

**AMENDED DRAFT
MONROE BOARD OF FINANCE
Monroe, Connecticut**

**Voting Record
November 18, 2015**

Present: Chairman Michael Manjos
Board Member Debra Dutches
Board Member John Ostaszewski
Board Member Ted Quinlan
Board Member Christine Rigby

Also present: First Selectman Steve Vavrek
Tax Collector Manny Cambra
Finance Director Ron Bunovsky, Jr.
Deputy Finance Director Heidi Meade

Absent: Board Member Carl Ferraro

REVIEW OF MINUTES AND VOTING RECORD

Motion to Approve the Special Meeting Minutes and Voting Record of October 28, 2015

Motion: (J. Ostaszewski)

To approve meeting minutes and voting record

Second: (T. Quinlan)

Discussion: Board Member Dutches requested clarification on the discrepancy she inquired about at the previous meeting regarding a transfer; the Minutes will be amended to read, "the discrepancy was identified as being a transfer of funds from the Parks and Recreation Contra Account."

Motion passed 5-0

2014-2015 Transfer-Trumbull-Monroe Health District 4th quarter 2015

Mr. Bunovsky said that The Trumbull Monroe Health District terminated effective June 30, 2015. The 4th quarter payment for FY2015 was not made and is being held to pay anticipated termination expenditures related to the Health District. He added that the costs have not been incurred as yet and that he has spoken with the auditors regarding the transfer.

	From	To
Health District-Supplemental Appropriation	42,645.50	
Reserve-TMHD Termination		42,645.50

Motion to Approve a transfer from the General Fund Health Supplemental Appropriation to Reserve-TMHD Termination

Motion: (D. Dutches)

Motion to approve transfer

Second: (T.Quinlan)

Discussion: Board Member Quinlan asked if the legal issues have been resolved; Mr. Bunovsky said that they were not entirely; Chairman Manjos added that a draft agreement was written up though it has not been signed as yet. Board Member Quinlan asked if the Town would be liable for anything above the amount stated; Mr. Bunovsky said that the intent was not to be.

Motion passed 5-0

Motion to amend the agenda by adding Fire Apparatus as Item D under New Business

Motion: (T. Quinlan)

To amend the agenda

Second: (J. Ostaszewski)

Discussion: None

Motion passed 5-0

Town of Monroe

Policies & Procedures - Capital or Nonrecurring Expenditure Fund (Capital Reserve Fund)

Authority

Chapter VIII, Section 7 (h) of the Town Charter reads as follows:

"Any portion of an annual appropriation remaining unexpended and unencumbered at the close of the fiscal year shall lapse except for the **capital or nonrecurring expenditure fund** and other such specifically allocated reserve funds.

Appropriations for capital construction or other

permanent improvements shall not lapse until the purpose for which the appropriation was

made shall have been accomplished or abandoned. **A project shall be deemed to have been**

abandoned if three (3) fiscal years shall lapse without any expenditure from or encumbrance of the appropriation there for."

Policies & Procedures

1. Upon recommendation of the Director of Finance and the approval of the Board of Finance, there shall be paid into such reserve fund amounts authorized to be transferred thereto from the general cash surplus available at the end of any fiscal year; or amounts appropriated through the annual budget and raised by the annual tax levy for the benefit of such fund. All amounts transferred to the fund, which have not been appropriated (committed) for a specific capital or nonrecurring expenditure will be recorded to the **Assigned Fund Balance** in the Capital Reserve Fund.

2. In order to be appropriated for a specific purpose, expenditure must be qualified. A qualified expenditure is:

- (a) \$5,000 or greater, **and**
- (b) for the planning, construction, reconstruction or acquisition of any specific capital improvement or item of equipment, **or**
- (c) is nonrecurring (but not capital) and not appropriated in the annual budget. (example: an emergency repair to a piece of equipment in excess of \$5,000)

3. Appropriations from the Assigned Fund Balance of \$50,000 or less require the approval of the Board of Finance. All appropriations in excess of \$50,000 require the approval of **both** the Board of Finance and the Town Council. **Any appropriation in excess of \$150,000 requires a Town Meeting as prescribed by Chapter IX, Sec. 1 of the Town Charter.**

4. Once an expenditure appropriation is approved, the funds should be transferred from the Assigned Fund Balance to the Committed Fund Balance.

5. If a Specific Project is deemed to have been abandoned due to a lack of activity as described above, the appropriation (commitment) will lapse and the funds will transfer back to the Assigned Fund Balance. They will then require the proper approval(s) in order to be re-appropriated for a specific purpose in the future.

(a) **Should a Specific Project be completed without using all appropriated funds, such excess should be returned back to the Assigned Fund Balance immediately.**

(b) **Should additional funds be needed to complete a Specific Project, such additional funds shall be approved in accordance with the earlier provisions.**

Motion to Approve the Policies & Procedures - Capital or Nonrecurring Expenditure Fund (Capital Reserve Fund)

Motion: (T. Quinlan)

Motion to approve fund

Second: (C. Rigby)

Discussion: None

Motion passed 5-0

Transfer of \$250,000 of FY2015 Surplus to the Capital Reserve Fund-*Mr. Bunovsky* said that it is estimated that the Town will have a surplus for the fiscal year ending June 30, 2015 of approximately \$1,000,000. He recommends that the Board of Finance approve a year end transfer of \$250,000 from this FY2015 surplus to the Assigned Fund Balance in the Capital Reserve Fund (effective 6/30/2015).

BE IT RESOLVED THAT, in accordance with chapter VIII section 7 (g) Town Charter the following transfer is approved:

Motion to Approve the Transfer of \$250,000 into the Capital Reserve Fund

Motion: (J. Ostaszewski)

Motion to approve transfer

Second: (C. Rigby)

Discussion: None

Motion passed 5-0

Capital Reserve Fund (2300)-Appropriation of \$16,764 to the Committed Fund Balance for Public Works Equipment to fund a deficit in the Fund Balance. Mr. Bunovsky said there was an overspend a few years ago in one of the specific commitments and one of the committed balance was a deficit balance. It is basically cleaning up the account and zeroing out the commitment.

BE IT RESOLVED THAT, in accordance with chapter VIII section 7 (g) Town Charter the following transfer is approved:

	From	To
<u>Capital Reserve Fund</u>		
Assigned Fund Balance	\$16,764	
Committed Fund Balance-Public Works Equipment		\$16,764

Motion: (J. Ostaszewski)

Motion to approve transfer

Second: (T. Quinlan)

Discussion: None

Motion passed 4 (Manjos, Ostaszewski, Quinlan and Rigby) -1 (Dutches)

Transfer of Funds within the Capital Reserve Fund due to a lapse in the appropriation pursuant to Chapter VIII, Sec. 7 (h) of the Town Charter

The following Committed Fund Balances within the Capital Reserve Fund have been inactive for more than three fiscal years.

BE IT RESOLVED THAT, in accordance with chapter VIII section 7 (g) Town Charter the following transfer is approved:

	From	To
Committed Fund Balance-Dugas Farm	\$30,000	
Committed Fund Balance-Open Space	\$16,000	
Committed Fund Balance-Tree Planting	\$5,078	\$51,078

Motion: (C. Rigby)

Motion to approve transfer

Second: (T. Quinlan)

Motion passed 4-0

Capital Reserve Fund (2300)-Appropriation of Expenditures and Transfer of Funds
Mr. Bunovsky recommended that the following expenditure appropriations be approved and the transfer of funds made from the Assigned Fund Balance to the Committed Fund Balance in the Capital Reserve Fund.

BE IT RESOLVED THAT, in accordance with chapter VIII section 7 (g) Town Charter the following transfer is approved:

	From	To
<u>Capital Reserve Fund</u>		
Assigned Fund Balance	\$83,000	
Committed Fund Balance-Town Maintenance Reserve		\$45,000
Committed Fund Balance-Public Works Equipment		\$38,000

- 1) Sippin Energy Products in the amount of \$12,500 for the replacement of 2 boilers at Stepney Fire Station #2 (Committed Fund Balance-Town Maintenance Reserve).
- 2) Eastern Mechanical Services, Inc. in the amount of \$22,500 for the replacement of the boiler at Stevenson Fire Station # 2 (Committed Fund Balance-Town Maintenance Reserve).
- 3) Tyler Equipment Corporation in the amount of \$38,000 for a new hydraulic transmission for the Volvo L90F Loader at the highway garage (Committed Fund Balance-Public Works Equipment).
- 4) Tilcon Inc. in the amount of \$10,000 for asphalt to pave the police shooting range on Garder Road (Committed Fund Balance-Town Maintenance Reserve).

Motion: (C. Rigby)

Motion to approve transfer

Second: (J. Ostaszewski)

Motion passed 4-0

Transfer of excess bond proceeds from the Capital Reserve Fund (Committed Fund Balance) to the General Fund (Assigned Fund Balance-Debt Service)

The Town Hall Roof Replacement Project, which was completed in FY2014, has a remaining Committed Balance of \$22,080. The remaining fund balance proceeds received in excess of the expenditures required to finish the project.

BE IT RESOLVED THAT, in accordance with chapter VIII section 7 (g) Town Charter the following transfer is approved:

	From	To
<u>Capital Reserve Fund (2300)</u>		
Committed Fund Balance**	2300-134999	\$22,080
Due To/From General Fund	2300-122300	\$22,080

Motion: (D. Dutches)
Motion to approve transfer
Second: (J. Ostaszewski)
Motion passed 4-0

BE IT RESOLVED THAT, in accordance with chapter VIII section 7 (g) Town Charter the following transfer is approved:

<u>General Fund (1001)</u>			
Due To/From General Fund	1001-121001	\$22,080	
Assigned Fund Balance	1001-134000		\$22,080

**This account is incorrectly titled Undesignated Fund Balance on the Town books, but has been reported correctly as Committed on the Town Financial Statements.

Motion: (J. Ostaszewski)
Motion to approve transfer
Second: (T. Quinlan)
Motion passed 4-0

ADJOURNMENT
Motion to Adjourn at 9:15 p.m.
Motion: (J. Ostaszewski)
Motion to adjourn
Second: (T. Quinlan)
Discussion: None
Motion passed 5-0