

Board of Finance
Virtual Regular Meeting Minutes via Zoom
May 12, 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

1. Call to Order: Tom Pratt called the regular Board of Finance meeting to order at 7:00 PM and led the assembled in the Pledge of Allegiance.
2. Public Comment: No public present.
3. Approval of Minutes from Previous Meetings: **K. Brennan made a motion to approve the regular April 14, 2020 meeting minutes. J. Carroll seconded the motion. All ayes.**
4. Correspondence/Payment of Bills: No correspondence or invoices.
5. Reports
 - a. Ambulance Service: T. Pratt provided an updated report to the members via email today.
 - b. Town Treasurers Report – Submitted by W. Rodorigo. L. Hutvagner noted the decreasing interest rates from Liberty Bank, which are in line with the STIF rates. Covid-19 has negatively impacted interest rates nationally.
 - c. Town Clerk Report – Provided by L. Greene via email. K. Brennan noted that this report has been going to his personal email. Change to be addressed with Town Clerk. No comments or questions.
 - d. Tax Collector Report – Tabled until next meeting. J. Bilsky has provided some preliminary graphs for January through March tax collections. More reporting is forthcoming. G. Smith noted that the Board of Selectman received an email and a modified report for their meeting. Delinquent letters have gone out and she is using Tax Serv for past due amounts. G. Smith noted that the tax office had a \$36,000 deposit today from the delinquent. Hutvagner noted that on the Finance report, all the tax numbers are in the green. A thorough report will be forthcoming in May.
6. Finance Manager Report
 - a. N. Nau noted that the Finance Office is closely tracking all Covid-19 expenses. We have exceeded the \$19,999 which was transferred for this project. We anticipate spending additional funds for the reopening of Town Hall. We are registered with FEMA/DEMHS for this project and will submit all of these expenses.
 - b. Petty Cash Policy: The Finance Office provided a draft Petty Cash policy to the Board of Finance for their review, as a result of some petty cash issues in Town Hall. The policy allows for ways to track petty cash more closely, as a first step to increase internal controls on petty cash. L. Hutvagner asked if this policy is for the cash drawers for the town departments. N. Nau noted that the policy is for any and all cash town wide, for departments who have cash. Cash drawers have been used to make change for customers as well as to make small petty cash purchases. L. Hutvagner noted that petty cash should be for reimbursements for small purchases only and the cash drawers should be used for customer change

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only. He recommended one petty cash account for Town Hall and the cash drawers should be used for making change only with no reimbursements or small purchases run through the cash drawers. N. Nau noted that the Finance Office can make that change. J. Carroll asked if petty cash is under the responsibility of one individual in each department. The Finance Office is putting the cash drawer and petty cash policy in writing, documenting the amounts in each cash drawer and raising awareness of any petty cash purchases. T. Pratt noted that petty cash should not be combined with the cash drawer and recommended petty cash be kept at Town Hall in Finance Department. G. Smith added that petty cash gatekeeper should be Finance Office and the department cash drawers should not be used for petty cash. He added that there should be no petty cash in any of the departments, only in Finance. N. Nau requested to avoid a single point failure, in the event Finance is not available, that a backup is needed. T. Pratt noted the First Selectman's Office can be the second point for petty cash and G. Smith agreed. K. Brennan asked if attempts have been made to identify the source of the missing funds and G. Smith noted that the issue is being addressed. N. Nau will review and amend the draft with the changes reflected from the discussion.

- c. RFQs/RFPs are being drafted and N. Nau has been learning the Bonfire online procurement software, so RFPs will be ready to go live shortly. One of the RFPs, for the auditor, will require review by Board of Finance member(s). Eagle Environmental is preparing information on the abatement of 35 Wolfe Avenue.
- d. Time IPS is now fully remote, so employees can clock in online.
- e. Station 2 Oil Tank: Awaiting drawings from the Fire Department and T. Pratt has asked the Fire Chief to get drawings completed and approved by Building Inspector to move the project forward.
- f. Budget FY21: The Budget Narrative is first step in making improvements to the budget process. We have used the website extensively, most recently with the Q&A portion of the budget process. The budget questions and answers are up on the website. With the Board of Selectman's approval of the budget which took place last night, the Board of Finance can move forward by setting the mill rate tonight.
- g. Budget Transfers: N. Nau continued that tonight we are proposing 7 transfers, and all of these lines with the exception of Region 16 from the lines we have been monitoring. Region 16 has a \$4460 difference from their original budget to the amount they have currently requested from the Town. This amount is down from \$114,600, so they have reduced their request. G. Smith noted that we are choosing our battles with Region 16, so he recommended moving the funds from Contingency and pay the difference. J. Carroll asked about the anticipated surplus from Region 16 as a result of being closed since March. G. Smith expects to see funds returned to the town but we will not know this amount until next April 2021 after their audit is completed, and the town does expect a sizable surplus at that time. Region 16 is renegotiating contracts in anticipation of what will be happening for the FY21 fiscal year. J. Carroll asked if Region 16 plans to take the surplus and move it to the capital reserve fund, as they have in the past. The surplus would be credited to the town against our payment next year. J. Carroll stated that Region 16 will know their surplus numbers in July and they wait to return funds until the audit gets completed. The Town should be receiving reporting from Region 16 every month as required by Statute. That reporting to the town has not happened and we should be receiving this information. N. Nau will pursue this information from Region 16 and expects more open lines of communication moving forward.

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- h. Lines to Monitor: We have added a couple of new lines to monitor for a total of 18 lines. Wages Nurse and Fire Telephone are lines which have been added to the list, as lines which are over the regular percentage. T. Pratt asked about the Town Nurse wages. The Nurse has been working 41 or 42 hours per week, which is in excess of her budgeted 40 hours per week. The Nurse has been working throughout COVID-19 to take care of the seniors. Her additional hours are not directly for COVID patients, but related to taking care of the senior population, so the regular hours are being recorded in the General Fund rather than the COVID project.
- i. Road Bond – The BAN and Bond approvals have moved through WPCA and Planning and Zoning. Those meetings have been completed and the next step to move forward with the BAN is a Town Meeting.
- j. Crack sealing, Chip sealing, Street Sweeping, Catch Basin Cleaning are all public works projects moving forward this spring and the POs have been or are being executed. The largest project is chip sealing which represents \$80,000 of the Pavement Maintenance budget. Much time was put into a Statement of Work for chip sealing which was a piggyback on Trumbull's chip sealing contract, as the State Contract was only for chip sealing product and not product in place. We gained permission to piggyback on Trumbull contract and executed this SOW with the blessing of engineer and attorney. Gorman Group is the vendor and the work for chip seal and fog seal will begin next week.
- k. FEMA Grant – We have received Debris Removal Cat A approval from FEMA and we expect to receive the full amount in the near term, as G. Smith has approved the project. The final project is Administrative costs, which is the Cat Z approval in the neighborhood of \$27,000. We will need a Town Meeting to approve the remaining funds owed to Supreme Industries.
- l. Town Road aid and LoCIP Funds have been received, so the State entitlements are moving forward.
- m. EMPG: Second quarter reporting for EMPG is due and we are awaiting the 2019 EMPG funds.
- n. Region 5 DEMHS Grant for communication capability to allow for radio equipment and antenna base which will allow us to communicate with Region 5 during an emergency. We are drafting an application for \$11,112.90 radio equipment. Region 5 will reimburse the communications equipment for our EOC - in the firehouse. G. Smith noted that the BOS voted to approve application for this grant last night. Region 5 asked the Town to put this radio equipment in place and they want system to work properly. Norcom has the State contract and no bid is required.
- o. AFG – N. Nau expects to receive a response mid-summer July & August, as the review for this program has moved online.
- p. FP&S – This is another FEMA grant program due at the end of this month. In the past we applied for \$60,000. N. Nau has suggested a smoke alarm campaign as a positive community project which is highly competitive.
- q. DEMHS Region 5 – The COVID expenses will be a FEMA grant which is at 75% reimbursement, so we will be responsible for 25% of these expenses.
- r. AFGS is another COVID funding stream which is extremely competitive and we will not pursue this grant as we are unlikely to get these funds, which are largely disaster related.
- s. K. Matthies Grant – The reporting for the 2019 grants were completed on time, and N. Nau submitted the 2020 application for Pent Road benches, trash cans and tables which is a \$20,000 project. That grant application was due May 1st. A decision should be forthcoming in July/August.
- t. WCAAA – We are still awaiting decision from WCAAA for FY20-21 mini bus grant.

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- u. DOT Build – Due 5/18/2020 and we will not have time to submit a competitive application at this time. G. Smith agreed it would be too chaotic to submit at this point.
- v. HVA Stream Crossing – The Town of Beacon Falls has been approached for this HVA initiative as one of 3 towns, where HVA will complete field work and inspection of bridges and culverts and inventory them. The information will be valuable for future capital projects and completing a full out design. HVA will complete the field work and inspection on our behalf. Gerry and Rob Pruzinsky will need to attend some meetings and provide HVA with some information specific to the town.

7. First Selectman Report

- a. Budget Transfers – The following list are the proposed budget transfer:

TRANSFER TO:				TRANSFER FROM:		
Line	Description	Inc. Amount	Dec. Amount	Line	Description	Explanation
10.90.03.1140	Town Hall Building Maintenance	\$2,000.00	\$(2,000.00)	10.90.03.1600	Alarm Monitoring	Duct cleaning
10.90.29.1011	Deputy Registrar Wages	\$130.00	\$(130.00)	10.90.29.1355	Primaries	Training and transition
10.90.29.1360	Canvas Expenses	\$142.50	\$(142.50)	10.90.29.1355	Primaries	Large canvas mailing
10.90.44.1031	Fire - Emergency Telephone vehicles/Rising Comcast & Frontier costs.	\$4,000.00	\$(4,000.00)	10.90.44.1121	Electricity	Increased cost of ipads in
10.90.59.1720	Mandated Storm Drains** Storm Drains project expense	\$2,000.00	\$(2,000.00)	10.90.59.1685	Snow Removal Line	Beacon Valley Road
10.90.61.1130	Town Garage Telephone & Alarm** costs for analog alarm lines/additional cell phone	\$1,000.00	\$(1,000.00)	10.90.61.1715	Town Garage Bldg Maintenance,	Increased
10.90.88.2001	Region 16 Town budgeted figure	\$4,460.00	\$(4,460.00)	10.90.83.1170	Contingency	Difference between Region 16 Request and
	TOTAL	\$13,732.50	\$(13,732.50)			

L. Hutvagner made a motion to approve the above transfers as noted. S. Leeper seconded the motion. All ayes.

- b. Region 16 - G. Smith noted that the discussion was covered with Finance Manager Report.
- c. Bond Resolution – G. Smith noted that we are ready to move forward, but the Bond Resolution should be a larger Town Meeting in June.
- d. Beacon Valley Bridge- G. Smith has been speaking with both engineers and both Decarlo & Doll and Milone & MacBroom are moving along. Milone & MacBroom has done a preliminary review of the Beacon Valley Bridge and they have deemed that we can repair rather than replace the bridge. The cost is \$177,000 to repair the bridge, versus \$1.5M to replace it. The town would only be responsible for ½ of that cost, as it is shared with Naugatuck. The Bridge project should be included with the road project in the bidding process to save on overall costs. D. Fennell asked how long the repair of the bridge will last, compared to replacement. The bridge can also be deemed historical and qualifies under the history register. G. Smith explained that the integrity of the bridge is solid, as it needs some repointing and there are 2 rusted pipes underneath which need to be sleeved and the deck would be milled and

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overlaid. It does not need rebuilding at this time. Naugatuck will be sharing the repair costs equally with Beacon Falls.

- e. Beacon Valley Road: G. Smith has a meeting with both engineers and the design engineering is being completed. Without bond package approval, the Town does not have the funds to take the next design step or to begin any construction. The \$500,000 STEAP grant assigned to Beacon Valley Road will do one stretch of the road, but we are short by 2900 feet. The original plan for the road did not include the entire road and G. Smith's plan is for the entire road. The drainage was jetted and the pipes were all failed, so we know we need to replace the piping as they were set too low.
 - f. Aquarion Water – There is no update on the credit from Aquarion or the fire hydrant issue for ones that are not working. An Aquarion rep will come out and do ISO testing but with COVID he has been pulled off fieldwork. Every hydrant needs to be tested and T. Pratt will follow up.
 - g. Lopus Road – Toby's Pond – M. Krenesky asked about the Lopus Road bridge and G. Smith explained that nothing is happening Bridge Project. The Lopus Road Bridge is in fair condition and he would reconfigure that entire section of road. That project is not on the radar at all.
 - h. Bulky Waste – The April openings of bulky waste on Wednesday and Thursday were a positive thing. May and June bulky waste will be on the regular schedule. Leaves and brush pick up will take place on Fridays and we track the leaves to the new site, so we are not paying for removal of leaves and brush.
8. Finance Policy Manual - N. Nau has been working with T. Pratt and the First Selectman. T. Pratt would like to see the Purchase orders and RFPs sections adapted for 2021. He would like departments to be advised and aware of corrections for June, so we can advise town employees of the revised manual. Upon distribution, the manual would be signed for by employees and board chairs to confirm they are aware of changes. People needs to follow Finance procedures.

N. Nau will be making the Finance Manual a priority, as it needs to be revised. She plans to focus on hot button chapters, but also wants to overhaul the manual to include Petty cash, credit card usage, ACH policy, internal controls. She plans to have hot button chapters done by the next meeting in June and will leave the rest for the following 2-3 months. J. Carroll has some time constraints, but is willing to review chapters and T. Pratt also volunteered to work on the review. N. Nau will send pieces of the manual as she completes them. She plans to present the draft at the June meeting. T. Pratt would like to give the BOF members time to review the document with new fiscal year approaching. G. Smith asked if we are including the petty cash policy in the Finance Policy Manual. J. Carroll recommends completing the petty cash policy as a separate policy in order to get petty cash policy finalized as a sense of urgency. He would like to get something out regarding the handling of cash and then incorporate the policy in the manual later.

N. Nau noted that enforcement of the policy is an important piece. J. Carroll noted that if employees are not abiding by the policy it is a disciplinary matter. D. Fennell added that with regard to cash, you need to hold people accountable and make one person responsible and held accountable for the cash drawers.

9. Old Business

T. Pratt wanted to thank the Finance Office and the Board of Selectman and Finance for the budget experience. He felt the group worked well together, the process was not about politics, but addressed with an open mind

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which was reassuring. There were good questions asked throughout the process and he thanked all for their work. The taxpayers should be proud of the process, which was conscientious and conducted with checks and balances. N. Nau noted that the approved version of the budget is ready for posting on the website.

10. New Business

- a. Mill Rate – Based on the approved FY21 budget of \$22,634,202 budget inclusive of Region 16, the 35.9 mill rate is projected. **J. Carroll made motion to set the 2020-2021 mill rate at 35.9 mills, the same as last year. L. Hutvagner seconded the motion. All ayes. This was a unanimous 6 votes for setting the mill rate at 35.9 for the period July 1, 2020 – June 30, 2021.** T. Pratt read the letter he intends to send to the Tax Collector stating the approved mill rate.
- b. The Petty Cash policy has been tabled as discussed earlier.

11. Public Comment – No public comment.

12. Executive Session – No executive session needed.

13. Adjournment: S. Leeper made a motion to adjourn the meeting at 8:23PM. K. Brennan seconded the motion. All ayes.

Respectfully submitted,

Erin A. Schwarz

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Finance Admin Assistant

Following the meeting, we learned that the Public had trouble accessing this Zoom meeting by call in. An audio recording of the meeting is available to any member of the public who wishes to hear the meeting. Please contact eschwarz@tobfct.com with any Public Comment to this meeting.