



TOWN OF OLD SAYBROOK
Board of Finance

302 Main Street • Old Saybrook, Connecticut 06475-1741

BOARD OF FINANCE REGULAR MEETING MINUTES

July 19, 2022 6:30 p.m.

This was a hybrid meeting

BOF Attendant Members

Paul Carver, Chairman
Brad Thorpe, V. Chairman
Tom Stevenson
Rick Swan
Eric Dussault
Bruce Carlson
John O'Brien

Absent Members

In Attendance

Carl Fortuna, First Selectman
Lee Ann Palladino, Finance Director
Barbara Labriola, Treasurer
Jan Perruccio, Superintendent of Schools
Julie Pendleton, Director of Operations, Facilities & Finance
Gerri Lewis, Clerk

1. Mr. Carver called the meeting to order at 6:30 p.m.
2. **Pledge of Allegiance:**
Mr. Carver led the pledge.
3. **Roll Call:** All present with Mr. O'Brien attending virtually.
4. **Minutes**

A motion by Mr. Thorpe was seconded by Mr. Carlson to approve the minutes of 6/21/2022. Motion passed unanimously.

5. **Public Comment** None
6. **Board of Education – Labor Negotiations**

Superintendent Perruccio reported to the board that the Board of Education is scheduled to negotiate with its teacher bargaining unit for a new contract. She noted that the first meeting is on July 20, 2022. She also noted that the board of finance usually sends one or two representatives to the negotiations. Brad Thorpe and Eric Dussault will be representing the board of finance.

Mr. Carver thanked Ms. Perruccio.

7. ARPA Ratification and Appropriation

Selectman Fortuna noted that the purpose of his memorandum sent to the Board of Finance was to recommend that the Board of Finance ratify previously made appropriations from the American Rescue Plan Funds in the amount of \$247,461.27. The appropriations were approved by the Board of Selectmen. Further to approve two new appropriations, one to the Lion's Club in the amount of \$2,800 and the other to the Old Saybrook Estuary in the amount of \$10,000.

He noted that the Town received 50% of its ARPA funds, or \$1,482,120.54, on June 22, 2021. The Town will receive its second funding no sooner than 12 months after the first tranche was received for a total of \$2,964,241 in ARPA funds.

Selectman Fortuna noted that Bruce Carlson, a Board of Finance member, is the chairman of this committee. The role of the committee is to review opportunities to invest these funds in accordance with the narrow guidelines and to make recommendations to the BoS for their consideration. Selectman Fortuna decided that the best process, with respect to the allocation of funds, will be to follow our Town's appropriation guidelines which is approval by the Board of Finance and moved to Town Meeting.

Request for Ratification

The following uses of ARPA funds were approved by the BoS and have been advanced. It is requested to ratify these appropriations.

1. Information Technology Equipment to support hybrid meetings	\$ 7,774.83
2. Installing a water main on Evans Lane	\$ 57,278.55
3. Katherine Hepburn Cultural Arts Center revenue replacement	\$100,000.00
4. Old Saybrook Chamber of Commerce Revenue Replacement	\$ 23,900.00
5. Old Saybrook Historical Society	\$ 23,000.00
6. Shoreline Soup Kitchen	\$ 10,000.00
7. Old Saybrook Garden Club	\$ 7,000.00
8. Economic Recovery Program through EDC	<u>\$ 18,507.89</u>
Total:	<u>\$247,461.27</u>

Request for Appropriation

The Board of Selectmen recently approved two new appropriations recommended by the ARPA Committee. The Board of Selectmen recommends approval of the following.

1. Lions Club – for the purpose of replacing lost event revenue	\$ 2,800.00
2. Estuary – for the purpose of contributing toward a social worker	<u>\$10,000.00</u>

Total request for approval	\$12,800.0
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The following motion to approve all 3 requests:

To ratify \$247,461.27 in previously approved ARPA appropriations by the BoS, and to move this ratification to Town Meeting;

To appropriate \$2,800 of ARPA funds to the Lion's Club, and to move this appropriation to Town Meeting; and

To appropriate \$10,000 of ARPA funds to the Old Saybrook Estuary, and to move this appropriation to Town Meeting; **were made by Mr. Carlson, seconded by Mr. Thorpe and all 3 requests for approval were so VOTED unanimously.**

Mr. Carver thanked Selectman Fortuna and the board.

8. Treasurer Report

Ms. Labriola gave the Treasurer Report as follows:



Monthly Treasurer's Report – June 2022

(Preliminary and Unaudited)

Background Sec. 7-80. Duties of treasurer. (a) The town treasurer shall receive all money belonging to the town, pay it out on the order of the proper authority and keep a record of all moneys received and when received and of all moneys paid out, when, for what and upon whose authority, which record shall always be open to the inspection of any taxpayer in such town and shall be presented to each annual town meeting, being first sworn to by him and adjusted by the selectmen. The town treasurer shall be, ex officio, treasurer of the town trust funds and may appoint a deputy who shall, in the absence or disability of the town treasurer, perform all his duties.

Executive Summary as of June 30, 2022

REVENUES:	Budget	Received FYTD	% Received FY22	% Received FY21
Taxes	45,653,717	46,209,451	101.2%	100.1%
State of Connecticut	463,000	621,423	134.2%	109.3%
Local Revenues	1,071,000	1,426,213	133.2%	122.8%
TOTALS:	47,187,717	48,257,087	102.3%	101.3%

Authorized Investments per Investment Policy:

Authorized Investment	Balance	Rate as of 6/30/22
STIF	\$6,731,746	1.15%
Liberty Bank	\$100,000	.20%
Webster Bank	\$10,565,113	.56%
Short Term Cash Management	\$8,000,000	.93%
ARPA Cash Management	\$1,200,000	.78%
Total	26,596,859	.83%

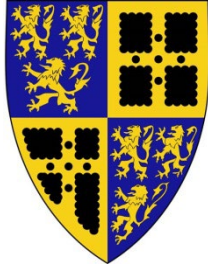
Pension Plans as of: June 30, 2022

Description	Town Pension Plan	Fire Department Pension Plan
Beginning Balance 6/30/21	28,974,597	1,801,010
Change in Value	-4,849,082	-282,698
Ending Balance	24,024,442	1,557,422
Return FYTD (net of fees)	-14.78%	-13.52%
Benchmark Return	-12.80%	-12.80%
Assumed Rate	6.75%	6.50%
Funded Ratio	85%	52.7%

Mr. Carver thanked Ms. Labriola.

9. Finance Director Report

Ms. Palladino gave her Finance report as follows:



Finance Director's Report – June 2022

(Preliminary and Unaudited)

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

Section I: Expenditure Budget for Fiscal Year 2022

EXPENDITURES:	Budget	Expended FYTD	% Expended FY22	% Expended FY21
General Government	17,261,508	16,207,325	93.9%	90.9%
Board of Education	26,771,365	25,039,531	93.5%	85.8%
Bonded Indebtedness	3,209,844	3,209,845	100.0%	100.0%
TOTALS:	47,242,717	44,456,701	94.1%	88.6%

Budget Fiscal Year 2022

The general government budget for Fiscal Year ("FY") 2022 presently stands at \$17,206,508, along with the Town's Debt Service budget of \$3,209,844, total General Government Expense equate to \$20,416,352. The Board of Education budget of \$26,771,365 brings the Town-wide budget to \$47,187,717. The budget was approved at the May 11, 2021 referendum. During April 2022, a \$55 thousand engineering appropriation was approved bringing the adjusted town budget to \$47,242,717.

Budget Appropriations –

- A \$25 thousand reimbursable grant USDA rural development grant with a \$17,000 in kind match of town services was approved at the August 3, 2021, BoF meeting. Further it was approved by Town meeting at the August 24, 2021, meeting.
- A \$55 thousand appropriation to the General Fund Engineering line item 430500 was approved at the March 15, 2022, Board of Finance meeting. Further it was approved at the April 26, 2022 Town Meeting.

Budget Transfers –

- An \$80 thousand transfer was made between the miscellaneous income line item to the roof repair fund, which will be determined by the sale price of two fire trucks, was approved at the September 7, 2021, BoF meeting. Further it was approved by Town meeting on September 27, 2021.

Capital Non-Recurring Appropriations - During FY22 the following appropriations have been made:

- A \$1,650 appropriation from the Capital Non-Recurring account for the purpose of acquiring a permanent easement at 685 Boston Post Road was approved at the March 29, 2022 special Board of Finance meeting. Further it was approved at the April 26, 2022 Town Meeting.
- A \$5,653 appropriation from the capital non-recurring account was approved at the June 21, 2022 Board of Finance Meeting for the purpose of purchasing two electric vehicle charging station. Further it was moved to Town meeting.

Ms. Palladino corrected the previous sentence to read: "two electric vehicle chargers."

Fiscal Year 22 Budget Performance

Through June 2022, 100% of the general government budget equates to \$17,261,508. Actual expenditures of \$16,207,325 are \$1.1 million 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 June 30, 2022, the Town's cash balance was as follows:

Fund	Total	Monthly Activity
General Fund	9,477,356	804,817
Capital Funds	2,310,545	-182,298
Reserve Funds	3,501,148	-598
Non-major Funds	2,710,718	-18,166
Total	17,999,767	603,755

During the month of June, the Town's total cash increased by \$600 thousand of which \$800 thousand was due to activities in the General Fund, advanced tax collections for FY23 in the amount of \$4 million. The GF received \$200 thousand in revenues, which were offset by \$2 million in expenditure.

State of Emergency COVID 19 Fund 2843 had a positive balance of \$75,812. Total funds expended to date equal \$1,027,075. Total funds received to date equal \$1,102,889. During the month of June 2022, \$1,698 was expended and no funds were received.

Section III. Long Term Strategies

1. Debt Service

Outstanding June 30, 2021:	\$25,515,000
Debt Service Payment FY22:	\$3,209,845
Debt Service Reserve:	\$412,549

2. Capital Outlays FY22

The Municipal Reserve Fund, which includes capital non-recurring, fire apparatus, public work/transfer station, and Board of Education sinking funds, totals \$1,860,957 as of June 30, 2022.

Municipal Reserve Fund	FY 2022 Transfers	Balance
Capital Non- Recurring Budget 3350	\$183,643	\$732,349
Fire Apparatus -3351	170,000	8,978
Public Works – 3353	75,000	119,630
Board of Education – 3354	0	1,000,000
Catastrophic Illness – 7219	70,000	151,589
Post-employment Payout – 7220	40,000	69,091
Revaluation – 7222	50,000	140,481

Municipal Reserve Fund	FY 2022 Transfers	Balance
Contingency – 7224	30,000	43,103
Roof Repair – 3020	25,000	13,255
P&R Sinking Fund – 3053 450335	10,000	203,196
Signage (P&R and DPW) – 3029 450334	7,415	2,941
P&R Mini Golf Carpets – 3055	8,307	8,362
DPW Garage Boiler – 3034	26,500	1,383
DPW Commercial Lawn Mower - 490000	15,473	385
Library back door – 3051	23,000	0
Playground pieces – 3057	6,462	0
YFS Fire Panel – 490000	4,200	0
Total	745,000	2,494,743

Capital Expenditures FY 2022 budgeted amount as noted below. To date, 103% has been utilized.

Department	Amount Budgeted/Transferred	Amount Used
Fire Department (4203)	60,000	\$82,494
Police Department (4201)	99,804	\$89,804
IT – Town (4143)	13,500	\$15,993
Highway & Streets (4303)	400,000	\$402,588
Library Heat Pumps (4501)	15,000	\$16,660
Total	588,304	607,539

3. Pension Plan

Description	Town Pension Plan	Fire Department Pension Plan
Actuarial Defined Contribution (ADC) FY22:	\$813,814	\$171,642
Paid to date by the Town & BoE	\$774,328 (including \$250k contribution)	\$180,000
ADC budget amount	\$468k (town) \$150 (BoE) = \$618k	\$180,000

After a Q & A, Mr. Carver thanked Ms. Palladino.

10. **Selectman Report**

Selectman Fortuna touched on the following:

- Beaver Dam Trail; waiting for information from FEMA;
- STEEP Grant; to do sidewalks from Westbrook town line to Spencer Plains Road;
- Additional funding for sidewalks;
- Grant for \$500K for Pickleball Court; or possible Bocci Court; or Horse Shoe Court;
- Kate Museum;
- Repave parking areas in town;
- COG looking to hire a grant writer for our area;
- Park & Rec: Paving Harvey's Beach; Convert Basketball court to Pickleball Courts;
- Upgrade bathrooms at both beaches;
- Security cameras in schools and town hall;
- Add \$175K to rainy day fund or to capital non-recurring fund;

Mr. Carver thanked Selectman Fortuna.

11. Liaison Reports

Mr. Swan reported that he looked at the furnace at Public Works and noted 2 items of concern:

1. Emergency drain for hot water heater;
2. Connection of Oil Burner;

Mr. Carlson inquired if we have a policy about a member of a any board with regard to public comment. Mr. Carver commented that as a liaison from a board, he introduces himself as such.

12. Comments from the Chair - None

Mr. Carver thanked the board.

13. Adjournment

A motion to adjourn was made by Mr. Thorpe, seconded by Mr. Swan was so voted unanimously at 8:14 p.m.

A video of this meeting in its entirety can be seen online in the Town of Old Saybrook's Video Library and the Town Clerk's Office.

Respectfully submitted:

Gerri Lewis, Clerk