

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



**BEACON FALLS BOARD OF FINANCE
Regular Monthly Meeting
March 15, 2022, MINUTES
(Subject to Revision)**

1. **Call to Order / Pledge of Allegiance:** K. Brennan called the meeting to order at 7:01 PM and led the assembled in the Pledge of Allegiance.

Members Present: T. Pratt (TP), W. Hopkinson (WH), K. Brennan (KB), J. Carroll (JC), S. West (SW), D. Fennell (DF) (7:32 PM)

Members Absent: None

Public Present: Finance Manager N. Nau, Selectman P. Betkoski (7:05 PM), Mahoney Sabol's Samantha Thomas and Michael VanDeVenter

2. **Comments from the Public:** No Public Present.
3. **Approval of Minutes:** WH made a motion to approve February 15, 2022, Regular Meeting Minutes as presented. TP seconded the motion. All ayes.
4. **Correspondence:** K. Brennan read the resignation letter of Chairman T. Pratt dated 2/28/22. T. Pratt is resigning due to a BOF by-law which restricts the length of the term of the Chairman. T. Pratt is still a member of the board but can no longer serve as Chairman. K. Brennan expressed thanks on behalf of the entire board for his work serving as Chairman for the last 2 years.
5. **Election of New Chairperson/Officers:** T. Pratt nominated James Carroll to fill the position of Chairman. W. Hopkinson seconded the motion. After 3 calls, there were no other nominations. All ayes. The position of Vice Chairman remains with K. Brennan. J. Carroll took control of the meeting by entertaining a motion to nominate a new Secretary of the BOF, as this was his former position. J. Carroll nominated Wendy Hopkinson as Secretary. K. Brennan seconded the motion. After 3 calls, there were no other nominations. All ayes. WH accepted with the condition that she must disclose this new position to her place of employment.
6. **Presentation of the FY2021 Audit:** Welcome to Mike VanDeventer and Samantha Thomas from Mahoney Sabol. M. VanDeventer is happy to present the results of the Town's 2021 audit with highlights.
 - A. Mahoney Sabol's scope of work is unchanged from prior years. They performed an audit of the Town's financial statements and performed a State Single Audit in accordance with GASB and State standards. Federal grants were under the threshold for a Federal Single Audit, so no Federal Single audit was required this year. In addition to the audits, they assisted in the preparations of financial statements, state reporting, and aided in converting financials to government-wide financial statements. Management and Finance Manager N. Nau has ultimately accepted the responsibility for this work. Mahoney Sabol has issued an unmodified opinion of the Town's financials in accordance with GASB standards. Their opinion provides reasonable assurance of compliance, but not absolute assurance. They have included a management report on compliance and internal controls, and have no matters reported. They do express

an opinion on compliance in the State Single Audit which shows \$4.3 M in State funds expended. The majority of that amount is exempt from testing, \$430,000 of State funds were tested, Mahoney Sabol issued an unmodified clean opinion on this compliance.

- B. M. VanDeventer continued with Overall Financial Highlights: The original FY2021 budget provided for use of fund balance and contained additional appropriations from fund balance of \$80,000. There was a favorable budgetary variance of \$1M. The surplus was driven by revenue of \$943,000 more than budgeted, as a result of strong property tax collections, a Region 16 surplus, and insurance reimbursement for the ambulance. On the expense side, the Town spent \$534,000 less than budgeted. Total Fund Balances across all funds totaled \$11.5M with \$5.1M residing in the General Fund. The Unassigned General Fund Balance is \$3.6M, which represents 1.9 months of expenses. This number is in line with GFOA guidance recommending 2 months of reserves on hand. There is also a \$3.4M balance in the Bonded Fund. Other Fund balances total \$2.9M, an increase of \$34,000 from prior years. The fund balance/revenue/expense changes should be consistent with Finance Office reporting throughout the year. The Bonded Projects fund shows a deficit fund balance of just over \$24,000 and Mahoney Sabol recommends that the Town fund that deficit at some point in time.
- C. The Government wide financials focus on assets and long-term liabilities. The town reports its share of MERS pension liabilities at \$2.3M and this plan is 71% funded at the State of CT. The plan is valued per the prior year-end, so these figures are 2020 numbers. CMERS represents \$1.2M in unfunded benefits, and the Town is reporting an OPEB Liability of \$900,000 on a government wide basis. Mahoney Sabol worked to include and record a length of service liability for the volunteers of Beacon Hose in the town's financials as accounting standards require that we record this liability.
- D. Required communications: The audit was clean and filed by the December 31 deadline, so the communications are brief. Information was supplied by the Finance Office of the town. The Town implemented the new GASB strategy #84. There was a restatement to record the liability and asset for the Service Award program, which resulted in a decrease in the Town's overall net position. The Audit adjusting entries were routine, there were no difficulties during the course of the audit, no issues with representation.
- E. J. Carroll inquired about the Fire Department Length of Service Award program; should the funds be part of the Finance Office funds invested by the Town Treasurer, now that these funds are included in the Town's financials? Does it make sense that they are under the Finance Office/Treasurer's control? M. VanDeventer will investigate how other towns handle their VFIS funds. JC noted that now that annuities are no longer available for purchase, he would like a recommendation from the professional auditors as to how to handle these funds.
- F. The Board thanked Mahoney Sabol for their work. N. Nau asked about verbal recommendations and S. Thomas noted there is a recurring recommendation for fixed asset software. She noted that there has been continuous progress from the town each year. The market is interesting for governmental auditors; with fewer auditors performing municipal work, filing audits for 169 towns in a 3-month window. N. Nau also inquired about the Town's OPEB liability and if the town should continue to pay as you go versus a trust. She asked if Mahoney Sabol has seen towns make a switch to trust? M/ VanDeventer noted that town work with their actuary as part of the budget process to make that determination. JC noted that based on our size and how long a volunteer lasts, how high is the liability? He encouraged review with the actuaries. The board thanked Mahoney Sabol once again.

7. Reporting:

- a. Tax Collector Report – No comments or concerns.

- b. Treasurers Report – No comments or concerns.
 - c. Town Clerk Report – No comments or concerns.
 - d. Region 16 Report – Capital and expenditures; no comments, questions or concerns.
 - e. Ambulance Report – TP noted that the report is in decent shape and BHC is in conversation with the administration at the Firehouse to raise rates for EMS people going on calls. They were increase rates for EMTs to \$40, EMRs to \$20 as these calls are normally 2 hours. While they are proposing additional compensation for calls, they are not raising rates to offset the cost. The positive side is that BHC is collecting more funds than they have in the past. Hartford changes the reimbursement rates so BHC does not have control there, but there are more calls they can collect on. There was a 50% savings in not calling in AMR, and the new ambulance is a benefit to the service. JC not questioning the raise but inquired about offset to the increased cost.
6. First Selectman's Report: (N. Nau explained)
- a. Budget Transfers: There are 9 transfers totaling \$97,300, which were approved by the BOS.



TOWN OF BEACON FALLS

FY22

TRANSFERS FOR 3/14 BOS & 3/15/2022 BOF MEETINGS

3/11/22

<u>#</u>	<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Description</u>
1	10.90.79.1130 Snr Center - Telephone	10.90.79.1943 Snr Center Building Maintenance	\$ 300.00	To cover recent project costs
2	10.90.83.1170 Contingency	10.90.79.1943 Snr Center Building Maintenance	\$ 1,000.00	To cover recent project costs
3	10.90.69.1800 Professional Development	10.90.69.1805 Programming	\$ 1,000.00	Additional programming
4	10.90.67.1140 Vehide Fuel		\$ 2,000.00	
5	10.90.67.1765 Equipment Replacement		\$ 10,000.00	
6	10.90.67.1780 Sewer Maintenance	10.90.67.1780 Sludge Processing	\$ 5,000.00	Transfer from multiple GF lines plus Sewer Fund to make up budget shortfall for
7	10.90.67.1760 Plant Operations		\$ 4,000.00	sludge processing/hauling service at WWTP
8	10.90.67.1776 Nitrogen Credits		\$ 26,737.00	
9	Sewer Fund Sewer Fund		\$ 47,263.00	
Total			\$ 97,300.00	

- b. The Senior Center transfers from Telephone and Contingency to Building Maintenance. The library was moving monies within their department to increase their Programs line.
- c. There are 6 budget transfers from WWTP into the Sludge Processing line, with the final transfer taking as little as possible from SWWT fund. The vendor, Synagro, has been metering the shipments which have increased costs. T. Carey has tried to pull all he could from his own lines and the balance of up to \$47,263 2 would come from the Sewer Fund. **T. Pratt made a motion to approve all the transfers as presented, with up to \$47,263 to be transferred from the Sewer Fund. The WWTP transfers into the Sludge Processing line will move to a Town meeting. S. West seconded the motion. All ayes. Move to Town Meeting by the BOS Office.**
- d. N. Nau will cover the balance of Selectman's items in her report.

7. Finance Manager's Report

- a. Financial Accounting Software: Along with the Asset Tracking software, Finance is looking into the Budget module for their current software. Another goal is to make it easier for the departments outside of Town Hall to log into the Purchase Order software. Finally, Finance is pursuing asset tagging software which will be linking to the Asset Management software. Tagging the assets will be a multi-month project.
 - b. Interns: The High school interns have been great, and they are finishing their time with us. They have been working on fiscally related projects.
 - c. Financial Policy Manual Revisions: N. Nau has completed several small Finance Policy Manual changes: She is adding a Senior Center Director credit card to give them a \$500 limit credit card. She also added language to the grants process so that departments run all grant applications by the Finance Office. The Forms in the manual are all being updated to fillable forms.
 - d. Procurement/Contracts:
 - There will be new advertising for the spring road projects.
 - On Wolfe Avenue, the Demolition permit for 35 Wolfe Avenue is being issued, so demo should begin shortly. The Abatement has been completed.
 - The Air Compressor project is complete, and FEMA has reimbursed the project.
 - Beacon Valley Road: The Engineer for the East side of the project is working on a drainage analysis, and they are working to get their plans to NVCOG.
 - Burton Road will hit the ground running in the spring and into the Summer. There was a presentation on the project at the BOS meeting last night.
 - Cook Lane – The drainage portion is complete, and we are waiting for the STEAP funds to come back from the State.
 - e. Budget Workshop: 3/22/22 is the next scheduled workshop and N. Nau will provide an updated draft of the budget later this week.
 - f. Revenue and Expenditures: There are several lines to monitor which may become budget transfers in future months.
 - g. Generator – N. Nau is waiting for the consortium vendor to respond to her inquiries and if she continues to receive no response, she will pursue an RFP for the project.
 - h. Digester – The total for this project is now over \$500,000. N. Nau will be looking for a decision from BOS on how to divvy up the project costs between the SWWT Fund and the ARPA Grant funds.
 - i. Revaluation – This project is finishing up. Assessment Appeals will get underway tomorrow night.
 - j. LOCIP Application for Town Hall Roof – The Finance Office is applying to the State of CT for approval to use LOCIP funds on the Town Hall Roof; After approval, we will look at the State bid for providers of this service.
 - k. Connectivity Grant – The Town is looking to amend the scope of work on this grant to expand work to North Main Street,
 - l. Ambulance Financing – This is a point of discussion for a transfer from Undesignated Fund Balance.
 - m. FEMA Grants: AFG is on cycle, so the Town can think about project ideas with notification to start in September.
 - n. WCAAA Grant – N. Nau recently submitted the annual WCAAA grant for the minibus service.
 - o. AARP for Carport/Pavilion at Senior Center – This grant was also submitted and entitled: Community Engagement Pavilion which will feature picnic table which are ADA compliant.
8. Next draft of the Budget for Thursday night. N. Nau will provide a draft of the narrative along with an updated Budget Detail.

9. Ambulance Payoff: In addition to the budget transfers for the WWTP, if the BOS/BOF wish to transfer funds to pay off the ambulance it will need to go to a Town Meeting. The board asked to add the Ambulance transfer to the next Workshop agenda, so it can move forward to a Town Meeting
10. Finance Policy Manual: J. Carroll asked if everyone read and reviewed the Finance manual policy changes on Grants Management, credit cards, etc.? The board has reviewed them.
K. Brennan made a motion to approve the changes, as presented. T. Pratt seconded the motion. All ayes.
11. **Old Business:**
 - a. FY2023 Budget Discussion & Workshops: The next Budget Workshop is scheduled for Tuesday, 3/22/22.
 - b. In addition to the Budget Transfer which will be required for the Ambulance pay off, the auditor noted the deficit in the Bonded Projects fund, which will also require a transfer at the Town Meeting level. The Finance Office will add this transfer to the agenda for the next budget workshop. The transfer will be from the Debt Service fund to Bonded Projects Fund.
 - c. BHC Service Award – VFIS – J. Carroll asked the auditor if the control of these funds belongs to the Finance Department and with the Treasurer. He wishes to discuss with the BOS how to reschedule the management of the funds. The Town should be kept advised on ordinance changes, committee meetings and have access to the statements. Now that the program has shifted to be included in the Town's financials, the Finance office should have exposure to the statements. BHC has not come forward with a request for an additional contribution to the plan this year. Beneficiaries should be in compliance with the ordinance. JC would like to keep this item on the agenda as we await Mahoney Sabol's opinion on control of LOSAP funds, now that it is within the Town's financials. TP wanted to ensure that we are funding the program properly.
 - d. Master Fee Schedule: On hold; The Board expressed hope for a Town Meeting at some point soon to set the revised fees. T. Pratt noted there are 2 departments left to settle on their fees: Police and WPCF. WPCF was waiting for information from the NVCOG on surrounding towns' fees.
12. **New Business:**
 - a. J. Carroll noted that the BOF should take some time to review the bylaws. He proposed this as an agenda item, after budget season, beginning in July. For the July agenda, the BOF will review the bylaws and any proposed changes.
13. **Executive Session: NA**
14. **Comments from the Public: None**
15. **Adjournment: WH made a motion to adjourn at 8:04 PM. SW seconded the motion. All ayes.**

Respectfully Submitted,

Erin A. Schwarz

Finance Office