

REGULAR BOARD OF FINANCE MEETING

Virtual Zoom Meeting

April 14, 2020

T. Pratt called the meeting to order at 7:00 PM and led the assembled in the Pledge of Allegiance.

Members Present: T. Pratt, S. Leeper, K. Brennan, J. Carroll, L. Hutvagner

Members Absent: D. Fennell

Others Present: First Selectman G. Smith, Selectman M. Krenesky, Selectman C. Bielik, Finance Manager N. Nau and 4 members of the public

1. Public Comment: Chairman T. Pratt noted that we received a comment from the public, which did not include the address of the resident. He will look into the guidelines and revisit the comment.
2. Minutes: **S. Leeper made a motion to approve the March 10, 2020 regular meeting minutes, as presented. K. Brennan seconded the motion. All ayes.**
3. Monthly Reporting:
 - a. EMS Report: T. Pratt presented the final EMS report for 2019. He noted that in July, under the new budget year, the EMS account will contribute \$5,000 as revenue to the town budget as an offset to EMS Training.
 - b. Town Clerk Report – No questions.
 - c. Treasurers Report – There was a question from L. Hutvagner regarding the interest on the Treasurer's Report. Liberty Bank has accelerated reductions to the town's interest rates, keeping in line with the descending STIF rate.
 - d. Tax Collector's Office – There is no tax collector report this month, but we do hope to have reporting next month. G. Smith noted that Lisa Daigle has been doing a great job stepping in and handling the everyday workings of the entire tax office. The hiring process for Tax Collector was underway when we got hit with COVID. G. Smith noted that Lisa and June Chadderton have gone above and beyond to keep the office running. We have hired a Tax Collector and she is scheduled to start on April 20th. The Assistant Tax Collector position still needs to be filled. We lost 30 days with the COVID outbreak, but our new person is onboarding, will have full remote capabilities, and G. Smith believes she will be proactive. T. Pratt complimented everyone who has stepped up and G. Smith reiterated kudos to Lisa Daigle.

4. Finance Managers Report:

N. Nau focused on the memo summarizing the high points. The Finance Office has set up accounting code to track our COVID-19 expenditures as a non-recurring capital project. We anticipate FEMA reimbursement in the future and this will allow easy tracking of supplies, materials and equipment purchased for COVID-19. The Board of Finance will see a transfer later in the meeting for \$19,999 for COVID-19 expenses.

N. Nau has had more time to work on Finance Manual revisions and hopes to get a couple chapters to J. Carroll ready to review before the end of April.

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RFPs will be moving forward and N. Nau will be using Bonfire software for electronic submissions. Bonfire is being offered free through 7/31/2020, after that it will be \$5,000 annually and this amount has been added to latest draft of the budget. Bonfire will help with efficiencies in posting, reviewing and finalizing RFPs.

We have moved the Timeclock system to the Cloud so employees can clock remotely and have officially provided remote clocking to all town staff.

Beacon Hose Station 2 project is on hold and delayed due to COVID. The State has been notified.

Budget workshops have been cancelled, however the budget process moving forward. The Finance Office continues to refine, review and update budget information with each draft to the BOS and BOF. N. Nau would like to know when the Boards want to post the budget online for public viewing.

The expenditure lines which are being monitored are consistent. Spending has slowed somewhat and freezing non-essential expenses for the time being has limited overages. There are some over budget lines which will need transfers, most notably Police Overtime which will require a town meeting.

Region 16 has been in touch and at this point N. Nau does not anticipate any issue with owing the School District additional money at the end of the year.

10 Year Plan – N. Nau noted that it has not been on the forefront of her radar. She needs to align the road portion of the plan and update it with Road Foreman Rob Pruzinsky.

Bond Resolution- The next steps in the process are through WPCA and P&Z Commissions. They will be meeting via the Zoom application to move the approvals forward. G. Smith noted that we are moving forward hoping that the meetings will take place soon. A Public WPCA Hearing needs to take place and these will be the last pieces of the puzzle to put together.

Moving onto Grant Projects, N. Nau provided the following updates:

- FEMA Debris Removal decision on the tornado request – We have not heard anything from them at this point. We are hoping that the Determination memo is coming and this will be significant.
- EMPG – We received our 2018 \$5,000 payment and are waiting to hear on the 2019 application
- AFG Grant – Submitted an \$82,457 request with a 5% portion owed by the Town of Beacon Falls for new SCBA Compressor for Fire Department. If awarded, the town's portion of the funds are budgeted as a capital project for FY20. N. Nau attended recent AFG webinar to learn how COVID has shifted their grant approval processes from an in person review panel to remote. Decision times will be impacted by COVID.
- Katharine Matthies – N. Nau has been working with Captain Al to get this project finalized. She has been speaking with the Grantor on the performance period and the signs will be installed over the summer when possible.
- CCF and K. Matthies Grants for the Senior Center Computer classes will be happening at a later date due to COVID closures.

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- CCF Grant – We applied for mini bus trips this year but were denied because CCF has redirected their funds to COVID. The 5 additional hours for Bernie to drive on Fridays have been budgeted in FY21.
- WCAAA Grant – Mini bus grant based on ridership was submitted in March and we are awaiting their response.
- DOT Build – N. Nau will check the application cycle which was originally set at May 18th.
- HVA Stream crossing Grant – N. Nau will attend the kickoff meeting May 4th on Zoom
- There are several other grants being investigated
- COPS Grants – While application deadline for these grant was tonight, N. Nau got to 85% completed with grant applications and was held up due to an IT error on the site. This is a lesson in the need to start these grants earlier. So for next year we will submit CPD grant: Community Policing for a Police Explorer Program, Law Enforcement Mental Health Awareness which can help with Employee Assistance and Training and a Preparing for Active Shooter training program.

L. Hutvagner has a question regarding the number that was budgeted for Interest in the FY21 budget draft. N. Nau noted that Version 4 of the budget shows interest projections moving downward. The STIF rates are declining and the Liberty Bank Government Account rep has been reducing our interest rate quickly due to COVID. N. Nau is hoping that STIF rate will increase in second half of the FY21 fiscal year.

Skokorat Road – N. Nau noted that Aquarion credit question is still outstanding. G. Smith noted that we should be in line for a credit in the neighborhood of \$5,000 for the patch at the top of Skokorat Road.

Wrapping up by returning to COVID, N. Nau continued that we have been discussing what the deferment program will do to impact tax revenue and what that means for the budget. N. Nau has adjusted revenue as much as possible, and we still need to think about finalizing a collection rate. We have discussed financing options such as a TAN or line of credit, if needed. There is a projected year-end surplus and putting a freeze on spending for the rest of the year.

COVID expenses are to be reimbursed by FEMA at 75% and we are working on the details of how that will be reimbursed. T. Pratt asked how we will cover the rest of the COVID expenses. G. Smith and N. Nau noted that we have had a lot of expenses upfront for remote set up and the remaining expenses should be in PPE & cleaning supplies which fall under emergency purchasing. G. Smith noted that we have to do this work to protect and will follow the appropriate measures. .

T. Pratt asked if expenses for AEDs for town buildings can be moved to Town Safety line as the units fall under safety for the town.

L. Hutvagner asked if the Town has gotten PPE and wipes from State or FEMA and G. Smith replied that DEHMS 5 has supplied some masks. EMS also went to the Newington for supplies from the State. As supplies are short, most of what we have we purchased.

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5. First Selectman's Report

Budget Transfer: **\$19,999 from Contingency 10.90.83.1140 to Non-Recurring Capital for COVID expenses.** The expenses to date include Laptops, Zoom membership, PPE, and cell phones. We are fully remote with all departments and the new tax collector will be fully remote. We are rapidly going to hit the \$19,999 which is the maximum transfer allowable by the BOS and BOF. N. Nau noted on the lines to monitor page the actual total of COVID expenses is approaching \$19,000. **L. Hutvagner made the motion to approve the transfer of \$19,999 from Contingency to Non-Recurring Capital for COVID expenses. J. Carroll seconded the motion. All ayes.**

Budget Workshop sessions – G. Smith would like one more budget workshop session to finalize the budget discussions on Tuesday, April 21st at 6:00 PM. The guidelines are that the Budget would go out for approval by a vote of the BOS. We have budgeted an interest payment for the BAN issuance in the budget and the Financial Advisor noted that interest rates are positive as we move forward with the Bond package. In an ideal world we would like the bond approved prior to budget, but we have put an interest payment in the budget for that contingency. If the BAN/Bond does not move forward then this interest payment would be excess. N. Nau concurred that a final draft of budget can be ready for discussion at 6:00 PM on April 21st.

T. Pratt commented to his members that the BOF works with BOS on the budget, but this is the First Selectman's budget. The budget is presented by the BOS through the First Selectman. Requests for copies of the Budget should go through Finance Office and First Selectman's Office. He agrees to let the process move forward and the budget will be made public shortly.

L. Hutvagner asked what will happen if revenue does not come in as budgeted. G. Smith asked for an attorney's opinion regarding appropriated monies for capital projects not knowing what future holds for cash flow. The opinion states that it is within the BOS's purview to pause these projects until BOS/BOF is comfortable with revenues. N. Nau made sure that the financial policy manual is in line with attorney's opinion. G. Smith noted that if the cash doesn't come in, then we can't spend it and BOS has the ability to make the determination of what can be spent. The BOS can approve this budget, but we are moving through the process with the BOF, so we are on the same page. The public will have plenty of time to ask questions. I want a thorough understanding in the form of a legal opinion and guidance about how to approach capital spending. J. Carroll agreed that although BOS has final say, working to finalize the budget in concurrence with the BOF goes a long way with the public. G. Smith agreed and noted there will be one more joint meeting, with public posting of the budget and public questions following that meeting next week.

K. Brennan asked about the time frame. M. Krenesky noted the timeline they are looking for is approval at the regular May BOS meeting. G. Smith added there will be a workshop on April 21st, another joint meeting to respond to questions prior to the May BOS regular meeting. K. Brennan asked if the boards were rushing the process, as we do not know what to expect with COVID and is there a downside waiting for June.

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G. Smith noted that there is lots of work to do, he doesn't anticipate the budget will change and he would like to move onto other things. K. Brennan was concerned about the public perception of moving too quickly. The process started early in the calendar year and we did hold in person workshops which the public could attend. G. Smith prefers to keep with this timeframe. J. Carroll noted that Region 16 is moving forward with their budget approval on their normal time frame. G> Smith added this is a responsible budget and the process will be transparent to the public. Yes, lots of work to do, so we can move onto other things. I don't see the budget changing.

N. Nau noted that the budget has not been online yet. G. Smith added it will be online after the workshop and there will be a period of review for the public to respond. With Zoom meetings, this is an opportunity for more people to listen in from their homes and the meetings are easily available to more people. K. Brennan's number one concern is transparency and wants the public to have ample opportunity to weigh in on the budget. L. Hutvagner noted that the BOS normally approves the budget in May, so this is regular timing. The Assessor and Tax Office need notice, once mill rate is set, to get tax credits in order, and then move forward with QDS billings in July.

N. Nau exited the meeting at 8:00 PM.

Region 16: G. Smith noted that we have not heard update from Region 16 beyond the revised payment schedule. T. Pratt and J. Carroll noted that BOE is moving forward with their budget approval. There is some clarity needed concerning the transportation contract, as they have not finished negotiations with the bus company. J. Carroll is seeking a copy of the contract on transportation for FY21 and FY22.

J. Carroll also noted that while employee health insurance costs came down, Region 16 used those savings to add another position for students when they return from COVID. He was surprised to learn that Region 16 does not send a financial report to the town and recommended that the town request a monthly financial report from the Region. The town should ask in writing for financial reporting from Region 16, which contains their Budget, expenditures and revenue. The report is routine and easy for them to generate. J. Carroll noted that the town has a right to this information and should ask for it.

Beacon Valley Road: G. Smith noted that have been running the cameras up the piping on the road and this is spending that he needs to do at this time. He is continuing on with the expense for Beacon Valley Road, to keep the project moving with engineering, surveying and cameras. The engineers are using 3rd party contractors for some of this work, so COVID has impacted their timeframe.

G. Smith sent out a letter to limit non-essentials spending, but chip sealing and road sealing projects are necessary and continuing. The town can't neglect roads any further. We are moving forward with Beacon Valley as quickly as possible.

Aquarion: Skokorat Road and Hydrant issues – The town does need to obtain a list of non-working hydrants, which should be addressed by Aquarion and follow up is needed on the credit for Skokorat.

Station 2 – This issue was covered earlier. Project on hold.

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Chip sealing and Road Paving: The Purchase Order for crack sealing has been signed. The town is crack sealing roads which were chosen and identified by the engineer. T. Pratt added that the roads should be looked at one more time after the winter. G. Smith noted that when we identify the roads, we should make sure they are in the right shape to go forward with the process. Chip sealing will be addressed next and we are piggybacking on a contract with another town: Shelton/Southbury. The chip seal process will be the traditional chip seal, not the fog seal.

Paving Projects: G. Smith noted that other than Beacon Valley there are no other paving projects lined up. He will be looking at lower Burton Road with LOTCIP monies where wall is falling and continue sidewalks to Town Hall. T. Pratt asked who is responsible for the sidewalks on Burton and they are the condos responsibility to clear.

Bulky Waste – G. Smith has decided to open the transfer station on Wednesday and Thursday of next week to get ahead of rush on Saturday. This will spread out the bulky waste collection over 3 days.

Spending Memo – A memo was circulated to all departments regarding spending carefully from now through September. Capital projects will be on hold until October, 2020.

6. Finance Policy Manual: Discussed earlier in the meeting

7. Old Business: None at this time.

Bond Resolution: Discussed earlier in the meeting

8. New Business: None at this time.

9. Public Comment: T. Pratt noted again the one comment received by email, and he will see if we can get that comment addressed.

S. Leeper made a motion to adjourn the meeting at 8:29 PM. J. Carroll seconded the motion. All ayes.

Respectfully submitted,

Erin A. Schwarz

Finance Administrative Assistant