



# BOARD OF FINANCE

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

## MINUTES OF REGULAR MEETING

Tuesday, September 13, 2011  
7:00 p.m.

CJH Municipal Center - Meeting Room "A"

RECEIVED

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TOWN OF BETHEL  
TOWN CLERK

**PRESENT:** William Slifkin, Chairman, J. Philip Gallagher, John Dietter, William Kingston, James Roden, Gary Regan and Timothy Draper.

Also in attendance were Comptroller Robert Kozlowski, First Selectman Matthew Knickerbocker, Joseph Centofanti - town auditor - Kostin & Ruffkess, Matthew Cassavechia, Director, Emergency Medical Services with Danbury Hospital and Bethel Police Captain Robert Cedergren.

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

**Public Comments:** Brian Terzian (independent auditor review), Dan Gaita (Ethics Commission dismissal/Charter Enforcement Committee) and Robert Crnic (transfers) spoke.

J. Philip Gallagher made a motion, which was seconded by John Dietter, to add to tonight's agenda, discussion of Old Town Hall. Vote, all in favor, motion unanimously approved.

### Discussion of Old Town Hall:

J. Philip Gallagher provided information to the Board of Finance on sales of other town properties that brought revenue to the town, and he wanted the 2000 motion (below) to be part of recent minutes.

J. Philip Gallagher made a motion, which was seconded by John Dietter, to include in these meeting minutes, a quote from the Special Town Meeting, the night of December 5, 2000 the following was stated by the Architect David Jepson on behalf of the Bethel Library Project "...Old Town Hall will remain, still use the area between the old Town Hall and the Seeley House for parking. The balance of parking as required by zoning would be provided nearby off site." Vote, all in favor, motion unanimously approved.

J. Philip Gallagher made a motion, which was seconded by John Dietter, to add to tonight's agenda, Minutes of June 14, 2011. Vote, all in favor, motion unanimously approved.

**Minutes of June 14, 2011:** J. Philip Gallagher made a motion, which was seconded by John Dietter, to approve the minutes as presented. Vote, all in favor, motion unanimously approved.

**Minutes of July 19, 2011:** J. Philip Gallagher made a motion, which was seconded by John Dietter, to approve the minutes with the inclusion that under comment by J. Philip Gallagher, to add "*he would have recommended that it be used to reduce the cost of the Track Lights*". Board of Finance member J. Philip Gallagher mentioned the money would normally be added to the General Fund, which would have a greater and more positive impact for the town. Would help to improve the town Bond Rating! Vote, all in favor, motion unanimously approved.

James Roden made a motion, which was seconded by John Dietter, to move Consideration of Board of Selectmen request for acceptance of donated land from Rotella Estate to this point in the agenda. Vote, all in favor, motion unanimously approved.

### **Consideration of Board of Selectmen request for acceptance of donated land from Rotella Estate**

The Board of Selectmen had sent a recommendation to the Board of Finance advising that under the terms of Frank Rotella's resubdivision approval for Oak Tree Hills (Knollwood Drive), it was agreed that he would turn over a portion of the property as open space to the Town. Now that Mr. Rotella has passed away, his estate is trying to finalize paperwork which includes deeding over this open space per the resubdivision approval with the Planning & Zoning Commission. The Board of Selectmen has approved this recommendation to accept the 3.874 acres and had referred it to the Board of Finance for consideration.

J. Philip Gallagher made a motion, which was seconded by John Dietter, to concur with the Board of Selectmen recommendation to accept the open space land. Vote, all in favor, motion unanimously approved.

A Special Town Meeting will be scheduled by the Board of Selectmen.

### **Discussion with Town Auditors - meet/review audit concerns**

At the July 19<sup>th</sup> meeting, James Roden had brought up the topic of transfers from the General Fund being used as loans and/or transfers to enterprise accounts without Board of Finance approval.

Joseph Centofanti, from the town audit company Kostin & Ruffkess, was present to discuss with the Board of Finance, the questions brought up at the last meeting regarding transfers and/or loans to the enterprise funds. James Roden said he reads the statutes as the Board of Finance having to approve loans and any transfers. Mr. Centofanti explained that these are not "transfers" and do not require Board of Finance approval; they are intra-company loans. Mr. Centofanti clarified that they are, in fact, an accounting standard called "due to's" and "due froms" and are footnoted in the town audit. They are interfund/intra company loans, not traditional loans where interest, payback terms, etc were established. Mr. Centofanti continued that these have nothing to do with the budget, nothing to do with the State statutes (that James Roden referred to), the "yellow book", that none of those apply to what

James Roden was talking about. James Roden asked what authority Board of Finance has to approve those; Mr. Centofani advised that none is needed.

William Kingston expressed concern that these (enterprise accounts) are defunct operations. First Selectman Knickerbocker clarified that the water and sewer accounts are in fact assets, tangible assets of the town that have value and also, that a payback schedule is included in the rates for the utility accounts.

Rather than a payback schedule, it was suggested that the Public Utilities Commission bond for the funds to pay back; Mr. Centofanti pointed out that you can not bond for operating costs.

James Roden said loans need to be approved by the Board of Finance. Mr. Centofanti explained that the funds in question are not a traditional loan which would require Board of Finance approval, but rather a management of cash flow.

James Roden advised that he reads the state statutes differently and had also spoken with another audit firm and that they said such funds need Board of Finance approval. Mr. Centofanti reiterated that they are not transfers and no legal authority is needed by the Board of Finance and do not require Board of Finance approvals. These are cash flow issues.

First Selectman Knickerbocker and Comptroller Robert Kozlowski clarified that the repayment of funds from the water and sewer accounts will occur in 5 and 2 ½ years respectively. The rate structure recently adopted does contain a payback schedule.

Discussion took place regarding the actual fund balance. Mr. Centofanti and Comptroller Robert Kozlowski explained that the fund balance is made up of a number of different items, portions of which are cash and invested in various sources.

### **Comptroller's Report / Discussion of 7/27/11 requests**

J. Philip Gallagher asked for clarification on a rumor floating around that tax delinquencies are up, collection rates are down. Comptroller Robert Kozlowski advised that he does not believe that this is the case. Collection was close to 99% and the Tax Collector has not noted any change to him.

Discussion of the transfer station deficit took place. It was pointed out that there was a fee structure increase and that with the increase, the transfer station deficit potentially is at best, in a break-even situation but does not address a method to pay back the deficit. First Selectman Knickerbocker offered that the town is exploring two possibilities: 1 compost operation and a solar power farm.

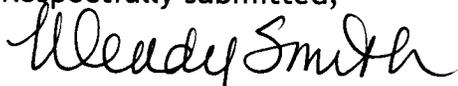
**Review Paramedic Intercept Program deficit:** Matthew G. Cassavechia, Director, Emergency Medical Services with Danbury Hospital was present and discussed the paramedic intercept program deficit. He first provided the history of the paramedic program and explained that essentially, each department (Bethel and Stony Hill) has an independent basic life support ambulance service that covers a distinct geographic area in Town. Staffing of these ambulances consists of both volunteers and paid EMT staff (each department was having difficulties providing staff during the daytime); we also have a paramedic who, along with a

police officer, goes to each call. This program was designed so that each department could maintain autonomy, something that was very important to the ambulance services. While operationally the program has produced great results such as optimal patient outcomes, there are some challenges with billing and revenue recovery from insurance with this configuration. In essence, a bundle billing agreement was created so a portion of the bill is for the actual ambulance and a portion is for the paramedic. The fire departments are collecting for their portion; the paramedic portion is not being collected or recovered consistently. The reimbursements for Medicare are less than what was originally estimated (this is being appealed) which has contributed to the deficit. He made it very clear that the ambulance service is not strictly a volunteer service ambulance; there is paid staff and billing. He also clearly differentiated the higher level of services the Town has received since contracting with the Hospital including two paramedics and excellent response times. He also affirmed the value of the volunteer staff and confirmed that efforts are ongoing to continue to collaborate with the volunteer's fire department ambulance services to discuss the matter and explore all options that might be available to the Town.

The Comptroller and First Selectman have asked for Form 990 from the two volunteer departments, which have not yet been provided. He noted that the First Selectman is committed to trying to find a solution to continue the operation successes we have realized as a Town but will also address the reimbursement problem.

**Adjourn:** As there was no further business on tonight's agenda, J. Philip Gallagher made a motion, which was seconded by John Dietter, to adjourn the meeting at 8:35 p.m. Vote, all in favor, motion unanimously approved.

Respectfully submitted,

  
Wendy Smith, Recording Secretary