
BOF Minutes 09/05/2017

302 Main Street Old Saybrook, Connecticut 06475-1741	
BOARD OF FINANCE MINUTES	
REGULAR MEETING	
SEPTEMBER 5, 2017 at 7:00 P.M.	
FIRST FLOOR CONFERENCE ROOM TOWN HALL	

BOF Attendant Members

David LaMay, Chairman

Tom Stevenson

Breck Lindley

Brad Thorpe.V. Chair (7:30)

John O'Brien

Carol Rzasa

Absent Members

Barry O'Neill

In Attendance

Carl Fortuna, First Selectman

Bob Fish, Treasurer

Lee Ann Palladino, Finance Director

Peter Terenzi, Fire Marshal

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 to approve the minutes of August 1, 2017 was made by Mr. O'Brien seconded by Ms. Lindley and motion passed 6-0-0.

Peter Terenzi, Fire Marshal

Mr. Terenzi introduced himself to the board and gave them his background and educational requirements. Mr. Terenzi also passed out a notebook with the various rules and regulations for Fire Marshals. He noted some important issues and requirements for Fire Marshals. He went through the hand-out which information was quite voluminous. This hand book may be found in the Fire Marshal's office.

Mr. LaMay thanked Mr. Terenzi for coming in.

Treasurer Report:

Treasurer Fish presented his General Fund Statements of Revenues and Expenditures, Actual v. Budget, for the Town of Old Saybrook for the year ended June 30, 2017. He noted that this was for informational purposes only. He noted that they were not intended for full financial disclosure.

Mr. Fish reported that the general purpose financial statements and related notes are being prepared by MahoneySabol as a part of their annual, financial audit of the Town. This complete report will be available for public review in the office of the Old Saybrook Town Clerk and on the Town's website at www.oldsaybrookct.org.

Mr. LaMay thanked Mr. Fish.

Finance Director Report:

Ms. Palladino reported as follows:

Budget performance through August 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, transfers in the amount of \$724,200 were made to various funds as outline in the budget. A balance of \$52,000, which is a contingency for Collective Bargaining Agreement salary adjustments, remains to be transferred to various affected department budgets.

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.

Capital Expenditures FY 2018 budgeted amount as noted below.

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	\$0
Public Works (4303)	\$442,571	\$1,200
Total	\$627,375	\$91,004

Authorized Transfers –

- A transfer in the amount of \$67,571 was placed in the highway and street budget for the paving of Cricket Court. The funds were received from Southern Connecticut Gas.

Fiscal Year 18 Budget Performance

Through August 31, 2017, two months or 16.7% of the budget equates to \$2,708,401. Actual expenditures, which are running at 19.75%, are tracking slightly ahead of budget expectations. Actual expenditures through August 31, 2017 for general government equate to \$3,208,855 above the two month, straight lined budget figures by \$500,454. This is due to the fact that capital transfers were made, and quarterly payment and other one-time annual payments were made at the start of the fiscal 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 two months of the year, the FY18 budget is running at a pace of 19.8% vs 19.2% last year.

Trend in the Building of General Fund Unassigned Funds

Ms. Palladino handed out a summary to the board and wanted to discuss the CBA Impact on the budget.

Ms. Rzasa made a motion to add Collective Bargaining Agreement to the agenda, seconded by Ms. Lindley and was so VOTED unanimously.

Ms. Palladino discussed the summary as follows:

Summary

During July and August 2017, the Support and Supervisor unions reached a Collective Bargaining Agreement (“CBA”) with the Town of Old Saybrook. Both CBAs were subsequently ratified by the Board of Selectman.

During the budget process for Fiscal Year 2017 (“FY17”), a salary contingency of \$52,000 representing a 2% increase of affected salaries was set aside. Both the Support and Supervisor unions had a CBA wage agreement for 2.35% for FY17, including retro pay.

Therefore, the purpose of this memorandum is to request a transfer of the contingency in the amount of \$52,000 to various departments affected by both CBAs and an appropriation of \$7,330 to address the .35% remainder of the increase.

Please note that the appropriation of \$7,330 was arrived at by netting the positive remaining balance in the contingency against the total cost of Support and Supervisor .35% increases, which totaled \$8,837. Since the contingency was rounded to \$52,000 and one support union position was eliminated, there was \$1,507 left in the contingency. Attached to this memorandum is the specific allocation of the \$52,000 contingency fund and the \$8,837, a .35% increase.

Motions requested:

To transfer the from the contingency budget, pro-rata to affected salary budgets, in the amount of \$52,000; and to appropriate an additional \$7,330 pro-rata to the affect salary budgets to reflect the 2.35% wage agreement versus the 2.00% wage budget.

After a short discussion, the following motion was made by Mr. LaMay seconded by Mr. Thorpe to transfer from the contingency budget, pro-rata to affected salary budgets, in the amount of \$52,000; and to appropriate an additional \$7,330 pro-rata to the affect salary budgets to reflect the 2.35% wage agreement versus the 2.00% wage budget. Motion passed unanimously.

Ms. Palladino had another hand-out for the board; Proposed Fund Balance Policy.

Mr. Thorpe requested that the Proposed Fund Balance Policy be put on the agenda for the next meeting.

Mr. LaMay thanked Ms. Palladino.

Selectman Report:

Selectman Fortuna handed out a memo to the board members regarding the fiscal year 2016-2017 financial results. He summarized for the fiscal year period ending June 30, 2017 (FY17) the Town of Old Saybrook projects a budget surplus of approximately \$1.269 million. That surplus was generated through budget expenses coming in \$1.320 million lower than projected and revenues coming in \$41 thousand less than expected.

Selectman Fortuna reported on the following:

- N. Main Street project on time and on budget;
- Main Street project on time and on budget;
- Y&FS building going well; cement work done;
- Collective Bargaining – Defined Contribution Plan built in;
- New Building Inspector shadowing Don Lucas;

Mr. Stevenson inquired regarding the lights at Lionel Gardner Park and the lights in the parking lot at the Town Hall. He also noted that the plaques looked great at Gardner Park.

Mr. LaMay thanked Selectman Fortuna.

Public comment:

None

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

Adjournment:

A motion to adjourn made by Ms. Rzasa at 9:04 p.m. was seconded by Ms. Lindley and so VOTED unanimously.

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

Submitted,
Gerri Lewis, Clerk

