
Special Board of Selectmen Minutes 08 31 2017

SPECIAL MEETING MINUTES OF THE BOARD OF SELECTMEN

Thursday, August 31, 2017

3:30 P.m.

Town Hall – First Floor Conference Room

PRESENT: First Selectman Carl P. Fortuna Jr., Selectman Carol Conklin, Selectman Scott Giegerich, Finance Director Lee Ann Palladino and Facilities Director Dan Moran.

I. CALL TO ORDER- First Selectman Fortuna called the meeting to order at 3:30 p.m.

II. PLEDGE OF ALLEGIANCE- Recited

III. COMMENTS FROM THE PUBLIC- None

IV. COMMENTS FROM THE FIRST SELECTMAN: 1. A memo will be sent to all Department heads about making sure what goes out to the public is grammatically correct. 2. Youth & Family Services project, specifically thanking Dan Moran and Larry Bonin; the Main Street park project which is going well and the North Main Street project which is on time and on budget 3. The Town will be spearheading a community effort to assist Texas in recovering from Hurricane Harvey. The Chief of Police will see to this. 4. Connecticut Conference of Municipalities (CCM) held a meeting at the capitol to discuss the proposed cuts to municipal aid, and the continuing talk of town's funding the teachers' retirement. Also noted the Democratic House proposal has a Post-Traumatic Stress Disorder (PTSD) component for police officers, something almost unanimously opposed by all towns. Survey results by CCM show many towns cutting back or postponing work. He then spoke about Office of Policy & Management (OPM) Director Barne's two letters discussing town fund balances. Director Barnes says the request was made to determine which towns would face insolvency first if a protracted budget debate went late into the fall. Old Saybrook would face a \$42 per household charge under the Governor's proposal, the 6th least in the state. The First Selectman commented that Old Saybrook is in its finest fiscal condition since a very long time, with a healthy surplus last year helping the town reach a goal of a 12% rainy day fund. This has been due to conservative budgeting and good long term fiscal planning. 5. The extensive mandates that all towns operate under and one of them requires public waste baskets to be able to have waste and recycle bins side by side.

V. APPROVAL OF MINUTES: Board of Selectmen Meeting August 8, 2017.

FORTUNA/CONKLIN

Motion to approve Board of Selectmen Meeting Minutes August 8, 2017.

MOTION CARRIED UNANIMOUSLY

VI. BUSINESS BEFORE THE BOARD

A. Discussion and action of the ratification of the Supervisors Collective Bargaining Agreement.

The First Selectman hit the highlights of the agreement: an average 2.35% raise, increase High-Deductible Health Plan (HDHP) deductibles and a defined contribution plan.

FORTUNA/GIEGERICH

Motion to approve Supervisors Collective Bargaining Agreement.

MOTION CARRIED UNANIMOUSLY

B. Discussion and action of the GASB/Fund Policy Balance.

See attachment. The Finance Director talked about GASB 54 and its goal make financial reporting uniform, to define policy and to codify existing practices. In conjunction with this discussion, the Finance Director discussed the financial results of the 2016-2017 FY as touched upon by the First Selectman.

FORTUNA/CONKLIN

Motion to approve GASB/Fund Policy Balance.

MOTION CARRIED UNANIMOUSLY

C. Discussion and action for recommendation to the Zoning Commission pertaining to Public Act No. 17-155 *An Act Concerning Temporary Health Care Structures*.

Discussion was had about the procedure to opt out of this public act that was passed this past session (See attached). The Board voted to send a recommendation to the Zoning Commission to take the appropriate steps as laid out in the Act to opt out. This will then come back to the Board of Selectmen to formally take action to opt out.

VII. COMMENTS FROM THE SELECTMEN-The schedule for the month of September was discussed.

VIII. ADJOURNMENT

FORTUNA/GIEGERICH

Motion to adjourn at 4:45 p.m.

MOTION CARRIED UNANIMOUSLY

Respectfully submitted,

Carl P. Fortuna Jr.



TOWN OF OLD SAYBROOK
SELECTMEN'S OFFICE

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Fund Balance Policy

Purpose

The purpose of the Fund Balance Policy is to recognize that the maintenance of a fund balance is essential to the preservation of the financial integrity of the Town of Old Saybrook ("Town"). This policy addresses the requirement of GASB 54 and specifically sets policy for:

- I. Setting guidelines on how the Town will approve, establish, modify and classify Fund Balances
- II. Determine the Order of Expenditure of Fund Balances
- III. Minimum unassigned General Fund Balance

Definitions

Fund Balance: The town maintains several distinct funds for the management of its government activities – the largest fund is the General Fund ("GF") along with upwards of 100 additional funds – each of which has its own balance sheet. Each fund maintains a fund balances which is calculated as the difference between total assets and total liabilities in each fund.

General Fund: The GF is the Town's primary operating fund. These governmental activities are financed through tax levy, state funding, and other revenues generated by charges for services.

Capital Projects Funds: Capital projects funds are used to account for and report financial resources for the purpose of expending funds for capital outlays, including the acquisition, improvement or construction of facilities and other infrastructure types of capital assets. The Town has several capital project funds that have been set up for the purpose of generating revenues and expenditures associated with the Town's multi-year capital projects funded primarily by debt issuance, grants or GF appropriations that will result in a capital asset at completion.

Reserve Funds: The Town sets aside reserves for future use and/or purchases of capital assets. These funds include the municipal reserve fund (and its components) and other reserve funds, such

as catastrophic illness and revaluation. The purpose of these funds is to build fund balances to mitigate the financial impact in any one fiscal year.

Non-major Government Funds: These Funds are mainly special revenue funds and other internal service funds that are used to account for expenditures that are clearly identifiable with a specific function. The revenues associated with these funds are received from grants, donations and fees for services provided. The expenditures associated with these funds are considered "committed" to the function provided.

Debt service funds: These funds are used to account for and report financial resources related to the expenditures for principal and interest.

Fiduciary Funds: Fiduciary Funds include trust funds (Pension Plan), Private Purpose Trust Funds (Scholarships), and Agency Funds, which are held on behalf of others (performance bonds).

Permanent Funds: At present, the Town has one permanent fund, the Cemetery Fund, which is restricted to the extent that only earnings, and not principal, may be used for purposes of supporting cemetery related expenditures. The principal of this fund is classified as non-spendable while the interest earned is classified as restricted.

Fund Classification

GASB Statement 54 requires that fund balances be distinguished, through the following classifications, based on the relative strength of the constraints that control the purposes for which specified amounts may be spent. Beginning with the most restrictive constraints, fund balance amounts will be accounted for and reported in audited annual statement in the following classifications:

- 1) **Nonspendable fund balance** – amounts that are not in a spendable form (e.g., inventory) or are legally or contractually required to be maintained intact (e.g., permanent fund principal).
- 2) **Restricted fund balance** – amounts that can be spent only for the specific purposes stipulated by external parties either constitutionally or through enabling legislation (e.g., grants or donations).
- 3) **Committed fund balance** – amounts that can be used only for the specific purposes. In the case where the use of funds is determined by a formal action of the Board of Selectmen. Commitments may be changed or lifted only by referring to the formal action that imposed the constraint originally (e.g., the use of capital non-recurring funds). Commitments must then be considered by the Board of Finance for appropriation. Ultimately commitments greater than \$25,000 (or such limit as established by the Town charter) must be approved by Town meeting or referendum.
- 4) **Assigned fund balance** – amounts with a narrow focus that relate to the accounting or management of the funds after approval. Assigned fund balance represents an amount that is not restricted or committed. Typically amounts categorized as assigned fund balance consist of encumbrances as of yearend or appropriations from fund balance for the

subsequent year's budget. Should the Town not have any encumbrances or appropriations made for subsequent year's budget, there will be no reporting of assigned fund balances.

- 5) **Unassigned fund balance** – includes all amounts not contained in other classifications and is the residual classification of the general fund only. The unassigned GF fund balance is typically positive. In the event that other funds carry an unassigned fund balance it is typically negative and means that the revenues have not yet been received or that expenditures have outpaced anticipated revenues. In the case of the latter, funds from the general fund should be used to clear these accounts, once all revenues have been received, on an annual basis.

Policy

- I. Guidelines on how the Town will approve, establish, modify and classify Fund Balances:

Non-Spendable Fund Balance, Restricted Fund Balance, Capital Project and Reserve Committed Fund Balance – The Board of Selectmen must take formal action to establish, modify, or rescind a fund balance commitment related to capital projects, reimbursable grants, and all capital non-recurring requests. These actions will be referred to the Board of Finance to consider the appropriation. Once formally approved via, Board of Finance, town meeting or the budget referendum, a new fund will be established. Once the purpose of the capital funds has been completed, the fund will be closed.

Committed Fund Balance associated with Special Revenue – The First Selectman must approve funds that are associated with ongoing grants, donations or fees from a specific service that offset specified expenditures. Once the purpose of a special revenue fund has been completed, the account will be closed.

Committed Fund Balance associated with an Internal Service Fund – The Finance Director must approve funds that are associated with internal service funds, which are funds that are set up to manage certain aspects of internal government business that are more effectively managed by setting up an off budget account. Once the purpose of an internal service fund has been completed, the account will be closed.

Assigned Fund Balance – The Finance Director is authorized to assign fund balances that relate to year end encumbrances or appropriations from fund balance for the subsequent year's budget.

Appropriations of GF balance to eliminate a projected budgetary deficit in the subsequent year's budget in an amount no greater than the projected excess of expected expenditures over expected revenues shall be classified as an **Assigned Fund balance**. In this instance, the following procedure will be followed:

- a) The calculation for the assignment of fund balance shall be presented to the Board of Finance by the First Selectman

- b) The conditions under which the fund balance assigned to eliminate the projected deficit may be spent must be presented
- c) The approval of the Board of Finance is required

II. Order of Expenditure of Fund Balances

When multiple categories of fund balance are available for expenditure (e.g., a project is being funded partly by a grant, through an appropriation, or through the use of the unassigned fund balance), the Town will start with the most restricted category and spend those funds first before moving down to the next category with available funds.

III. Minimum Unassigned Fund Balance

It is the goal of the Town to build an unassigned fund balance in the GF at each fiscal yearend of 12% or more of approved GF annual expenditures. Fund balances that fall within the range of 10% to 12% are deemed to be healthy and no action or reporting is required. Should the unassigned GF fund balance fall below 10% 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.



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Public Act No. 17-155

AN ACT CONCERNING TEMPORARY HEALTH CARE STRUCTURES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. (NEW) (Effective October 1, 2017) (a) For the purposes of this section:

(1) "Caregiver" means a relative, legal guardian or health care agent who is responsible for the unpaid care of a mentally or physically impaired person.

(2) "Mentally or physically impaired person" means a person who requires assistance, as certified in writing by a physician licensed in this state, with two or more activities of daily living, including, but not limited to, bathing, dressing, grooming, eating, meal preparation, shopping, housekeeping, transfers, bowel and bladder care, laundry, communication, self-administration of medication and ambulation.

(3) "Temporary health care structure" means a transportable residential structure that provides an environment in which a caregiver may provide care for a mentally or physically impaired person and that (A) is primarily assembled at a location other than the site of installation, (B) has one occupant who is the mentally or physically impaired person, (C) is not larger than five hundred gross

Substitute Senate Bill No. 922

square feet, (D) is not placed on or attached to a permanent foundation, and (E) complies with the applicable provisions of the State Building Code, Fire Safety Code and Public Health Code.

(b) A temporary health care structure shall be allowed as an accessory use in any single-family residential zoning district on a lot zoned for single-family detached dwellings that is owned by a caregiver or mentally or physically impaired person and used as his or her residence. Such structures shall comply with all setback requirements, coverage limits and maximum floor area ratio limitations that apply to accessory structures in such zoning district as of October 1, 2017.

(c) No person shall install a temporary health care structure without first obtaining a permit from the municipality in which the structure will be installed, for which the municipality may charge a fee not to exceed two hundred fifty dollars and an annual permit renewal fee not to exceed one hundred dollars. The municipality shall not be required to hold a public hearing on the permit application and shall either approve or deny the permit not later than fifteen business days after the permit application is submitted to the municipality by the applicant. The municipality shall not deny the permit if the applicant provides proof of compliance with this section. The applicant shall send notice of the permit application, by certified or registered mail, to each person appearing of record as an owner of property which abuts the property upon which the temporary health care structure is proposed to be installed. The notice shall be sent not later than three business days after the permit application is submitted to the municipality by the applicant.

(d) The municipality may require a temporary health care structure installed pursuant to this section to be accessible to emergency vehicles and be connected to private water or septic systems or to water, sewer and electric utilities that serve the primary residence.

Substitute Senate Bill No. 922

(e) Not more than one temporary health care structure shall be installed on a lot zoned for a single-family detached dwelling.

(f) No signage advertising or otherwise promoting the existence of the temporary health care structure shall be permitted either on the exterior of the structure or elsewhere on the lot.

(g) Following issuance of such permit, the municipality may require that the applicant provide written evidence of compliance with this section as long as the temporary health care structure remains on the property. Evidence of compliance may be obtained through an inspection by the municipality of the temporary health care structure at reasonable times convenient to the caregiver.

(h) Any temporary health care structure installed pursuant to this section shall be removed not later than one hundred twenty days after the mentally or physically impaired person no longer occupies the structure or no longer qualifies as a mentally or physically impaired person. Upon issuance of the permit authorizing such structure, the municipality may require the applicant to post a bond in an amount not exceeding fifty thousand dollars to ensure compliance with this subsection.

(i) The municipality may revoke a permit issued pursuant to subsection (c) of this section if the permit holder violates any provision of this section.

(j) A municipality, by vote of its legislative body or, in a municipality where the legislative body is a town meeting, by vote of the board of selectmen, may opt out of the provisions of this section and the provision of subsection (a) of section 8-2 of the general statutes, as amended by this act, regarding authorization for the installation of temporary health care structures, provided the zoning commission or combined planning and zoning commission of the

Substitute Senate Bill No. 922

municipality: (1) First holds a public hearing in accordance with the provisions of section 8-7d of the general statutes on such proposed opt-out, (2) affirmatively decides to opt out of the provisions of said sections within the period of time permitted under section 8-7d of the general statutes, (3) states upon its records the reasons for such decision, and (4) publishes notice of such decision in a newspaper having a substantial circulation in the municipality not later than fifteen days after such decision has been rendered.

Sec. 2. Subsection (a) of section 8-2 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2017*):

(a) The zoning commission of each city, town or borough is authorized to regulate, within the limits of such municipality, the height, number of stories and size of buildings and other structures; the percentage of the area of the lot that may be occupied; the size of yards, courts and other open spaces; the density of population and the location and use of buildings, structures and land for trade, industry, residence or other purposes, including water-dependent uses, as defined in section 22a-93, and the height, size and location of advertising signs and billboards. Such bulk regulations may allow for cluster development, as defined in section 8-18. Such zoning commission may divide the municipality into districts of such number, shape and area as may be best suited to carry out the purposes of this chapter; and, within such districts, it may regulate the erection, construction, reconstruction, alteration or use of buildings or structures and the use of land. All such regulations shall be uniform for each class or kind of buildings, structures or use of land throughout each district, but the regulations in one district may differ from those in another district, and may provide that certain classes or kinds of buildings, structures or uses of land are permitted only after obtaining a special permit or special exception from a zoning commission,

Substitute Senate Bill No. 922

planning commission, combined planning and zoning commission or zoning board of appeals, whichever commission or board the regulations may, notwithstanding any special act to the contrary, designate, subject to standards set forth in the regulations and to conditions necessary to protect the public health, safety, convenience and property values. Such regulations shall be made in accordance with a comprehensive plan and in adopting such regulations the commission shall consider the plan of conservation and development prepared under section 8-23. Such regulations shall be designed to lessen congestion in the streets; to secure safety from fire, panic, flood and other dangers; to promote health and the general welfare; to provide adequate light and air; to prevent the overcrowding of land; to avoid undue concentration of population and to facilitate the adequate provision for transportation, water, sewerage, schools, parks and other public requirements. Such regulations shall be made with reasonable consideration as to the character of the district and its peculiar suitability for particular uses and with a view to conserving the value of buildings and encouraging the most appropriate use of land throughout such municipality. Such regulations may, to the extent consistent with soil types, terrain, infrastructure capacity and the plan of conservation and development for the community, provide for cluster development, as defined in section 8-18, in residential zones. Such regulations shall also encourage the development of housing opportunities, including opportunities for multifamily dwellings, consistent with soil types, terrain and infrastructure capacity, for all residents of the municipality and the planning region in which the municipality is located, as designated by the Secretary of the Office of Policy and Management under section 16a-4a. Such regulations shall also promote housing choice and economic diversity in housing, including housing for both low and moderate income households, and shall encourage the development of housing which will meet the housing needs identified in the state's consolidated plan for housing and community development prepared pursuant to section 8-37t and

Substitute Senate Bill No. 922

in the housing component and the other components of the state plan of conservation and development prepared pursuant to section 16a-26. Zoning regulations shall be made with reasonable consideration for their impact on agriculture, as defined in subsection (g) of section 1-1. Zoning regulations may be made with reasonable consideration for the protection of historic factors and shall be made with reasonable consideration for the protection of existing and potential public surface and ground drinking water supplies. On and after July 1, 1985, the regulations shall provide that proper provision be made for soil erosion and sediment control pursuant to section 22a-329. Such regulations may also encourage energy-efficient patterns of development, the use of solar and other renewable forms of energy, and energy conservation. The regulations may also provide for incentives for developers who use passive solar energy techniques, as defined in subsection (b) of section 8-25, in planning a residential subdivision development. The incentives may include, but not be limited to, cluster development, higher density development and performance standards for roads, sidewalks and underground facilities in the subdivision. Such regulations may provide for a municipal system for the creation of development rights and the permanent transfer of such development rights, which may include a system for the variance of density limits in connection with any such transfer. Such regulations may also provide for notice requirements in addition to those required by this chapter. Such regulations may provide for conditions on operations to collect spring water or well water, as defined in section 21a-150, including the time, place and manner of such operations. No such regulations shall prohibit the operation of any family child care home or group child care home in a residential zone. No such regulations shall prohibit the use of receptacles for the storage of items designated for recycling in accordance with section 22a-241b or require that such receptacles comply with provisions for bulk or lot area, or similar provisions, except provisions for side yards, rear yards and front yards. No such regulations shall unreasonably

Substitute Senate Bill No. 922

restrict access to or the size of such receptacles for businesses, given the nature of the business and the volume of items designated for recycling in accordance with section 22a-241b, that such business produces in its normal course of business, provided nothing in this section shall be construed to prohibit such regulations from requiring the screening or buffering of such receptacles for aesthetic reasons. Such regulations shall not impose conditions and requirements on manufactured homes having as their narrowest dimension twenty-two feet or more and built in accordance with federal manufactured home construction and safety standards or on lots containing such manufactured homes which are substantially different from conditions and requirements imposed on single-family dwellings and lots containing single-family dwellings. Such regulations shall not impose conditions and requirements on developments to be occupied by manufactured homes having as their narrowest dimension twenty-two feet or more and built in accordance with federal manufactured home construction and safety standards which are substantially different from conditions and requirements imposed on multifamily dwellings, lots containing multifamily dwellings, cluster developments or planned unit developments. Such regulations shall not prohibit the continuance of any nonconforming use, building or structure existing at the time of the adoption of such regulations. Such regulations shall not provide for the termination of any nonconforming use solely as a result of nonuse for a specified period of time without regard to the intent of the property owner to maintain that use. Unless such town opts out, in accordance with the provisions of subsection (f) of section 1 of this act, such regulations shall not prohibit the installation of temporary health care structures for use by mentally or physically impaired persons in accordance with the provisions of section 1 of this act if such structures comply with the provisions of said section. Any city, town or borough which adopts the provisions of this chapter may, by vote of its legislative body, exempt municipal property from the regulations prescribed by the zoning commission of such city, town or

Substitute Senate Bill No. 922

borough; but unless it is so voted municipal property shall be subject to such regulations.

Approved July 6, 2017