board of Selectmen and the Town Meeting in deciding on an annual appropriation and a capital improvement plan.*
 6. *On April 15, 2015 the Board of Selectmen will have agreed upon the following to put forward to the Town hearing:*
 - a. *Estimated Revenues*
 - b. *General Government Budget*
 - c. *Board of Education Budget*
 - d. *Municipal Reserve Fund Budget*
 - e. *Ten Year Capital Improvement Plan*
 7. *The Board of Selectmen shall hold at least one Public Hearing on the budget. A Public Hearing for the 2015-2016 budget is scheduled for April 27, 2015. Following the Public Hearing, the Board of Selectmen shall review the recommendations and adopt proposed budgets, including recommended appropriations. The Town must print copies of the budget report in an amount equal to ten percent of the Town's population and have these copies available to the public at least five days prior to the annual budget meeting.*
 8. *The Town's Annual Budget Meeting shall be held on May 18, 2015. This meeting shall consider the budgets presented by the Board of Selectmen and may approve or lower the General Government, Eastford Board of Education and/or Municipal Reserve Fund budgets.*
 9. *Following approval of the budgets, the Board of Selectmen meet to set the mill rate.*
 10. *The level of control for all legally adopted budgets (the level at which expenditure may not legally exceed appropriations without Board of Selectmen and/or Town Meeting approval) is at the department level for the General Government portion of the General Fund. Budgetary transfers from one department to another within the General Government may be made by the Board of Selectmen. The Eastford Board of Education has full authority over transfers within their own budget. The Board of Selectmen may make one-time additional appropriations of up to \$20,000 to any departmental budget. A Town Meeting must act to approve any appropriation of more than \$20,000 to any departmental budget or change to a previously adjusted appropriation.*
 11. *Except for encumbrance accounting in the General Fund, all budgets are prepared on the modified accrual basis of accounting. Any encumbrances on June 30 are the result of unfulfilled purchase orders, contracts, or other commitments, and are recorded in order to reserve that portion of the applicable appropriations. Since the Town intends to honor contracts in process at year end, encumbrances outstanding as of June 30 are reported as assignments of fund balance, since they do not constitute expenditures or liabilities.*
 12. *Unencumbered appropriations lapse at fiscal year-end, except for Municipal Reserve Fund capital improvement appropriations, which remain in effect until completion or other disposition.*
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*TOWN OF EASTFORD
FINANCIAL MANAGEMENT GOALS
For Fiscal Year 2015-2016*

The Board of Selectmen has developed the following to aid current and future board members in planning, monitoring and communicating to the community the Town's approach to financial management. These goals are revisited every year to keep them current.

FINANCIAL REPORTING PERFORMANCE GOALS

- *The Town will adhere to full and open disclosure of all financial activity.*
- *Records will be maintained on a basis consistent with accepted municipal accounting standards.*
- *The audited financial statements will be prepared in conformity with generally accepted governmental accounting principles and financial reporting practices.*
- *An independent public accounting firm will be employed to perform an annual audit of all Funds, Agencies and Grant Programs. The annual audited financial statements will be made available to the general public, bond and financial consultants, lenders, and other interested parties. The audit will be completed and submitted to the Board of Selectmen within one hundred seventy-five (175) days of the close of the Town's fiscal year.*
- *501(c)3 organizations that use funds provided by the Town must report how those funds were used to the Board of Selectmen on an annual basis.*

FUND BALANCE GOALS

- *The goal is to preserve the Town of Eastford financial stability and maintain the Town's credit worthiness while ensuring a positive cash flow in the event of temporary revenue shortfalls and/or unanticipated major expenditures.*
- *The goal is to not use the Unassigned Fund Balance for operating expenses, as this practice has an inherently destabilizing impact on current and future operating budgets.*
- *A year-to-year carryover of Unassigned Fund Balance will be maintained in an amount necessary for adequate cash flow and to prevent the demand for short-term borrowing. The Unassigned Fund Balance should be approximately seventeen (17) percent of the General Fund Current Year Budgeted – Total General Fund Expenditures considered in a long-term context. (Please refer to Eastford's General Fund – Unassigned Fund Balance Policy statement for a more in depth discussion.)*
- *Fund balance in excess of the goal shall be transferred through the General Fund Budget to the Municipal Reserve Fund to be used for one-time expenditures, except in the rare instance where a portion of the excess is used to balance the operating budget.*
- *Government Accounting Standards Board (GASB) fund classifications and hierarchies will be used for fund balance reporting.*

CAPITAL IMPROVEMENTS PERFORMANCE GOALS

- *Capital improvements will be based on long-range projected needs in order to minimized future maintenance, replacement and capital costs.*

- *All capital improvements should be made in accordance with the Town's Ten Year Capital Improvement Plan. The capital improvement plan shall be revisited annually.*
- *The development of the capital improvement plan will be coordinated with the operating budget in order to maintain a reasonably stable total tax levy.*
- *Unanticipated capital improvements will be funded from Municipal Reserve Fund to the extent resources are available.*
- *Before submission to the Board of Selectmen, each capital project proposal will identify the estimated cost and potential funding sources. Future operating costs associated with a proposed capital improvement will be evaluated before a decision is made to implement a project.*
- *Federal, State and other intergovernmental and private funding sources will be sought out and used as available to assist in financing capital improvements.*

INVESTMENT PERFORMANCE GOALS

- *A cash flow analysis of all funds will be developed on a regular basis. Collections, deposits and disbursement of all funds will be scheduled, to the extent possible, in a way that maximizes cash availability.*
- *Where permitted by law, cash from separate funds and sources will be pooled to maximize investment yields.*
- *Investment policy will be consistent with State law and will provide for security of principal, as well as needed liquidity.*

DEBT PERFORMANCE GOALS

- *The Town currently has several long-term capital leases, but does not have any long-term debt in the form of general obligation bonds or notes.*
- *Long-term debt will be limited to those capital improvements that should not be financed from current revenues.*
- *The maturity date for any debt will not exceed the reasonably expected useful life of the project so financed.*
- *The total direct general obligation debt will not exceed statutory limits.*
- *The issuance of Bond, Tax and Revenue Anticipation Notes will be avoided.*
- *An official statement will be prepared to be used in connection with all sales of bonds and notes.*
- *Good relations will be maintained with financial and bond rating agencies, and a policy of full and open disclosure on every financial report and bond prospectus will be followed.*

OPERATING EXPENDITURES PERFORMANCE GOALS

- *The Board of Selectmen will strive to propose, and the Town Meeting will normally adopt a balanced General Fund budget in which operating expenditures will not be allowed to exceed a reasonable estimate of resources and revenues. Estimated resources may include use of some of the Unassigned Fund Balance, but normally this would only be done to transfer excess Fund Balance to the Municipal Reserve Fund.*

- *All current operating expenses will normally be paid from current revenue sources, including a portion of excess fund balance if absolutely necessary and then only on a temporary basis.*
- *The operating budget will provide for the adequate maintenance of capital assets and equipment.*
- *The budget will provide for adequate funding of all agreed to employee benefit programs.*
- *A budgetary control system will be maintained to enable adherence to the adopted budget. This will include a record keeping system to be adhered to by all programs and activities receiving annual town budget appropriations.*
- *A system of regular monthly financial reports comparing actual revenues and expenditures to budgeted amounts will be prepared and distributed.*
- *An effective risk management program to minimize loss and reduce costs will be developed and implemented. The Board of Selectmen will ensure that adequate insurance programs are in place, including worker's compensation insurance.*
- *Delivery of services by other public and private organizations will be encouraged whenever and wherever greater efficiency and effectiveness can be expected.*
- *Technology and productivity advancements will be sought in order to help reduce or avoid increasing personnel costs as a proportion of the total budget, use available resources more productively and creatively, and avoid duplication of effort and resources.*
- *A Municipal Reserve Fund will be maintained and will be adequately funded each year by a transfer from the General Fund Budget.*

REVENUE PERFORMANCE GOALS

- *Annual revenues will be estimated based on an objective and reasonable basis. The Board of Selectmen will project revenues on a multi-year basis as part of a long term approach to financial planning.*
 - *Special Revenue Funds are used to account and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.*
 - *One-time or special purpose grant revenue will only be used for capital expenditures specified by the revenue source and not to subsidize recurring personnel, operation or maintenance costs.*
 - *The creation of any new special revenue fund must be approved by the Board of Selectmen.*
 - *The purpose of the special revenue fund and its operating rules must be formally documented.*
 - *All user charges and fees will be annually re-evaluated giving consideration to the cost of providing the related services.*
 - *Appropriate expansion and diversification of the tax base will be encouraged and additional Federal and State revenues will be sought in order to reduce the reliance on the property tax due to its effect on the individual homeowners.*
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TOWN OF EASTFORD - GENERAL FUND - UNASSIGNED FUND BALANCE POLICY

It is essential that municipalities maintain adequate levels of Fund Balance in their General Fund to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenditures) and to ensure stable tax rates.

Eastford must maintain a prudent level of financial resources to protect against the necessity to reduce service levels or increase taxes because of temporary revenue shortfalls or unpredicted one-time expenditures.

Fund Balance levels are also a crucial consideration in long-term financial planning. Fund Balance in other funds should be considered in assessing the adequacy of the Unassigned Fund Balance in the General Fund. Credit rating agencies monitor levels of Fund Balance and Unassigned Fund Balance in municipal General Funds in order to evaluate continued credit worthiness and assign bond ratings.

This policy statement addresses the level of Unassigned Fund Balance that should be maintained in the General Fund, and specifies plans for increasing or decreasing the level of the Unassigned Fund Balance if the current balance is inconsistent with that policy.

The Government Finance Officers Association (GFOA) recommends, at a minimum, that a municipality, regardless of size, maintain an Unassigned Fund Balance in their General Fund of no less than two months (or 17%) of operating expenditures, considered within the context of long term forecasting rather than at one particular time. A higher or lower minimum may be appropriate depending on a municipality's specific circumstances.

Factors to consider include predictability of revenues, volatility of expenditures, perceived exposure to significant one-time outlays, potential drain upon general fund resources from other funds, the availability of resources from other funds, and the need for liquidity to manage annual cash flow.

*Considering all of these factors, we hereby adopt **17%** of our Current Year Budgeted – Total General Fund Expenditures as the minimum long-term target level for our General Fund Unassigned Fund Balance.*

If the Board of Selectmen see that the level of Unassigned Fund Balance exceeds this target they shall propose a General Fund budget at the annual Town Meeting that transfers such excess to the Municipal Reserve Fund to be used for “unspecified future capital and nonrecurring expenditures.” Appropriations from this fund for specific projects will be made through the annual Municipal Reserve Fund budget, which includes a portion of the items in the first year of Eastford's Ten Year Capital Improvements Plan.

Every effort will be made to achieve “structurally balanced” operating budgets, where recurring revenues match recurring expenditures, which offers financial sustainability multiple years into the future. Unassigned Fund Balance may be used to achieve a balanced budget, but only as part of a plan to return to a structural balance, replenish fund balance, and ultimately remediate the negative impacts of any short-term balancing actions that may be taken. Replenishing fund balance might also be achieved with non-recurring revenues, annual budget surpluses, and excesses resources in other funds. Controlling operating expenditures is often a key part of such replenishment plan. Replenishment within three years is the general goal, but this will vary based on the cause of the imbalance and the availability of resources.

TOWN OF EASTFORD – UNEXPENDED EDUCATION FUNDS POLICY

*Background: CGS Sec. 10-248a. Unexpended education funds account. This statute provides that Town Meeting may authorize deposit into a nonlapsing account any unexpended funds from the prior fiscal year from the budgeted appropriation for education for the town, provided such amount does not exceed **one** per cent of the total budgeted appropriation for education for such prior fiscal year.*

Municipal Reserve Fund – Unexpended Education Funds Account

*The Eastford Board of Selectmen hereby establishes an **Unexpended Education Funds Account** within the Town's Municipal Reserve Fund (reserve fund for capital and nonrecurring expenditures) in accordance with CGS Sec. 10-248a. The amount to be deposited into this account each year will be determined by the Board of Selectmen upon completion of the annual audit, and funded by a transfer from the General Fund in the*

next operating budget. This does not preclude the Board of Selectmen, at the request of the Board of Education, from bringing transfer and appropriation requests to a Special Town Meeting, when the Board of Education has a valid reason to commit to a specific project prior to the beginning of the next fiscal year. This account will be subject to all statutory requirements applicable to our Municipal Reserve Fund. Appropriations from this account will be available for capital projects or purchases for which the BOE has responsibility, as discussed in the BOE Capital Asset Responsibility Policy below, and which are included in Eastford's Ten Year Capital Improvement Plan. Appropriation requests from the Board of Education to the Board of Selectmen must identify a specific capital project or purchase, and such appropriation requests require approval at a Town Meeting through the Municipal Reserve Fund.

TOWN OF EASTFORD – BOE CAPITAL ASSETS RESPONSIBILITY POLICY

The purpose of this policy is to clarify responsibility for the cost of acquiring Eastford Elementary School capital assets. Capital assets are defined in the “Town of Eastford – Capital Assets Policy”.

*The Eastford Board of Education will be responsible for the purchase of all capital assets costing less than **one** percent of the total budgeted appropriation for education for the prior fiscal year. They may be paid for with money in the Unexpended Education Funds Account within the Municipal Reserve Fund, from the annual General Fund appropriation for education, or with grants.*

*The Board of Education will also pay from the same sources for getting all proposed projects, expected to cost less than **ten** percent of the total budgeted appropriation for education for the prior fiscal year, to the point of “bid ready”.*

All other Eastford Elementary School capital assets costs, not covered by grants, will be paid for by the Town either from Municipal Reserve Fund money other than Unexpended Education Funds, or from the proceeds of debt financing.

Reset Town Budget Hearing Date:

AB/RT moved to reset the Town Budget Hearing Date to May 4, 2015 and to reset the Regular Board of Selectmen meeting date to May 6, 2015. Unanimous

Set Special Board Meeting to Review Budget Workbook:

AB/TC moved to set a special Board of Selectmen meeting to review the budget workbook on Wednesday, February 18, 2015 at 9:00 a.m. Unanimous

Set Board Budget Preparation Meeting Dates:

AB/RT moved to set special Board of Selectmen meetings for preparation of the budget to February 25, March 11, March 25, April 8, April 15, and April 22, 2015 all at 9:00 a.m. Unanimous

Connecticut State Library Historic Documents Preservation Grant Resolution:

AB/TC moved a resolution status that First Selectman Arthur Brodeur is empowered to execute and deliver in the name of and on behalf of the municipality and contract with the Connecticut State Library for an Historic Documents Preservation Grant. Unanimous

Connecticut Department of Emergency Services and Public Protection Resolution:

AB/TC moved approval of the authorizing resolution of this grant with the amendment of the correct Board of Selectmen meeting date of February 4. Unanimous

Endorsement of NECCOG Regional Performance Incentive Program Applications:

AB/TC moved to endorse the NECCOG Regional Performance Incentive Program Applications except for the one on the expansion of the Animal Care Facility in Dayville. Unanimous

Nahaco: Band Fest, Funding, Caretaker:

- **Band Fest – A concert at Nahaco in June was proposed by the Camp Nahaco Park Commission. All proceeds to Nahaco. A number of issues raised and in need of resolution.**
- **Funding – Discussion of Ordinance and business plan.**
- **Caretaker – AB will meet with Woodstock First Selectman Allan Walker when he returns from vacation to discuss.**

Regional Services for Land Use Enforcement/Inspections and Building Officials:
A number of towns, including Eastford, cannot afford full time positions for Land Use Enforcement and Building Officials. AB will tell NECCOG Eastford supports their going ahead with the study and we will retain the right to do what's best for Eastford after hearing the results. The Board of Selectmen agreed.

Accept Resignation of Theresa Neely from the Eastford School Readiness Council:
TC/AB moved to accept the resignation of Theresa Neely from the Eastford School Readiness Council. Unanimous

First Selectman's Report:

- **Applause to Ben Schmidt, James Roy, Denis Day and others of the Eastford Public Works Department for spending so many hours to keep the roads in such good shape with the tremendous amount of snow we've had.**
- **Applause to Emergency Management Director Deb Richards for being ready with warming space or whatever would be needed in the event of power outages.**
- **COST met with the Governor, Lieutenant Governor and legislative leaders regarding State Budget.**
- **BOE Budget submission**
- **Building Officials fees – analysis and comparisons**
- **AB met with Town Engineer and Public Works to proceed on Westford Road Drainage Project and discussion of water in the Ivy Glenn Memorial Building**
- **AB had conversation with State Police regarding burglaries in Town.**

Communications:

- **OPM Letter Re: STEAP Grants**
- **Building Construction Report**
- **Camp Nahaco Park Financial Report**
- **CCM Prescription Discount Card Program**
- **State Police Report**

Add to the Agenda:

AB/TC moved to add Accept Resignation of Mary Ellen Ellsworth from Camp Nahaco Park Commission and Approval of Property Tax Refunds. Unanimous

Accept Resignation of Mary Ellen Ellsworth from Camp Nahaco Park Commission:
AB/RT moved to accept the resignation of Mary Ellen Ellsworth from Camp Nahaco Park Commission with regret and with gratitude for her many years of service to the Park. Unanimous

Approval of Property Tax Refunds:

AB/TC moved to accept the property tax refunds as submitted by the Tax Collector. Unanimous

Citizens Comments:

Tom Latham informed the Board of the documents to be handed out at LoCIP Meeting.

Adjournment:

RT/TC moved to adjourn at 7:59 pm.

Respectfully submitted by: _____
Brenda A. Willis, Secretary

Approved, March 2, 2015 _____
First Selectman, Arthur W. Brodeur