

Town of Montville Finance Committee

Regular Meeting Minutes for

July 31, 2012

5:30 p.m. Room 203

Gary Murphy called the meeting to order at 5:39 p.m. He also led the Pledge of Allegiance. Present were Candy Buebendorf, Rosetta Jones, Mayor Ron McDaniel and Finance Director Terry Hart.

Remarks from the Public: Hart requested two items be added to the agenda. Jones moved, second by Buebendorf, to add item c, discussion of a municipal bidding site called Municibid and item d, discussion of bond counsel. Motion passed.

Minutes: Buebendorf moved, second by Jones, to approve the minutes of the 7/2/12 meeting. Motion passed.

Agenda Items as follows:

The committee discussed consolidation of finance functions of the Town and Board of Education. Buebendorf had forwarded information she had received from CCM. The committee felt that the Town of Mansfield had successfully implemented consolidation. Hart will contact the Finance Director in Mansfield and set up a time for the committee to meet with them to discuss the process they went through. The committee discussed their disappointment in the \$2.9 mil that the BOE encumbered and the fact that the Superintendent did not forward the finance report as promised. Jones would like a detail of the purchase orders they issued.

The committee reviewed the town's purchasing policy and agreed that there is a need to update the 12 year old policy. They have received various sample policies from CCM. Hart will meet with department heads to get their input and report back to the committee at the August meeting. It will then be sent to Administration for their September meeting.

Hart updated the committee that she has received information from a municipal bidding site called Municibid. There is no charge to the municipality. Many town and cities, including Boston, are using this site. The Mayor and Public Works Director agreed that this would be a good way to sell surplus equipment.

Hart informed the committee that she was seeking quotes for bond counsel. There is not enough time to do a formal bid, but she feels that it is important to get quotes because it has not been done in quite some time. The current bond counsel, Robinson and Cole, has charged from \$26,000 to \$45,000 for recent bond issues. Hart has received two quotes so far, one for \$15,000 and the other for \$10,000. She is still waiting for one from Robinson and Cole. She will forward this information to the Town Council and they will decide at a special meeting on August 6 if necessary.

Remarks from the Public

Wils Pike, Pheasant Run, stated that he feels according to the current purchasing policy, it is up to the Mayor and the Finance Director to make the decision regarding accepting bids. He is concerned that the BOE encumbered several purchase orders to themselves. He also informed the committee that there was a small bus and a large bus purchased at the end of the year. There is no policy regarding the purchase of

buses. The person responsible for the bus fleet was asked by the business manager if she could use any buses. He stated that he doesn't understand how the BOE could encumber \$3.5 mil at the end of the year and still have requested an increase of \$994,000 for the 2012-13 budget. He also questioned how they could have \$680,000 in savings and still layoff 2.5 teachers.

Kevin Fritch, 12 Morgan Street, questioned the integrity of the capital improvement plan if the BOE is making capital purchases out of their operating budget.

Richard Gladue, 44 Cook Road, stated that he supports using local vendors for town purchases.

Stephen Day, 33 Porach Road, stated that he does not like the use it or lose it mentality of the BOE. He feels their budget needs to be controlled and the way to do that is to give them a 0% increase again next year. He stated that he supports consolidation of the finance functions.

Jones would like to get a copy of the BOE's purchasing policy and she would like their input on exploring consolidation. Buebendorf stated that she is very disappointed that the committee did not receive the financial statement from the BOE that were requested and also in their spending and the raise given to the Superintendent.

Murphy apologized to Mr. Pike and Mr. Fritch for giving them false information regarding the BOE encumbrance figures. He was told that the majority of the amount was the balloon payment for the employees. He was disappointed that the members of the BOE who were present at that meeting did not correct him. He is upset that the BOE has not been straight forward with the Town and the taxpayers.

Buebendorf moved, second by Jones, to adjourn the meeting at 6:45 p.m. Motion passed.

Theresa Hart, Director of Finance