



TOWN OF OLD SAYBROOK
Board of Finance

302 Main Street • Old Saybrook, Connecticut 06475-1741

BOARD OF FINANCE MEETING MINUTES

MARCH 17, 2020

TOWN HALL FIRST FLOOR CONFERENCE ROOM

BOF Attendant Members

David LaMay, Chairman
Carol Rzasa, V. Chairwoman
Tom Stevenson
Barry O'Neill - Remotely
Paul Carver
Rick Swan
Donna Nucci – Remotely (7:14 p.m.)

Absent Members

In Attendance

Carl Fortuna, First Selectman
Matt Pugliese, Selectman - Remotely
Lee Ann Palladino, Finance Director
Bob Fish, Treasurer – Remotely
Chief Michael Spera - Remotely
Gerri Lewis, Clerk

1. Call to order:

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

2. Pledge of Allegiance:

Chairman LaMay led the pledge.

3. Roll Call: All present

4. Minutes:

A motion to approve the minutes of January 21, 2020 was made by Ms. Rzasa, seconded by Mr. Swan and was so VOTED 5-0-1.

A motion to approve the minutes of February 4, 2020; February 25, 2020; and March 3, 2020 was made by Ms. Rzasa, seconded by Mr. Swan and was so VOTED unanimously.

5. Treasurer Report:

Treasurer Fish noted that we are 67% into the current budget. On the revenue side, there is a negative difference of approximately \$400K. He noted that there would be clarity on this during the Finance Report.

Treasurer Fish also noted that we have received \$108K from the State of Connecticut and will be getting an additional \$360K in the bond package.

Chairman LaMay thanked Treasurer Fish.

6. Finance Director Report:

Budget for Fiscal Year 2020

Budget Fiscal Year 2020

The general government budget for Fiscal Year (“FY”) 2020 presently stands at \$16,761,338, along with the Town’s Debt Service budget of \$3,238,104, total General Government Expense equate to \$19,999,442. The Board of Education budget of \$26,520,747 and total FY 2020 appropriations in the amount of \$5,000 brings the Town-wide budget to \$46,525,189. The budget was approved at the May 2019 budget referendum.

Budget Appropriations - During FY20 the following budget appropriation have been made.

- An appropriation in the amount of \$5,000 for the purpose of reseeding the oyster beds in Oyster River was approved at the December 17, 2019 Board of Finance meeting. The Funds were transferred from the General Fund to the off budget Shellfish Fund.

Municipal Reserve Fund Appropriations - During FY20 the following appropriations against the municipal reserve fund (“MRF”) have been made.

- An appropriation for \$111,870 from the capital non-recurring account (CNR) was approved by the Board of Finance (BoF) on September 17, 2019

and moved to Town meeting to be held on October 1, 2019. The funds will be moved to an off budget account “Kavanagh Park Tennis Court Repair”

- An appropriation for \$30,025 from the CNR was approved by the BoF on September 17, 2019 and moved to Town meeting to be held on October 1, 2019. The funds will be moved to an off budget account entitled “Town Hall Roof Repairs”.
- An appropriation of \$478,187 from the Fire Department Reserve account for the purchase of SCBA for the Fire Department was approved by the Board of Finance on November 19, 2019 with a caveat that not more than \$450 thousand would be financed.
- An appropriation in the amount of \$49,000 for the purpose of hiring a strategic planning consultant for the Park and Recreation committee was approved at the January 6, 2020 Special Board of Finance meeting and further moved to Town meeting. The funds have been moved to an off budget account entitled “P&R Strategic Plan”.
- An appropriation in an amount \$380,000 for the purpose of purchasing a municipal dump truck, a mason dump truck with plow and a roll off truck was approved at the February 25, 2020 Special Board of Finance meeting and further moved to a Town meeting. The motion included the ability to borrow an amount not to exceed \$380,000 over a term not to exceed five years; said loan would be paid from the department of public works reserve fund 3353.

Budgeted Capital Outlays FY20

The Municipal Reserve Fund, which includes capital non-recurring, fire apparatus, public work/transfer station, and Board of Education sinking funds, totals \$1,692,803 as of February 20, 2020.

Municipal Reserve Fund	FY 2020 Transfers	Balance 2/29/20
Capital Non- Recurring Budget 3350	\$192,533	\$519,709
Fire Apparatus -3351	169,591	528,583
Public Works – 3353	75,000	144,511
Board of Education – 3354		500,000
Catastrophic Illness – 7219	70,000	164,515
Post-employment Payout – 7220	40,000	153,053
Revaluation – 7222	50,000	10,935
Contingency – 7224	30,000	51,906
Roof Repair - 3020	25,000	27,185
Old Post Road Culvert Replacement (3050)	49,100	\$1,010

Municipal Reserve Fund	FY 2020 Transfers	Balance 2/29/20
Leap Year (490000)	24,667	\$24,667
Fire Panel (490000)	8,700	\$0
Total	734,591	\$2,126,074

Capital Expenditures FY 2020 budgeted amount as noted below. To date, 80% has been utilized.

Department	Amount Budgeted/Transferred	Amount Used
Fire Department (4203)	\$60,000	\$49,012
Police Department (4201)	\$99,804	\$89,804
IT – Town (4143)	\$25,000	\$3,991
Highway & Streets (4303)	\$375,000	\$303,051
Library Heat Pumps (4501)	\$15,000	\$13,476
Park & Recreation (450301)	\$10,000	\$7,836
Total	\$584,804	\$467,170

Authorized Transfers –

- A transfer in the amount of \$183,845 was approved by the BoF on November 19, 2019 to cover the increased debt service for FY20 as a result of the debt refunding of October 2019. Funds in the amount of \$115,955 will come from the WPCA debt service fund 3004 and funds in the amount of \$67,890 will come from the WPCA debt service fund 3005

Fiscal Year 20 Budget Performance

Through February 29, 2020, 8 months or 67% of the general government budget equates to \$11,166,381. Actual expenditures of \$10,658,938 are \$507 thousand below straight level 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 below, there are no unusual or unexpected expenses at this time.

February 29, 2020 - General Fund Budget Overview

Sub depart	Title	Budget	YTD expense	YTD / budget	Comment
421500	Animal control	25,000	25,000	100.0%	Appropriated in July
441900	Youth services - yfs	406,728	406,728	100.0%	Appropriated in July
490000	Capital outlay	739,591	739,553	100.0%	Appropriated in July
417700	Political sub divisions	181,103	170,573	94.2%	Funds requested at beginning of FY
450505	Other parks	59,280	54,883	92.6%	Seasonal
451100	KHCAC	64,500	55,382	85.9%	Replace emergency lighting batteries
440100	Public health admin	162,000	130,831	80.8%	
450503	Saybrook point	11,000	8,481	77.1%	Seasonal
430300	Highway and street	561,300	430,810	76.8%	Paving budget is 82% expended
413300	Assessment appeals	11,553	8,643	74.8%	Appeals now under consideration
420300	Fire	598,896	439,820	73.4%	\$183k pension payment made
431100	Street lighting	154,000	111,554	72.4%	Debt payment made in July

Fiscal Year 2020 vs. Fiscal Year 2019

The general government budget for FY19 was \$16,339,829 or \$412,509 less than FY20. The Town's General Government budget was 63.6% expended vs. 60.2% compared to the same this period last year.

The Finance Director discussed the expense budget for FY20 and noted that everything was on track. She then discussed the recent actuary report, the changes in demographics, potential assumption changes and the impact that would have on the Actuarial Determined Contribution (ADC) for FY21. The Board of Finance asked questions about the report. Ms. Palladino noted that the amount budgeted was lower than the ADC given the timing of the actuarial report completion. This information will go to the pension board for their review. She then discussed the results of the banking RFP. Webster Bank was chosen as the new provider. Staff is now working with both Webster and Liberty to complete the transition. The reasons for the transition were discussed, which included the availability of new technology that the Town intends to utilize, risk management tools, accounting, tracking and reconciliation products.

Ms. Palladino explained that the Grand List for 2018 was used for setting the mill rate for FY20. Between January 31st when the Grand List is posted and June when the tax bills are created, the Town settled several Assessment Appeals which lowered the Grand List tax base by approximately \$18 million, which translated into \$350 thousand in tax revenues that the Town would not receive. As projected, the Town now expects to see a slight surplus to flat tax revenues.

7. Discussion of the FY 2020-2021 Budget

After a discussion on the budget, the following motions were made:

A motion by Ms. Rzasa was seconded by Mr. Swan to cut \$75K from the Board of Education budget. In favor: Ms. Rzasa; Mr. Swan; Mr. Stevenson; Mr. Carver; Mr. O'Neill. Oppose: Chairman LaMay; Ms. Nucci.

A motion by Mr. Stevenson was seconded by Mr. Swan to cut \$60k from the Board of Education budget to renovate the HS gym floor. Discussion: Mr. Swan went and looked at the floor. He also spoke with the gym teacher who was not aware of any renovations. After further discussion:

A motion by Mr. Carver, seconded by Mr. Swan to table this item was so voted unanimously.

Ms. Rzasa further noted that in light of the current situation with the Covid-19 virus, consideration should be given to cut unnecessary items such as:

- Stone work around Town sign entrance ways; (\$4,000);
- New signage for Park & Recreation and Public Works; (\$29,000);
- Irrigation on Maple Avenue; (\$10,600);
- Street Scan for the Public Works Department; (\$15,500);

She also suggested that the department heads be given another directive to look at their budgets and once again cut them where they could.

Selectman Fortuna told the board that this was their budget now, and it was up to them to modify the budget as they saw fit. A discussion ensued.

Chairman LaMay, after listening to the board, suggested that he would invite the Board of Education to attend the next meeting.

At this time, Chairman LaMay made a motion to move the FY2020-2021 budget discussions to the next meeting which will be a special meeting on March 31st, 2021, seconded by Ms. Rzasa. The motion passed unanimously.

Ms. Nucci wanted to go on record that the next meeting should be had remotely due to the Covid-19 pandemic.

8. Trolley Discussion

Selectman Fortuna was going to skip over this item since the budget discussion was not going favorably. The board had a few questions regarding the cost to run the trolley. After a short discussion it was suggested that this item be on a future agenda.

9. Selectman Report

None.

10. Public Comment

None

11. Adjournment

A motion to adjourn was made by Ms. Rzasa, seconded by Mr. Stevenson and was so VOTED unanimously at 8:34 p.m.

Submitted:
Gerri Lewis, Clerk