



TOWN OF OLD SAYBROOK
Board of Finance

302 Main Street • Old Saybrook, Connecticut 06475-1741

BOARD OF FINANCE REGULAR MEETING MINUTES

October 18, 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
Larry Hayden, IT Director
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 members present.

4. Minutes

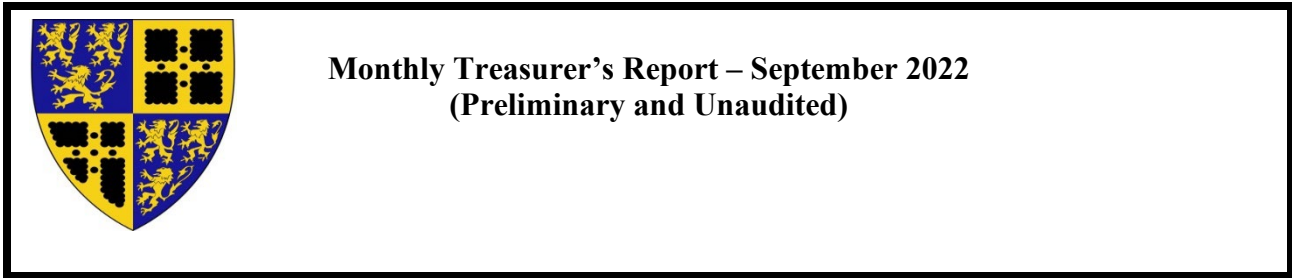
A motion made by Mr. Swan, seconded by Mr. O'Brien to approve the minutes of October 4th, 2022, passed unanimously.

5. Public Comment

None

6. Treasurer Report

Ms. Labriola gave the Treasurer's Report as follows:



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 September 2022

REVENUES:	Budget	Received FYTD	% Received FY23	% Received FY22
Taxes	46,839,698	26,718,978	57.0%	56.3%
State of Connecticut	463,000	124,448	26.9%	32.0%
Local Revenues	1,075,000	592,172	55.1%	46.8%
TOTALS:	48,377,698	27,435,598	56.7%	55.9%

Authorized Investments per Investment Policy:

Authorized Investment	Balance	Rate as of 9/30/22
STIF	\$16,811,130	2.43%
Liberty Bank	\$100,114	.05%
Webster Bank	\$8,677,130	2.10%
Short Term Cash Management	\$8,000,000	1.85%
ARPA Cash Management	\$1,200,000	2.12%
Total	34,788,374	2.20%

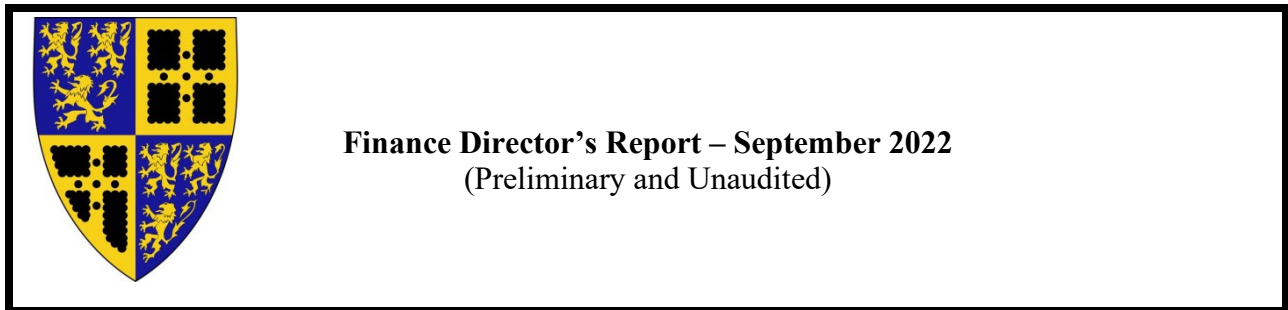
Pension Plans as of: September 2022

Description	Town Pension Plan	Fire Department Pension Plan
Beginning Balance 6/30/22	24,026,515	1,558,038
Change in Value	-1,315,285	-83,671
Ending Balance	22,890,065	1,485,138
Return FYTD (net of fees)	-4.73%	-4.68%

Benchmark Return	-4.75%	-4.75%
Assumed Rate	6.75%	6.50%
Funded Ratio	85%	52.7%

Mr. Carver thanked Ms. Labriola.

7. Finance Director Report



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

EXPENDITURES:	Budget	Expended FYTD	% Expended FY23	% Expended FY22
General Government	17,832,513	5,688,895	31.9%	27.2%
Bonded Indebtedness	3,071,844	2,711,976	88.3%	87.1%
Board of Education	27,473,341	6,427,570	23.4%	22.9%
TOTALS:	48,377,698	14,828,441	30.7%	28.8%

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.

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, if the grant is approved, and was further to move to Town meeting.

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.

Fiscal Year 23 Budget Performance

Through September 2022, 25% of the general government budget equates to \$4,458,128. Actual expenditures of \$5,688,895 are \$1.219 million above 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 September 30, 2022, the Town’s cash balance was as follows:

Fund	Total	Monthly Activity
General Fund	14,331,198	-2,866,956
Capital Funds	2,772,259	-75,027
Reserve Funds	4,302,469	-106,907
Non-major Funds	4,107,097	-413,334
Total	25,513,023	-3,462,224

During the month of March, the Town’s total cash decreased by \$3.4 million of which \$2.9 million was due to activities in the General Fund. The GF received \$600 thousand in revenues which were offset by \$3.5 million in expenditure.

Section III. Long Term Strategies

1. Debt Service

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

2. 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 \$2,710,885 as of September 30, 2022

Municipal Reserve Fund	FY 2023 Transfers	Balance
Capital Non- Recurring Budget 3350	\$135,729	1,245,222
Fire Apparatus -3351	170,000	71,034
Public Works – 3353	75,000	394,629
Board of Education – 3354	0	1,000,000
Catastrophic Illness – 7219	70,000	186,589
Post-employment Payout – 7220	40,000	109,091
Revaluation – 7222	50,000	190,481
Contingency – 7224	30,000	73,103
Roof Repair – 3020	25,000	38,255
DPW Sand Shed – 3059	6,050	6,050
DPW Dumpster for Metal	12,400	12,400
DPW Asphalt Roller	18,000	8,000
P&R Flagpole – 3060	3,299	3,299
P&R Water Fountain	3,364	3,364
P&R Mulch Trask Playground	3,630	3,630
P&R Netting	7,528	0
Gazebo Town Hall Green – 3000	60,000	53,000
Paving Budget	25,000	0
Total	735,000	3,398,147

Capital Expenditures FY 2023 budgeted amount as noted below.

Department	Amount Budgeted/Transferred	Amount Used
Fire Department (4203)	60,000	\$59,623
Police Department (4201)	99,804	89,804
IT – Town (4143)	13,500	0
Highway & Streets (4303)	475,000	92,381
Library Heat Pumps (4501)	16,660	0
Total	664,964	241,808

3. Pension Plan

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

Ms. Palladino also noted that the WPCA lock box is now operational. She also noted that the first pass of the FY-24 budget was sent to all department heads.

Mr. Carver thanked Ms. Palladino.

8. Gazebo Electrical Work – Action Requested

Selectman Fortuna recommended that the Board of Finance appropriate \$20 thousand from the capital non-recurring fund for the purpose of paying for electrical work during the installation of the new Gazebo on the Town Hall green.

He noted that during the fiscal year 2023 budget process, a named project in the amount of \$60 thousand was approved for the purpose of constructing a new Gazebo on the Town Hall green to replace the existing Gazebo that was old and in need of repair.

The project is now underway and Selectman Fortuna requested \$20 thousand for electrical work to upgrade the existing electrical system at the Gazebo, as it is the best time to do this additional work.

He explained that the scope of the electrical work will expand the lighting of the Gazebo, information technology upgrades, as well as to expand the access of electricity to the Town Hall green for other events that are routinely held there. As the work on this project continues Selectman Fortuna requested \$20 thousand dedicated to electric work in conjunction with the construction of the Gazebo.

After a short Q & A, the following motion was made:

A motion was made by Mr. Thorpe, seconded by Mr. Carlson to appropriate \$20 thousand from the capital non-recurring fund for the purpose of paying for electrical work on the Town Hall Gazebo. Further to move this to Town meeting. Motion passed unanimously.

Mr. Carver thanked Selectman Fortuna.

9. Whisper Cove Fence Stain Recommendation – Action Requested

Selectman Fortuna recommended that the Board of Finance appropriate \$4 thousand from the capital non-recurring fund for the purpose of staining the new fence at Whisper Cove.

He explained that it was recently approved at Town meeting to install a new fence at Whisper Cove. As the work on this project continued, it became clear that staining the fence will preserve the fence for a longer period of time. As no funds were appropriated for this task, Selectman Fortuna requested \$4 thousand to stain the fence after it is installed.

Mr. Thorpe made a motion to appropriate \$4 thousand from the capital non-recurring fund for the purpose of staining the new fence at Whisper Cove. Further to move this to Town meeting. Discussion: It was noted that the staining should occur before it is installed.

Mr. Thorpe amended his motion to appropriate \$4 thousand from the capital non-recurring fund for the purpose of staining the new fence at Whisper Cove before it is installed. Mr. Carlson amended his second. Further to move this to Town Meeting. Motion passed unanimously.

Mr. Carver thanked Selectman Fortuna.

10. Request for Capital Non-Recurring Fund Appropriation for Digital Sign Upgrades – Action Requested.

Mr. Hayden requested an appropriation from the Capital Non-Recurring Fund of \$5,106.38 to upgrade the Town's two digital signs, Town Green and Gateway East (by Mystic Market).

Mr. Hayden discussed the background:

The wireless/cell modem which has been allowing remote message updates to the Gateway East sign is old CDMA technology which Verizon will be discontinuing at the end of calendar year 2022. Although the sign has operated nine years using cellular services without any communication outages, cellular technology has moved on and the current hardware will not function after December, 2022.

The program to update the two sign's is desktop PC based, effectively limiting the editing of the messages to a single location, which is currently in the IT Department.

Functional Improvements from this upgrade:

1. Sets up both digital signs to be reliably updated remotely over the latest wireless/cell technology.
2. The sign management application will move from a single desktop to the web hosted service. Access for updating sign messages can be shared, including granting access to OSPD to directly update the signs during emergency operations.
3. The proposal upgrades both signs to the latest controller hardware. Controllers are now considered legacy products and are at the end of their support lifecycle.
4. This is not an "aftermarket" upgrade. Stewart Signs is the original sign manufacturer.

The proposal is for updates using their current sign technology. This is their recommended upgrade package for legacy installations similar to ours.

5. Recent quotations found on the web for the complete replacement of the existing signs with similar, current technology equipment is roughly \$15,000 per sign, plus multiple thousands for shipping and installation.

This proposed upgrade is a simple plug-and-play field hardware swap which can be performed by Town IT personnel. This upgrade will bring the signs up to current technology level for a fraction of a potential total replacement cost.

6. The proposal also Includes a fixed rate wireless data plan for 5 years, reducing the projected per sign networking cost from \$21 to \$13 month.

The Stewart Signs upgrade quotation is: \$5,106.38.

A motion by Mr. Thorpe, seconded by Mr. Carlson to approve an appropriation from the Capital Non-Recurring Fund of \$5,106.38 to upgrade the town's two digital signs, Town Green and Gateway East (by Mystic Market) was so VOTED unanimously.

Mr. Carver thanked Mr. Hayden.

11. Selectman Report

Selectman Fortuna noted that at the next meeting he will discuss the monies regarding the STEAP Grant.

Mr. Carver thanked Selectman Fortuna.

12. Liaison Reports

Mr. Thorpe reported that the school contract was ratified.

13. Comments From Board Members

None

14. Public Comment

None

15. Comments from The Chair

Mr. Carver thanked everyone.

16. Adjournment

A motion to adjourn was made by Mr. Thorpe, seconded by Mr. Swan was so VOTED at 7:31 p.m.

Respectfully submitted:

Gerri Lewis, Clerk