

Minutes
Town Council Finance Committee Special Meeting
July 14, 2022
7:00 PM
Town Hall Conf. B and Virtual meeting
Video Link to Meeting:

1. Call To Order, Roll Call:

The Meeting was called to order by Chair Robyn Gallagher at 7:01 PM

Members Present: Robyn Gallagher, Marty Milkovic,

Members Absent: Julie Blanchard

Also Present: Amanda Backhaus (Finance Director), John Elsesser (Town Manager),

Nicole Archambault (Minutes Clerk-Remote)

2. Acceptance Of Minutes: June 13, 2022:

Milkovic moved to accept the minutes, Gallagher seconds.

Discussion: Milkovic questioned if the \$12,000 that was noted for the fireworks use at Coventry Fest was spent, after reviewing the minutes. Backhaus informed that it was not spent and that we had encumbered the money. When the fireworks were canceled, we were able to liquidate it. Gallagher added that even if we had spent it, it would have been reimbursed to break even. We never had the \$12,000 to spend and were just loaning the deposit for Coventry Cares due to the large amount.

Vote: Unanimously all in favor

3. Reports:

Committee Chair-Robyn Gallagher: Thanked all the voters for voting in the budget referendum and getting it to pass. Tax bills have gone out. Some residents are upset with timing, but this is the same as previous years. Appreciates that the tax bills are out on time. She is excited to move into the next year.

Committee Members: Milkovic expressed he is also happy the budget passed. There is no mill increase and the budget is very tight. We have limited resources. Elaborated on the bill due date and confusion with residents, and explained that while the bill says due July 1st, it is not due until July 31st. Payments are not considered late until August 1st. Gallagher added that she can appreciate the confusion, but the bills are the same way in every town in the State and if a resident has paid property taxes before, they should be aware. Milkovic commented that the banks know this, and they pay the escrows at the last minute. Elsesser added that some do and some don't. Backhaus informed everyone that one year a bank paid late and had to pay the penalties and interest.

Finance Director's Report & Monthly Finance Reports:

Total General Revenue- at 99.8%, and still recording receivables. The balance will go up. Will bring FY '22 and '23 summaries to next meeting. Some late received revenues will still be added in, as late as September. Backhaus added that since we are government, we have a 60-day collection rule. There are certain revenues collected and added back into FY '22. Overall good collection year.

Expenditures- at 97.17%, is less than prior year's year-end expenditures. The attached Year End Estimate includes Town Council Approved items. This shows a positive net change to the general fund. Expects the Board of Ed number to be closer to \$3500 when done. Gallagher asked for clarification that the 97.17% does not account for the EMS run over. If we had budgeted for this correctly, we would not have been at 97.17%. Elsesser also commented that we purposely withhold from spending 100% of the budget. We do this so there is money left at the end of year. It is better to have a surplus than a deficit. Looking to end on a positive note.

Board of Ed.- We are getting more from Board of Ed than expected and the money received will go into the general fund.

COVRRRA- Excellent collections again this year at 102.07%. Current balance is \$53,079. This fund takes the 60-day collections into account. However, there will be no more expenditures, so the balance can only get better.

Sewer- This balance is close to \$500,000 which is up from the previous month. This fund also takes in account the 60-day collections. Balance it at the lowest it will be, and in a good position.

Recreation- Balance is at 62,000, Leslie worked really hard on the budget. Without the AARP funds, we would not be in a good place. Moving forward we will have a good process in place to maintain this fund where it needs to be. We thought that we would end in a bad position, at a zero balance.

EMS: Town Council authorized 90,000 to be allocated to the EMS fund. Right now, we have a projected \$333,000 deficit that won't get any worse. This fund also has the 60-days collections period. Hoping as things get liquidated that the number improves some. Need to review and have discussions for FY '23 budget as the funding is not appropriate. Working on a date to follow up and have discussion. Gallagher added that it is essential that this is tackled for the coming years.

Assessor Update- New Assessor is doing great and we will have significant growth for next year. No update on the crumbling foundations, but will have the Assessor look into this further. Milkovic followed up on questions regarding deeper analysis into crumbling foundations that were asked at a previous meeting, and how many homes we could see a reduction in assessments. Backhaus informed that people need to come forward with this issue for us to be aware. Elsesser noted that we can look into those who have had it happen, and add those to the list. Also noted that there is a State income tax deduction for those who have not filed for crumbling foundation repairs. We need to start messaging people to notify them of this, and need more staffing in order to do so, but it is on the Town Manager's to do list to accomplish. Even having this looked into, these can't happen all at once. Working on finding time to get this done, so that it can be reviewed and have a better total expected Tax Revenue Loss.

Board Of Education Fiscal Reports - April 2022: No further discussion

4.Discussion/Possible Action: Recommendation For Assignment Of American Rescue Plan Funding:

Gallagher brought up 2 issues that need to be discussed. There is \$11,000 slipped through the cracks. Question for network refresh is should that be taken from AARP funds. Also, the EMS fund will need approximately \$330,000. If we take the EMS deficit, the \$11,000, and the rooftop HVAC unit, we will not have any more AARP money. We have budgeted for the CGS HVAC. Need to discuss how much will be available and how much will be set aside for the CHS and Middle School project and if we need to bond for it. There are a lot of unknowns before we can set on an amount. We are still waiting on bids to get back which could be higher or lower than expected. If they are higher, we may have to bond. We may also have to put the roofs first so that work can start asap and take care of the CGS HVAC later. Elsesser think that expenses were saved at CGS and the HVAC unit should be done as soon as its able. Roofs bids should be in by end of the month.

Motion: Milkovic moved to recommend to Town Council not to exceed \$50,000 spending from AARP funds on the CGS HVAC unit, subject to price estimates.

Discussion: None

Vote: Unanimously in favor

Milkovic questioned the deadline for the AARP spending. Elsesser informed that was have about another 2 years.

The network refresh needs \$11,000. For this we could take from their 2% fund, or CNREF as AARP is limited. This is not urgent and does not need to be voted on yet. More information will be available when needed. Elsesser commented that the AARP funds should all be in place by next years budget.

Elsesser discussed that there are some other spending options for the AARP funds. There are some issues with the Lake, and have talked about ways to improve water quality. Patriots park has a water jetty that does not allow circulation in the swim area. Since the swim area is stagnant and there are geese, Patriots Park always fails the water inspection. We have two options. Part of the jetty can be removed, or we can install and in lake aeration system (solar powered or electric) to stir the water and create motion. The electric aeration system would cost approximately \$25,000. Gallagher questioned if the jetty served a safety purpose. Elsesser informed that without it the water would be a little more turbulent. The notch where Patriots Park sits is like an outlet where all the water goes. For discussion purposes, this is just another option for the AARP spending that might have public support. Discussions have just started on solutions for this problem. Removing part of the jetty would cost similar to the aeration system at approximately \$25,000 to \$30,000. Gallagher commented that the rock jetty option is a better solution because it will most likely be a one-time cost. The aeration system could have costly maintenance since it is electronics, and swimmers may damage it. Discussions are just starting at this time.

Elsesser added that another option for AARP spending is that they are looking to accelerate the Town Captain promotion. Possibly will be discussed during executive session during Mondays Town Council Meeting. Backhaus commented that it could be between \$15,000 and \$20,000.

5. Discussion: Durational Special Projects Coordinator Position

Elsesser informed that on his desk there is a full page with several projects that need to be worked on, with more to come. We have several opportunities that would use federal funding. There are currently 3 grants that are available for bridges and he does not have anyone to fill out applications. Has spent 5 hours going through the material, and doesn't have the time to do this along with his normal duties. Additionally, he needs to work on the Softball field grant applications. Currently has another softball field, Hop River Bridge, school roofs, CGS HVAC, sewer study, and transfer station projects open. Other towns are hiring special projects coordinators to handle applications, grant paperwork, audit, meetings, and record keeping. Salary is usually tied to the projects. Does not need to be Project Engineer, but construction experience and familiar with grant paperwork would be good. Has job description that could be used. Elsesser has looked into this and 7 towns have almost identical job descriptions. The positions would be durational for the life of the project. The work would have peaks and valleys of work hours needed to be put in over time. We can't afford to lose the bridges. It will cost us money we are owed with lengthy projects if there is no activity. State closes grants out after 3 years of inactivity.

Milkovic commented on the grant writing aspect of the position, that doesn't have money in itself. There is an upfront administration cost that needs to be available before project money comes in. Questioned if AARP could cover those costs. Backhaus added that there are a multitude of ways to fund this, so we are not losing money. Milkovic doesn't imagine that if this is something that will bring money in, that people would be opposed to it. Elsesser noted that the paperwork needs to be done on time, these are managerial responsibilities for a Special Projects Coordinator. On top of this we need to worry about what we are not doing that we should be doing as a government organization that are a part of our normal job descriptions.

Milkovic commented that this is part of a bigger problem, and that we have been underfunding for years. We are understaffed, our infrastructure is not up to par and these are a result of small budgets, or budgets that have been voted down. Gallagher noted that we would need to keep track of ongoing projects, what grants have been filed for, and what has been received so that the community was aware of where funding was coming from. Worried this would add more to Backhaus's plate.

Elsesser informed he is out of staff capacity. Him and Backhaus has been staffing the School Building Committee, which is not their responsibility. However, if they don't do this the work stops or they are not informed of the status of things. We need to come up with a way because the financial loss would be tremendous if these things were not done. These tasks that are not getting done could have large hidden costs to us. There is an abundance of opportunities that we are missing because of lack of staffing. The funding for which does not need to be used from AARP, it could be budgeted into the project if they were bonding. This position would be for assistance with special projects only, not for other administration tasks.

Gallagher questioned if instead of an employee, if this could be 1099 subcontractor to help with the variability of the hours. Elsesser noted that there could be liability issues with that. However, the Capitol Region Council Governments is looking into hiring this type of position that we may be able to contract from.

Elsesser wanted to simply start the discussion, but it is a broader discussion to be had. Doesn't want to waste important time working on this if it is going to be an immediate "No".

6. 2022 OPM IGPP Legislative Wrap Up For Municipal Assessment And Taxation

Backhaus noted that this was included as an FYI of some legislations changes that have passed that are affecting assessments and taxations.

Milkovic questioned if the special tax district affects the Lake Associations. Elsesser noted that they are technically Municipalities. The State is now is citing that all these associations will need to report directly to OPM, instead of the Town Clerk. This includes tax information, minutes, records, charter changes, etc.

Elsesser worried about the revaluation system, because they will require the years we need to do it, in line with our peers. Big cities don't like to do this during election years. We need to wait and see how this plays out and get more information. There are also some things that don't affect us, or we are already doing. The real change will be coming along with Motor Vehicle Assessment issue. Also, PA 490 recommended values could help us over time as we have a lot of land in Public App 490.

7. Adjournment:

Gallagher motions to adjourn at 7:57 PM, Milkovic seconds.

Submitted by,

Nicole Archambault

Nicole Archambault

Finance Committee Minutes Clerk

PLEASE NOTE: These minutes are not official until approved by the Finance Committee at the next Finance Committee Meeting. Please see the next Finance Committee meeting minutes for approval or changes to these minutes.