

**Beacon Falls Board of Finance
10 Maple Avenue
Beacon Falls, CT 06403**



**BEACON FALLS BOARD OF FINANCE
Regular Monthly Meeting
May 11, 2021
MINUTES
(Subject to Revision)**

1. **Call to Order / Pledge of Allegiance:** T. Pratt called the meeting to order at 7:02 PM and led the assembled in the Pledge of Allegiance.

Members Present: T. Pratt, S. Leeper, K. Brennan, J. Carroll, W. Hopkinson, D. Fennell (7:14 PM)

Members Absent: None.

Public Present: Selectman Mike Krenesky, First Selectman G. Smith (7:14 PM)

2. **Comments from the Public:** No public present.
3. **Approval of Minutes:** There are 4 sets of minutes to approve: 4/20/21, 4/27/21, 5/4/21 Budget Workshops and 4/13/21 BOF Regular Meeting: **S. Leeper made a motion to approve all 4 sets of minutes, as presented. K. Brennan seconded the motion. All ayes.**
5. **Correspondence** – None.
6. **Reporting:**
 - a. Tax Collector Report – The Board of Finance reviewed the Suspense List from the tax Collector, including history on suspense numbers. The Tax Collector continues to pursue collections on amounts under suspense.
 - **S. Leeper made a motion to approve the proposed Suspense List totaling \$37,065.62, as presented. J. Carroll seconded the motion. All ayes.**
 - BOF reviewed the Tax Collector reporting. No concerns or comments.
 - b. Treasurers Report – No comments. The Town continues to see very low interest rates. The final ECS payment of close to \$2M was received in April for disbursement in May.
 - c. Town Clerk Report – No comments. Starting in January 2021, the payroll portion of this report will become General Fund Revenue, when the Town Clerk position changes.
 - d. Region 16 Report – No comments. The Region 16 Budget vote took place last week and both municipalities were well represented with a 67-1 vote passed.
 - e. Ambulance Report – The report was not included in the packet this month but sent earlier in the month. T. Pratt noted that the BOS wished to continue with the current reimbursement structure from EMS, so that the Town received 80% of the amount over \$50,000 in the EMS account. The check from Beacon Hose for \$11,921.94 was sent to the Town for deposit today.
7. **Finance Manager Report** – E. Schwarz reviewed the report on behalf N. Nau and the Finance Office.
 - a. Finance Policy Manual – No changes this month.
 - b. Interns – There will be 2 interns this summer to work with various departments town wide, earning \$185.00 per week. They will start June 1st.


- c. IT: The old server has need fully decommissioned. The Finance Accounting software did not function well on the virtual server, so it was moved to the 2018 server today.
- d. Financial Accounting Software: N. Nau hopes to launch the Accounts Receivable module for April 1. Electronic PO module will be launched next, hopefully in June, so the PO requisition process will be in place fully beginning July 1st.
- e. Parking Tickets – On hold and to be addressed by BOS in July. The Police Department now has ability to take credit card payments.
- f. RFPs/RFQs/Contracts – The Ed the Treeman contract and PO is in place. He is looking at Lantern Ridge as the first project under this contract.
- g. Athletic Courts Renovations – SOWs are in place with Cocchiola and Hinding Tennis. Select Fence has been chosen as the fence vendor, as they are honoring State contract pricing. Those vendors are coordinating work, which began last week.
- h. WWTP – G. Smith is reaching out the Wastewater engineer to for updates and progress with his contract for the electrical upgrades and movement on the Digester Tank project.

D. Fennel and G. Smith entered the meeting at 7:14 PM.

- i. Revenue: The revenue numbers are strong for this point of the year. The Expenditure lines to monitor have increased to about 25 lines. There are 5 transfers being presented at this month's meeting from Wastewater, Library and Public Works. The Wastewater Plant is seeking to use savings in Nitrogen credits for Plant Operations and Equipment Replacement. Public Works is moving savings in Snow Removal to Pavement Maintenance.
- j. Capital Projects: N. Nau researched the HGAC consortium pricing for the Public Works generator and is working with J. Gracy to select a generator on this contract for the garage. Road projects are moving forward.
- k. American Rescue Plan Act – The Town of Beacon Falls is slated to receive a \$614,316 allocation from Federal COVID relief package over 2 years. Sewer infrastructure is a valid designated use of these funds. T. Pratt had the latest guidance from the State on the American Rescue Plan.
- l. Grants:
 - AFG – N. Nau expects a response on the compressor grant request in the July time range.
 - FEMA – The Storm Isaias FEMA portal has opened, and we are working this month on this reimbursement.
 - WCAAA and K. Matthies Grants have been submitted and we are awaiting decisions.
 - LOCIP – The State has approved both LOCIP applications for the athletic court renovations.
 - Ion Bank – A portion of this grant has been approved for the Fire Department.

8. **First Selectman's Report –**

- a. Budget Transfers: There are 5 transfers being presented at tonight's meeting as follows:

		TOWN OF BEACON FALLS			
		FY21			
		<u>5/10/21 BOS & 5/11/21 BOF MEETINGS</u>			05/07/2021
		<u>TRANSFERS</u>			
#	<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Description</u>	
1	10.90.67.1176 Nitrogen Credits	10.90.67.1760 Plant Operations	\$ 3,418.00	Ongoing operations	
2	10.90.67.1176 Nitrogen Credits	10.90.67.1765 Equipment Replacement	\$ 8,000.00	New sampler and pump purchase	
3	10.90.69.1130 Library - Telephone & Internet	10.90.69.1170 Library - Department Supplies	\$ 660.00	Take unutilized line and move it to purchase more library materials	
4	10.90.59.1685 Highway - Snow Removal	10.90.59.1782 Pavement Maintenance	\$ 49,679.00	Balance of Snow removal moving to use for spring paving. Will require Town Meeting	
5	45.90.90.2183 Guardrail Replacement	45.90.59.1004 Road Saw - New Project	\$ 5,299.00		
Total			\$ 67,056.00		

- a. G. Smith noted that the Pavement Maintenance monies from Snow Removal will be used to complete paving on Back Rimmon Road, which is an added road to the Rimmon Hill project. This will aid the Town's LOCIP application for Rimmon Hill Road as it demonstrates that the Town has invested money in that side of town. If approved, the transfer would be added to the Town Meeting being held on the budget vote.

- **S. Leeper made a motion to approve the 5 transfers as presented and move the \$49,679 from Highway-Snow Removal transfer to Pavement Maintenance to a Town Meeting. K. Brennan seconded the motion. All ayes.**

- b. Budget Recommendations from the Board of Selectmen from last night's meeting:

- Remove the \$450,000 for Transfer Station Upgrades – G. Smith spoke with the Town Engineer about the DEEP permit process and SLR's recommendation is to reapply with the site the way it is, so the permit would renew based on the existing site operations. The site is challenged and a renewal with upgrades can be very costly. SLR's recommendation is to apply under the current operations, renew the permit, and then look at potential upgrades after the permit is renewed. There is also the possibility of moving the site in the future which is another unknown.
- In conjunction, the BOS also removed \$100,000 for the Pent Road storage building. These two project numbers and plan were not finalized on this building. These changes are all in the spirit of listening with these recommendations.
- BOS also removed the Parks Gator for \$22,000, as this piece of equipment was more of a want than a need.

- The Fire Department request for \$96,300 for a truck, trailer and UTVs was reduced to \$24,300 to replace Engine 5. The BOS recommended that this project be removed completely.
 - G. Smith noted that the recommendation is to remove \$596,300 In Capital Projects.
 - Also, in the spirit of consistency, the G. Smith recommending aligning the Registrar's salaries to \$13,750 annually as a flat raise, in line with the Selectman and Treasurer.
- c. BOS also discussed the EMS account – The consensus was to maintain the agreement of the town receiving 80% of the amount over \$50,000 from this account. T. Pratt noted that \$11,921.94 will be deposited in Town revenue.
 - d. T. Pratt asked about the \$24,300 line for the Fire Department. G. Smith noted that the Fire Department is receiving a strong investment in vehicles this year.
 - e. S. Leeper asked about the transfer station canopy, state requirements and the cost of \$450,000. G. Smith added that the DEEP permit allows us to do what we currently do. When we begin to make improvements, then the Town will be held to newer standards. Once we begin to make the upgrades, it will trigger the State to require canopies, pads, guardrails, lighting, walkways, and the costs will be high. W. Hopkinson asked if the Transfer Station improvements are a necessity, as board votes are often based on what the Town needs to accomplish. G. Smith stated he was operating under older information and upon consulting with the Engineer, the recommendation from the Engineer was to take a different approach.
 - f. Road Projects - Lady Slipper, Stoddard project is taking place and curbing is in and on pace to be completed next week. Paving will then move from top of Rimmon Hill to Pent Road.
 - g. Pent Road Court Project is underway: The fence is out; poles are out and the playscape is on its way to being installed. Kudos for N. Nau for obtaining a fencing Contractor who would honor State bid. At present, the project is \$3,000 over budget, due to construction material pricing which is escalating.
 - h. Burton Road – The Engineer is in the final design phase of the process. The LOTCIP application is completed and submitted. The project was a \$2.5M build. The DOT inspection of sight lines on Burton Road were an issue, so the wall will be addressed on both sides of the road, widening the road, and sidewalks will extend to Highland Avenue. This work is going to increase the cost of the project to over \$3M and it is all in the design. With LOTCIP applications, the State drives the train and mandates the project design.
 - i. Beacon Valley Road – The STEAP approval is moving forward from the State. The LOTCIP application is also beginning to move, so despite the delays at the State level, the engineer is seeing some movement.
 - j. Fairfield Place – Aquarion has 3 more laterals and one more main line to install, and they will pay for ½ of the road and the Town will pay for ½ of the road. The engineer for Aquarion is DeCarlo & Doll. Within 3 weeks, Aquarion will make the decision on how paving will be accomplished, and the town will pave to the end of the cul de sac. Either Burns Construction will do the paving work under their Aquarion rates or Aquarion will pay the town for ½ the cost and the Town would then lead the paving. With the Tiverton in flux, the Town will pave to the end of the cul de sac and then the developer will finish the road.
 - k. WWTP – The wastewater Engineer Dave Prickett Consulting has the Digester project and electrical upgrades under his purview. He was put on hold in the past and now has been reengaged. Problems with the digester project that started in 2018 have been ongoing and the contractor and engineer are now working together to put a

square roof on round opening. They are waiting to hear back from the manufacturer and within a week the Town should have the correct number for a change order on this digester project. G. Smith is working to get DPC to move forward on the electrical updates and get the Task Order in place and decisions made.

- I. D. Fennell asked when Wolfe and Maple will be addressed and those roads will be another Bond issue due to the scale of the work needed, reclamation, sewer, water, and sidewalks. Skimming Wolfe Avenue may increase speeds on that road, and speeding is already an issue. The BFCC has exit flow issues due to the new stop sign.

9. Old Business

- a. Public Hearing – FY2022 Budget – Regarding recommended changes to the proposed budget from the Board of Selectman meeting on 5/10/21, the Board of Finance chose to look at each recommendation individually:
 - Fire Department: Replacement of Engine 5 – Requested \$96,000, Proposed \$24,300 – **J. Carroll made a motion to remove the \$24,300 from the budget. S. Leeper seconded the motion. All ayes.**
 - T. Pratt confirmed that the Police Carport will be paid from the Private Duty fund.
 - Parks Department: Gator - \$22,000 – K. Brennan asked about the rationale for the changes on these smaller items. G. Smith noted the Gator is more of a want, rather than a need and this is an item we can trim. **K. Brennan made a motion to remove the Gator for \$22,000. W. Hopkinson seconded the motion. All ayes.**
 - Pent Road Equipment Garage \$100,000 – T. Pratt noted that the plan for the building has not come together and the town can look at this for the future. The metal roofing and side prices have not come back. K. Brennan appreciated Tom Pratt's work on the project, but the responsibility for quoting this should reside with Public Works Department. T. Pratt concurred that capital project requests should be complete when they are presented to the BOS/BOF at budget workshops. T. Pratt was able to spend time on putting the plan for the building together and will continue to assist. **S. Leeper made a motion to remove the \$100,000 for Pent Road Equipment Garage. J. Carroll seconded the motion. All ayes.**
 - Transfer Station Upgrades - \$450,000 - With the update from G. Smith, it makes sense to remove the Transfer Station upgrades at this time. **W. Hopkinson made a motion to remove the \$450,000 for transfer Station upgrades. S. Leeper seconded the motion All ayes.**
- b. G. Smith noted that it comes down to having a team in place; both employees and volunteers, when you see a bigger picture, you step up. Thank you to Tom, who communicates with me and steps up when he sees the bigger picture. Communication is key to making things happen quicker and smoother and within budget.
- c. Town wide Vehicle Replacement Fund – T. Pratt made the suggestion that since we have cut, \$596,300 in capital projects, can we look to place an additional \$50,000 into the Vehicle Replacement fund. By putting additional monies in that fund, it would give the town the opportunity for some flexibility with vehicle debt moving forward. S. Leeper asked if \$50,000 is enough for vehicles which are coming up for replacement town wide in the next 4 years. K. Brennan asked how many vehicle leases the town is comfortable with, as they impact the capital project starting point.
- d. W. Hopkinson asked about the impact to the mill rate based on the projects that were just removed. These projects are coming from Undesignated Fund Balance. T.

Pratt noted that it is best practice to use Fund Balance for capital projects, rather than to use Fund Balance reduce the mill rate. Our Bond rating and Financial Advisor caution against this practice and encourage use of Fund Balance to invest in the Town.

- e. J. Carroll noted that the Fund Balance was healthy and fine to use for Capital Projects, now that we are reducing capital projects by ½ million dollars, we are using less Fund Balance. Why aren't we using this Fund Balance to bring it back to the taxpayers where he believes it belongs? G. Smith believes if we spend the \$596,300 the town will be fine, and if we keep it in the fund balance the town would be even better. If we spend the ½ million or give it back to taxpayers, then the town is in the same place. If we keep it in fund balance, the town will be viewed more favorably at the next bond rating. If we keep it in the fund balance, then it is money in the town savings account for the next bond issue.
- f. The Town needs to keep a minimum of 9.25% of our spending in the Fund Balance, which equates to just over \$2.1M. The town ended FY2020 with \$3.7M in the Undesignated Fund Balance, which gives the Town \$1.6M available.
- g. W. Hopkinson asked about upcoming large projects. Debt service will increase in FY2023. T. Pratt noted that with revaluation coming up the Grand Rate Book will change next year, and impact will be felt in 2023.
- h. J. Carroll suggested a \$250,000 allocation from fund balance would equate to an additional ½ mill decrease. He suggested that the Town use this amount from Undesignated Fund Balance to balance the budget with the intention of lowering the mill rate for the taxpayers. Adding monies to the vehicle replacement is something he is in favor of, and we are keeping \$250,000 in fund balance that we are not spending. This is a compromise.
- i. In addition, we are putting into a vehicle replacement fund, debt service and there are additional funds for paving which are all positive steps. The town is projecting a surplus this fiscal year which will go right back into the fund balance.
- j. T. Pratt moved the discussion to the operating line for the Registrar's wages. The original idea was \$220.00 hourly rate for primary and election days for the Registrars. The proposal from the Selectman is a salary of \$13,750. If the Registrar's are paid \$13,750 plus \$440 for a total of \$14,190 per year at an average of 5 hours per week that is \$54.57/hour. The Registrars ask for wage increases every year. D. Fennell noted per the research, Beacon Falls has high salaries compared to surrounding towns. After discussion, the BOF members were not in favor of the raise in addition to the hourly rate for elections. **K. Brennan made a motion to increase the Registrar's salaries to \$13,750 commensurate with the elected officials' raises, and to eliminate the hourly stipend for elections. J. Carroll seconded the motion. All ayes.**
- k. E. Schwarz worked to update and adjust the budget document with the changes agreed to at this meeting. The Town can achieve a 1 mill rate reduction with approximately \$250,000 appropriation from Fund Balance to balance the budget.
- l. Vehicle Replacement Fund – **W. Hopkinson made a motion to allocate \$96,300 to the Town wide Vehicle Replacement Fund. S. Leeper seconded the motion. All ayes.**
- m. Immediately following the Public Hearing, the Board of Finance will meet again to finalize the budget to go to Town Meeting. The BOS will then take the final budget to Town meeting vote. If the vote is not successful, the budget can only be adjusted downward. G. Smith noted that the Budget Vote date was moved to Wednesday, June 2nd. Once the budget is approved, the BOF will meet to set the mill rate.
- n. After discussion, **J. Carroll made a motion to adopt the proposed budget, based on all the adjustments made this evening, with the final numbers to be worked out by the Finance Office, which will result in a proposed mill rate reduction of 1.0. K. Brennan seconded the motion. All ayes.**

10. New Business – None at this time.

11. **Adjournment:** S. Leeper made a motion to adjourn at 9:02 PM. D. Fennell seconded the motion. All ayes.

Respectfully Submitted,

Erin A. Schwarz

Finance Office