



**Beacon Falls Board of Finance
Minutes July 9, 2019
(Subject to Revision)
Revised August 10, 2019**

August 10, 2019

Mr. Leonard Greene
Town Clerk, Town of Beacon Falls
10 Maple Avenue
Beacon Falls, CT 06403

Dear Mr. Greene:

The **Beacon Falls Board of Finance** will hold a **Monthly MEETING** on Tuesday, July 9, 2019 at **7:00PM** in the Town Hall Assembly room.

Board of Finance Members: Chairman Tom Pratt(TP), Marc Bronn (MB), Larry Hutvagner (LH), Steve Leeper (SL), and Kyle Brennan (KB), missing Jim Carroll (JC)

Board of Selectmen members: First Selectman Chris Bielik (CB), missing Peter Betkoski (PB), and Mike Krenesky (MK)

Other Members present: Natasha Nau, Finance Manager (NN), Erin Schwarz, Finance Assistant (ES)

1. Call to Order / Pledge of Allegiance: Chairman Tom Pratt called to order the meeting with the pledge of allegiance at 7:01pm.

2. Public Comment- any public comment, any public comment, any public comment, no public comment
3. Approval of Minutes from the Previous Meetings

Minutes for the 6/19/19 meeting:

TP: Questions or concerns?

NN: I got through as many pages as I could. Angela, I wanted to ask, was this another version, that was supplied; this was difficult to read, for me, unless I got another version than everyone else, I was just reading this in the last hour.

TP: (takes look and compares his version to Natasha's, which was the same.)

Angela Moffat (AM): (I wasn't sure I could respond): I'm not sure. It's been a while since I've submitted them.

NN: Basically grammatical, if everyone is ok with trusting that I went through it.

TP: A little clearer, we will take that into consideration. Are there any other comments concerning the minutes?

Motion to approve minutes as presented

LH/KB, all ayes, no further discussion

4. Correspondence / Payment of Bills

a. Board of Finance Clerk's Invoices

Two invoices for the Special Town Meeting 6/5/19 and the regular scheduled monthly meeting 6/19/19

Motion to accept and pay both clerk invoices

LH/KB, all ayes

b. Other Invoices-

TP: Share with the board to put into Documentation, Mr. Brennan and Tom Pratt, names were submitted to the Ethics Board for a conflict of interest. Unfortunately, I never got registered letter, to attend the meeting, but Kyle did attend the meeting. I'm going to ask the Secretary to read the letter into the minutes.

SP: Read the letter. Letter attached. Letter of Correspondence: July 3, 2019, The Board of Ethics of the Town of Beacon Falls met on June 26, 2019 and addressed the referenced complaint. "The letter concludes that in considering the effect of voluntary work for Beacon Hose on the respondent's work for the Board of Finance, the Board did not find a substantial conflict, and therefore no probable cause to proceed further with this complaint. The decision was unanimous."

c. Other Correspondence- no other correspondence.

5. Reports

a. Ambulance Service Report-

TP: The information was received today, so did not send out by email.

b. Town Treasurer's Report-

TP: I sent it to you late yesterday.

LH: Thanks, Tom, I appreciate it you sending it to me, as a volunteer, I appreciate it being sent Monday afternoon for Tuesday evening meeting to review, there is no time, but maybe we get the reports earlier or we push the meetings to a week later so there is time to review.

MB: This is super early this month's meeting.

LH: I know it is the way the Tuesdays fall.

ES: That's on me too. I didn't get the bank rec's done until Monday morning.

TP: I understand Larry.

LH: We should be getting the reports directly to the Board Members via email by the Town Treasurer.

TP: I agree Larry. I think she sent it on Sunday, but we will work on that, it is much easier to review prior to.

LH: The only thing from that to the financials is the monthly interest, since the financials are the general fund, that Natasha sent, then, there are only two numbers to check.

NN: If we want to establish a policy to have the reports by Thursday, for a Tuesday meeting, then we just need to know so we can prepare that's all.

CB: I think under normal circumstances, I think it doesn't present an issue. The once or twice a year, where the Monday is the first day of the month, then the second Monday is the 8th, the Board of Selectmen meeting and Tuesday is the 9th the Board of Finance meeting. I think it is hard to legislate in the big picture. I find that July and August are usually the months when we run into problems. The alternative would be to delay action in July and defer on the Town Treasurer's report to August.

LH: I would like to get the reports, if we are going to have a meeting on Tuesday, then get the reports on Thursday. Natasha does a nice report, it's good to have it, I like to look at the financials. On this treasurer report I have a few questions.

TP: Ok, Any other questions?

LH: On this report, interest for the period, the major funds all have interest, the other funds except for the library, money market account, town clerk, special activities, dog fund, flag fund, do not have interest? Why?

ES: The town clerk and special activities are the two larger funds that do not earn interest, and we do have sweep accounts established for them, if they go over \$25,000, it just sweeps. The town clerk is transient. They go over \$25,000, then we cut a check and then it goes back into general fund. It is the way the fees are collected for the town clerk. The special activities in June are \$25,000 because of the rec camp, that money gets spent in July for the rec camp. The sweeps over \$25,000, don't generate interest because they immediately come back.

LH: The basic checking account earns zero interest. But the question is, are we still paying service fees to the bank?

ES: We pay fees in the general fund.

NN: They waived a lot of fees. We negotiated to waive a lot of the fees, all fees that we could. Did that answer your question?

MB: Part of the sweep was to alleviate the fees.

LH: We should earn some interest on \$32,000 account. It's the report; it doesn't say the beginning of the month, we started with \$25,000, we added \$8,000 and now we have \$33,000, doesn't show where the interest is earned. Who determines the \$25,000? Maybe we need to renegotiate with the bank.

ES: Liberty as far as I know. I would like to lump the small funds in to one account, then they could earn interest. In the accounting system, so we don't have to make manual entries, so that we could earn interest.

LH: I agree with you, you don't need to have 17 accounts with \$500.00 for each one; it would probably be more practical then to forget the sweep and put them in the marketing account, if you don't draw out more than 6 checks a month for special activities.

MB: Do we want the Treasurer to come next month?

LH: No need, I prefer that Natasha can answer or Erin. We have to also be cautious with a federal law, money market account because can't have more than 6 checks in the month.

ES: It wouldn't work with the library fund, or the town clerk fund.

LH: Interest rates have risen like 20% since July 2018, then it would be a good time to raise the threshold and renegotiate with the bank.

CB: We do meet with the bank periodically and review. We met in March with Liberty, it might be time to review again.

LH: We attended the State Treasurer's conference, and were told interest rates were going down. Now is the time to renegotiate, which is good for borrowing.

ES: At year end, we have to make these entries, the grants interest, will go back to general fund, bonded projects interest, post to the general fund interest. I would propose to the year end debt service fund. We don't really have a written policy for this.

NN: No, it falls under left over money at the end of the year, and do we want to establish a policy on it?

TP: We can review this and fine tune when we work on the finance policy manual.

c. Town Clerk's Report-

KB: Did we sell something big this month?

ES: Sold some vehicles.

NN: Everything, but one, the 08 expedition.

ES: We were busy from real estate activity.

LH: The conveyance town tax \$13,944, in the general ledger, it is 24,159 because it includes some of the money in May, but the \$24,000 includes the 100% June conveyance fee?

ES: We are going to make that entry every month.

TP: any other questions?

CB: Do you have to vote on these?

MB: We haven't voted on these in the last 6 years.

d. Tax Collector's Report-

NN: I just want to confirm of what everyone received? I brought a copy.

ES: MaryAnne just handed it in today. MaryAnne is revising the format of the spreadsheet

NN: We can hand this one out, it is the long one. We can pass this one around.

CB: Frankly, I'm surprised that it was submitted; historically do not get it in July because it is too close to the first of the month, tax season upon us. It is unusual that we receive this, so Kudos to MaryAnne.

TP: We will move onto the Finance Report while we wait for the copies

6. Finance Manager's Report

a. Report-auction proceeds,

NN: Auction proceeds were \$21,500 from vehicles, sold all but the 08 expedition sold. I chose to return the money, and take the title and car back, the buyer was dissatisfied with the purchase and felt from a liability standpoint it was smarter for us. I'm going to relist with everything that is wrong with it, sometime this year, but no rush on this.

SL: Was that the waste water treatment plant one?

NN: No, that was the 08 expedition, the buyer was claiming that it was mis-advised.

MB: How much was it?

NN: It was sold at \$2,250, but we took it back. The buyer claimed that it was mis-advertised.

Audit Items:

NN: We are still following up on audit items, answering following up questions before they come back in November so that we are not doing everything in November.

Not in the memo, there is \$24,000, that will essentially have to reduce the revenue, but I personally need to review the CBDG manual, that mandates this, the auditor was suggesting this as well, the witness to the document, was a small cities employee, so we did not make the post for this in the EEA.

On the Street Scan data:

NN: There was 16 streets total removed, 5 streets added, 3-4 renamed, so we are working on that to get that data updated, dollar figure for 10 year plan

IRS Issue:

NN: There is a 2014 IRS issue-came on board, Tom B, the Former Finance Manager was working on this with the IRS. IRS was claiming we owe \$14,000. I reviewed all documentation, which confirms we do not owe. As far as I can understand, we are hoping that the form they had was missing a signature, from a 940X form. Mike Krenesky, was Treasurer at that time, found signed form, so we submitted that and met the IRS deadline response.

Budget was passed after last meeting

Microfund: Doing all the new fiscal year updates, I'm still new, there have been a lot of issues with the upload, I worked with the company to upload

Not doing grants that we have not got yet, aren't going to establish budget lines until they are available.

10 year capital plan- still working on

Tom from waste water says he may have some shapefiles for piping to upload into our Street Scan portal.

The biggest question if you have is the EEA, on transfers, budget coming your way in August
Are there any questions on roads?

Bond Council-the resolution has been drafted, the bond resolution of \$184,000, once a town meeting, can be voted on, assigning to generic road maintenance and not the three roads that were listed in 2016 bond.

CB: We got the proposed language from the resolution from Bond Council.

NN: Clerk monthly's report-if anyone has any questions, Erin will be posting from now on.

Biggest grant update: I'm not moving forward with the Hazard mitigation grant, that was due tomorrow, not enough information to submit. I'm working with Sadie on DOT, main street concept plan for another grant application that is 2,000,000, which is due on the 15th.

We received the 2017 EMPG, 5,000, added onto the \$3,000 we got already. When the time comes we will submit for 2018. I think Larry eluded on the tornado reimbursement that is continuing on it's path.

LH: It is getting closer.

NN: Questions on EEA? I had a feeling that we might have questions, concerns, or comments.

LH: The follow up from auditors like police private duty, what is the account receivable as of the June 30th.?

NN: We don't have the numbers yet? I could go on the procedure.

LH: What is the procedure? How the rate is determined? What is included in the third party vendors? What is the tax collector assessor policy and procedures?

ES: The auditors provided a written procedure that Finance Department is reviewing with the auditors and are allowing us time to review and add comments.

LH: Routine review?

ES: As far as private duty billing, we have asked for her accounts receivable number? We need this at year end, but we are asking for this more frequently.

MB: When those payments come in where do they go? It's just the cash basis?

NN: She marks the invoice as paid.

TP: Does that come up with the checks?

TP: The reality is there is no procedure in place that is written if the person was to leave tomorrow. A PO would be helpful so that you know ahead of time so you can expect the receivable. We need to establish a written procedure according to the policies in place.

NN: Any further questions

LH: On the Tax collector reports, the three columns do not add up to \$61,000 and that continues on always through August. There is a possibility afterwards to have more revenue for the end of June?

The only other thing I have a question on is at one point in time do we limit \$200.00 budget transfers for minimal purchases, for mileage and office supplies? Yes I can see for Overtime police officer, and public works, etc.

TP: When we work on the Finance book, we make improvements' on the policy, we will add this to sit down to make improvements.

CB: For three months in a row, we have discussed this, but in accordance with the current policy manual and expectations of the auditors. The auditors suggested this a few years ago, if we want to change the process, then we need to work on it. And this was based on previous Board of Finance policy.

ES: Salaries: There still is a week of salaries not posted.

CB: If anybody has a general idea of the amount of work that needs to fiscal year close out and straddle the new year with the fiscal year, all at the same time. Erin especially and working together with Natasha but Erin is the point person, we owe the debt of gratitude to Erin.

TP: For those on the board that are new, this is better by far, every year it gets progressively better, moving forward and accurately.

NN: The last page is the estimate at this time, it's my attempt to summary. I know you look at projections.

MB: This is for the next month, we aren't doing these now.

ES: We are going to need town meeting on police part time.

NN: It's almost \$56,000 in change.

CB: Previous years, budgeted a higher number, part time police, we never fully extended to fill in the slots midnight shift, leaving some shifts on the table for about three years in a row. Now we have part time officers to fill those shifts but need to determine the budget for these actuals. Based on historical trend, we didn't allocate to spend, by budgeting to actual, and then we have a couple key hirers, now we have part timers, that are able to fill the overnight shifts, the actual which were lowered, which was the biggest part but the smallest component part time transition to retirement. Added those two together, we have the \$56,000 overage. We budgeted properly this year.

TP: It would have been easier if we figured this out in May but would have been a little easier too.

TP: Natasha are you all set with your finance report?

NN: Yes.

7. First Selectman's Report

a. Possible Proposed Budget Transfers-

Motion to accept the budget from floral reeds, went up 100.22 and travel time, 160.10 for the second one, total \$260.32.

LH/SL, all ayes

b. Pent Road Bid and update on work-

TP: What is going on with Pend Rd?

CB: Pent Rd drainage, I apologize, I'm going to defer to Natasha to see if we have an update?

NN: No, I do not, the money is received

TP: When we went out for bid, one price and the cost is 15,000 higher? Why was the cost higher? Does someone have that answer? Along with that bid, was the town engineer cost included?

CB: Will get that answer by email?

TP: Where are the town engineer costs?

ES: It is paid out of the engineer line.

TP: There is always a cost that the tax collector does not see. When we see the bid go out, then we have an engineer cost on top of that. My concern is that the actual cost of the project is the contractors cost, the engineer cost is this. Not seeing a solid number.

The public needs to know what the actual costs are for projected projects.

ES: Beacon Valley road, survey PO for the work of Beacon Valley

MB: The bid is only for the contractor cost for the open bid.

CB: The preengineering costs are not included in the bid.

TP: Who is going to pay for the engineer costs for the project.

MB: The contractor does not pay the engineer cost.

NN: The engineer costs in the engineering line.

ES: The preengineering the pent rd, the payment came out of the operating. All of the engineering came out of the bonded fund.

TP: The public does not see the whole cost, preengineering and post engineering over the cost of the project.

ES: It's true we don't have a projected cost of the post engineering cost.

TP: We need to know what the whole cost of the project. There are flaws in the process.

As first selectmen, has the bids on file with the finance department.

CB: When a bid comes back, we get four copies, the engineer keeps one, the two additional copies town clerks office, the fourth one should go to finance.

TP: Their paying the bills, it should go to the Finance Department.

KB: Under Bids, this should be in the Finance policy.

MB: But this is the management, we don't set policy for the town.

KB: Who is the author of the Finance policy?

MB: We are. But we can't set management policy.

CB: You certainly can make a recommendation.

TP: Is there a starting date and an ending date? I've asked Natasha but she didn't know.

- c. Bid and update process on Skokorat Road drainage- start in July, it's the 9th of July

TP: We know we have a project in town, who oversees the job and oversees the start and end date?

MB: The engineer should be following up on this.

TP: That is why we have a need for workshop sessions.

NN: Natasha dealt with the contractor directly.

- d. Skokorat Road upgrade under new approved budget-

TP: This has not gone out to bid, yet? There is no plan for this. Where does that stand?

MB: Who is paving? We don't have anybody in charge for these projects. Rob is a working Road Foreman. We can't pull him off the job. The road will be a mess all summer,

NN: The paving will go out to bid, and is not determined yet. I think we have a need for an road foreman admin assistant.

- e. West Road grant movement- west road

CB: West road grant: The document came to us unsigned, but on June 13, 2019 was resent signed, money is set for us to use, \$500,000.

- f. Beacon Valley Road upgrade-

TP: No bid yet, had to make sure we had the funds. Will Rob have an opportunity to see request for proposal before it goes out to bid?

- g. Resident Trooper-

TP: How is this going with Bethany?

CB: The towns have signed contract with Bethany and state, Resident Trooper, is sharing time with the Bethany. Now that this is happening, we need to find out how he is handling this and what the schedule will be.

Resident Trooper news: the suspect from the Liberty Bank robbery was apprehended and arrested by Resident Trooper.

TP: Very good.

NN: Forecast see the over time spent in the trooper line, He reminded me that in years past, he can do the accomodations in straight time. But because he can no longer swap shifts, there is going to be more over time for special event.

TP: Do we really need him at the events?

NN: I'm not familiar with the limited staff.

LH: As Mark said before, this is a management position.

TP: We did not budget this over time. We cannot do that, that is the message we have to send to the Board of Selectmen. I think we as the Board of Finance, we understand the over time

MB: We are going to write a letter to the Board of Selectman.

ES: We don't know ahead ahead of time.

TP: There is no accountability of the hours. Concerns are we did not budget for the over time overages.

NN: We might have some opportunity with the budget. We just want to account for overages. We were projecting \$197,000.

Motion to send a letter to the Board of Selectman regarding the resident trooper program

MB/SL, all ayes

NN: Shift Differential

LH: Did the Board get voted on last night?

TP: There is some issues going on but that we probably are not aware of.

8. Finance Policy Manual-

TP: Natasha, will you set this up sometime in August?

NN: I will set this up between Jim and I. Does he return from vacation soon?

TP: He is still training.

9. New Business:

10 Year Cap Plan-

NN: I don't have a updated ten year, I anticipate that for August. When special projects come up, we can show the town's people, special roads projects, we can itemize it.

a. Setup Meeting Work Shop Session Dates: to cover Street Scan/ PW proposal for present and future schedule road repairs, 10 Year Cap Plan-

b. Project by project to itemize the budget for the public to view, Projected Debt Services-

TP: Do we show that in our budget? Do people get to see that?

ES: It is a line item in the budget.

MB: On the Financial report, that is public

Department Fees:

TP: Planning and Zoning-Fees are outdated.

KB: When we set up the work sessions, the other departments should be involved.

MB: The Board of Selectmen set these up? We have to dictate the policy.

KB: Let's make it official, send the letter.

NN: The fees are being set by the paid planner.

LH: The paid planner gets paid \$125.00 an hour.

ES: The Town of Seymour has a paid planner, we can get a shared planner.

c. Work sessions set up for these BOS, and if necessary to restructure some policy

KB: We have to set up meetings.

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KB: letter to the set up the meeting, every department, and rates with possible increases, additional sewers and or upgrades, plus additional items deemed to improve the town.

d. Sewer Issue:

TP: The town has to offer a plan on how to fix it and have the residents pay for it, like the water plan. Somewhere bring a meeting with the sewer plant.

KB: Want me to send the first email out?

ES: The cost for that is that there are 10 homes on each of those roads.

LH: It could be health hazard, and possibly grants.

Work Sessions:

KB: The people need to be invited to the room for the workshop sessions.

MB: Could you coordinate that, it would be hard to choose dates

TP: I will send something out.

NN: While we are on the topic, the emails for the town of Beacon Falls, everyone will be getting the email @tobf as your handle.

LH: Are you talking about dates in August?

TP: August 20th?

LH: On the 13th, Maybe Natasha can get the report by the Thursday before the Tuesday meeting.

MB: Have the meeting on the 13th, after our monthly meeting.

LH: Schedule the both dates.

e. Next meeting Board of Finance 8/13 and 8/20

10. Public Comments- any public comment, any public comment, any public comment, no public comment

TP: Moving on to public comment, public comment, public comment, no public comment.

11. Executive Session (If needed) –not needed

12. Adjournment

Motion to Adjourn 8:26pm

KB/SL all ayes

The next scheduled monthly meeting is Tuesday August 13, 2019 7pm at the Town Hall Assembly Room.

Respectfully submitted,

Angela Moffat

Meeting Clerk, Board of Finance