



TOWN OF OLD SAYBROOK
Board of Finance

302 Main Street • Old Saybrook, Connecticut 06475-1741

BOARD OF FINANCE MINUTES
JOINT MEETING WITH BOARD OF EDUCATION
FEBRUARY 6, 2018 6:30 P.M.
FIRST FLOOR CONFERENCE ROOM TOWN HALL

BOF Attendant Members

David LaMay, Chairman
Carol Rzasa, V. Chairwoman
Tom Stevenson
Paul Carver
John O'Brien

Absent Members

Donna Nucci
Barry O'Neill

In Attendance

Bob Fish, Treasurer
Lee Ann Palladino, Finance Director
Jan Perruccio, Superintendent of Schools
Julie Pendleton, Director of Finance & Operations
Gerri Lewis, Clerk

Call to order:

Chairman LaMay called the meeting to order at 7:00 P.M.

Pledge of Allegiance:

Chairman LaMay led the pledge.

Minutes:

A motion by Mr. Carver to approve the January 20, 2018 minutes was seconded by Ms. Rzasa and was so voted unanimously.

Board of Education Report:

Superintendent Perruccio gave a Power Point Presentation to the Board. This included Budget Development 2018-2019 "Budgetary Goals" She went over the Strategic Plan of Planning the budget.

Superintendent Perruccio noted an increase of .65% or an increase of \$167,982.00. She discussed the budget allocations and the budget drivers. She noted the examples of the changes to their budget accounts. The Board of Education listed expenditures by fund and compared 2017-18 vs 2018-19.

A detail of this presentation can be seen in the Board of Education office
Chairman LaMay thanked Superintendent Perruccio.

Treasurer Report:

Treasurer Fish gave his report on the General Fund Operating Budgets month ending January 31, 2018. He discussed the expenditures and revenues for the board.

Chairman LaMay thanked Treasurer Fish.

Finance Director Report: Ms. Palladino reported the following:

Budget performance through January 2018

Budget Fiscal Year 2018

The general government budget for Fiscal Year (“FY”) 2018 presently stands at \$16,264,736, up \$14,330 from the \$ 16,250,406, which was approved at the May 2017 budget referendum.

Budget Appropriations

The following budget appropriation was made:

- At the September 5, 2017 meeting, \$7,330 was appropriated to the contingency fund for collective bargaining salary adjustments. This amount was for the difference between the projected salary increase of 2.00% and the actual amount of 2.35%.
- At the December 5, 2017 meeting, \$7,000 was appropriated to the Katherine Hepburn Cultural Arts Center budget for the purpose of performing a column integrity study.

Unassigned Surplus Fund Appropriations - During FY18 no appropriations against the unassigned surplus fund have been made.

Municipal Reserve Fund Appropriations

During FY18 appropriations against the municipal reserve fund (“MRF”) total \$123,000:

- Youth and Family exterior lead abatement and reconstruction, approved at the Town meeting in July 2017, in the amount of \$123,000.

Budgeted Capital Outlays FY18

The balance of the MRF, which includes Fire Department apparatus, Public Works equipment and Capital non-recurring balances stood at \$1,085,266 as of January 31, 2018, please note that not all of the expenses associated with approved appropriations have been paid.

Municipal Reserve Fund	FY 2018 Transfers	Balance 1/31/2018
Capital Non- Recurring Budget 3350	\$154,800	\$455,445
Fire Apparatus -3351	159,200	454,821
Public Works - 3353	75,000	175,000
Catastrophic Illness – 7219	70,000	150,220
Post-employment Payout – 7220	40,000	257,236
Revaluation – 7222	50,000	109,575
Named Projects – 3014	145,200	94,205
Contingency – 7224	30,000	14,513
Contingency Collective Bargaining	52,000	0

Municipal Reserve Fund	FY 2018 Transfers	Balance 1/31/2018
Total	\$776,200	\$1,711,015

Capital Expenditures FY 2018 budgeted amount as noted below.

FY18 budgeted capital expenditures totaled \$559,804 with the transfer of \$67,571 to public works, capital expenditure has been increased to \$627,375. Beginning with this fiscal year, these funds have been placed directly in the budgets of the recipient department. To date 75% of these funds have been utilized

Department	Amount Budgeted/Transferred	Amount Used/Encumbered
Fire Department (4203)	\$60,000	\$0
Police Department (4201)	\$99,804	\$89,804
IT – Town (4143)	\$25,000	\$6,623
Highway & Streets (4303)	\$442,571	\$371,955
Total	\$627,375	\$468,382

Authorized Transfers –

- A transfer in the amount of \$67,571 was placed in the highway and street budget. The funds were received from Southern Connecticut Gas.
- At the September 5, 2017 meeting, it was approved to transfer \$52,000 plus the newly appropriated \$7,330 from the salary contingency fund to the various departments on a pro-rata basis.
- At a Town meeting held November 27, 2017, it was approved to transfer \$1 million to the Town pension plan and approximately \$231 thousand to the post-employment payout fund from the Retiree Health Care Fund.

Fiscal Year 18 Budget Performance

Through January 31, 2018, seven months or 58% of the budget equates to \$\$9,487,763. Actual expenditures of \$9,222,280 , which are running at 56.7%, are below expectations by \$265,483. Capital transfers, quarterly payment, and other one-time annual payments were made near the start of the fiscal year. In addition, pension contributions of \$403 thousand were made fiscal year to date. The pension contribution remaining budget of \$239 thousand will be made over the course of the year. The budget lines that are running ahead of budget are attached, there are no unusual or unexpected expenses at this time.

Fiscal Year 2018 vs. Fiscal Year 2017

The general government budget for FY17 was \$15,654,049, or \$596,357 less than FY18. For the first seven months of the year, the FY18 budget is performing slightly better than last year at 56.7% expended vs 59.1% expended at the same time last year.

Board/Liaison Reports:

Vice Chairwoman Rzasa will meet with Ms. Pendleton for a tour of the schools.

Mr. Carver noted that goals were discussed for most of the Police Commission meeting in January. They will be doing a Police Services review.

Mr. O'Brien reported for Mr. O'Neill: Mr. O'Neill is requesting reports from WPCA.

Selectman Report:

Selectman Fortuna reported that the street light project began on January 15th, 2018.

The First Selectman, based on a conversation he had with Donna Nucci, felt it appropriate to clarify why the BOF went into Executive Session a few meetings back. That Executive Session was specific to the litigation brought by Jay Rankin vs. The Town of Old Saybrook for a heart and hypertension claim. The BOS had previously motioned to approve a settlement for \$240,000, payable in \$20,000 increments over 12 years, and the BOF Executive Session was specific to the discussions that led to that settlement.

Ms. Nucci thanked Selectman Fortuna as did Chairman LaMay.

Board Member Comment

It was noted that Ms. Nucci and Mr. Carver are the liaisons to the Police Commission. Mr. O'Neill is the liaison to the WPCA and Mr. Stevenson and Vice Chairwoman Rzasa are liaisons to the Board of Education.

Public comment: None

Comments from the Chair: Chairman LaMay thanked everyone for coming.

Adjournment: A motion to adjourn made by Ms. Rzasa at 7:57 p.m., seconded by Mr. Stevenson and was so VOTED unanimously.

This meeting was video-taped and can be viewed on Town Website YouTube.

Submitted,
Gerri Lewis, Clerk