



TOWN OF OLD SAYBROOK  
Board of Finance

---

302 Main Street • Old Saybrook, Connecticut 06475-1741

BOARD OF FINANCE  
REGULAR MEETING MINUTES  
OCTOBER 2, 2018 7:00 P.M.  
FIRST FLOOR CONFERENCE ROOM

BOF Attendant Members

Carol Rzasa, V. Chairwoman  
Tom Stevenson  
Barry O'Neill  
John O'Brien  
Paul Carver  
Donna Nucci

Absent Members

David LaMay, Chairman

In Attendance

Carl Fortuna, First Selectman  
Bob Fish, Treasurer  
Lee Ann Palladino, Finance Director

**1. Call to order:**

V. Chair Rzasa called the meeting to order at 7:00 P.M.

**2. Pledge of Allegiance:**

V. Chair Rzasa led the pledge.

**3. Roll Call:** David LaMay absent

**4. Minutes:**

A motion to approve the September 16, 2018 minutes by Mr. O’Neill was seconded by Mr. Carver. Discussion: Ms. Rzasa asked the board to read over the Board of Education motion with regard to the sinking fund. After a short discussion, the motion was so VOTED with Ms. Nucci abstaining.

## **5. Treasurer Report**

Treasurer Fish reported on the general fund operating budgets. He reported on the expenditures including a status report; revenues; and details on revenues ending September, 2018. Treasurer Fish noted that the local revenues were a little behind last year’s.

V. Chair Rzasa thanked Treasurer Fish.

## **6. Finance Director Report**

### **Budget for Fiscal Year 2019**

### **Budget Fiscal Year 2019**

The general government budget for Fiscal Year (“FY”) 2019 presently stands at \$16,339,829, along with the Town’s Debt Service budget of \$3,455,429, total General Government Expense equate to \$19,795,258. The Board of Education budget of \$25,809,822 brings the Town-wide budget to \$45,604,080, all of which was approved at the May 2018 budget referendum.

### ***Budget Appropriations -***

***Unassigned Surplus Fund Appropriations*** - During FY19 no appropriations against the unassigned surplus fund have been made.

***Municipal Reserve Fund Appropriations*** - During FY19 the following appropriations against the municipal reserve fund (“MRF”) have been made.

- During the July 17, 2018 Board of Finance meeting, \$45,000 was appropriated from the capital non-recurring account for the purpose of building Pickle Ball Courts. Further These funds will be moved to the Main Street Connection Park Fund ( 2842). This was approved at a Town meeting held on August 13, 2018.
- During the September 18, 2018 Board of Finance meeting, it was approved to use funds from the Public Works/Transfer Station reserve Fund (account 3353) for the purpose of purchasing two vehicles and a plow. The first vehicle at 2018 CAT Backhoe, the second vehicle a 2019 Chevrolet Silverado 3500 HD 4x4 cab and chasse with a flatbed dump and tool boxes, and a snow plow. The aggregate cost not to exceed \$180 thousand

### **Budgeted Capital Outlays FY19**

The Municipal Reserve Fund, which includes capital non-recurring, fire apparatus and public work/transfer station sinking funds, totals \$1,442,507 as of September 30, 2018. During FY19, transfers in the amount of \$728,068 were made to various capital and reserve fund projects.

<b>Municipal Reserve Fund</b>	<b>FY18</b>	<b>FY 2019 Transfers</b>	<b>Balance 9/30/2018</b>
Capital Non- Recurring Budget 3350		\$227,390	\$555,239
Fire Apparatus -3351		163,068	637,268
Public Works - 3353		75,000	250,000
Catastrophic Illness – 7219		70,000	153,333
Post-employment Payout – 7220		40,000	156,492
Revaluation – 7222		50,000	89,750
Contingency – 7224		30,000	35,260
Roof Repair - 411140		25,000	2,370
P&R Flooring - 450330		16,610	\$0
Heat Pumps (library) 450128		16,000	\$0
Wayfinding Signage (2884)		10,000	\$8,805
EDC benches (2883)		5,000	\$0
Sidewalk reconstruction 430330	150,000		150,000

<b>Municipal Reserve Fund</b>	<b>FY18</b>	<b>FY 2019 Transfers</b>	<b>Balance 9/30/2018</b>
Fort Saybrook Decking (FY18) 450527	13,500		13,500
Pavilion Stone Work (FY18) 450528	5,000		5,000
<b>Total</b>	<b>168,500</b>	<b>728,068</b>	<b>\$2,057,017</b>

**Capital Expenditures FY 2019** budgeted amount as noted below. To date, 16.3% has been utilized.

<b>Department Amount Used</b>	<b>Amount Budgeted/Transferred</b>	
Fire Department (4203)	\$60,318	\$0
Police Department (4201)	\$99,804	\$89,804
IT – Town (4143)	\$25,000	\$835
Highway & Streets (4303)	\$375,000	\$1,845
Land Use (415101)	\$ 7,000	\$0
<b>Total</b>	<b>\$567,122</b>	<b>\$92,484</b>

**Authorized Transfers** – None

### **Fiscal Year 19 Budget Performance**

Through September 30, 2018, three months or 25% of the budget equates to \$4,084,957. Actual expenditures of \$4,083,933, which are virtually equal to budget expectations. Capital transfers, quarterly payment, and other one-time annual payments were made near 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 2019 vs. Fiscal Year 2018**

The general government budget for FY18 was \$16,264,737, or \$75,092 less than FY19. During this period last year, the Town's General Government budget was 28.5% expended vs. 25% as of September 30<sup>th</sup>.

During FY18 the following appropriations/transfers occurred and are outstanding until approved at Town meeting.

- During the September 4, 2018 Board of Finance meeting it was voted to approve the movement of \$100,000 from the Town's surplus for FY2018, and to place those funds in the Municipal Reserve Fund and then to transfer those funds to the Sidewalk Fund (3014-430330).
- During the September 18, 2018 Board of Finance meeting it was voted to approve the movement of \$500,000 from the Town's surplus for FY2018, and to place those funds in the Municipal Reserve Fund, designated for a Board of Education Capital Sinking Fund (3900).
- At the September 18, 2018 Board of Finance meeting a transfer of \$50 thousand was authorized to be moved from the insurance line item 415700 to the General Government debt service 480111. The purpose of this transfer was to cover the debt service expenditure that was in excess of \$25 thousand when the debt refunding moved debt services formerly budgeted by the BoE to the Town.

## **7. Policy Proposal**

Mr. O'Brien went through and clarified the intent of the policy process proposal for all present.

He discussed as follows:

1. PO filled out and number to be assigned with intended completion date.
2. All specifications and labor/materials must be defined. Splitting of materials and labor is not allowed.

3. If required, all orders needing either a bid or a quote must have said items attached to the request by 2/28 of the budget year. Any request without the required bid or quote will be rejected.

Selectman Fortuna asked for more accurate explanation of certain points. A discussion followed. For clarification, Selectman Fortuna asked if he could work with Mr. O'Brien on the Policy Process Proposal and bring it back to the board. Ms. Nucci noted that a check list would be helpful to the departments as well. Ms. Rzasa noted that Selectman Fortuna, Mr. O'Neill and Mr. O'Brien will meet on the Policy Proposal and bring it back to the board.

#### **8. Selectman Report:**

Selectman Fortuna touched on the following:

- Article from S&P;
- BOE Sinking Fund;
- Pension Board; Pension payroll is over \$100K per month;

V. Chair Rzasa was glad to see that our fiduciary responsibility and due diligence was first and foremost addressed;

- Ash trees will be dying off; we will be spending the tree budget;
- The Kate estimate came in very high;

V. Chair Rzasa thanked Selectman Fortuna.

#### **9. Liaison Reports**

None

10. **Comments from the Chair:** V. Chair Rzasa commented how wonderful the sidewalks look. Public Works did a great job!

11. **Public Comment:** None

**Adjournment:** A motion to adjourn at 8:10 by Mr. O’Neill, seconded by Mr. O’Brien was so voted unanimously.

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

Submitted:  
Gerri Lewis, Clerk