
BOF Minutes 08/01/2017

302 Main Street Old Saybrook, Connecticut 06475-1741	
BOARD OF FINANCE MINUTES	
REGULAR MEETING	
AUGUST 1, 2017 at 7:00 P.M.	
FIRST FLOOR CONFERENCE ROOM TOWN HALL	

BOF Attendant Members

Brad Thorpe, Vice Chairman
Tom Stevenson
Breck Lindley
John O'Brien
Barry O'Neill
Carol Rzasa

Absent Members

David LaMay, Chairman

In Attendance

Carl Fortuna, First Selectman
Bob Fish, Treasurer
Lee Ann Palladino, Finance Director
Michael Spera, Chief of Police
Larry Bonin, Director Public Works
Gerri Lewis, Clerk

Call to order:

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

Pledge of Allegiance:

Vice Chairman Thorpe led the pledge.

Minutes:

A motion to approve the minutes of July 18, 2017 was made by Mr. O'Brien seconded by Mr. O'Neill and motion passed 5-0-1 with one abstention.

Department of Public Works:

Mr. Bonin handed out a "2017 Road Resurfacing" list of work to be done and the expenditure of each project. The total of the projects is \$418,622.72. The funding budgeted in 2017-2018 for these projects is \$375,000.00. The Gas Company rebate for Cricket Court is \$67,571.00 which brings the total funding to \$442,571.00. The balance of \$23,948.28 is for Main Street sidewalks and parking stalls.

It was noted that the board would have to vote on the disposition of the Gas Company rebate monies.

A motion to transfer funds received from Southern Connecticut Gas Co. to pave Cricket Court in the amount of \$67,571 dollars from the FY17 administrative exchange fund (730-1005) to the FY18 Highway and Streets Capital expenditure 430300-57400, was made by Mr. O'Brien, seconded by Ms. Rzasa and was so VOTED unanimously.

Vice Chairman Thorpe thanked Mr. Bonin.

Department of Police Services:

Mr. O'Neill had an issue with the number of vehicles in the PD Fleet. He questioned the Chief made suggestions and about reducing vehicle maintenance. Chief Spera noted that he was aware of these programs for reducing vehicle maintenance.

Chief Spera reminded the board that at the June meeting he had provided the Trade In List and the Fleet Replacement List/Program and discussed the same in great detail and answered several questions from the board.

He noted that Saybrook Ford won the bid and finally noted that the Police Commission gave their approval and it went to Town Meeting. Chief Spera felt that the issue of the number of vehicles was non-existent. The board continued with their questions and Chief Spera addressed their concerns. Mr. O'Brien suggested that perhaps the Board of Finance be more explicit on their directions and/or guidelines when addressing issues such as these.

Mr. Stevenson, on behalf of the board, wanted to thank Chief Spera and the OSPD for their good work during the Arts & Crafts Show.

Vice Chairman Thorpe thanked Chief Spera.

Treasurer Report:

Treasurer Fish presented his General Fund Operating Budgets. He noted to the board that the second hand-out was the Expenditure Status Report with the assigned numbers in the new accounting system format. Treasurer Fish discussed the General Fund Revenues and expenditures.

Vice Chairman Thorpe thanked Treasurer Fish for his reports.

Finance Director Report:

Ms. Palladino reported as follows:

Budget performance through July 31, 2017

Budget Fiscal Year 2018

The general government budget for Fiscal Year ("FY") 2018 presently stands at \$ 16,250,406, which was approved at the May 2017 budget referendum.

Budget Appropriations

To date in FY18, no budget appropriations have been made.

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 \$931,836 as of June 30, 2017, please note that not all of the expenses associated with approved appropriations have been paid. During the month of August the following transfers to the MRF and various other reserve accounts will total \$776,200:

- \$159,200 to fire department apparatus
- \$154,800 to capital non-recurring
- \$75,000 to public works/transfer station equipment
- \$50,000 to revaluation
- \$70,000 to catastrophic illness
- \$40,000 to post-employment payouts
- \$52,000 to collective bargaining reserve
- \$145,200 to named projects
- \$30,000 to contingency

After the transfers to the fire department, public works and capital non-recurring, the MRF balance will stand at \$1,320,836. Capital non-recurring will total \$671,636; Fire department apparatus will total \$474,200 and Public Works will total \$175,000. Next month's report will reflect the total balances for the MRF and each of the various reserve accounts. FY18 budgeted capital outlays totaled \$559,804. Beginning with this fiscal year, these funds have been placed directly in the budgets of the recipient department.

Capital Expenditures FY 2018 budgeted amount as noted below.

Department	Amount Budgeted	Amount Used
Fire Department (4203)	\$60,000	\$0
Police Department (4201)	\$99,804	\$89,804
IT – Town (4143)	\$25,000	\$0
Public Works (4303)	\$375,000	\$0
Total	\$559,804	\$89,804

Authorized Transfers – none

Fiscal Year 18 Budget Performance

Through July 31, 2017, one month or 8.33% of the budget equates to \$1,354,201. Actual expenditures, which are running at 8.01%, are tracking slightly behind budget expectations. Actual expenditures through July 31, 2017 for general government equate to \$1,301,803 behind the one month, straight lined budget figures by \$52,398. This is due to the fact that capital transfers, typically transferred in July, have not been made due to the accounting system conversion. The budget lines that exceed budget are not attached, as certain charges from the prior fiscal year are included in the July numbers and will be transferred out in August.

Fiscal Year 2016 vs. Fiscal Year 2015

The general government budget for FY17 was \$15,654,049, or \$596,357 less than FY18. Comparison of the first budget month does not make sense until last fiscal year has been closed.

MS Palladino discussed the purchase order system, encumbrances and how it affected monthly reports to the BoF as well as all other commissions.

As part of an annual policy regarding PD off budget accounts, \$5,250 was returned to the salary line item for the processing of 75 pistol permits and \$55,518.61 was returned to the gasoline and vehicle maintenance lines items for the use of 4,318 police vehicle hours

MS Palladino introduced the Selectman's intern, Cassidy Wade and discussed her contributions to the Town.

She gave an update on the accounting conversion, noted that payroll has gone "live" six months ahead of schedule and the general ledger conversion was successful.

Next, she discussed the post retirement reserve fund, which will have a balance of \$28k at the beginning of this fiscal year.~ Known retirements project post retirement expenses of approximately \$80k, which will bring this fund into the negative of approximately \$52k.~ At some point, Ms. Palladino will come back to the BoF for their consideration of an additional appropriation.~ However, only one appropriation per year can be made, and there may be more retirements looming, it makes sense to wait.

Finally, Ms. Palladino discussed the Other Post Employment Benefit ("OPEB").~ The Town has about \$1 million set aside for these liabilities.~ The pension board is considering whether to place these funds in a trust fund or develop another plan of action, as required by the auditors.~~ The pension benefit board will take up action on this issue in September.

Vice Chairman Thorpe thanked Ms. Palladino.

Selectman Report:

Selectman Fortuna reported on the following:

- The Kate; a record 4,000 tickets sold in the month of July, 2017;
- Bokum Road house closes August 3, 2017;
- Street light audit complete;
- Interviewing for new Building Official;
- OSHA did a random audit of the town;
- Elaine Seaforth from the Selectman's Office retired;
- Support Union ratified their Collective Bargaining Agreement;

Mr. Fortuna thanked board member Carol Rzasa for her attendance and input during these meetings. He also thanked Mr. O'Neil.

- Negotiated a Defined Contribution Plan

Vice Chairman Thorpe thanked Selectman Fortuna.

Public comment:

None

Comments from the Chair: Vice Chairman Thorpe thanked everyone for coming.

Adjournment:

A motion to adjourn made by Ms. Lindley at 8:41 p.m. was seconded by Ms. Rzasz and so VOTED unanimously.

This meeting in its entirety was video taped and can be viewed on Town Website YouTube.

Submitted,
Gerri Lewis, Clerk