

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



**BEACON FALLS BOARD OF FINANCE  
Regular Monthly Meeting  
September 14, 2021  
MINUTES  
(Subject to Revision)**

1. **Call to Order / Pledge of Allegiance:** T. Pratt called the meeting to order at 7:05 PM and led the assembled in the Pledge of Allegiance.

Members Present: T. Pratt, S. Leeper, J. Carroll, W. Hopkinson, K. Brennan, D. Fennell, J. Carroll (7:18 PM)

Members Absent: None

Public Present: Finance Manager N. Nau, First Selectman G. Smith, Selectman M. Krenesky

2. **Comments from the Public:** No Public Present.
3. **Approval of Minutes:** Tabled until later in the meeting.
5. **Correspondence:** The Board received Letter from Region 16 on contract negotiation meetings. If there is a member of the Board interested in attending these sessions, then we will need to advise Region 16. The BOF also received a thank you card from the Hopkinson family for sympathy gift.
6. **Reporting:**
- a. Tax Collector Report – The Tax Collections are on track. J. Bilsy is happy with year-to-date collections, and we are in line with last collections last year. Delinquent notices going out, sewer/water bills went out September 1<sup>st</sup>.
    - There was no update on the property tax auction. Follow up needed.
    - The State of CT put a statute in place allowing municipalities to collect up to \$250.00 fine for vehicles which are registered out of state. The BOS needs to determine the Town's position on this fine. Discussion continued the parameters of this new act and how to enforce it. T. Pratt is in favor of establishing a fine.
  - b. Treasurers Report -- No comments. G. Smith noted that the Town has decided to keep our accounts with Liberty Bank. The bank has been supportive of the community.
  - c. Town Clerk Report – No comments.
  - d. Region 16 Report – T. Pratt asked if they are including capital project reports monthly. N. Nau will follow up with Capital Project reporting from the Region, if the BOF would like to see that.
  - e. Ambulance Report – T. Pratt noted that the EMS collection agency has collected more outstanding funds than are represented on the report. The collection agency is also exploring the costs of the Naugatuck calls for service.
7. **First Selectman's Report:**
- a. **Budget Transfers:** There is 1 transfer for FY2021 for the Town Planner, for increased hours which were authorized by the First Selectman for the Hop Brook build. NVCOG sent an invoice in early September for \$6021.97 for the Town Planner hours through June 30, 2021. The transfer from the 2021 Budget moving \$6021.97 from Contingency to the Town Planner line. **K. Brennan made a motion to approve the transfer, as presented. S. Leeper seconded the motion. All ayes.**

*J Carroll entered the meeting at 7:18 PM.*

- b. Fire Department Vehicles: Dave Rybinski is spearheading the specifications for the new vehicles. He is looking at potential vehicles which will be underbudget and thoroughly equipped. Numbers are forthcoming.
- c. Pent Road – G. Smith contacted the fencing company with a stern message and the fencing contractor has finally come back to complete the job at Pent Road this week. T. Pratt noted that communications to the public are important, so that expectations are clear. This fencing contractor honored the State bid pricing.
- d. Generators – N. Nau hoped to use the HGAC consortium contract for the generators. Cummins was the generator selected and specified they came in low on the equipment but exorbitantly high on the installation, which puts the projects outside the budgets. The town can potentially purchase the generators from the consortium and have a local provider do the installation. The Departments need to decide how important brands are for them and what will work best for the facility. S. Leeper asked about warranties. The Cummins warranty was 5 years, while local provider specifications had a John Deere generator with 2-year warranty. N. Nau is looking for what is in the best interests of the town for each facility, while following our procurement guidelines. The budgets were set based on a local provider quote. D. Fennell asked if there is a difference in the quality of installation? N. Nau noted there are a couple of differences on the concrete pad specifics. G. Smith added that costs are inflated industry wide right now and the recommendations for the installation need to be sorted out with the building inspector. Both proposed generators are quality pieces of equipment.
- e. Burton Road Wall – The commitment to fund from LOTCIP came through \$2.9M. SLR is working on the final design and once that final design is complete, they expect the contractor will work through the winter because the road is closed. The big wall on one side of the road will not be touched.
- f. Beacon Valley Road – Grasso Companies showed up on Beacon Valley Road on Saturday to set points for catch basins, etc. They hired a local surveyor, and he cannot find the control points from the Nafis & Young survey. None of the control points are right and Nafis' position is that the Town has signed a release to accept the survey and therefore, they will not come out to amend the survey. The surveyor will complete the work within a week to set the pinpoints, so the work can move forward. This will be a change order, additional work and causes more delays to the start of construction.
- g. Back Rimmon & Fairfield Place – Weather permitting, Fairfield Place will be milled and then paved and the topcoat on Back Rimmon Road will be completed at the same time, within the week.
- h. Cook Lane – N. Nau noted that the RFP has been completed for drainage on Cook Lane. There were 3 bids after 4 weeks of advertising. The grading team is finishing their grading. Gerber Construction, B&W and Xenelis are the 3 responders with Gerber Construction as the low bidder. Police duty was bid by all the bidders, so T. Pratt wanted clarification on Maintenance & Protection of Traffic line item of the bid. The grantor has changed their requirements and there is less red tape with STEAP. The scope of the project was for drainage improvements and add-ons were included as well. The project should be awarded next week. The STEAP grant portion is \$128,205 and the remainder of the project will be funded with ARP funds.
- i. Station 2 – Prints have been completed for Station 2 and they are with the Fire Chief for review. The Fire Chief will be meeting with the Building Inspector. The proposal is to tear down the block building, remove the tank and preserve the tank for Confined Space training. They would collapse and fill in the hole and construct a wood building. The recommendation is that we want to own the building if we spend this type of money on the building. The State would then review these plans and decide if they are willing to turn the rights of the building over to town. N. Nau will follow up on the purchase of the building.
- j. Matthies Island House – Steve Moffat did some preliminary work to secure the house. Doug Nick Construction is due out there in the next couple of weeks.
- k. WWTP Update – The new engineer is working on the digester project, and it will be overbudget. The good news is that the Federal ARP funds are now available for sewer upgrades, and we are taking some of the ARP money to fix this project as it should be. SLR Engineering have been working on electrical upgrade project as well.
- l. Engineering Firms – T. Pratt asked if there is any recourse for the engineers who have made errors? How do we protect the town and hold them accountable? G. Smith noted that we have much better documentation at this point then we have had in the past. From a quality control

perspective, there is constant communication and progress check ins with the current engineers. We are not piece-mealing these projects anymore. When you cut corners, you get your hand slapped. There is a level of professionalism with our new engineers, and they have larger support staffs.

- m. Other – G. Smith noted that the Police are close to staying staffed around the clock and right now there are 3 full time officers and 6-7 part time officers. We are now requiring PT officers to commit to their shifts, and we are making them do a minimum of 6 shifts per month. We do need to hire 2-3 more officers to fill all the shifts. G. Smith would like to hire 2-3 more officers and from a budget standpoint, additional costs would be incurred to outfit them.
  - n. WWTP – There is a need for a temporary employee at the WWTP for 90 days with a 30-day extension. This will have budget impact with these costs, coming from Wage Salary Adjustments for the temporary staffing needs.
  - o. ARP – G. Smith noted that the Federal ARP funds total \$1, and we have received \$920,000. We have a plan for spending the first year of the ARP funds as follows: Chatfield Farms reimbursement for replacement of their sewer pump and SCADA system (\$46,000), Fire & EMS requested EKG monitors (\$60,000 for 2 monitors), \$170,000 towards Beacon Valley Road drainage, drainage on \$100,000 Patricia Terrace and \$100,000 Dolly Drive, and everything above \$128,000 on Cook Lane, \$40,000 for Stormwater for Wolfe Avenue. The balance will be used on Digester project. Year 2's budget will be developed at a later date and 2024 is the deadline for spending.
8. **Finance Manager's Report** – N. Nau noted that many of the items in her report have been discussed under the First Selectman.
- a. Finance Policy Manual: Revisions to the manual will be reviewed later in the meeting.
  - b. Financial Accounting Software: The Finance Office is continuing to work with the developer on the software implementation.
  - c. Streetlogix: The Streetscan software will be updated shortly.
  - d. Audit: Scheduled for late November 2021- The Workers Compensation Audit for CIRMA took place today.
  - e. OPEB Reporting: Information has been sent to the actuary and report is forthcoming.
  - f. Escrow Agreements: We are working on putting an escrow agreement together for developers in town, so that engineering costs can be held in escrow while the projects are being developed.
  - g. RFPs: Several new opportunities are being drafted. For 21-4 Project Engineering RFP: 9 submissions were received, and those results are being graded right now.
  - h. Last night, the BOS extended the Cocchiola Paving contract for another year.
  - i. August EE&A: Revenues are looking good – Conveyance is strong and Town Road Aid funds were received from the State.
  - j. Capital Projects: The Police Roofing was completed, and other projects are progressing.
  - k. Last night, the BOS reviewed the Police Private Duty bad debt write off which BOF will act on tonight.
  - l. Grants:
    - The Town received the AFG Award for SBCA Compressor which was welcome news and a significant grant award. The Advertisement for this new equipment is being finalized.
    - Storm Isaias – The Category B reimbursement from FEMA was approved. Category A is being finalized.
    - The K. Matthies Grant for the patio at Town Hall is complete and the second grant for benches will wait until spring.
    - N. Nau is looking at a Trails grant for Toby's Pond and Matthies and working with P&R commission members on this possibility.
    - ARP Grant – The spending plan was discussed above. We are waiting to see if Police private duty costs associated with the stormwater and sewer projects will be qualified.
  - m. K. Brennan asked about new hire for Public Works and if a CDL A is now a requirement for the job. G. Smith noted that the new employee meets this requirement. He can add this language when the Union Contract renews.

## 9. Old Business:

### a. Finance Policy Manual –

- Financial Policy Manual:

<b>Revision 7:</b>	<b>June 14 - September 14, 2021:</b> <ul style="list-style-type: none"><li>• Chapter III – Budgeting: added multi-year and special fund goals.</li><li>• Chapter IV – Procurement: added local preference section. Added mention of CT Source.</li><li>• Chapter V – Ethics: added mention of ethics language in procurement chapter.</li><li>• Chapter VII – Cash Management: added mention of total signature quantity required and live signatures.</li><li>• Chapter X – Cash Drawer: added Senior Center as a petty cash drawer holder.</li><li>• Chapter XI – Credit/Procurement Cards: increased Program Librarian's credit limit from \$500 to \$1000.</li><li>• Chapter XII – Capital Assets: added mention of machinery and infrastructure categories; added maintenance tracking department head responsibility.</li><li>• Chapter XIII – Debt Management: overhauled entire chapter; added purpose, objective, 14 sections to the policy.</li><li>• Chapter XIV – Fund Balance: added special funds section; increased minimum % for undesignated</li><li>• Addendum A – Budget Transfer Request Form: modified order of columns.</li><li>• Addendum I – Acknowledgement Form: added mention of personnel file.</li></ul>
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b.

- a. Above is the list of chapter changes proposed by the Finance Office. N. Nau expanded on these changes and discussion continued by the Board on these points. An overview was presented by N. Nau and then the Board looked specifically at the language in the pages of the manual. Budgeting and Debt management sections have been reviewed by the Board in prior meetings. The remaining
- Chapter 3 – Budgeting: Multi-year budget (Page 7) as recommended by the bond counsel for credit rating. By FY2025, the town plans to have a multi-year operating budget for the General Fund. By 2024, we hope to have budgets established for all the Special Fund budgets.
  - Chapter 4 - Procurement – Changing CT source to Bizet, which is the change to the State's portal.
  - Page 14 - While we want to broaden our horizons, we want to prefer local vendors. This makes note to prefer the local vendors quoting within reasonable amounts and deemed local by the BOS. The language for local vendor preferences was discussed, defining what is deemed local, if a local bid is within a reasonable percentage of the low bid, under certain bidding circumstances, a local vendor may be selected at the discretion of the BOS.
  - Chapter 5 - Ethics – Notes added on speaking to vendors or giving the budget for the project. This is what you should and should not do to avoid inappropriate conversations. There is an ethics paragraph in the procurement section.

- v. Chapter 7 - Cash Management – Requirement for 2 live signatures on checks which is our practice.
- vi. Chapter 10 - Senior Center – \$300 petty cash noted, and cash drawer added.
- vii. Chapter 11 - Page 27 - Program Librarian – increase Credit card limit to \$1,000
- viii. Chapter 12 – Page 31 Capital Assets –matching the language that we use with the auditor, and in Assetrax software as we are cross walking assets and adding the categories of machinery and equipment. N. Nau has also added the expectation for Department chairs to be responsible for maintaining maintenance logs on all vehicles/machinery. The Board discussed who should maintain logs be submitted to, updated monthly, and Finance should receive a copy.
- ix. Chapter 13 - Debt Service – This policy is formed from research of 3 different towns debt management policies, along with recommendations from our Financial Advisor. The sewer and water bonded infrastructure language is boilerplate language referencing user fees. K. Brennan asked that the word “will” be changed to “may” to soften the requirements. On the refinancing of Bond Debt, the proposal is for a minimum of 2% savings before refinancing is considered. We are proposing Debt service payments do not exceed 10% of the overall budget (including the Region 16 budget). W. Hopkinson expressed concern that the percentage does not include overlapping debt with Region 16. N. Nau will add language on the overlapping debt in the policy. The board reviewed statutory requirements from the State on maximum aggregate debt allowable, which takes multiples of annual receipts from taxation. The proposed language caps the debt limits at 50% of what is allowable by the State statute. N. Nau also used OPM documentation on all CT towns for guideposts.
- x. The policy manual can be revised by the Board of Finance as frequently as needed, by their vote at a meeting.
- xi. Chapter 14 - Fund Balance – The Minimum Undesignated Fund Balance was 9.25%, and this change will increase it to 12%. The policy also proposed any amount above 18% will be transferred to the Debt Service fund to offset debt payments. J. Carroll asked what was driving the increase to 12% and N. Nau stated the audit suggested our percentage was low with only a 2-month reserve. J. Carroll then asked about the maximum of 18% and what happens between 12 and 18% to the surplus. He would not support locking in the fund balance above 12%. He noted that under this structure, there is no opportunity to give money back to the taxpayers with a mill rate reduction. Above 12%, the language should state the Boards may put the funds in debt service or may use the funds to reduce the mill rate. The BOS and BOF would then have the authority and discretion to benefit the taxpayers. The 18% parameter will be removed from the policy.

The Board agreed to suspend discussion at this point and not to act on pages 40,41,42 of the Finance Manual until a later date.

**W. Hopkinson made a motion to approve the changes to the Finance Policy Manual, with the revisions discussed this evening. J. Carroll seconded the motions. All ayes.**

#### **10. New Business:**

- a. Police Private Duty Write Off** – The Town is agreeing to write off past due Private Duty amounts from 2019 or earlier: NEJ \$5,720 and St. Michaels Church Fair \$1200 bills. **S. Leeper made a motion to approve the \$6920 Private Duty Write Off. D. Fennell seconded the motion. All ayes.**

#### **11. Approval of Minutes: J. Carroll made a motion to approve the August 10, 2021, regular meeting minutes. D. Fennell seconded the motion. W. Hopkinson and K. Brennan abstained. The remaining board members voted aye. WH/KB abstained.**

#### **12. Adjournment: S. Leeper made a motion to adjourn at 9:49 PM. K. Brennan seconded the motion. All ayes.**

Respectfully Submitted,

Erin A. Schwarz, Finance Office  
Board of Finance Regular Monthly Meeting Minutes

September 14, 2021