



TOWN OF OLD SAYBROOK
Board of Finance

302 Main Street • Old Saybrook, Connecticut 06475-1741

BOARD OF FINANCE **AMENDED** JOINT MEETING MINUTES WITH
BOARD OF SELECTMEN

JANUARY 17, 2023 6:30 PM

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
Scott Giegerich, Selectman
Matt Pugliese, Selectman
Lee Ann Palladino, Finance Director
Barbara Labriola, Treasurer
Larry Hayden, IT Director
William Claffey, Acting Director Public Works
Gerri Lewis, Clerk

1. Selectman Fortuna called the meeting to order at 6:30 p.m.
2. **Pledge of Allegiance:**
Selectman Fortuna led the Pledge.
3. **Roll Call:** All present for the Board of Selectmen and Board of Finance.
4. **Minutes**

A motion by Mr. Carlson was seconded by Mr. O'Brien to approve the minutes of January 5, 2023. Motion passed unanimously.

5. **Consideration and Possible Action on Audit Contract**

Ms. Palladino noted that Mahoney Sabol was chosen as the Town’s auditors after a Request for Proposal (“RFP”) was issued in 2015. Ultimately Mahoney Sabol was deemed the best candidate to perform these services for the Town and was contracted for four years (FY15 – FY18). The Board of Finance then extended their contract for two additional two-year periods (FY19 and FY20) and (FY21 and FY22). After the completion of the FY22 audit, their contract will expire. According to the Town Code ordinance for competitive bidding, contracts for auditing service are exempted from the competitive bidding process. Therefore, if the Board of Finance is satisfied with the services for Mahoney Sabol, it may extend the contract. Should the Board of Finance desire to pursue a search for auditing services, it will take some time to prepare the RFP, and go through the selection process. After a short discussion and Q&A, the following motion was made:

A motion to approve extending the Mahoney Sabol contract for three years was made by Mr. Thorpe, seconded by Mr. Swan and was so voted with 1 opposed. Mr. Carlson opposed.

Mr. Carver thanked Ms. Palladino.

6. Consideration and Possible Action on the Elderly Benefit for FY2024

Selectman Fortuna explained that the tax relief to qualifying persons for the tax year beginning July 1, 2023 be in an amount not to exceed \$90,000.00.

That the qualifications for such relief be in accordance with the provisions presently allowing relief for those persons under the provisions of Section 12-129(b) of the Connecticut General Statutes. That the tax relief program be reviewed on a year-to-year basis for tax years following the tax year beginning July 1, 2023.

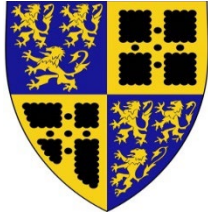
It was noted if deemed necessary by the Old Saybrook Tax Assessor and Tax Collector by reason of time constraints, the property tax relief program for the tax year beginning July 1, 2023 may be implemented by certificates of correction (for the full amount of the relief) issued with respect to the installment of taxes due and payable January 1, 2024.

During the discussion, it was noted that the elderly benefit fund had just been awarded \$267k from ARPA.

A motion by Mr. Carlson, seconded by Mr. O’Brien to approve the Elderly Benefit Amount for Fiscal Year 2024 in the amount of \$100 thousand dollars, consistent with the provisions of Section 12-129(b) of the Connecticut General Statutes, and look for ways to give notice of the program to the elderly. Motion: In favor: Mr. Carlson; Mr. Carver; Mr. O’Brien; Mr. Dussault; Opposed: Mr. Stevenson; Mr. Thorpe; Mr. Swan. Motion passed.

7. Treasurer Report

Ms. Labriola gave the Treasurer Report as follows:



Monthly Treasurer's Report – December 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 December 2022

REVENUES:	Budget	Received FYTD	% Received FY23	% Received FY22
Taxes	46,839,698	32,122,494	68.6%	67.5%
State of Connecticut	463,000	327,328	70.7%	47.7%
Local Revenues	1,075,000	1,001,167	93.1%	77.3%
TOTALS:	48,377,698	33,450,989	69.1%	67.6%

Authorized Investments per Investment Policy:

Authorized Investment	Balance	Rate as of 12/31/22
STIF	\$7,918,468	4.13%
Liberty Bank	\$100,357	.92%
Webster Bank	\$12,691,826	3.54%
Short Term Cash Management	\$8,000,000	4.36%
ARPA Cash Management	\$1,200,000	4.08%
Total	29,910,408	3.93%

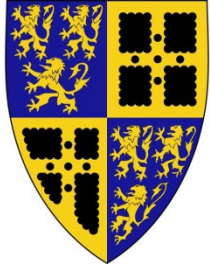
Pension Plans as of: December 2022

Description	Town Pension Plan	Fire Department Pension Plan
Beginning Balance 6/30/22	24,026,515	1,558,038
Change in Value	203,405	11,373
Ending Balance	24,555,292	1,590,588
Return FYTD (net of fees)	2.20%	2.09%
Benchmark Return	1.76%	1.76%
Assumed Rate	6.75%	6.50%
Funded Ratio	85%	52.7%

Mr. Carver thanked Ms. Labriola.

8. Finance Director Report

Ms. Palladino gave the Finance Director report as follows:



Finance Director's Report – December 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 2023

EXPENDITURES:	Budget	Expended FYTD	% Expended FY23	% Expended FY22
General Government	17,832,513	9,469,431	53.1%	51.6%
Bonded Indebtedness	3,071,844	2,711,976	88.3%	87.1%
Board of Education	27,473,341	12,779,707	46.5%	48.1%
TOTALS:	48,377,698	24,961,114	51.6%	52.0%

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 December 2022, 50% of the general government budget equates to \$8,916,256. Actual expenditures of \$9,469,431 are \$553 thousand 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 December 31, 2022, the Town's cash balance was as follows:

Fund	Total	Monthly Activity
General Fund	10,146,339	1,832,847
Capital Funds	3,096,497	209,431
Reserve Funds	4,141,342	-150,705
Non-major Funds	4,296,710	-437,841
Total	21,680,888	1,453,732

The Town's total cash increased by \$1.5 million of which \$1.8 million was due to activities in the General Fund. The GF received \$5.1 million in revenues which were offset by \$3.3 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 \$2,577,436 as of December 31, 2022

Municipal Reserve Fund	FY 2023 Transfers	Balance
Capital Non- Recurring Budget 3350	\$135,729	1,111,773
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	104,741
Revaluation – 7222	50,000	173,774
Contingency – 7224	30,000	72,040
Roof Repair – 3020	25,000	38,255
DPW Sand Shed – 3059	6,050	6,050
DPW Dumpster for Metal	12,400	0
DPW Asphalt Roller	18,000	5,500
P&R Flagpole – 3060	3,299	0
P&R Water Fountain	3,364	0
P&R Mulch Trask Playground	3,630	0
P&R Netting	7,528	0
Gazebo Town Hall Green – 3000	60,000	25,313
Paving Budget	25,000	0
Total	735,000	3,189,698

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	7,718
Highway & Streets (4303)	475,000	373,609
Library Heat Pumps (4501)	16,660	0
Total	664,964	530,754

2. 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	

Debt Service

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

Mr. Carver thanked Ms. Palladino.

**9. Business Before the Board
 FY24 Budget Review**

Ms. Palladino presented the Board of Finance and Board of Selectmen a power point of the budget for the Department PublicWorks and the Transfer Station. Before Ms. Palladino gave her presentation, she introduced the acting Director, William Claffey.

She explained the structure and staffing with major changes; duties and the budget overview. The overall budget for Public Works was up 5.0%. The budget for the Transfer Station was up .9%.

The board had several questions for Mr. Claffey who also noted his department accomplishments.

Mr. Carver thanked Ms. Palladino and Mr. Claffey.

At this time, Mr. Hayden, Director of IT, presented for his IT Department. He presented his department accomplishments. He also discussed budget factors; technical services and related repairs; communication and supplies. Mr. Hayden noted that Covid response, insurance requirements and licensing changes created major changes and requirements growth over the last few years. In conclusion, it was noted that there was a non-personnel budget growth of 14.1% or 1.17% annually.

Mr. Carver thanked Mr. Hayden.

10. Comments from The Board

None

11. Comments from The Public

None

12. Adjournment

A motion to adjourn was made by Mr. Thorpe, seconded by Mr. O’Brien and was so VOTED at 8:17 p.m. A video of this meeting in its entirety can be seen online in the Town of Old Saybrook Video Library and the Town Clerk’s Office.

Respectfully submitted:
 Gerri Lewis, Clerk