

Minutes of the Regular Meeting of the Board of Finance (BOF)
Town Hall 1st Floor Conference Room June 13, 2022
Call recording available under BOF on Town Website

Members Present: Ryan Anderson, Chris Childs, Michael Haines, Eric Harrington, Brian Kost
Members Absent: Dr. Ann Huntington **Alternates Present:** Tom Frenaye, J Michael Stevens
Alternates Absent: Mark Sinopoli
Also Present: First Selectman Colin Moll, Finance Director Eric Remington, Treasurer Kacy Colston

Chairman Anderson called the meeting to order at 7:02pm and conducted the pledge of allegiance.

Citizen Comment/Correspondence: None

Mr. Haines made a motion to assign Dr. Huntington's voting rights to Tom Frenaye. Mr. Childs seconded. All were in favor, none opposed. The motion passed 5:0.

Approval of Minutes a. Regular Meeting 5-9-2022 b. Special Meeting 5-11-2022

Mr. Childs made a motion to accept as written. Mr. Harrington noted that on the 5/9/2022 minutes "Chairman Anderson called the meeting to order" is missing a space. Mr. Harrington seconded the motion. All were in favor, none opposed. The motion passed 6:0.

Members signed the required paperwork to establish the new mill rate.

Transfer Requests

a. FY 21-22 Transfers

The Board discussed applying contingency, keeping some in reserve for after the year-end closes and accounts are trued up to zero per the Auditors directives. They requested Mr. Remington confirm that the true up is really necessary.

Contingency applied cannot exceed one quarter of 1% of the budget to any one line item in aggregate. However per Town Attorney Donnelly, there is a provision in the Charter that allows the Board to exceed that amount in the last 30 days of the fiscal year. Mr. Remington will send that Charter provision to members.

i. Fuel Fund– Mr. Remington and Mr. Cervione, Highway Foreman, will determine if it is possible to do a forward purchase of diesel. Mr. Kost requested an annual report exhibit for the fuel fund updated for FY2022 and projected for FY2023, and an estimate of how much the town and BOE are exposed for inflation

ii. Police Payroll– Payroll is under funded by \$269k because the contract settlement for four years with retroactive payments was greater than the accrued reserve. Mr. Kost asked how the overtime (OT) actuals were three times more than budgeted. Chief Canon explained that the formulary for the OT calculation in the budget has been in error for some time but the department had vacancies that offset those calculation errors, and salary increases have kept OT at a higher rate as well. Now that they are fully staffed with officers since January and dispatch since April, they should see some reduction in OT, however unforeseen events like storms, serious accidents or arrests that must go to court the next day can all require additional officers to be called in. The 2022/23 budget is probably insufficient as well, accounting for training, back filling and accrued leave but not for the unexpected operational component. Chairman

Anderson said if they know they are short \$40k next year they need to determine what changes can be made in the Police or Selectman's budget to cover the shortfall vs. using Contingency. Mr. Kost made a motion to transfer \$269,245.88 from Contingency to cover the shortfall in the Police Department payroll. Mr. Harrington seconded the motion. All were in favor, none opposed. The motion passed 6:0.

iii. Public works- road work projects had about \$40k-\$45k unforeseen, unscheduled work. Pavement management will go negative if we don't take any action. We can go negative and do less next year or sweep any capital funds remaining post project completion. The new State aid road funds will be received in July. Chairman Anderson said we could let it go negative and if we don't have a special meeting in July we can take it out of sweeps. No action taken.

iv. Library books- Because the Library Director position isn't filled, the Library would like to reallocate \$5k to books. No department can reallocate monies to/from payroll to other line items without BOF approval. Mr. Childs made a motion to allow up to \$5k be transferred from payroll to books. Mr. Kost seconded. Chairman Anderson, Mr. Childs, Mr. Kost and Mr. Frenaye were in favor; Mr. Haines and Mr. Harrington were opposed. The motion passed 4:2.

v. Other - There is \$20k in favorability in the Selectman's payroll budget from eliminating the communications manager. First Selectman Moll would like to consider using that favorability in addition to proceeds from an auction of their four used cars to get two newer used cars for all the departments to use. This may be considered as part of a year-end transfer to the Capital account following next meeting, but no action was taken at this time.

b. FY 22-23 Transfers

i. Finance Department payroll

Chairman Anderson stated that we know the Finance Director position built into the budget is inadequate so we will have to use Contingency at some point, but do not need to take action now.

c. FY 21-22 Encumbrances

i. Senior Center PO # 71202200-00 – The Senior Center ordered a new bingo machine but the company they ordered from went out of business. Mr. Kost made a motion to allow an encumbrance for \$6500. Mr. Harrington seconded. All were in favor, none opposed. The motion passed 6:0.

ii. Police ACCE Project – cruiser upfitting - \$15k. Mr. Harrington made a motion to encumber \$15k for cruiser upfitting. Mr. Childs seconded. All were in favor, none opposed. The motion passed 6:0.

Consideration of an authorization for the Chairman to approve transfers during the months of July and August

Mr. Haines made a motion to authorize Chairman Anderson to approve transfers in July and August. Mr. Childs seconded. All were in favor, none opposed. The motion passed 6:0.

Treasurer Update

Ms. Colston reviewed updates she made to the prior Treasurer's worksheet to better align accounts and add consistency. She is looking into further consolidation and is verifying that Treasurer's Short-Term Investment Fund (STIF) accounts match between spreadsheets and financial reports. She reviewed interest income rates and noted STIF increased returns, therefore will be looking to hold more funds there. Mr. Childs asked her to research the ability to buy US Treasuries, via a ladder acquisition strategy.

Finance Director

a. Budget Review

Revenue – Mr. Remington estimates ending the year with revenue \$400k-\$700k higher than budgeted. We received more in pilot and property taxes and the supplemental motor vehicle tax was significantly

higher. We are waiting on the Pequot money which comes in on the last day of the fiscal year. He will clarify what the rent line item is for since the cell tower is in another line item.

Expenditures – There is a positive \$20k in payroll from the Communications Manager position. Town Counsel is over budget and the largest item in public utilities is water for fire protection.

Mr. Kost said we need to improve our forecasting ability because there is a higher probability we will need to take corrective action given inflationary pressure in the coming year's budget. We need a monthly reforecast including the BOE. The Finance Director will let the Board know if a special meeting is needed as we close out the fiscal year.

b. Cemetery Funds Investments–In order to invest the funds we added, we need to assign an investment committee, which could be the BOF or the Retirement Commission. Longer term it may make sense to move everything (OPEB, Pension, CNRE and Cemetery funds) to the Retirement Commission and expand their responsibility to retirement and investment given they meet more regularly. It was noted that \$76k is owed to the General Fund so after that transfer, the balance will be less than \$1M. The BOS needs to take action to authorize an entity and approve an investment policy. Mr. Childs made a motion to have Mr. Remington draft and present an investment policy statement to the BOF as the Investment Committee for the Cemetery fund, subject to BOS approval. Mr. Haines seconded. All were in favor, none opposed. The BOS will take action on this in July.

First Selectman Update

- First Selectman Moll said they hired Kimberly Rogers from Bloomfield as the Building Official to replace Ted Flanders who is retiring. She has two weeks left in training.
- Chris Matajek has been hired to replace Mark Cervione who is retiring. Mr. Matejek's position will be combining Highway Foreman and Facilities Manager.
- Shannon Jendrysik, the current Human Resources assistant will take on the Community Outreach role for a savings of \$17k.
- They have several promising resumes for the Library Director position and interviews are being scheduled.
- The Suffield summer fair is this weekend.
- The Multi-use trail is coming along with Hydro seeding this week. They are waiting on the fence but the project will be done soon.

The Board formally recognized and thanked Mark Cervione for his 25+ years of excellent service to the Town. He will be retiring on July 5th.

Treasurer/Director of Finance – controls review (Executive Session Anticipated)

Chairman Anderson asked for a motion to enter Executive Session on controls review including the Treasurer and Director of Finance. Mr. Childs so moved. Mr. Haines seconded and the board voted 6-0 to enter Executive Session at 8:53pm.

Adjourn

Mr. Childs made a motion to adjourn. Mr. Kost seconded. All were in favor and the meeting was adjourned at 9:20pm.

Respectfully submitted,
Kris Kelliher

These minutes are not official until accepted at a subsequent meeting.