



TOWN OF OLD SAYBROOK
Board of Finance

302 Main Street • Old Saybrook, Connecticut 06475-1741

BOARD OF FINANCE VIRTUAL MEETING MINUTES AMENDED

AUGUST 18, 2020

Dial In Access Number: 646-307-1479 Guest Passcode: 807700

Mobile Quick Dial: : tel://16463071479,*,,807700#

Virtual Meeting FAQ: <https://www.oldsaybrookct.gov/information-technology/pages/globalmeeting-hintssuggestions>

BOF Attendant Members

David LaMay, Chairman
Carol Rzasa, V. Chairwoman
Tom Stevenson
Paul Carver
Barry O'Neill
Rick Swan
Donna Nucci

Absent Members

In Attendance

Carl Fortuna, First Selectman
Matt Pugliese, Selectman
Bob Fish, Treasurer
Lee Ann Palladino, Finance Director
Fire Chief Joseph Johnson
Chief of Police Michael Spera
Jan Perruccio, Superintendent of Schools
Julie Pendleton, Director of Finance and Operations
Gerri Lewis, Clerk

1. Call to order:

Chairman LaMay called the virtual meeting to order at 6:30 P.M.

2. Pledge of Allegiance:

Chairman LaMay led the pledge.

3. Roll Call: All board members present

4. Minutes:

A motion to approve the minutes of the meeting of July 21, 2020 was made by Ms. Rzasa, seconded by Mr. Swan. Motion was so VOTED 7-0-0.

5. The Purchase of Fire Trucks

Ms. Palladino gave a brief re-cap of the previous meeting discussion with regard to the purchase of two fire trucks.

She noted the Fire Department has presented the Board of Finance with a long term capital plan during each budget season. Given the low level of interest rates and the availability of funds in the FD MRF, it makes financial sense to move forward with these purchases. The Fire Department does not have any large projects on the horizon or in the near future.

The two fire trucks requested are manufactured by Pierce Manufacturing out of Appleton Wisconsin. These trucks will replace 1994 E-One and 2005 Ferrara. These trucks will be sold outright as the Fire Department has obtained a quote during this process. The purchase price of the two trucks is \$1,355,128. The town would use \$355,128 of the FD MRF to make the down payment on the trucks. Any proceeds received from the sale of the trucks will be placed back into the FD MRF.

In terms of financing, she noted that it is recommended that we borrow \$1 million for a period of 10 years. The Town solicited two bids from Key Bank and Webster Bank for both a 7 year and 10 year term. Webster Bank provided the lowest financing at a rate of 1.40% for 7 years and 1.50% for 10 years with the option to prepay in part or in whole commencing in year 6. The annual payment for the 7 year is \$150 thousand vs. \$107.5 thousand for the 10 year. The decision to recommend the 10 year financing is based on the fact that the Town will have more flexibility to manage the financing given that we may receive a large grant for the SCBA gear, which would substantially increase the size of the FD MRF. However, if we do not receive the grant, it would be preferable to have a lower annual financing payment to keep dry powder available should other capital needs at the FD arise. Since the financing negotiations required a restricted limited pre-payment penalty (no pre-payment penalty in the first five years), we can repay this loan early if the town so chooses. The difference per year between the financing rates of 1.40% and 1.50% on \$1 million is about \$1 thousand per year. The total interest paid on 7 years is \$47,999 and \$74,911 for 10 years, or \$27 thousand should the loan go to full term.

At this time the following motion was made:

A motion was made by Ms. Rzasz, seconded by Mr. Swan to approve the appropriation of \$1,455,128 from the FD MRF for the purpose of lease/purchase of two new fire trucks. This appropriation will be funded in part by financing, through a financial institution as determined by the First Selectman, for a period of up to 10 years in an amount not to exceed \$1.1 million for principal plus interest payments, with the option to prepay in part or in whole commencing in year 6, and the annual debt service payments will be paid from the FD MRF. Further to move this appropriation to Town meeting or moved to the Board of Selectman for consideration pursuant to Governor Ned Lamont's Executive Order 7S, whichever is in effect.

6. Board of Education Update

Ms. Perruccio reported that part of the state's requirements for opening of schools in the fall is the completion of the Connecticut School Reopening Template, which is part of the Connecticut School Reopening Plan, "Adapt, Advance, Achieve: Connecticut's Plan to Learn and Grow Together". This plan was presented to the Board of Education for review at their meeting on Tuesday, July 21, 2020. In addition, it was reviewed and accepted by the Connecticut River Area Health District and reviewed by Old Saybrook Emergency Management. The plan is driven by a combination of the requirements and guidance set forth by the state of Connecticut, as well as decisions made at the local level regarding best practices.

Ms. Perruccio sent via email the link to the Power Point Presentation to prepare the board for the meeting. The Power Point Presentation can be found on the Old Saybrook Board of Education website.

Ms. Perruccio reported that School will open on Tuesday, September 1st using a hybrid model with a plan to open full time on Monday, October 5th. The first week of school will be half days. Buses will be running.

Ms. Perruccio noted that for the present time, the school will provide each staff member and student with an FDA approved face mask each morning.

She noted that tents will be set up at each school for outside learning weather permitting. Each student will also receive a supply kit to reduce the sharing of materials and each student will have their own bin to keep supplies.

SUMMARY OF CHROME BOOK PURCHASE:

Ms. Pendleton sent the following to the board at the request of one of the board members:

- There were 700 Chromebooks ordered in May for \$202.00 each per state contract pricing through the Capital Regional Education Council. The total of these came in at \$141,400.
- Each Chromebook required a Google license @ \$24.00 each or \$16,800. In addition they must be enrolled, engraved and inventoried with a tag which was \$8.00 each or \$5,600 for all the units.
- We opted for a three year warranty/protection plan on all units at a cost of \$58.00 per unit or \$40,600 in total.
- Finally, we purchased software to filter the students use at home for appropriate sites to be accessed which was \$10.50 per unit or \$7,350.00 and cases to protect each computer @ \$21.00 each or \$14,700.
- The entire package came to \$226,450 or \$323.50 per unit.

Ms. Pendleton reported on the FY19-20 surplus:

- Staff turnover;
- Grant funding;
- Reduced positions;
- Transportation;
- Tuition surpluses; \$184,868.00 – reimbursement from State for expenses for tuition students \$1,011,000.;
- \$1.96M returned to town;

For 20-2; money from FY19-20 spent on larger projects:

- Middle School boilers;
- Ropes course repairs;
- Gym Floor;
- Furniture;
- Play Ground;
- Bath Stalls;
- Classroom Furniture;
- HS Bath Stalls;

The following chart was sent to the board of finance with a list of expenditures related to Covid-19.

COVID 19 RELATED EXPENDITURES:			
SPREADSHEET FOR SURVEY			
CATEGORY	PERSONNEL COST	NON PERSONNEL COST	
ACADEMICS			
summer work - planning for hybrid/remote - teacher pay	\$190,974.00		
remote learning workshops		\$7,500.00	
SEL workshops		\$7,500.00	
ScreenCastify Premium License		\$2,250.00	
e-book purchases through Overdrive/SORA		\$30,000.00	
Dreambox		\$16,400.00	
Lexia		\$25,340.00	
Soundtrap (OSHS)		\$1,000.00	
Testing needs		\$7,200.00	
Screening and Scoring testing needs		\$4,200.00	
Reading and Math Kits		\$5,000.00	
Manipulatives		\$10,000.00	
Building Substitutes - 1 each	\$67,500.00		
Floating Para educators - 2	\$300,000.00		

Social Worker	\$60,000.00		
Consultants (Health, Safety, Mental Health, Engineering)	\$115,000.00		
Culinary and Tech ed safety materials		\$4,000.00	
	\$733,474.00	\$120,390.00	\$853,864.00
BUILDING/CLEANING/HEALTH/PPE			
supplies, retrofitting,			
Masks-All		\$10,000.00	
Gloves-All		\$10,000.00	
Sheilds		\$25,000.00	
Sanitizer		\$20,000.00	
Wipes		\$10,000.00	
Barriers		\$25,000.00	
Thermometers		\$2,000.00	
Disinfecting and Cleaning Products		\$50,000.00	
Custodial Staff (3 FTE's)	\$164,611.00		
Tech Room Reconfiguration / Barriers / Safety		\$25,000.00	
Gloves - All Schools		\$2,000.00	
Tent - OSMS/OSHS		\$20,000.00	
Crosswalk painted in lot - OSMS		\$500.00	
Social Distencing Signage- inside and out		\$1,200.00	
Building Signage All Schools		\$2,500.00	
Outdoor Furniture OSMS/GS		\$1,000.00	
Office/modification/constuction		\$50,000.00	
Air filters/and air ventilation adjustments		\$30,000.00	
Storage Pods		\$12,000.00	
Bottle fillers - HS 4, MS		\$4,000.00	
	\$164,611.00	\$300,200.00	\$464,811.00
STUDENT SUPPORT			
Social Emotional Learning, Child Nutrition			
Carts- All buildings		\$4,820.00	
Bags for recess equipment		\$152.00	
Recess equipment		\$570.00	
White boards		\$2,880.00	

Yoga mats- GS/MS		\$6,200.00	
Stipends (or para pay) for coverage outside and at doors	\$10,000.00		
Athletic Trainer from Aug. 3-16 3 hrs./day -OSHS	\$1,350.00		
Book Carts		\$500.00	
Health Office LPN	\$30,000.00		
Unemployment	\$150,000.00		
Health Assistant for OSMS for 6 hours	\$18,000		
Library book crates		\$400.00	
Storage Totes-Goodwin/MS		\$6,000.00	
	\$209,350.00	\$21,522.00	\$230,872.00
TECHNOLOGY			
Hardware, software, maintenance, insurance		\$50,000.00	
Cellular WiFi devices (equity of internet access)		\$10,000.00	
External Wireless Access Points for all schools		\$25,000.00	
Wireless / switch modifications recommended from audit		\$25,000.00	
teacher MacbookAir computers		\$204,300.00	
HP Chromebook 11A G8 (7th - 12th)		\$245,175.00	
HP Chromebook 11A G8 (5/6th grade & Paras)		\$54,175.00	
+ 3rd and 4th Chromebooks		\$54,175.00	
+ 1st and 2nd Chromebooks		\$54,175.00	
+ ECP and K Chromebooks		\$54,175.00	
Google Chrome License		\$6,600.00	
3 yr warranty acc. protect		\$15,950.00	
Chromebook Deployment		\$2,750.00	
Body Armor Cases		\$5,775.00	
GoGuardian Suite Lic		\$2,887.50	
Access points & Lic. (osgs)		\$5,200.00	
Access Point wiring (osgs)		\$1,000.00	
HP ProBook Cases		\$9,450.00	
GoGuardian Suite Lic for HP laptops		\$4,725.00	
headphones for all students		\$10,000.00	
Walkie Talkies- HS/MS		\$2,800.00	
		\$843,312.50	\$843,312.50
TRANSPORTATION			
private and public contracts, vouchers			
Bus Monitors	\$60,000.00		
Additional bus runs/buses		\$250,000.00	
	\$60,000.00	\$250,000.00	\$310,000.00
	\$1,167,435.00	\$1,535,424.50	\$2,702,859.50

Chairman LaMay made a motion to approve putting aside \$500,000 and designate to the Board of Education Capital Sinking Fund 3354. Further to move the transfer of the surplus funds to Town meeting or move to the Board of Selectman for consideration pursuant to Governor Ned Lamont's Executive Order 7S, whichever is in effect. Seconded by Mr. O'Neill.

Discussion: After a discussion of the motion, Chairman LaMay withdrew his motion and Mr. O'Neill withdrew his second. Mr. Stevenson thought it was too soon to vote this evening as there was nothing on paper. Ms. Rzasa and Mr. Swan agreed.

After discussion the following motion was made:

A motion was made by Chairman LaMay, seconded by Mr. O'Neill to appropriate \$500 thousand from the Town's FY20 surplus and to place those funds in the BOE Capital Sinking Fund 3354. Further to move the transfer of the surplus funds to Town meeting or move to the Board of Selectmen for consideration pursuant to Governor Ned Lamont's Executive Order 7S, whichever is in effect. Motion passed with approval from Ms. Nucci; Chairman LaMay; Mr. O'Neill; Mr. Carver. Opposed: Mr. Stevenson, Mr. Swan and Ms. Rzasa.

7. Emergency Management Update

Chief Spera thanked the board for inviting him to give an update on Emergency Management. He briefly reported the following:

- Thanked first responders; members of the Public Safety Leadership team; Board of Selectman for their leadership and support; Scott Martinson, Regional Public Health Director; Donna Nucci, RN MS CIC;
- Old Saybrook is prepared as well as any community can be to respond to this event. Have confidence in our Public Safety and Public Health Leaders and the response structure that is in place in Old Saybrook;
- EM has supplied signage, cones to stores, businesses and restaurants;
- Putting finishing touches on the OS PPE website;
- Concerned for the Fall weather

Chief Spera noted that everyone should maintain good social distance (about 6 feet). This is very important in preventing the spread of COVID-19. Also, wash your hands often with soap and water. If soap and water are not available, use a hand sanitizer that contains at least 60% alcohol. Routinely clean and disinfect frequently touched surfaces and finally cover your mouth and nose with a mask when around others.

Chief Spera reported that the Long Term Recovery committee is meeting and working hard to address issues with Covid-19.

After questions from the board, Chairman LaMay thanked Chief Spera.

He then called upon Ms. Nucci.

Ms. Nucci noted that perhaps around Thanksgiving there may be a resurgence of the virus. She recommended no travel and to get a flu shot. She noted that everyone should watch the **CDC website and reports** and to be vigilant about wearing masks.

Chairman LaMay thanked Ms. Nucci.

8. Police Vehicle Purchase

Police Commissioner Keeney made a presentation on behalf of the Police Commission with regard to the Police Fleet and the need for the same .

Selectman Fortuna outlined a discussion for the Board of Finance to consider the financing of the Police Fleet during this low rate environment as follows:

The estimated purchase price of the fleet is \$540 thousand (subject to bid) with a trade in value of \$45 thousand with a net amount needed to purchase the vehicles of \$495 thousand. Selectman Fortuna recommended the following options to pay for the purchase which include: 1) borrow \$400 thousand; 2) utilize \$56 thousand capital non-recurring funds; and 3) utilize the police department year-end transfer of \$39,246.37 toward this purchase

By way of background, Selectman Fortuna noted that the Town has implemented a financing strategy of “flipping the police vehicle fleet” every four years. This strategy has been successfully implemented two prior times and this would be the third implementation. At present, the Town’s police department has 23 police vehicles, of which 10 are assigned to patrol, and the strategy has been to replace a subset of these vehicles every 4 years. The goal of this strategy is to keep the budget associated with vehicle purchases flat, to manage the ongoing capital investment, and to keep the vehicles under maintenance warranty.

During June of 2017, the Town borrowed \$366,448 to fund the police vehicle purchases at a rate of 2.25%. The annual debt service on this loan totaled \$94,905, with \$89,904 being charged to the police operating budget and \$5,101 being charged to PD outside services. The final payment on this loan was made in July 2020.

Financing: Given the extremely low level of interest rates present in today’s environment, and the fact that the Town is taking out a large loan for the Fire Department, the Town has the opportunity to take advantage of economies of scale and get a low rate for the financing of the police fleet. A rate of 1.40% was quoted on an estimated \$400 thousand for 4 years. The interest on this loan would total just under \$15 thousand. These levels would equate to an approximate annual debt service of \$103,625. The first payment would come due next July 2021. It is recommended to maintain the debt service amount of \$89,904 from the police budget and to charge the balance of \$13,721 to the police outside services budget.

Capital Non-Recurring: During fiscal year 2019, the Town received approximately \$56 thousand as a reimbursement for police cameras. These funds were placed in the municipal reserve fund for future capital project use. New laws will require police vehicles to be fitted with more cameras and it makes sense to use these funds to reinvest in new camera requirements for police vehicles.

PD Year end Transfer: As part of the normal course year end processing, a Police Department (“PD”) transfer in the amount of \$39,246.37 will take place from two off budget PD accounts. These funds were distributed to the PD General Fund Administrative budget with \$36,672.62 going to the Gasoline budget line, and \$2,573.75 distributed to the PD Field service budget salary line, for a total of \$39,246.37. As the PD department has a budget surplus, the transfer would be a prudent use of these funds to offset the cost of the financing for the vehicles.

From a budgetary perspective financing at this time makes sense as we can lock in the cost during the upcoming budget season, the interest rate environment is very attractive, and we can continue to execute on a strategy that is proven. It takes several months to purchase, fit and prepare the vehicles for the police department. Vehicles would be ready for service around the same time as debt service would commence.

After a lengthy discussion, the board of finance made the following motion:

A motion was made by Chairman LaMay, seconded by Mr. O'Neill to appropriate \$471 thousand for the purpose of lease/purchase of new police vehicles. That amount includes financing, through a financial institution determined by the First Selectman, not to exceed \$415 thousand (\$400 thousand principal and \$15 thousand interest); and to appropriate \$56 thousand from the capital non-recurring account; further to transfer \$39,246.37 from the FY20 police department budget. All funds would be placed in a new fund entitled "Police Vehicle Purchase". Finally to move the appropriation and the FY20 transfer of funds from the police department budget to Town meeting or moved to the Board of Selectmen for consideration pursuant to Governor Ned Lamont's Executive Order 7S, whichever is in effect. Motion passed unanimously.

Chairman LaMay thanked Commissioner Keeney, Selectman Fortuna and Chief Spera.

9. Finance Director Report – Discussion and Possible Action on FY20 Surplus

Fiscal Year 2019-2020 *Preliminary* Financial Results

Summary

For the fiscal year period ending June 30, 2020 ("FY20"), the preliminary financial results lead to an estimated surplus of approximately \$1.7 million. The surplus of \$1.7 million is mainly attributable to underspending the expenditure budget (+\$1.653 million) and Town revenues came in virtually flat (+\$58 thousand). Further, this budget surplus can be broken down between the Board of Education ("BoE") and the General Government ("GG") as follows: BoE surplus \$1,196,128 and GG surplus of \$515,383. While the Town conservatively managed within its budget and many departments were "business as usual", FY20 finances were highly affected by the COVID-19 pandemic. Over the past several years, and in accordance with the Board of Finance's Fund Balance Policy to target a Budget Reserve Fund Balance of 15%, the Town has worked toward building its rainy day fund from a rate of 6.5% in 2012 to its current projected level of approximately 15.5% of the FY19 budget. The Town's unassigned fund balance stands at \$6,971,610 as of June 30, 2019. The attainment of the budget reserve goal, prudent budget practices, and the building of capital and other long term liabilities reserves all contributed to a strong financial foundation that will provide the Town with the financial tools it may need to navigate through difficult or uncertain economic periods.

Revenues

Overall town-wide revenues of \$46,583,739 came in up \$58,550 over budget, however, after deducting the special education grant of \$184,868, Town revenues will post \$126 thousand under budget.

Revenue	FY20 Budget	Actual	Surplus/(Deficit)
Total Taxes	\$44,790,789	\$44,542,089	(\$248,700)
State Revenue	\$ 375,000	\$ 719,476	\$ 344,476
Local Revenue	\$ 1,354,400	\$ 1,322,174	(\$ 32,226)
Budget Appropriations	\$ 5,000		(\$ 5,000)
Total FY Budget	\$46,525,189	\$46,583,739	\$58,550

Taxes collected were lower than budgeted. This was mainly attributed to the revaluation of properties that occurs every 5 years associated with Assessment Appeals revisions, which during FY20, accounts for the difference in taxes collected. Secondly, the Town budgeted \$375 thousand in State revenues and received \$719 thousand, including \$184 thousand of special education revenues. During the FY20 budget process, it was decided to conservatively budget State revenues to mitigate the State's practices of cutting financial aid to the Town mid-year. The State did provide the Town with all of the grants that it stated it would pay. Local revenues came in slightly higher than projected.

Expenses

Expense	FY20 Budget	Actual	Surplus
Town Hall Departments	3,705,306	3,560,630	\$144,676
Public Safety	6,247,783	5,921,382	\$326,401
Public Works	3,562,113	3,436,735	\$125,378
Health & Welfare	727,213	706,025	\$21,188
Culture & Recreation	1,784,331	1,760,312	\$24,019
Education*	26,520,747	25,509,486	\$1,011,261
Debt Service	3,238,104	3,238,104	\$0
Capital outlay	739,591	739,553	\$38
Total Budget	46,525,188	44,872,227	1,652,961

- ❖ Education budget had gross expenses of (\$1,011,026), which were offset by a special education grant in the amount of \$184,868 for a net surplus of \$1,196,128.

With regard to budgeted expenses, during FY20, the Town came under budget by \$642 thousand versus the Town wide budget of \$46,525,188. The General Government function that contributed the majority of the line item surplus was the Public Safety, which was due to salaries and health benefits actuals being lower than expected. While the Town Hall Departments budget surplus was \$145 thousand, there were approximately 25 departments that are a subset of this function and none of those departments posted material budget deviation (surplus or deficit). Finally, all department heads carefully managed their budgets and also helped to contribute to the overall surplus.

The numbers are considered preliminary estimates and will not be finalized until the audit is completed by the Town's external auditor, Mahoney Sabol, for Fiscal Year 2020.

Fiscal Year 2020 Year end transfers

A memorandum was sent to the board of finance as follows: to inform you of the year end Police Department ("PD") transfer in the amount of \$39,246.37 from two off budget accounts. These funds were distributed to the PD General Administrative budget with \$36,672.62 going to the Gasoline budget line, and \$2,573.75 distributed to the PD Field service budget salary line.

Secondly, and beginning with FY20, to inform you of the year end transfer related to the Youth and Family (“YFS”) off budget account in the amount of \$27,705.88 from the FY20 surplus of the YFS budget fund 7555 to the YFS Income Fund 7556

Police Department Year end transfer

By way of background, three years ago the Board of Finance endorsed the practice of transferring funds from the PD Outside Service Fund and the PD Administrative Account for the reimbursement of vehicle usage expenses and pistol permit processing.

According to the pre-determined formulas, \$2,573.75 was transferred from the PD Administrative Account for the processing of 37 pistol permits, or \$68.25 per permit. Additionally, \$36,672.62 in fees assessed to private contractors was transferred from PD Outside Service Fund for the reimbursement of gasoline and vehicle maintenance within the PD General Expenditure budget. During Fiscal Year 2020, 2,038.5 vehicle use hours were used at a rate of \$17.99 per hour.

Youth and Family year-end transfer

Fiscal Year 2020 marks the completion of the first year that the Youth and Family Department managed its budget through an off budget account. As disclosed, at the end of the FY, a transfer will be made into the Y&F Income fund if a budget surplus is present or a request for appropriation would be made if a budget deficit is realized. The YFS budget for FY20 was \$580,126. The amount transferred to the Y&F Income fund is \$28,093.17

Revenues:

YFS received \$580,227.94 in revenues during FY20 almost exactly matching its budget. YFS received an appropriation from the Town in the amount of \$406,728; client fees in the amount of \$104,373 and the balance, \$69,126 in various state grants and other donations. Therefore, YFS had a revenue surplus of \$101.94.

Expenditures

YFS had an expenditure budget of \$580,126 and spent \$552,032.83 for an underspend in the amount of \$28,093.17. The majority of the under spend was due to health insurance expense as there was a difference in the plans used vs budgeted (i.e. family vs. 2-person). In addition, supplies expense was lower than anticipated and most likely reflects the lack of activity due to COVID-19 closures.

Income Fund

As a result, \$28,093.17 will be transferred from the FY20 surplus of the YFS budget fund 7555 to the YFS Income Fund 7556. During FY20, the remaining YFS off budget accounts were closed and \$12,530.70 was transferred to the income fund. With this addition, the YFS Income fund will now total \$40,725.81.

At this time, the following is designated to Planning for Fiscal Year 20 Surplus.

At a previous meeting, Ms. Palladino discussed in a memorandum to request the board of finance’s input into the plans for the Town of Old Saybrook’s Fiscal Year 2020 “FY20” surplus management.

The following was discussed and memorandum sent to the Board of Finance.

Discussion

The Town's unassigned fund balance stands at \$6,971,610, or 15.5% of the total General Fund budgetary expenditures at the end of FY19. For planning purposes, in order to target the Town's unassigned fund balance to 15% of FY21 budgeted expenditures of \$47,020,426, the unassigned fund balance would need to total approximately \$7,053,000 or an increase of \$81,390. While the amount of the surplus is not yet known at this time, we do project the Town budget surplus will likely range from \$100 to \$400 thousand, and there is likely to be a surplus at the Board of Education that will increase the overall town wide surplus.

The following is an excerpt from the Fund Balance Policy that addresses year end surpluses.

"It is the goal of the Town to build an unassigned fund balance in the GF at each fiscal year end of 15% of approved GF annual expenditures. Fund balances that fall within the range of 12% to 15% are deemed to be healthy and no action or reporting is required. Should the unassigned GF fund balance fall below 12% at fiscal year end, the Board of Finance shall be notified. Should the unassigned GF balance fall below 5% the First Selectman shall develop a restoration plan to rebuild the minimum fund balance and present it to the Board of Finance for their approval.

In the event that a fiscal year ends with surplus funds projected to be in excess of the 15% policy target, the Board of Selectmen shall make a recommendation to the Board of Finance which may include one or more of the following options:

- a) Transfer excess funds to a capital reserve account;
- b) Transfer excess funds to a specific capital project;
- c) Transfer excess funds to reduce a Town liability or debt;
- d) Transfer excess funds to a debt stabilization account; or
- e) Other recommendation as may be appropriate."

With this policy as guidance, it is recommended that the Boards of Selectman and Finance consider the following uses of surplus in the following order:

1. The Town has budgeted \$590 thousand for Defined Benefit actuarial determined contribution ("ADC") in FY21 (\$440 thousand for the Town employees and \$150 thousand for the BoE employees). The ADC for FY21 is \$787 thousand. Therefore, it is recommended to transfer \$200 thousand to the municipal reserve fund ("MRF") and further to transfer these funds to the Town pension plan next fiscal year in order to meet the full ADC for FY21.
2. Transfer up to \$200 thousand to the debt stabilization fund.
3. Over the course of the last two fiscal years, the BoF has appropriated surplus funds for the purpose of constructing sidewalks and other sidewalk improvements. It is recommended that an appropriation of \$150 thousand be considered to maintain our program of improving sidewalks. The proposed sidewalk construction will take place between Lynde Street and Main Street and other sidewalk improvements in and around Town. The timely completion of the sidewalk project will not only lead to safe walkways but also continue to complement the work that has been completed to date.
4. Establish a long term recover fund entitled "LTR COVID Fund" at a minimum amount of \$25 thousand for the purpose of providing funding that will assist businesses in the procurement of PPE and the Long Term Recovery ("LTR") taskforce initiatives.

After discussion the board decided to move forward with this recommendation. The motions requested are as follows:

A motion by Ms. Rzasa, seconded by Mr. Carver to appropriate \$200 thousand to the municipal reserve fund (“MRF”) and further to transfer these funds to the Town pension plan next fiscal year in order to meet the full ADC for FY21 and to place said funds in the Town Pension Plan Fund 8100 to be used for the purpose of augmenting the FY21 ADC budget. Further to move the transfer of the surplus funds to Town meeting or moved to the Board of Selectman for consideration pursuant to Governor Ned Lamont’s Executive Order 7S, whichever is in effect. Motion passed unanimously.

A motion by Ms. Rzasa, seconded by Mr. Stevenson to appropriate the movement of \$200 thousand from the Town’s surplus for FY2020 and to place those funds in the Debt Stabilization Fund. Further to move the transfer of the surplus funds to Town meeting or moved to the Board of Selectman for consideration pursuant to Governor Ned Lamont’s Executive Order 7S, whichever is in effect. Motion passed unanimously.

A motion by Ms. Rzasa, seconded by Mr. Stevenson to appropriate the \$150 thousand from the Town’s surplus for FY2020 and transfer said funds to an off budget Fund called “sidewalk construction”. Further to move the transfer of the surplus funds to Town meeting or moved to the Board of Selectman for consideration pursuant to Governor Ned Lamont’s Executive Order 7S, whichever is in effect. Motion passed unanimously.

10. Selectman Report

Selectman Fortuna briefly discussed the following:

- Acton Library now open by appointment;
- Boiler at Library installed; other one will be installed next year;
- The Kate will hold its virtual gala with star talking to Ann Nyberg;
- Town received a technical assistance grant; used for affordable housing assistance;
- Applied for a STEEP Grant; 15M available; each town limited to \$500K; we submitted for 2 bathrooms;
- Settled Supervisors contract FY 21-22-23;
- Revaluation affected revenues;
- Christine Nelson, Town Planner resigned

11. Comments From The Chair

Chairman LaMay thanked everyone. He had no other comments.

12. Public Comment -

At this time, Chief Spera thanked the board of finance and he wanted to publicly thank Saybrook Ford for the many years of a business relationship with them.

This meeting did not record on YouTube video website. It is posted in the Town Clerk’s Office.

13. Adjournment

A motion to adjourn was made by Ms. Nucci, seconded by Mr. Swan at 8:47 p.m. and was so VOTED unanimously.

Submitted: Gerri Lewis