



TOWN OF OLD SAYBROOK  
Board of Finance

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302 Main Street • Old Saybrook, Connecticut 06475-1741

BOARD OF FINANCE VIRTUAL REGULAR  
MEETING MINUTES

**April 20, 2021 7:00 p.m.**

BOF Attendant Members

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

Absent Members

In Attendance

Carl Fortuna, First Selectman  
Lee Ann Palladino, Finance Director; Treasurer  
Chief Michael Spera

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 members present**

**4. Minutes**

A motion to approve the minutes of April 6, 2021 was made by Ms. Rzasa, seconded by Mr. Carlson and Motion was VOTED unanimously.

**5. Treasurer Report/ Finance Director Report:**

The Finance Director's report will address the present status of the Fiscal Year expenditure budget, Cash Flow trends, and status of the Town's long-term strategies.

Section I: [Expenditure Budget for Fiscal Year 2021](#)

**Budget Fiscal Year 2021**

The general government budget for Fiscal Year (“FY”) 2021 presently stands at \$17,101,708, along with the Town’s Debt Service budget of \$3,212,695, total General Government Expense equate to \$20,314,403. The Board of Education budget of \$26,706,023 brings the Town-wide budget to \$47,020,426. The budget was approved at the March 31, 2020 Board of Finance meeting in compliance with Governor Lamont’s Executive Orders 7c and 7i, which allowed the Board of Finance to vote on the budget and set the mill rate.

***Budget Appropriations*** - During FY21 no budget appropriation have been made.

***Municipal Reserve Fund Appropriations*** - During FY21 the following appropriations against the municipal reserve fund (“MRF”) have been made.

- An appropriation for \$200,000 from the capital non-recurring account (CNR) was approved by the Board of Selectmen on August 25, 2020 pursuant to Governor Ned Lamont’s Executive Order 7S. The funds were moved to an off-budget account “Town Pension Plan” to be used toward the Actuarial Determined Contribution for FY21.
- An appropriation for \$17,895 from the CNR was approved by the Board of Selectmen on November 24, 2020 pursuant to Governor Ned Lamont’s Executive Order 7S. The funds were moved to an off-budget account “P&R Restroom Project” to supplement the Small Town Economic Assistance Program grant in the amount of \$128,205 for the purpose of placing two pre-fabricated bathrooms at Park and Recreation Locations.
- An appropriation for \$135 thousand from the CNR was approved by the Board of Selectmen on March 23, 2021 for the purpose of replacing and repairing the gutters at the KHCAC and to place these monies in an off-budget account entitled “KHCAC gutter replacement”.
- An appropriation of \$37,292 was made from the Fire Department Apparatus fund for the purpose of replacing the jaws of life equipment at the Fire Department. Since purchases from this fund are pre-authorized no additional approvals were necessary.

***Off Budget Fund Appropriations*** – During FY21 the following appropriations against off budget funds were made:

- An appropriation of \$38 thousand from the from the “Bokum Road Property Sale” Fund 2800 for the purpose of paving and landscaping the turnaround on Ingham Hill Road was approved at the December 15, 2020 Board of Finance meeting. Further this appropriation was approved by the Board of Selectman pursuant to Governor Ned Lamont’s Executive Order 7S, at its December 22, 2020 meeting.

### **Fiscal Year 21 Budget Performance**

Through March 31, 2021, 75%% of the general government budget equates to \$12,826,281. Actual expenditures of \$11,874,857 are \$951 thousand below the straight-lined budget. Capital transfers, quarterly payment, and other one-time annual payments were made near the start of the fiscal year. Attached is the detail list of budget line items.

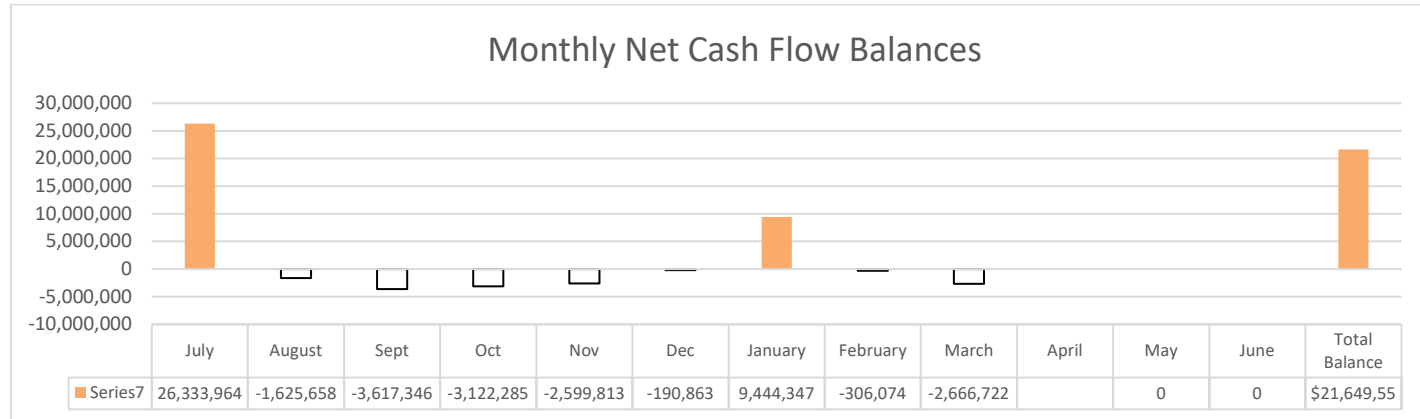
## **Section II: Cash Flow Summary**

As of March 31, 2021, the Town’s cash balance was as follows:

<b>Fund</b>	<b>Total</b>	<b>Monthly Activity</b>
General Fund	21,649,551	(2,666,722)
Capital Funds	1,936,613	32,978
Reserve Funds	\$3,549,115	(56,503)

Fund	Total	Monthly Activity
Non-major Funds	2,455,564	(256,855)
Total	29,590,843	(2,947,102)

During the month of March, the Town's total cash decreased by \$2.9 million of which \$2.66 million was due to activities in the General Fund. The GF received \$573 thousand in revenues which were offset by \$3.2 million in expenditure.



### Section III. Long Term Strategies

#### 1. Debt Service

Outstanding June 30, 2020: \$27,990,000  
 Debt Service Payment FY21: \$3,212,695  
 Debt Service Payment FY22: \$3,209,845  
 Debt Service Reserve: \$431,927

#### 2. Capital Outlays FY21

The Municipal Reserve Fund, which includes capital non-recurring, fire apparatus, public work/transfer station, and Board of Education sinking funds, totals \$1,926,325 as of March 31, 2021.

Municipal Reserve Fund	FY 2021 Transfers	Balance
Capital Non- Recurring Budget 3350	\$184,425	\$597,028
Fire Apparatus -3351	170,000	140,872
Public Works – 3353	75,000	188,425
Board of Education – 3354		1,000,000
Catastrophic Illness – 7219	70,000	116,589
Post-employment Payout – 7220	40,000	147,750
Revaluation – 7222	50,000	91,722
Contingency – 7224	30,000	48,774
Roof Repair - 3020	25,000	42,759
P&R Sinking Fund – 3053 450335	10,000	7,018

<b>Municipal Reserve Fund</b>	<b>FY 2021 Transfers</b>	<b>Balance</b>
Stonework EDC 3028 417326	4,000	4,000
Signage (P&R and DPW) – 3029 450334	29,000	4,511
P&R Mini Golf Carpets – 3030 450331	6,800	0
P&R Pavilion Carpet - 3031 450333	9,025	669
Gutter Guards (Library) – 3032 450130	5,600	81
NEA Grant Live in Old Saybrook – 2915 417327	10,000	10,000
<b>Total</b>	<b>718,850</b>	<b>2,832,125</b>

**Capital Expenditures FY 2021** budgeted amount as noted below. To date, 67% has been utilized.

<b>Department</b>	<b>Amount Budgeted/Transferred</b>	<b>Amount Used</b>
Fire Department (4203)	60,000	\$0
Police Department (4201)	99,804	\$89,804
IT – Town (4143)	25,000	\$10,078
Highway & Streets (4303)	390,000	\$282,792
Library Heat Pumps (4501)	15,000	\$14,071
<b>Total</b>	<b>\$589,804</b>	<b>\$396,745</b>

### **3. Pension Plan**

<b>Description</b>	<b>Town Pension Plan</b>	<b>Fire Department Pension Plan</b>
Actuarial Defined Contribution (ADC) FY21:	\$789,169	\$169,368
Paid to date by the Town & BoE	\$659,426 (~\$750k projected)	\$183,957
ADC FY22	\$813,814	\$171,642
ADC budget amount	\$468k (town) \$150 (BoE) = \$618k	\$180,000

### **4. Fund Balance Performance vs. Policy**

- Unassigned General Fund Target Balance: 15% of approved GF annual expenditures
- Range of 12% to 15%: Deemed healthy – no action required.
- Less than 12% Board of Finance shall be notified.
- Less than 5% First Selectman develops plan to rebuild fund balance.

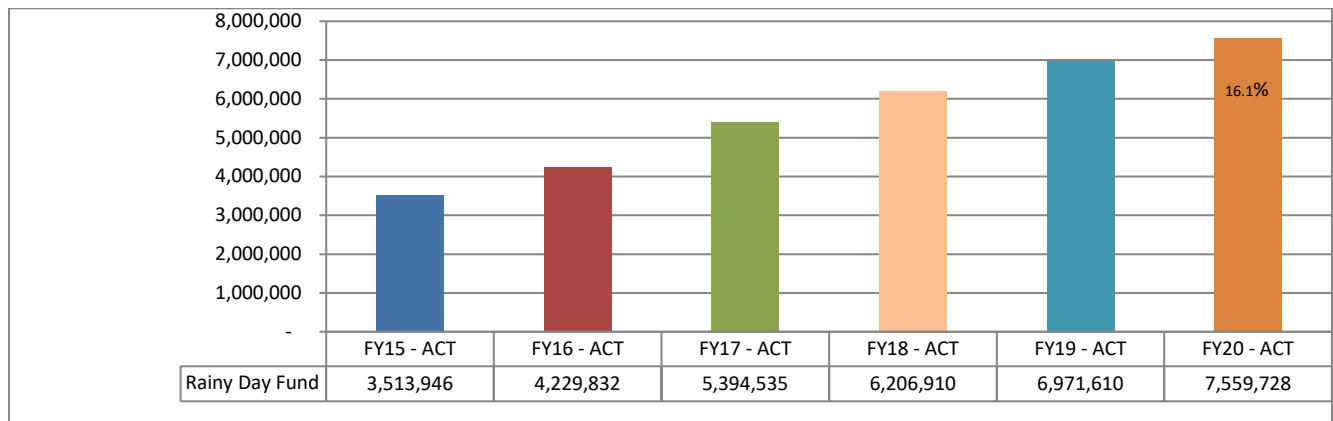
In the event that a fiscal year ends with surplus funds projected to be in excess of the 15% policy target, the Board of Selectmen shall make a recommendation to the Board of Finance for use of excess funds. As of June 30, 2020, the GF unassigned balance was 16.1% of FY21 budgetary expenditures.

### **Town of Old Saybrook Fund Balances for the Period Ending June 30, 2020**

Fund	Non-spendable	Restricted	Committed	Unassigned	Total
General Fund	0	143,100	421,027	7,559,728	8,123,855
Capital Funds			1,356,467		1,356,467
Reserve Funds			3,929,247		3,929,247
Non-major Funds	5,000	224,974	1,427,861	(255,402)	1,402,433
Total	5,000	368,074	7,134,602	7,304,326	14,812,002

\*\* Restricted (\$143,100 performance bonds GF) (\$224,974 restricted by grant program)

### General Fund Balance Trend: Fiscal Years 2015 - 2020



### Timeline Covid 19 – Financial Update

Chief Spera, Ms. Palladino and Selectman Fortuna spoke to the power point presentation which was a timeline of Covid-19 Events as follows:

- Available Emergency Funding Sources
- Preparation of Covid-19 Emergency (Finance Related)
- Funds Management – Expenses
- Funds Management – Reimbursement
- Board of Finance Questions

A Q&A followed. This presentation can be found on the Town of Old Saybrook video library Board of Finance.

Chairman LaMay thanked Chief Spera, Ms. Palladino and Selectman Fortuna.

#### 6. Selectman Report:

- Selectman Fortuna noted that the governor has lifted the restriction of in person gatherings May 20<sup>th</sup> ;
- Gutters started at The Kate;
- Larry Hayden is one of our unsung heroes; made all virtual meetings possible;
- Senator Fonfara proposed no car tax; would cause disruption in our revenue;

Mr. Swan asked about the Park & Rec Study; Carl will follow up. Mr. Stevenson commented and thanked Selectman Fortuna about the Main Street curbing.

Chairman LaMay thanked Selectman Fortuna.

**7. Public Comment:** None

**8. Comments from the Chair**

Chairman LaMay thanked everyone and noted that that the Town Meeting will be May 3, 2021 and the Referendum will be May 11, 2021.

**9. Adjournment:**

A motion to adjourn was made by Mr. Swan, seconded by Mr. O'Neill at 8:42 p.m.

Submitted from notes:

Gerri Lewis, Clerk