



**TOWN OF OLD SAYBROOK  
Board of Finance**

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**302 Main Street • Old Saybrook, Connecticut**

**BOARD OF FINANCE REGULAR MEETING MINUTES AMENDED**

**APRIL 4, 2023 6:30 P.M.**

**This was a hybrid meeting**

BOF Attendant Members

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

Absent Members

In Attendance

Carl Fortuna, First Selectman  
Matt Pugliese, Selectman virtually  
Lee Ann Palladino, Finance Director  
Jan Perruccio, Superintendent of Schools virtually  
Julie Pendleton, Director of Finance and Operations  
Pam Listorti, Business Manager  
Gerri Lewis, Clerk

**I. CALL TO ORDER**

Chairman Carver called the meeting to order at 6:30 p.m.

**II. PLEDGE OF ALLEGIANCE**

Chairman Carver led the pledge.

**III. ROLL CALL**

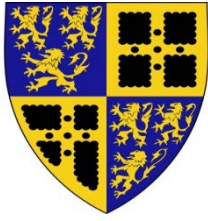
Mr. Swan not present at the start of the meeting. Came on virtually and arrived in person 15 minutes after 6:30 p.m.

**IV. MINUTES**

A motion to approve the minutes of 3/21/2023 by Mr. Thorpe, seconded by Mr. Carlson was so VOTED unanimously.

## V. TREASURER REPORT

Ms. Labriola gave the Treasurer Report.



### Monthly Treasurer's Report – March 2023 (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 March 2023

REVENUES:	Budget	Received FYTD	% Received FY23	% Received FY22
Taxes	46,839,698	47,900,418	102.3%	100.8%
State of Connecticut	463,000	551,543	119.1%	84.1%
Local Revenues	1,075,000	1,409,549	121.4%	92.4%
<b>TOTALS:</b>	<b>48,377,698</b>	<b>49,861,510</b>	<b>103.1%</b>	<b>100.9%</b>

#### Authorized Investments per Investment Policy:

Authorized Investment	Balance	Rate as of 3/31/23
STIF	\$20,121,262	4.79%
Webster Bank	\$3,862,373	4.61%
Short Term Cash Management	\$10,000,000	4.60%
ARPA Cash Management	\$1,200,000	4.68%
<b>Total</b>	<b>32,319,021</b>	<b>4.71%</b>

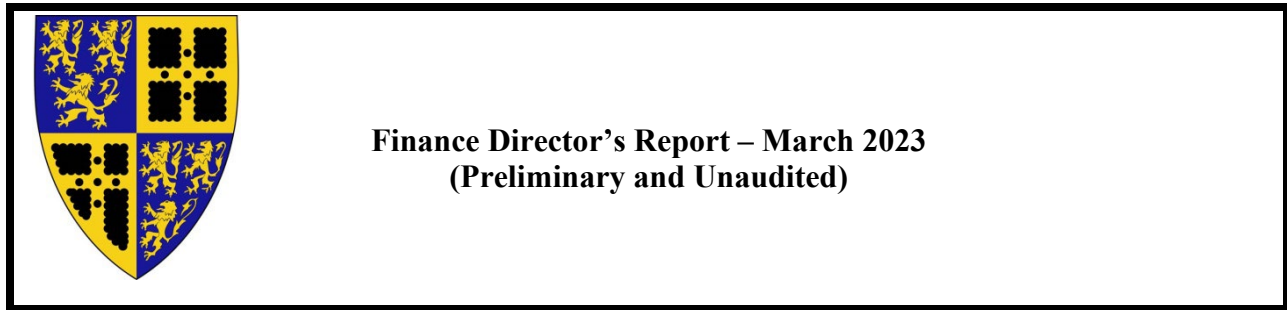
#### Pension Plans as of: March 2023

Description	Town Pension Plan	Fire Department Pension Plan
Beginning Balance 6/30/22	24,026,515	1,558,038
Change in Value	941,405	57,334
Ending Balance	25,227,562	1,642,434
Return FYTD (net of fees)	7.81%	7.51%
Benchmark Return	6.78%	6.78%
Assumed Rate	6.75%	6.50%
Funded Ratio	85%	52.7%

Mr. Carver thanked Ms. Labriola.

## VI. FINANCE DIRECTOR REPORT

Ms. Palladino gave the Finance Director report as follows:



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 2023

<b>EXPENDITURES:</b>	<b>Budget</b>	<b>Expended FYTD</b>	<b>% Expended FY23</b>	<b>% Expended FY22</b>
<b>General Government</b>	<b>17,832,513</b>	<b>12,990,935</b>	<b>72.8%</b>	<b>69.5%</b>
<b>Bonded Indebtedness</b>	<b>3,071,844</b>	<b>3,071,844</b>	<b>100.0%</b>	<b>100.0%</b>
<b>Board of Education</b>	<b>27,473,341</b>	<b>19,758,882</b>	<b>71.9%</b>	<b>69.8%</b>
<b>TOTALS:</b>	<b>48,377,698</b>	<b>35,821,661</b>	<b>74.0%</b>	<b>71.7%</b>

### Budget Fiscal Year 2023

The general government budget for Fiscal Year ("FY") 2023 presently stands at \$17,832,513, along with the Town's Debt Service budget of \$3,071,844, total General Government Expense equate to \$20,904,357. The Board of Education budget of \$27,473,341 brings the Town-wide budget to \$48,377,698. The budget was approved at the May 10, 2022 referendum.

### *Budget Appropriations –*

A ratification of \$247,461.27 in American Rescue Plan Act ("ARPA") funds and an appropriation in the amount of \$12,800 were approved on July 19, 2022 at the Board of Finance meeting and was further approved at the August 2, 2022 Town Meeting.

An appropriation in the amount of \$1,386,292 in American Rescue Plan Act ("ARPA") funds was approved on November 1, 2022, at the Board of Finance meeting and was further approval at the November 28, 2022 Town Meeting.

Three appropriations in the amount of \$500,000, \$500,000 and \$769,500 were approved for three reimbursable grants for STEAP Funds, legislative earmark for the main street connection grant, and the grant in aid for the sidewalk construction, respectively, at the November 1, 2022 Board of Finance meeting and was further approval at the November 28, 2022 Town Meeting

### *Budget Transfers –*

The Board of Finance approved of a transfer of \$312,821 from the Debt Service Reserve to the newly created Pension Reserve Fund at its August 16, 2022, meeting and was approved at the September 28, 2022 Town meeting.

### *Capital Non-Recurring Appropriations -*

At the October 2022 Board of Finance meeting, it was voted to approve a \$500,000 capital non-recurring funding for the community challenge match. The town was not selected as a recipient for this grant.

At the October 2022 Board of Finance meeting, it was voted to approve an appropriation for a town match in the amount of \$347,200 toward the \$500,000 Small Town Economic Assistant Program funded by \$317,000 from the Town's sidewalk fund 3019 and \$30,200 from the capital non-recurring fund. Further, to move the capital non-recurring portion of the match for further approval at town meeting.

At the October 18, 2022 Board of Finance meeting, it was voted to approve an appropriation for \$20 thousand to complete electrical work at the newly constructed Town Gazebo; and was further approval at the November 28, 2022 Town Meeting.

At the October 18, 2022 Board of Finance meeting, it was voted to approve an appropriation for \$4 thousand to stain the fence at Whisper Cove and was further approval at the November 28, 2022 Town Meeting.

At the October 18, 2022 Board of Finance meeting, it was voted to approve an appropriation for \$5,106.38 for digital sign upgrades and was further approval at the November 28, 2022 Town Meeting.

At the November 1, 2022 Board of Finance meeting, it was voted to approve an appropriation for \$125,000 for town-wide camera software upgrades and was further approval at the November 28, 2022 Town Meeting.

### Fiscal Year 23 Budget Performance

Through March 2023, 75% of the general government budget equates to \$11,887,153. Actual expenditures of \$13,374,385 are \$283 thousand above 75% of 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, 2023, the Town's cash balance was as follows:

<b>Fund</b>	<b>Total</b>	<b>Monthly Activity</b>
<b>General Fund</b>	<b>13,704,696</b>	<b>-3,039,554</b>
<b>Capital Funds</b>	<b>3,057,082</b>	<b>-143,163</b>

<b>Fund</b>	<b>Total</b>	<b>Monthly Activity</b>
<b>Reserve Funds</b>	<b>4,180,417</b>	<b>20,614</b>
<b>Non-major Funds</b>	<b>3,963,880</b>	<b>-161,330</b>
<b>Total</b>	<b>24,906,075</b>	<b>-3,323,433</b>

The Town's total cash decreased by \$3.3 million of which \$3.1 million was due to activities in the General Fund. The GF received \$.5 million in revenues which were offset by \$3.4 million in expenditure.

### **Section III. Long Term Strategies**

#### **1. Capital Outlays FY23**

The Municipal Reserve Fund, which includes capital non-recurring, fire apparatus, public work/transfer station, and Board of Education sinking funds, totals \$2,616,559 as of March 31, 2023

<b>Municipal Reserve Fund</b>	<b>FY 2023 Transfers</b>	<b>Balance</b>
<b>Capital Non- Recurring Budget 3350</b>	<b>\$135,729</b>	<b>1,150,847</b>
<b>Fire Apparatus -3351</b>	<b>170,000</b>	<b>71,083</b>
<b>Public Works – 3353</b>	<b>75,000</b>	<b>394,629</b>
<b>Board of Education – 3354</b>	<b>0</b>	<b>1,000,000</b>
<b>Catastrophic Illness – 7219</b>	<b>70,000</b>	<b>186,589</b>
<b>Post-employment Payout – 7220</b>	<b>40,000</b>	<b>104,741</b>
<b>Revaluation – 7222</b>	<b>50,000</b>	<b>173,774</b>
<b>Contingency – 7224</b>	<b>30,000</b>	<b>60,234</b>
<b>Roof Repair – 3020</b>	<b>25,000</b>	<b>30,405</b>
<b>DPW Sand Shed – 3059</b>	<b>6,050</b>	<b>6,050</b>
<b>DPW Dumpster for Metal</b>	<b>12,400</b>	<b>0</b>
<b>DPW Asphalt Roller</b>	<b>18,000</b>	<b>5,500</b>
<b>P&amp;R Flagpole – 3060</b>	<b>3,299</b>	<b>0</b>
<b>P&amp;R Water Fountain</b>	<b>3,364</b>	<b>0</b>
<b>P&amp;R Mulch Trask Playground</b>	<b>3,630</b>	<b>0</b>
<b>P&amp;R Netting</b>	<b>7,528</b>	<b>0</b>
<b>Gazebo Town Hall Green – 3000</b>	<b>60,000</b>	<b>20,133</b>
<b>Paving Budget</b>	<b>25,000</b>	<b>0</b>
<b>Total</b>	<b>735,000</b>	<b>3,203,985</b>

Capital Expenditures FY 2023 budgeted amount as noted below.

<b>Department</b>	<b>Amount Budgeted/Transferred</b>	<b>Amount Used</b>
<b>Fire Department (4203)</b>	<b>60,000</b>	<b>\$59,623</b>
<b>Police Department (4201)</b>	<b>99,804</b>	<b>89,804</b>
<b>IT – Town (4143)</b>	<b>13,500</b>	<b>8,717</b>

<b>Highway &amp; Streets (4303)</b>	<b>475,000</b>	<b>392,826</b>
<b>Library Heat Pumps (4501)</b>	<b>16,660</b>	<b>16,660</b>
<b>Total</b>	<b>664,964</b>	<b>567,630</b>

## 2. Pension Plan

<b>Description</b>	<b>Town Pension Plan</b>	<b>Fire Department Pension Plan</b>
<b>Actuarial Defined Contribution (ADC) FY22:</b>	<b>\$789,000</b>	<b>\$175,829</b>
<b>Paid to date by the Town &amp; BoE</b>	<b>\$838,000</b>	
<b>ADC budget amount</b>	<b>\$664k (town) \$174k (BoE) = \$838k</b>	<b>\$180,000</b>
<b>Pension Reserve Amount:</b>	<b>\$312,000</b>	

### Debt Service

**Outstanding June 30, 2022:           \$22,940,000**  
**Debt Service budget FY23:           \$3,071,844**

Mr. Carver thanked Ms. Palladino.

## **VII. DISCUSSION AND POSSIBLE ACTION ON RECOMMENDING THE FY 23/24 BUDGET TO THE ANNUAL BUDGET MEETING AND REFERENDUM**

Mr. Carlson made a motion, seconded by Mr. Thorpe to approve the budget that was presented by Selectman Fortuna to the Board of Finance.

Significant discussion was held concerning the proposed State mandate of a new reading curriculum for grades K-3, and proposed expenditure of \$100,000 in the Board of Education budget to pilot the new program next school year. After the discussion, it was determined that the \$100,000 would remain in the BOE budget.

At this time, Mr. Carlson apprised the board that he had requested answers from Chief Spera in writing on the Department of Police Services budget. Chief Spera offered to meet with Mr. Carlson, but Mr. Carlson declined as he wanted his answers in writing in order to create a record of the answers that he could share with the other Board of Finance members. Since Chief Spera had chosen to not answer all his questions, and had stated to the Police Commission at its March 27th meeting that he did not intend to offer any answers in writing, Mr. Carlson noted that he was going to make a formal complaint to the Police Commission because in order for the Board of Finance to fulfill its responsibility to the Town's residents, it must be able to receive the information it requires from Department Heads in the manner requested and in a timely way.

Mr. Thorpe made a motion to decrease the Town budget by \$45,000 in the Fire Marshal's budget for a new truck, seconded by Mr. Stevenson. Motion passed with Mr. O'Brien opposed.

Mr. Thorpe made a motion to decrease the Town Budget by \$1,500 in the Fire Marshal's budget, seconded by Mr. Carver. Discussion ensued regarding the costs associated with the maintenance of the Fire Marshal's truck.

Mr. Thorpe withdrew his motion. Mr. Carver withdrew his second.

Mr. Carver made a motion, seconded by Mr. Thorpe to approve the annual budget for the Town of Old Saybrook General Government for the fiscal year July 1, 2023 through June 30, 2024 as recommended by the Board of Finance in the amount of \$21,447,238 as follows:  
General Government \$18,375,394; Debt Service \$3,071,844, and to move this budget to annual town budget meeting which will adjourn to referendum. Motion passed with Mr. Swan opposed.

Mr. Thorpe made a motion, seconded by Mr. Carlson to approve the annual budget for the Town of Old Saybrook Board of Education for the fiscal year July 1, 2023 through June 30, 2024 as recommended by the Board of Finance in the amount of \$28,829,506, and to move this budget to annual town budget meeting which will adjourn to referendum. Motion passed unanimously.

#### **VIII. SELECTMAN REPORT**

Selectman Fortuna reported on the following:

- Joining Tax Collector Office with Tax Assessor Office;
- Spring Clean Main Street; Main Street Maintenance Fund;
- The Kate – Anticipates selling 50 thousand tickets going forward; celebrated 10 years of Camp for Kids;
- The Kate Museum – thousands of patrons; donor interest; advertising through ARPA funds;
- Town Engineer Geoff Jacobson – 12 projects; 8 are grant funded;
- Sidewalks; money put aside for engineering;

Mr. Carver thanked Selectman Fortuna.

#### **IX. LIAISON REPORTS – None**

Mr. Thorpe inquired about the “swap” structure at the Transfer Station to protect items that are dropped off. Selectman Fortuna noted that he hoping Inland Wetlands will approve it. The structure will protect items from the elements. April 20<sup>th</sup> is the date.

#### **X. COMMENTS FROM THE BOARD**

Mr. Carlson commented on the good, sound budgets and thanked the board of education and Carl and Lee Ann. Mr. Stevenson also thanked them for their hard work on the budgets.

**XI. PUBLIC COMMENT – None**

**XII. COMMENTS FROM THE CHAIR**

Mr. Carver thanked the board.

**XIII. ADJOURNMENT**

A motion by Mr. Thorpe, seconded by Mr. Carlson at 8:27 p.m. was so VOTED unanimously.

Submitted:

Gerri Lewis, Clerk