

Subject to Modification and Approval
Minutes
Board of Finance
August 13, 2020

CALL TO ORDER

The Chairman called the Board of Finance virtual meeting to order at 7:00 p.m. via Zoom. All joined in the Pledge of Allegiance.

PUBLIC COMMENT

There was no public comment.

ATTENDANCE

Present

Michael Barker
Elaine Hammers
Marty Isaac
Lainie McHugh
Steve Choi
Paul Timpanelli
Vincent DeGennaro – Alternate
Christine El Eris – Alternate
Marc Mascola – Alternate

Absent

Also present:

Vicki Tesoro, First Selectman; Maria Pires, Director of Finance; Daniel Schopick, Esq., Town Attorney; Anthony Musto, Esq., Town Treasurer; Kathleen McGannon, Chief Administrative Officer; Therese Keegan, Auditor; Marie Petitti, BOE; Tim Gallo, BOE; Lucinda Timpanelli, BOE; Scot Kerr, Finance Committee; Joe Gaudiano, Finance Chairman – Golf Course; Peg Brindisi, BOE;

TOWN TREASURER'S REPORT – Anthony Musto

Mr. Musto presented his report indicating that the challenges we are now facing are with the interest rates that are significantly lower than they were last year, due to the down turn in the economy. The banks are paying less than they were and the investments are holding up; however, it is difficult to reinvest due to the interest rates.

Mr. Timpanelli asked Mr. Musto to comment on the cash balances from last YTD to this YTD, since we are showing a decline in revenue of \$21,852,602. Ms. Pires noted that decline came about because the town extended the due date for July 1st taxes to October 1st. In comparing July 2020 to the same time last year, there was a difference in collections of \$8,000,000, which has to do with the deferment of taxes program. We bonded \$18 million today for projects already completed and paid for and received a very good rate of 1.534755%, the lowest since the 1.96% in 2019. We need \$8.7 million to pay off the existing BANS, which are due at the end of August .

8-20-01 - FY 2019-2020 Transfers

Mr. Timpanelli moved, seconded by Mr. Barker, to transfer \$10,000 from account 01022000-501114 - Training and \$3,000 from account 01022000-556601 - Professional Dev. – Sem/Conf. to account 01022000-501105 Salaries – Overtime \$10,000, to account 01022000-545503 - Communications - Public Relations \$50, to account 01022000- 556602 Professional Dev - Assn Dues \$250, to account 01022000-556603 Professional Dev – In-service \$300 and to account 01022000567702 Transportation - Vehicle Repair \$2,400 for year-end transfers.

The large overage in training occurred because all training stopped due to Covid-19.

The clerk called the vote:

	<u>Ayes</u>	<u>Nay</u>
Elaine Hammers	x	
Paul Timpanelli	x	
Lainie McHugh	x	
Marty Isaac	x	
Michael Barker	x	
Steve Choi	x	

Vote: 6-0-0 motion carries

8-20-02 - FY 2020-2021 Transfer

Mr. Timpanelli moved, seconded by Mr. Barker, to transfer \$1,638 from account 21100000-501103-Salary Seasonal to account 21100000-501101 Salaries- Full Time Permanent \$1,638.

To provide the Director of Operations a 2.25% salary increase to match non-union employees raise increase, minus two furlough days, for fiscal years 2020-2021.

The clerk called the vote:

	<u>Ayes</u>	<u>Nay</u>
Elaine Hammers	x	
Paul Timpanelli	x	
Lainie McHugh	x	
Marty Isaac	x	
Michael Barker	x	
Steve Choi	x	

Vote: 6-0-0 motion carries

Mr. Gaudio indicated that from March through May 5, we lost \$180,000. They had a very good June and July; June was \$70K over the 5-year average and July was \$47K over the 5-year average. They are currently showing a loss of approximately \$60,000. For August, they are currently at \$33,000, so they are hopeful they will break even. In addition, the Golf Commission granted the restaurant a 50-day forgiveness of rent due to their loss of business due to COVID. He went on to add that the town portion wasn't forgiven, and he wasn't sure who to contact. He indicated he would e-mail Ms. Pires with the request.

DISCUSSION ITEMS

BOE – FY 2020 Projected Surplus

The Chair asked Ms. Brindisi to address the BOE surplus of funds, including where they applied the funds. Ms. Brindisi indicated that they applied the \$178,819.11 surplus to the inter-district account and the special revenue fund to reduce the deficit, bringing the deficit to \$55,000, leaving the BOE with no balance at fiscal year-end with a zero balance.

The special revenue fund contains legacy accounts, which are treated as small business accounts. They carry over each year; some have balances and some have deficits. The deficits carry from year to year. Accounts that have balances are used to purchase replacement items, i.e., drivers education carries the balance from year to year until they have enough to purchase a new car. Ms. Brindisi went on to add that these accounts stand alone, and funds are transferred to help other accounts. The Chair asked Ms. Brindisi to send a schedule of the legacy accounts to the Board of Finance.

The First Selectman questioned whether or not the use of the surplus funds can be applied to a deficit in an account. Ms. Brindisi indicated the surplus in the operating budget, was transferred to cover salaries that otherwise would not be covered. The current Food Service shortage will be addressed in the FEMA reimbursement request, as it is directly related to COVID.

Update on COVID FY 2020-Town and BOE

Ms. Pires indicated that the FEMA Grant will cover up to 75% and the State will cover 25% of what FEMA does not cover. The State will not review the expenses until FEMA has reviewed the expenses first. In addition to the FEMA and State reimbursement, the BOE will receive reimbursement from two additional grants available.

We planned on full reimbursement; however, at the beginning of the process we were not informed of certain procedural information that would be required, which could possibly eliminate certain claims. For example, they came to us and asked how many gloves were in each package; whereas, they initially asked how many packages.

Town Schedule: We submitted all expenses related to COVID up to June 30, 2020. This program will continue until December 2020. We will submit quarterly reports to request reimbursement for the additional expenses.

Board of Education Schedule: The BOE provided the figures for expenses and we are waiting to see what additional expenses are incurred.

FY 2021 Year to Date budget expenditures

Ms. Pires indicated that there were no issues to bring up for discussion. It is too soon in the fiscal year. There is a \$30,000+ overage in the Emergency Management attributable to COVID which will be submitted for reimbursement. There are also overtime overages attributable to COVID. At this time, we have no idea what the total costs for the hurricane clean-up will be.

APPROVAL OF MINUTES – May 13, 2020 & July 9, 2020

Mr. Timpanelli moved, seconded by Mr. Barker, to accept the Minutes of the May 14, 2020 meeting, as presented.

Vote: 6-0-0 motion carries

Mr. Timpanelli moved, seconded by Mr. Barker, to accept the Minutes of the July 9, 2020 meeting, as presented.

Vote: 6-0-0 motion carries

ADJOURNMENT

By unanimous consent, the meeting adjourned at 8:25 p.m.

Respectfully submitted,

Phyllis C. Collier

Phyllis C. Collier
Board of Finance - Clerk