



TOWN OF OLD SAYBROOK
Board of Finance

302 Main Street • Old Saybrook, Connecticut 06475-1741

BOARD OF FINANCE MEETING MINUTES
November 19, 2019 7:00 P.M.
FIRST FLOOR CONFERENCE ROOM

BOF Attendant Members

David LaMay, Chairman
Carol Rzasa, V. Chairwoman
Tom Stevenson
Barry O’Nell
Paul Carver
Rick Swan

Absent Members

Donna Nucci

In Attendance

Carl Fortuna, First Selectman
Bob Fish, Treasurer
Lee Ann Palladino, Finance Director
Michael Spera, Chief of Police
Joe Johnson, Fire Chief
Gerri Lewis, Clerk

1. Call to order:

Chairman LaMay called the meeting to order at 7:00 P.M.

2. Pledge of Allegiance:

Chairman LaMay led the pledge.

3. Roll Call: Donna Nucci absent.

4. Election of Officers

Ms. Rzasa made a motion to elect David LaMay as Chairman, noting that he has done a good job and runs a good meeting, seconded by Mr. Swan and was so voted unanimously by Mr. Stevenson, Mr. O’Nell, Mr. Swan, Mr. LaMay, Ms. Rzasa and Mr. Carver 6-0-0.

A motion by Mr. Stevenson, seconded by Mr. LaMay to elect Carol Rzasa as Vice Chairwoman was voted unanimously by Mr. Stevenson, Mr. O’Nell, Mr. Swan, Chairman LaMay, Ms. Rzasa and Mr. Carver 6-0-0.

5. Minutes

A motion to approve the minutes of the October 15, 2019 meeting was made by Ms. Rzasa, seconded by Mr. Stevenson. Discussion: Chairman LaMay noted that Ms. Nucci wanted the minutes changed as per her email. He then looked for that email and couldn’t locate it. Ms. Lewis found it on her phone and read it to the board. Ms. Rzasa commented that she thought Ms. Lewis captured the intent in the minutes. There was some confusion as to what exactly Ms. Nucci wanted in the minutes because it was felt that it was covered in the minutes. At this time there was no further discussion. An amended motion was then made by Mr. O’Nell to approve the minutes as amended. Chairman LaMay seconded the amended motion. Ms. Rzasa and Mr. Stevenson abstained. Chairman LaMay, noting the abstentions, thought we should table this until the next meeting. Ms. Rzasa withdrew her motion; Mr. Stevenson withdrew his second; Mr. O’Nell withdrew his amended motion.

A motion to table the minutes was made by Chairman LaMay, seconded by Ms. Rzasa and was so voted unanimously by Chairman LaMay, Ms. Rzasa, Mr. Stevenson, Mr. Carver, Mr. Swan and Mr. O’Nell 6-0-0.

6. Fire Department Report

Chief Johnson passed out information about Self-contained Breathing Apparatus (SCBA) to the board and also brought in the apparatus.

He reported that over the past three years the Fire Department has applied for Federal Grants to purchase the SCBA, only to be turned down each time. Last Fiscal Year 2018 they applied and were turned down the last possible day before the close of the grant funding.

Chief Johnson presented the Board of Finance the Scott 5.5 X3 Air Pak with Pak Tracker for their consideration. He went over the features, options, and the amount of SCBA that needed to be purchased. In all they need to purchase 52 SCBA, 102 SCBA Bottles, and SCBA Masks.

He noted with the Fire Department going out to bid, they were able to lower the overall costs of this equipment to the town.

Chief Johnson told the board that with the recommendation of Chairman LaMay, he reached out to the vendor who they will purchase the equipment from to get the extra / spare harnesses that can be removed and washed after incidents.

The grand total of this 20 year investment with a discount is \$478,187.50. Before the discount, the cost was \$686,000.

Selectman Fortuna noted that the town had the money to purchase this apparatus, but thought it advisable to finance it over a 3 year period. Ms. Palladino discussed the advantages of financing and all agreed that it was better to finance this purchase.

Chairman LaMay made a motion to finance not more than \$450,000 with Key Bank for the purchase of the SCBA apparatus, seconded by Mr. O’Neill.

Discussion: Mr. Stevenson reminded the board of the policy the board has about bringing projects/purchases to their attention in advance for discussion. He noted, however, that due to the urgency of this request he would make an exception at this time. The motion passed unanimously by Chairman LaMay, Ms. Rzasa, Mr. Stevenson, Mr. Swan, Mr. O’Neill and Mr. Carver 6-0-0.

Chairman LaMay thanked Chief Johnson.

7. Emergency Management

Chief Spera handed out his Emergency Management Director position description and a copy of the Connecticut General Statutes as to the town of Old Saybrook “Office of Emergency Management” to the board.

The handout covered the description of the director whose responsibilities are for the organization, administration, and operation of the office.

He noted some of the general duties:

- The Emergency Management Director (EMD) shall be appointed by the First Selectman;
- The EMD shall advise the First Selectman on all Emergency Management and Homeland Security matters;
- The EMD shall develop, organize, direct and coordinate the Town’s program with the goal of saving lives and protecting property;
- The EMD shall coordinate the activities of all town departments;
- The EMD shall be responsible for the development and maintenance of the Town’s Emergency Operations Plan;

- The EMD shall be responsible for the establishment, maintenance, and management of the primary and alternate Emergency Operations Centers in accordance with state and federal requirements.

The board had questions and comments.

Chairman LaMay thanked Chief Spera for coming in and for his service.

8. Treasurer Report

Treasurer Fish went through briefly the expenditure status report and noted that revenues were coming in strong. He noted that all looked well with the general fund revenues through October 31, 2019.

Chairman LaMay thanked Treasurer Fish.

9. Contract with Audit Firm

Ms. Palladino requested the Board of Finance to act on the upcoming expiration of the contract with Mahoney Sabol for the provision of auditing services to the Town of Old Saybrook. She noted that their contract will expire after the completion of the Fiscal Year (“FY”) 2020 audit. The board may either choose to extend their contract or create a new search for auditing services.

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 an additional two year (FY19 and FY20). After the completion of FY20 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 is satisfied with the services for Mahoney Sabol, it may extend the contract. Should the board desire to pursue a search for auditing services, it will take some time to prepare the RFP, and go through the selection process. Therefore this issue is being presented to the board for its action at this time.

The board had questions and discussed the services of Mahoney Sabol. They wanted to know what the fee would be if they were to extend their contract. Ms. Palladino noted that she can come back to the next meeting with a copy of the proposed fee schedule for the next contract renewal prior to the final action on which the board will make.

Chairman LaMay thanked Ms. Palladino.

10. Transfer of Benefit Assessment to Debt Service – Action requested

Selectman Fortuna discussed the benefits of the Town's recent bond refunding, which included the refinancing of the outstanding Clean Water Fund bonds (both Town and Revenue Bond issues). He noted that the bond refunding allowed the Town to restructure its debt service over the next several years to remain stable, saved around \$400 thousand in debt service over the life of the bonds, reduced the weighted average life of the debt outstanding, as well as reduced the interest rate on the bond. Further he stated that because of this refunding, the Town will need to transfer funds that are collected from benefit assessments formerly used to repay the Revenue bond debt service to offset the Town's debt service as these bonds are now part of the Town's General Obligation bonds.

Ms. Palladino noted that the benefit assessment cash flows are known and projected into the future. On an annual basis, and as part of the budget process, these amounts would be disclosed during the annual budget process and the net debt service would be included in the Town's budget (net debt service is total debt service less benefit assessment payments). She stated that since this would be an ongoing process that the Board of Finance should be made aware of it, and grant the authority to perform the annual transfer. She noted that two motions were requested, one for the ongoing yearly transfer, and one to cover the increased debt service for the current fiscal year.

At this time, Mr. Carver made a motion to authorize the Finance Director on an annual basis to transfer annual benefit assessment revenues from the WPCA debt service accounts 3004 and 3005 as needed to augment the Town's budgeted debt service payments, seconded by Ms. Rzasa and was so voted unanimously by Mr. Carver, Ms. Rzasa, Chairman LaMay, Mr. Stevenson, Mr. O'Neill and Mr. Swan 6-0-0.

Mr. Carver made a motion to authorize the transfer to cover the increased debt service for FY20 in the amount of \$183,845; \$67,890 from WPCA debt service fund 3005 and \$115,955 from WPCA debt service fund 3004, seconded by Ms. Rzasa and was voted unanimously by Mr. Carver, Ms. Rzasa, Chairman LaMay, Mr. Stevenson, Mr. O'Neill and Mr. Swan 6-0-0.

Chairman LaMay thanked Ms. Palladino and Selectman Fortuna.

11. Finance Director Report

Ms. Palladino discussed the following report:

Budget for Fiscal Year 2020

Budget Fiscal Year 2020

The general government budget for Fiscal Year (“FY”) 2020 presently stands at \$16,761,338, along with the Town’s Debt Service budget of \$3,238,104, total General Government Expense equate to \$19,999,442. The Board of Education budget of \$26,520,747 brings the Town-wide budget to \$46,520,189. The budget was approved at the May 2019 budget referendum.

Budget Appropriations – None.

Unassigned Surplus Fund Appropriations - During FY20 no appropriations against the unassigned surplus fund have been made.

Municipal Reserve Fund Appropriations - During FY20 the following appropriations against the municipal reserve fund (“MRF”) have been made.

- An appropriation for \$111,870 from the capital non-recurring account (CNR) was approved by the Board of Finance (BoF) on September 17, 2019 and moved to Town meeting to be held on October 1, 2019. The funds will be moved to an off budget account “Kavanagh Park Tennis Court Repair”
- An appropriation for \$30,025 from the CNR was approved by the BoF on September 17, 2019 and moved to Town meeting to be held on October 1, 2019. The funds will be moved to an off budget account entitled “Town Hall Roof Repairs”.

Budgeted Capital Outlays FY20

The Municipal Reserve Fund, which includes capital non-recurring, fire apparatus, public work/transfer station, and Board of Education sinking funds, totals \$2,018,479 as of October 31, 2019.

Municipal Reserve Fund	FY 2020 Transfers	Balance 10/31/2019
Capital Non- Recurring Budget 3350	\$192,533	\$567,109
Fire Apparatus -3351	169,591	806,859
Public Works – 3353	75,000	144,511
Board of Education – 3354		500,000
Catastrophic Illness – 7219	70,000	164,515
Post-employment Payout – 7220	40,000	179,923
Revaluation – 7222	50,000	26,731
Contingency – 7224	30,000	54,540
Roof Repair - 3020	25,000	36,263

Municipal Reserve Fund	FY 2020 Transfers	Balance 10/31/2019
Old Post Road Culvert Replacement (3050)	49,100	\$1,010
Leap Year (490000)	24,667	\$24,667
Fire Panel (490000)	8,700	\$0
Total	734,591	\$2,506,128

Capital Expenditures FY 2020 budgeted amount as noted below. To date, 66.9% has been utilized.

Department	Amount Budgeted/Transferred	Amount Used
Fire Department (4203)	\$60,000	\$0
Police Department (4201)	\$99,804	\$89,804
IT – Town (4143)	\$25,000	\$687
Highway & Streets (4303)	\$375,000	\$279,513
Library Heat Pumps (4501)	\$15,000	\$13,476
Park & Recreation (450301)	\$10,000	\$7,836
Total	\$584,804	\$391,316

Authorized Transfers –

Fiscal Year 20 Budget Performance

Through October 31, 2019, 4 months or 33% of the general government budget equates to \$5,581,526. Actual expenditures of \$5,764,729 are \$183 thousand above straight level budget expectations. Capital transfers, quarterly payment, and other one-time annual payments were made near the start of the fiscal year. The budget lines that are running ahead of budget are attached, there are no unusual or unexpected expenses at this time.

Fiscal Year 2020 vs. Fiscal Year 2019

The general government budget for FY19 was \$16,339,829 or \$412,509 less than FY20. The Town's General Government budget was 34.9% expended vs. 35.8% compared to the same this period last year.

Chairman LaMay thanked Ms. Palladino.

12. Selectman Report

Selectman Fortuna reported on MIRA and discussed briefly the changes at the Transfer Station.

Chairman LaMay thanked Selectman Fortuna.

13. Comments from The Chair

Chairman LaMay thanked the board and noted that Parks & Recreation will be at the next meeting.

14. Public Comment None.

15. Adjournment

A motion to adjourn at 8:50 p.m. was made by Ms. Rzasa, seconded by Mr. Stevenson and was so voted by Mr. Swan, Ms. Rzasa, Mr. Carver, Mr. O'Neill, Mr. Stevenson and Chairman LaMay. 6-0-0

This meeting is recorded on the town's youtube website.

Submitted:

Gerri Lewis, Clerk