

**ASHFORD BOARD OF FINANCE  
REGULAR MEETING  
January 28, 2016**

**Present:** Cathryn Silver-Smith (Chairperson), Susan Eastwood (Clerk), Judy Austin, Chuck Funk, Merrill Simpson, Gail Zaicek, Angie DeSanto (alt.), Carl Pfalzgraf (alt), Francine Hodovan (Recording Secretary).

**Guest:**

**AVFD:** Wayne Fletcher (Chief).

1. **Call to Order:** Chairperson Cathryn Silver-Smith called the Special Meeting of the Ashford Board of Finance to order at 7:05 p.m.
2. **Seating of Alternates:** None.
3. **Approve Minutes of Special Meeting of January 14, 2016:**  
**MS. AUSTIN MOVED AND MR. FUNK SECONDED A MOTION TO ACCEPT THE MINUTES OF THE BOF SPECIAL MEETING OF JANUARY 14, 2016 WITH THE FOLLOWING CORRECTIONS. THE MOTION PASSED WITH EVERYONE VOTING AFFIRMATIVELY EXCEPT FOR MS. EASTWOOD WHO ABSTAINED.**

Under item 4. FY 2016-2017 Pre-Budget Discussion (BOF, BOS and BOE):

- Under Capital Improvements Plan (CIP) Committee:
  - Paragraph 3: Last sentence should read: “Mr. Neel has been involved in conversions to new systems in a few other towns and Ms. Silver-Smith has requested his expertise in this area to benefit the process.”
  - Paragraph 4: Second to last sentence should read: “The town currently sends our financial information to an outside firm which...”
- Under Grand List:
  - First sentence should read: “The Grand List...”
  - Last sentence should read “This will affect the mill rate for 2017 – 2018.”

4. **Hear from Public:** None.

5. **Communications:**

Ms. Silver-Smith sent an email to Ms. Barber early today requesting the date that the completed draft of the Policies and Procedures Manual will be ready for review. She has not received a response.

Ms. Silver-Smith is requesting legal opinions from the town attorney, Sage and Halloran for a couple of BOF items. The information is pending.

Town Clerk Sherri Mutch reported to Ms. Silver-Smith on January 27 that a copy of the FYE 2015 Audit Report was not filed with the Town Clerk’s office by January 1, 2016 as it should have been, and that the Town Finance department did not receive their copy. In the past, copies required by Town departments were distributed before the BOF received the remainder. Ms. Silver-Smith dropped off copies for both offices the morning of January 28. BOF members verified that the copies they received included all sections of the Report. Ms. Silver-Smith is also looking into an apparent miscount in the number of copies provided by the auditor. Ms. Silver-Smith has reserved a copy for the new BOF alternate. Ms. Zaicek and Ms. Eastwood requested copies of the auditor presentation summary.

Mr. Pfalzgraf distributed copies of 2 newspaper articles:

- *Journal Inquirer:* The Connecticut Council of Municipalities (CCM) has issued a 27-page report laying out specific ways for the state to help towns, as well as a number of highly successful regional initiatives already in place. The report suggests increasing financial incentives for councils of governments to find

more regional initiatives – the General Assembly this year approved \$3 million for that purpose, with the amount scheduled to rise to \$7 million. .

- *Hartford Courant*: Canton officials are considering the merge of school and town finance departments to save money

## 6. Unfinished Business:

### a. Open BOF Alternate Position (resulting from J. Austin election to full Board Member):

A Town Meeting to fill this vacancy will held on Monday, February 1 at 7:30 pm in the Town Office Building, Lower Level, Room 104. Ms. Silver-Smith was informed by Selectman Zambo that two individuals have expressed an interest in the position.

BOF members discussed conflicts of interest as it pertains to BOF member votes on budgets. (ref. Ashford Town Ordinances and CGS Section 7-479). BOF members are prohibited from voting to approve any budget or purchase where the board member has a beneficial financial or personal interest.

## 7. New Business:

### a. Selectman's Update:

As Selectman Zambo was unable to attend the meeting, he provided the following written updates to the Board.

- Pursuant to CGS Section 12-117(a) Ashford's Assessor has requested a one month extension of time to finalize the Grand List 2015. This extension would make February 29, 2016 the new Grand List deadline. I have requested that the Assessor do everything possible to have these figures available by the February 18, 2016 budget presentation
- I requested an addition to the next NECCOG meeting agenda to put out an RFP for a multi-town Auditor award
- The Capital Improvement Committee meeting scheduled for January 25, 2016 was postponed to February 2, 2016 by request of John Lippert (BOE)
- No update has been received by the Selectmen's office on the financial Policies and Procedures manual

### b. FY 2016-2017 Budget Planning:

Health Insurance: Selectman Zambo informed Ms. Silver-Smith this week that the current estimate from ConnectiCare health insurance is around 6.8%, down from the original 8.0% estimate, and that it may go as low as 5.8% before negotiations are concluded.

Financial System Upgrade: Selectman Zambo informed Ms. Silver-Smith that a financial manager working with Brooklyn and Pomfret upgrades has indicated that may be state monies available to help in making the changeover.

Capital Improvement Requests: Board members reiterated that no Capital Improvement request for FY 2016-2017 will be considered if it is not submitted with a vendor quote or request for proposal (RFP), fully documented plan and specific funding options (ie., grants to offset cost to the Town).

Financial Management Goals: Board members reviewed proposed changes (dates) to the Financial Management Goals.

**MR. FUNK MOVED AND MS. ZAICEK SECONDED A MOTION TO APPROVE TOWN OF ASHFORD FINANCIAL MANAGEMENT GOALS FOR FISCAL YEAR 2016-2017 AS WRITTEN. THE MOTION PASSED WITH EVERYONE VOTING AFFIRMATIVELY.**

Budget Policies and Procedures: Dates were changed to line up with the budget calendar, and Region 19 Hearing March 22, 2016 (7:00 p.m. in the E. O. Smith Library) was added.

**MR. FUNK MOVED AND MS. AUSTIN SECONDED A MOTION TO APPROVE ASHFORD BOARD OF FINANCE BUDGET POLICIES FOR FISCAL YEAR 2016-2017 AND TO ADD THE DATE OF THE APRIL 5 REGION 19 PUBLIC HEARING TO THE ASHFORD TOWN BUDGET CALENDAR. THE MOTION PASSED WITH EVERYONE VOTING AFFIRMATIVELY.**

**8. Committee Reports:**

**a. Annual Report - 300<sup>th</sup> Anniversary Commemorative Annual Report:**

Ms. Silver-Smith stated that an electronic copy of the draft will be sent to BOF members and Selectman Zambo early next week. The BOF will approve it once all comments have been taken into consideration.

**9. Agenda Items for Next Meeting:**

The February 4, 2016 budget meeting to review anticipated revenues and debt service payments will be cancelled. Those reviews will be included in the Board's February 18 meeting when the BOS presents the proposed FY 2016-2017 General Government budget instead.

Proposed agenda items for the February 11 meeting are:

- Annual Report
- Policies and Procedures Manual Update
- Transfer of Fund Balance in Excess of FY 2015 Goals to Capital Non-Recurring (CNR) Fund

**10. Remarks for the Good of the Board:** None.

**11. Adjournment:**

**MS. ZAICEK MOVED AND MS. EASTWOOD SECONDED A MOTION TO ADJOURN THE JANUARY 28, 2016 REGULAR MEETING OF THE ASHFORD BOARD OF FINANCE. THE MOTION PASSED WITH EVERYONE VOTING AFFIRMATIVELY.**

The Ashford Board of Finance Regular Meeting adjourned at 8:25 p.m.

Respectfully submitted,  
Cathryn Silver-Smith (for BOF Clerk)

CSS:fjh

*attachments:*

- Town of Ashford Financial Management Goals for FY 2016-2017
- Ashford Board of Finance Budget Policies for FY 2016-2017
- Ashford Town Budget Calendar for Fiscal Year July 2016 through June 2017 (revised 2016-01-28)

**TOWN OF ASHFORD  
FINANCIAL MANAGEMENT GOALS  
For Fiscal Year 2016-2017**

The Board of Finance 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 Comprehensive Annual Financial Report 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, Authorities, Agencies and Grant Programs, And the annual audited report will be made available to the general public, bond and financial consultants, and other interested citizens and organizations. The audit will be completed and submitted to the Board of Finance 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 Finance on an annual basis.

**FUND BALANCE GOALS**

- The goal is to preserve the Town of Ashford's 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 undesignated fund balance for operating expenses, as this practice has an inherently destabilizing impact on current and future operating budgets.
- A year-to-year carryover fund balance will be maintained in an amount necessary for adequate cash flow and to prevent the demand for short-term borrowing. The undesignated fund balance should be approximately eight to ten (8-10) percent of the general fund operating budget.
- Fund balance in excess of the goal shall be transferred to the CNR Fund and used for one-time expenditures.
- 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 minimize future maintenance, replacement and capital costs.
- All capital improvements should be made in accordance with the Town's five-year capital improvement program. The capital improvement program shall be revisited annually.

**TOWN OF ASHFORD  
FINANCIAL MANAGEMENT GOALS  
For Fiscal Year 2016-2017**

- The development of the capital improvement program will be coordinated with the operating budget in order to maintain a reasonably stable total tax levy.
- Unanticipated capital improvements will be funded from CNR to the extent available.
- Before submission to the Board of Finance, the Board of Selectmen will identify the estimated cost and potential funding sources for each capital project proposed. 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 in a way as to ensure maximum case availability.
- Where permitted by law, cash from separate funds and sources will be pooled to maximize investment yields. Interest will be credited to the General Fund except where prohibited by law or where the source of the cash is from an individual or corporation to insure performance.
- Investment policy will be consistent with State law and will provide for security of principal as well as needed liquidity.

**DEBT PERFORMANCE GOALS**

- 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 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 Finance will propose and the Town Meeting will adopt and maintain a balanced budget in which expenditures will not be allowed to exceed reasonable estimated resources and revenues.
- All current operation and maintenance expenses will be paid from the current revenue sources.

**TOWN OF ASHFORD**  
**FINANCIAL MANAGEMENT GOALS**  
**For Fiscal Year 2016-2017**

- The operating budget will provide for the adequate maintenance of capital assets and equipment.
- The budget will provide for adequate funding of all employee benefit programs and retirement systems.
- 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 be budgeted amounts will be prepared and maintained.
- 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 unemployment and 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 that will help reduce or avoid increasing personnel costs as a proportion of the total budget, to use available resources more productively and creatively, and to avoid duplication of effort and resources.
- A Reserve Fund for Capital and Nonrecurring Expenditures will be maintained and will be adequately funded each year by a transfer from the General Fund Budget and by unanticipated one-time revenues.

**REVENUE PERFORMANCE GOALS**

- A diversified and stable revenue system will be maintained as protection from short-run fluctuations.
- Annual revenues will be estimated based on an objective and reasonable basis. The Board of Finance will project revenues on a multi-year basis.
- 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 revenues will only be used for capital expenditures or for expenditures required by the revenue (grants) 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 Finance.
  - The purpose of the special revenue fund, and which revenues and other sources for the fund must be formally documented.
- All user charges and fees will be annually re-evaluated at a level related to the cost of providing the 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 individual homeowners.

**ASHFORD BOARD OF FINANCE  
BUDGET POLICIES  
For Fiscal Year 2016-2017**

1. Formal budgetary integration is employed by the Board of Finance as a management control device during the year for the General Fund and the Capital Projects Fund, which are the only funds with a legally adopted annual budget. The General Fund includes General Government, Debt Service, Ashford Board of Education, Ashford's portion of Region 19 Board of Education, outside financing sources such as the Babcock Library, Recreation and Fire Department. Budgetary comparisons are included in the appropriate financial statements and schedules.
2. Prior to **January 11, 2016**, 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 so as to indicate the program, activities, and work accomplished in the current fiscal year and to be accomplished during the ensuing year. These shall be accompanied by detailed estimates of expenditures to be made and of revenues other than taxes to be collected during the ensuing fiscal year, along with such other information as may be requested by the Board of Selectmen.
3. On **February 18, 2016**, the Board of Selectmen shall present to the Board of Finance:
  - 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 Board of Selectmen'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, other than property taxes collected, by source, in the last completed fiscal year, estimates for the current and for the ensuing year, along with information and estimates regarding property tax revenues for the same periods;
  - d. Statements of the condition and estimated 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 Finance and the Town Meeting in deciding on an annual appropriation and a capital improvement program.
4. On **March 3, 2016**, the Ashford Board of Education shall present to the Board of Finance and Board of Selectmen:
  - a. Statements of the Board of Educations' proposed operating program and expenditures for Ashford School, along with comparisons of amounts expended in the last completed fiscal year and estimated amounts to be expended in the current fiscal years;
  - b. Information on amounts of revenue in the last completed fiscal year, and estimates for the current and ensuing year;
  - c. And such other information as will assist the Board of Finance and the Town Meeting in deciding on an annual appropriation.
5. On **March 17, 2016**, the Ashford Board of Finance shall approve a proposed budget for presentation to the Town at Public Hearing.

**ASHFORD BOARD OF FINANCE  
BUDGET POLICIES  
For Fiscal Year 2016-2017**

6. On **March 22, 2016**, the Region 19 Board of Education shall hold a Public Hearing to present the Superintendent's proposed budget. On **April 5, 2016** the Region 19 Board of Education shall adopt a finalized budget, which shall be presented at the Region 19 Annual Budget Meeting on **May 2, 2015**.
7. The Board of Finance shall hold at least one Public Hearing on the budget. A Public Hearing for the 2016-2017 budget shall be scheduled for **April 5, 2016**. Following the Public Hearing, the Board of Finance shall review the recommendations and adopt a proposed budget, including a recommended appropriation, which shall be published in a newspaper in general circulation in the Town at least five days prior to the annual Town Meeting for budget consideration.
8. The Annual Town Budget Meeting shall be held on **April 19, 2016**. This meeting shall consider the budget presented by the Board of Finance and may approve or lower the general Government, Ashford Board of Education and/or Capital projects budgets. (The Region 19 budget cannot be approved or lowered during this meeting as it is subject to a separate Region 19 referendum.) The Annual Budget meeting will adjourn to referendum to be held **May 3, 2016**. If the budget is not adopted at referendum by July 1, the last budget adopted by referendum shall remain in effect for the new fiscal year until a new budget is approved at referendum.
9. The level of control for all legally adopted budgets (the level at which expenditure may not legally exceed appropriations without Board of Finance 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 Finance. Transfers or new appropriations that exceed \$20,000 must be approved by consecutive actions of the Board of Selectmen, Board of Finance and a Town Meeting. The Ashford Board of Education and Region 19 Board of Education have full authority over transfers within their own budgets.
10. Except for encumbrance accounting in the General Fund, all budgets are prepared on the modified accrual basis of accounting. Encumbrance accounting, under which purchase orders, contracts, and other commitments are recorded in order to reserve that portion of the applicable appropriations, is employed as an extension of formal budgetary integration. Since the Town intends to honor contracts in process at year end, encumbrances outstanding as of June 30 reported as reservations of fund balance, since they do not constitute expenditures or liabilities.
11. Unencumbered appropriations lapse at fiscal year-end, except for capital project budgets, which remain in effect until completion.

## Ashford Town Budget Calendar

### Fiscal Year July 2016 through June 2017

<b>Monday, February 8:</b> <b>Region 19 Budget distributed to member Towns</b>
<b>Thursday, February 18:</b> <b>Ashford General Government Budget presented to BOF by BOS Ashford Capital Improvement Plan presented to BOF by Capital Improvement Cmte.</b>
<b>Thursday, March 3:</b> <b>Ashford School Budget presented to BOF and BOS by BOE</b>
<p>Thursday, March 10: BOF Reviews:</p> <ul style="list-style-type: none"> <li>- Budget requests requiring additional clarification</li> <li>- Region 19 budget proposed by School Superintendent</li> <li>- BOS Recommendations</li> </ul>
<b>Thursday, March 17:</b> <b>Ashford Town Budget – Adopted by BOF</b>
BOF sets date and approves notice for Public Hearing
<b>Tuesday, March 22:</b> <b>Region 19 Budget – Public Hearing</b>
Monday, March 28: Ashford Town Budget books available to Public
<b>Tuesday, April 5:</b> <b>Region 19 Budget – Adopted by Region 19 BOE</b>
<b>Tuesday, April 5:</b> <b>Ashford Town Budget – Public Hearing (two weeks before Annual Meeting</b>
Special BOF Meeting – Final Ashford Town Budget Adjustments
Wednesday, April 6: BOS sets dates and approves notice for Ashford Town Meeting and Referendum
Monday, April 11: Ashford Town Budget books available to Public
<b>Tuesday, April 19:</b> <b>Ashford Town Budget – Annual Meeting</b>
<b>Monday, May 2:</b> <b>Region 19 Budget – Annual Meeting (1 day before Region 19 Referendum)</b>
<b>Tuesday, May 3:</b> <b>Ashford Town Budget – Referendum Region 19 Budget – Referendum</b>

**Public attendance and input highly encouraged**

*Calendar amended 1/28/2016 by Ashford Board of Finance*