

**Regular Board of Finance
Virtual Meeting Minutes via ZOOM
June 9, 2020**

Members Present: Tom Pratt, Steven Leeper, Kyle Brennan, James Carroll, Larry Hutvagner, Dalton Fennell

Members Absent: None.

Others Present: Finance Manager Natasha Nau, Selectman Mike Krenesky, First Selectman G. Smith, Selectman C. Bielik, G. Komarowsky and one other member of the public attending by phone.

1. Call to Order: Tom Pratt called the regular Board of Finance meeting to order at 7:01 PM and led the assembled in the Pledge of Allegiance.
2. Public Comment: No public comment at this time. No comments were received by email.
3. **Approval of Minutes from Previous Meetings: S. Leeper made a motion to approve the May 12, 2020 Regular Meeting Minutes, as presented. J. Carroll seconded the motion. All ayes.**
4. Correspondence/Payment of Bills: No correspondence at this time.
5. Reports
 - a. Ambulance Service: There is no ambulance report this month.
 - b. Town Treasurer's Report – The Treasurer's Report was provided to the members. T. Pratt and L. Hutvagner noted the declining interest rates from Liberty Bank.
 - c. Town Clerk Report – The Town Clerk report was provided by email to the members. No questions.
 - d. Tax Collector Report – The Board has received the Tax Collector's reporting for January through April in a new format. The May reporting is forthcoming. The cover page mirrors the auditor's reporting in our Financial Statements and the backup is reporting straight from QDS.

L. Hutvagner asked how we are accounting for deposits in transit, to ensure that the QDS and Microfund numbers coincide. T. Pratt asked how tax and finance deposits are reconciled. The bank statements are reconciled promptly at month-end. The deposits posted into Microfund are posted directly from QDS Batch deposit reports with verification that bank deposit amount matches the QDS figure. Finance Department and Tax can look at the best ways to show deposits in transit to reconcile the month end totals.

T. Pratt also asked about how cash is being handled and asked if two people are counting each cash deposit. T. Pratt asked if reporting will be prompt next month.
 - e. Region 16 Report – The Town has not yet received any reporting from Region 16, although we have reached out to the Region 16 Finance Manager for their monthly reporting. N. Nau will follow up on this request.
6. Finance Manager Report
 - a. Coronavirus purchases are still proceeding. Expenses will be submitted to FEMA after the end of the quarter on June 30th through the Grants portal. L. Hutvagner asked about \$40M being appropriated by the Governor. N. Nau noted that the Coronavirus Relief Fund (CRF) is available to towns after they have exhausted the FEMA funds, so the first avenue is FEMA Grants Portal. K. Brennan asked for a department breakdown of Coronavirus expenses.

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- b. We have 2 RFPs which are currently online through Bonfire software, and we have other RFPs which will be released shortly. The RFP for Auditors and Wolfe Avenue have been advertised appropriately, through GFOA and DAS. L. Hutvagner asked if the Board of Finance will be making the decision on the auditor. N. Nau noted that J. Carroll and T. Pratt are reviewers on the audit RFP with G. Smith as an advisor. She can add any other BOF member who wishes to review the submissions and grade the submissions. T. Pratt noted that the final decision will be made by the entire Board of Finance.
- c. The Ambulance claim resulting from BH6 catching fire has been filed and is in process. The Finance Office and the Fire Department have been working in team effort with the adjuster. The ambulance was a total loss and we expect reimbursement for the full value of \$280,000. The vehicle was set up at full endorsement value. The burned ambulance was sold for salvage.
L. Hutvagner asked that we ensure that all Fire vehicles are endorsed in this manner and the list should be updated every July 1st. S. Leeper asked about the new ambulance and we expect delivery in July.
- d. Station 2 Project has been a lower priority but will progress soon. T. Pratt noted that the Fire Department is working on getting drawings being submitted to the building department.
- e. N. Nau will be loading the FY21 budget into Microfund. The Finance Office is looking for new financial software to transition on January 1st. We will run simultaneous systems while transitioning.
- f. Lines to Monitor – The list was provided to the Board. Police Overtime is significantly overbudget and will need a town meeting. We have several budget transfers to be addressed later in the meeting. Nitrogen Credits and Beacon Falls Hydrant lines are expected to be significantly over budget. L. Hutvagner noted that this is another reason for the Hydrant situation to be reviewed, especially if a credit is owed due to hydrants not working. K. Brennan added there appears to be a 10% increase each year in hydrant costs. L. Hutvagner noted the WICA charge may be contributing to the increase. Transfers will be needed in July for these lines.
- g. Road and Infrastructure updates – With the Statement of Work completed, the Chip sealing and fog sealing has moved forward with work completed and fog seal nearing completion. We are waiting on the Town Meeting to vote on the bond and we have submitted some scenarios for a vote to Bond Counsel. We are still trying to find a scenario which will satisfy the requirements.
- h. Aquarion credit on Skokorat Road – T. Pratt asked Selectman Bielik if he ever had direct knowledge of a credit promised by Aquarion for the patch at the top of Skokorat. C. Bielik noted that the Town's former engineer was handling those discussions. G. Smith reached out to Kevin Lott at Aquarion and he is following up on any decision which was made by Aquarion to provide a credit. N. Nau suggested that in the future, the town ensures that a Memo of Understanding (MOU) is in place for this type of project.
- i. The FEMA reimbursement for the tornado Category A is due to be deposited this week. Category Z, which is Administrative costs, will need some additional accounting, as we need to track hours spent on the project and submit those hours for reimbursement.
- j. GRANTS:
 - i. Emergency Management Program Grant – Reporting is due and N. Nau will complete the submission.
 - ii. We have submitted the EMPHS Grant for the Region 5 Radio grant console. The PO and grant application has been processed.
 - iii. AFG & FP&S – Both grants have been submitted and we expect a response no later than September 30th. The FP&S grant was for \$11,254 for a Smoke Detector Installation campaign,

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including ADA compliant detectors for the hard of hearing. Cal Brennan was instrumental in providing information on implementing the program. This is a 2-year program, so we will not be rushed to complete it.

- iv. We are waiting on K. Matthies and WCAAA Grant results. N. Nau has an extension on the pricing for trash cans and benches at Pent Road, so pricing will remain constant until we hear back from Katharine Matthies.
- v. HVA Stream Crossing – As a participant in this grant, HVA should be completing stream crossing evaluations shortly.
- vi. Bulletproof Vest Application has a deadline of August 31st. The Resident Trooper is ordering vests and has the inventory of vests. No replacement vests will be needed for next year.
- vii. On the Revenue and EE&A, L. Hutvagner noted that we have a lot of positive items on the revenue side.

7. First Selectman Report

- a. Budget Transfers – G. Smith noted that the BOS missed completing the Budget Transfers last night. The BOS will hold a Special Meeting to complete the transfers after the Board of Finance acts.

Of the \$15,150 in transfers, \$2000 for Tree Work was for tree work completed on Burton Road which were trees downed in the tornado that were in the brook. Jim Weed completed this work for a very good price. The other significant transfer is for Bulky Waste, because of the increased openings in April.

TRANSFER TO:			TRANSFER FROM:			
		Increase	Decrease			
<u>Line</u>	<u>Description</u>	<u>Amount</u>	<u>Amount</u>	<u>Line</u>	<u>Description</u>	<u>Explanation</u>
10.90.59.1713	Tree Work	\$ 2,000.00	\$ (2,000.00)	10.90.59.1685	Snow Removal Materials	Burton Road Brook Cleanout
10.90.65.1750	Bulky Waste Transfer	\$ 10,000.00	\$ (2,300.00)	10.90.65.1755	Hazardous Household	April Collection Cancelled/ No more planned FY20
			\$ (3,000.00)	10.90.65.1740	Refuse	see notes below
			\$ (4,700.00)	10.90.65.1745	Recycling	
10.90.03.1078	Legal Notices	\$ 850.00	\$ (850.00)	10.90.03.1495	Education	Upcoming RFP Notices
10.90.03.1122	Town Hall - Heat & Water	\$ 800.00	\$ (800.00)	10.90.03.1130	Town Hall - Telephone	
10.90.53.1130	Police Telephone	\$ 1,000.00	\$ (1,000.00)	10.90.53.1220	Police Department Supplies	Telephone Maintenance Agreement \$93/month
10.90.67.1140	WWTP - Supplies & Maintenance	\$ 150.00	\$ (150.00)	10.90.67.1470	WWTP - Vehicle Fuel & Maintenance	
10.90.79.1130	Senior Center - Telephone	\$ 350.00	\$ (350.00)	10.90.79.1121	Senior Center Electricity	
	TOTAL	\$ 15,150.00	\$ (15,150.00)			
**Please see attached transfer sheet for account details.						

L. Hutvagner noted that per State law, the Town is not required to transfer funds if the expense can be covered within the same department. He noted that we are not required to complete these transfers. T. Pratt stated that while it is not required this has been the town's standard of practice and he would prefer to keep it this way at the time. We would need to make an amendment to the Finance Policy Manual to change the current practice. G. Smith added that the current transfer practice exists to keep department spending in check, and if departments are allowed to transfer their funds between lines, they would be apt to use more funds and spend down their lines. L. Hutvagner noted that he would rather see the department lines which are overbudget at year-end, so that we can account for shortfalls when we are budgeting.

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J. Carroll made a motion to approve the \$15,150 in transfers as presented. S. Leeper seconded the motion. All ayes.

G. Smith plans to hold a 6:00 PM meeting on Thursday night to finalize the Budget Transfers.

- b. Region 16- N. Nau will be following up for a monthly Finance report from Region 16. G. Smith's recent conversations with Region 16 have been not on the business side, but on the event side with virtual graduations upcoming.
- c. Bond Resolution – We are waiting for the availability to conduct a Town Meeting.
- d. Beacon Valley Road- G. Smith is closely involved in the engineering and he expects clear indications from both engineering firms in the coming weeks.
- e. Aquarion Water – G. Smith will follow up with Kevin Lott at Aquarion regarding the Skokorat Road credit.
- f. Station 2-COVID put this project on hold, but we had a great meeting with the State regarding ownership of the building and we are talking to the right people about the property.
- g. Chip sealing – Chip sealing was completed and the Fog seal will be completed this week.
- h. Bulky Waste – May was a heavy month for the Transfer Station and operations are smooth.
- i. Spending Freeze – K. Brennan asked G. Smith about the state of the spending freeze as we approach year-end, with positive revenue numbers. G. Smith noted that the freeze is in place because the town is uncertain about tax collections for July. He reviews every request which comes in from the departments and determines if it is valid. The directive is not black and white, there is some grey area and he authorizes spending as it is brought to him.

For example, the beds at Veterans Park were not mulched for the Memorial Day ceremony and that expense should have occurred. He has spoken with Public Works about mulching the beds and getting that work done. K. Brennan stated that the condition of Veterans Park was embarrassing, the plaques and wall that are stained black needs to be cleaned. G. Smith noted that we should have paid more attention to this maintenance and has asked Public Works for more attention to detail.

However, the Fire Department request for a \$6500 Lock Training Door needs to be part of the freeze. If the request has been for \$6500 worth of hoses that were critical, that would be approved. There is a spending freeze, but each line item is being reviewed on its merit case by case, as it is brought to him. We need to tighten our belt until we know how many people are deferring their taxes until October.

- j. K Brennan asked if there are some lines which can be utilized to get projects completed, such as EMS Fire, Police Training lines, Highway Materials, WWTP Equipment Replacement, Parks Maintenance. He does not want to fall behind on training in light of a public health emergency, and asked if we can use some of the maintenance lines to make forward progress? If fields are reopening at Pent Road, should funds be authorized there. G. Smith noted that as decisions are made to reopen, he is looking to spend funds wisely and with clear direction. For example, the Park & Rec Commission have been working on directives for reopening the fields and once the directive is clear, spending will need to occur to get the fields ready. If training is critical and needs to be completed, then make him understand why it needs to be done and it will move forward. The Town remains conservative with the spending freeze, but flexible if directives call for an expense to take place.
- k. K. Brennan asked to summarize how department heads should approach the freeze, noting the Fire Department saves monies until the end of year and if money is unspent, this time of year projects can get done. G. Smith noted that if the town saves funds at the end of the year, these monies increase the

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fund balance, which is then used for capital projects the following year. The money does not disappear, it is saved for the future. The departments should all be working together and trying to achieve the same result.

- l. He encouraged all department chairs to call and talk to him. Another example of a recent authorization is approval to replace the hydraulic tank on the Public Works brush cutter. The Town mechanic explained the situation to G. Smith, his attempts to repair the problem, the costs of the project and why we need to replace the tank. It makes sense to incur this cost and he authorized it. Tree work at Lantern Ridge was another project which was authorized.
 - m. N. Nau suggested that the forcible entry door for the Fire Department can be applied for through the VFA Grant program. G. Smith encourages any department to take advantage of opportunities for grant money. All grants should be explored.
 - n. Ambulance – L. Hutvagner asked if we will use the Ambulance claim monies \$280,000 to apply to the cost to the lease for the new ambulance. We will need Town approval to allocate those funds, but this approach makes sense. N. Nau agrees with that approach and would make that suggestion.
 - o. D. Fennell asked if the Town keeps vehicles for their entire life? The Town's practice has been to hold onto these vehicles for their entire life. T. Pratt noted the life expectancy of an ambulance is 12-18 years. The Fire Department takes good care of their vehicles over their lifespan. D. Fennell noted that his business practice is 5-10-year leasing over buying. He agreed that is the vehicles are cared for, and mileage is low, then it makes sense to buy the vehicle. BH6 did not have significant salvage value and the box on the back had been remounted once already.
8. Finance Policy Manual – N. Nau presented a draft revised Finance Policy Manual, which T. Pratt noted will update our processes and hold employees/volunteers accountable to adhere to the policy. Every employee and volunteer who spends town funds will sign off on receipt of the Finance Policy Manual.

N. Nau added thanks for pushing us to get this done and she expects over the next 6 months additional revisions will take place to finetune the document. She added the following sections:

- Chart of Accounts – Chart of accounts will be updated with the new financial software.
- Ethics – Refers to the Ethics Ordinance as an addendum
- Petty Cash Policy/Cash Drawers – Policy was discussed last month, and petty cash and cash drawers are treated separately.
- Credit Cards – P Cards – The Town is moving to participate in the State's P-Card program with increased limits and additional cards for department chairs. The new program would have increased limits to \$20,000. We hope to implement P-Cards for July 1st, which will provide a rebate to the Town. Cardholders will have guidelines for purchases in this section.
- Cash Management – An ACH section has been added. We are increasing the number of ACH payments that we are making, because of COVID. ACH vouchers follow the same procedure as checks and would be reviewed by the BOS and Treasurer.
- Capital Assets – Modified this section for clarity. Forms have been added to the back of the manual, so they can be easily referenced. Manual will be uploaded to the Employee Intranet on the website.
- RFPs – Section has been added for RFP, RFP, RFIs, Invitation to Bid. Ethics language is incorporated, and section clarifies who is responsible for each part of this process. Vendor solicitation is also clarified.

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- OPEB – Post employment benefits required by GASB standards for our audit. Included in our audit line.
- Manual is applicable to employees and volunteers who are responsible for spending.

T. Pratt reviewed the comments and bullet points which are noted in the draft document.

- Page 7 – Manual states that the Town has a Multiyear operational plan. The board discussed the language and agreed to leave the multi-year language in the manual.
- The Board discussed a form for preventative maintenance, so department chairs can review the condition of their capital items. A form would be a prompt to look forward at maintenance on capital items; vehicles, equipment, building maintenance, and allow for multi-year planning.
- The Board does review the Capital plan each year during the budget season, which is Capital Projects section of the manual.
- N. Nau asked about references to the Town's 5 Year Capital Improvement Plan (CIP) versus references to a 10 Year Plan. Both will be referenced in the manual.
- N. Nau noted that we do not publish a multi-year plan for the public at present. Language would reflect what is currently in place.
- Page 13 – T. Pratt is seeking a document which outlines the requirements to town vendors, so they are made aware of the town policies prior to completing work for the town. Every vendor would have guidelines and requirements. N. Nau noted that terms of RFP become the contracts. For purchases under POs, there will be language in the policy to ensure vendors are aware of the terms. A letter can be sent to vendors as we seek W-9 forms, COIs, provide tax-exempt information. The Board concurred to add instructions to vendors and put verbiage in and place it in the Manual.
- N. Nau noted the P-Card limit is being proposed at \$20,000 which was discussed among the members. The hope is the P-Card program will be a more efficient purchasing method.
- Nonspendable Fund Balance is a term which will remain in the policy manual.
- Page 33 has comments concerning the Legislative Body, as the voters of the Town of Beacon Falls. C. Bielik confirmed that the language is correct and legal, per statute.
- Page 44-45 - N. Nau pointed out the recommended CIRMA limits are included as an addendum. L. Hutvagner noted that we can add a comment about the TULIP Program available through CIRMA.
- K. Brennan asked for modification of the Acknowledgement Page and it was agreed, after discussion, to end the acknowledgement sentence with disciplinary actions (period).
- Discussion concluded on the draft and BOF agreed to approve the manual with suggested revisions, to put it in place for the new fiscal year. The Manual will be uploaded to the Employee Intranet and we will have acknowledgment page returned. A hard copy will be submitted to the Town Clerk.

K. Brennan made a motion to approve the Draft Financial Policy Manual with the revisions discussed above. J. Carroll seconded the motion. All ayes.

9. Old Business – None at this time.

10. New Business

- a. Suspense List from Tax Collector – The BOF was provided a Suspense list from the current Tax Collector. The BOS reviewed the Suspense List and forwarded it to the BOF for review.

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K. Brennan noted that there are deceased residents on the list and vendors on this suspense list which have done work for the town. The BOF discussed a policy moving forward to ensure that no vendor who owes back taxes will be allowed to do work for the Town of Beacon Falls. L. Hutvagner noted that when moving the funds to suspense, the amounts can still be collected. N. Nau noted this policy needs to be put into practice with communications between the Tax Office and Finance Department.

C. Bielik asked if the Tax Collector can be brought in to explain the items on the Suspense List if they are disputed items on the list and answer specifics. T. Pratt asked if the Tax Collector can attend the July meeting to explain details on the Suspense list.

L. Hutvagner made a motion to approve the presented suspense list, pending discussion with the Tax Collector and subject to review with the Tax Collector at the July 2020 Regular Meeting. K. Brennan seconded the motion. All ayes.

11. Public Comment – No public comments.

12. Executive Session – No need for Executive Session.

T. Pratt thanked the group for their cooperation and emphasized the importance of the updated Finance Policy Manual. D. Fennell added that the Board would like to see a breakdown of coronavirus expenses by department.

L. Hutvagner asked about the Town Hall reopening. M. Krenesky is leading the effort and we expect Town Hall to open on June 22nd by appointment only. Plexiglass windows have been installed, CCM signage will provide directives and the library will be doing curbside delivery. We need to control who is in the building. The public bathrooms will be closed, and we are marking the floors for social distancing and requiring face coverings. The Senior Center will not be opening yet. The use of the minibus for single passengers is being discussed. Fields are being discussed, as well with requirements of only 2 teams utilizing facilities at one time. New signage has been placed at parks on trails.

13. Adjournment: K. Brennan made a motion for adjournment at 9:19 PM. S. Leeper seconded the motion. All ayes.

Respectfully submitted,

Erin Schwarz

Erin Schwarz

Finance Office