Town of Coventry  
Finance Regular Meeting Minutes  
February 10, 2020

1. Call to Order: Matt O’Brien called the meeting to order at 7:00. Present were Matt O’Brien; Richard Williams; Julie Blanchard; John Elsesser, Town Manager and Amanda Backhaus, Finance Director. Matt noted Lisa Thomas to be absent and Julie will be seated in her place.

2. Acceptance of Minutes: Richard Williams moved to accept the minutes of January 13, 2020. Julie Blanchard seconded. Julie noted one correction – her last name is incorrect on page 4. Motion passed unanimously to approve minutes as corrected.

3. Reports:
   A. Committee Chair: Nothing to report.
   B. Committee Members: Nothing to report.
   C. Finance Director: Amanda reviewed her reports. She noted tax collections through January 31 were 96.13%, however payments were on time through February 3. Looking at collections through February 3 brought the Town to 96.76%. Including the ECS payment received, total General Fund collections were at 86.83% which is in line with prior years. Amanda noted expenditures for the Town and BOE were in line with prior year and no major issues or transfer needs have been identified. Amanda reviewed COVRRA and Sewer Use – nothing collection rates to be up in both funds. For department updates, Amanda noted the tax department was busy with collections in January and the last property for tax sale is scheduled for April 1 at 10:00 am. She noted the assessor completed the 2019 Grand List which resulted in an increase of 4.6% due to revaluation. She noted she included a report this month on crumbling foundations with her monthly reports. Matt O’Brien inquired how many properties have been returned to the Grand List. Amanda noted 7 properties were added back to the 2019 Grand List and confirmed we currently have a reduction of $4.5 million due to crumbling foundation properties that have been removed. Amanda noted Finance has applied for a PEGPETIA grant to replace our video recording equipment for both the Town and BOE and are hopeful that we receive it – even if they grant us slightly less than requested it would still be a big help. Richard Williams asked in going forward Amanda could add a monthly expenditure column to her summary within her report. Amanda noted she will do that going forward. Amanda noted the BOE meets on the 13th so no additional reports have been received from last month.

Matt O’Brien requested that the Committee skip over 3.E. and review that last. Committee members were in agreement.

4. Pension Valuation: Amanda noted included with the agenda was the July 1, 2019 actuarial valuation. In addition were the most recent minutes from the Pension Committee. She noted that at that meeting, the Committee opted to note rebalance
the pension assets to 60 equity/40 fixed. The plan is currently at 65/35. In addition, the Committee did not come to an agreement on their recommended budget contribution for FY21. There will be a special meeting this Wednesday February 12 to review that. Matt O’Brien noted that Council members are encouraged to attend and that he intended to go.

Amanda noted in addition to Coventry’s reports, we have included the fiscal municipal indicators for pensions provided by OPM. This outlines each Town in Connecticut and shows their contributions and funded ratios as of June 30, 2018. The Committee discussed what a ride range of funded ratios there were across the State and how the majority of towns always contributed the full ADEC. Matt O’Brien pointed out the plan for the Town of Bristol. He noted their Finance Director attributed the funded level to great investment returns. Amanda noted she will follow up with Bristol to see which investment advisors they use.

John noted he also attached a recent presentation that was presented by a pension attorney who had reviewed the State’s plans. John noted it was very informative and shows a grim outlook on the State’s plans.

5. COVRRA: Amanda noted she has included quite a few documents to review the COVRRA budget. She projected the change in hauling and disposal fees – which will be an additional $36 thousand in expenditures for this year. She then projected the revenue based on the current rates and updated number of units. Looking at the projected expenditure increases, including disposal, salaries etc, we would be looking at using over $200 thousand of fund balance in order to cover the expected costs. She noted that per unit – that is over a $40 increase. Matt O’Brien noted that he reviewed fund balance for COVRRA after the rate were reduced a few ago. Even after rates reduced, COVRRA was still incurring a surplus each year. Richard Williams stated that at that time it was the right thing to do. John Elsesser noted that at the time we reduced the rates, we knew it was going to be temporary. Amanda agreed that the fund balance had been fine after the rate reduction and stated that the biggest issue was the change in recycling fees. John Elsesser noted we have had over a $50 per ton swing in the recycling – which we are now paying $30.90 per ton rather than receiving revenue. Matt O’Brien noted that he agrees the fees will most likely need to be raised for the FY21 budget and that he would like to get information out to taxpayers so they can understand the reason why. Julie Blanchard agreed, noting the recycling numbers will support the increase. Amanda noted she will include additional explanation in this year’s budget documents. In addition she will attempt to get comparisons from other Towns to show how Coventry’s rate is still very low.

3.E. BOE Year-end Encumbrances as of June 30, 2019: Matt O’Brien asked Amanda to explain the two reports. Amanda noted the report “Account Purchase Order History” outlined all encumbrances as of year-end and the second report showed what had been spent after year-end. Amanda noted that some of this encumbrance list is classified as accounts payable at year-end. If an item has been received by June 30
not paid, then it is AP. If an item is ordered but not yet received then it is an encumbrance. She noted of the BOE’s full open purchase order list, $297 thousand was AP and $289 thousand was an encumbrance. Currently there is $45 thousand remaining of unspent encumbrances and she expects one additional draw down of that funding. Amanda distributed paper copies of the listing of Town encumbrances at year-end. The Committee noted the report was rather confusing and hard to work with. Amanda noted she will work with Bob at year-end to get a better report. She is unsure of the BOE system’s reporting capabilities but will see if she can at least get it in excel so she can tidy it up. The Committee asked if Amanda can follow up with Bob to find out what was remaining open. Matt O’Brien asked what the Finance Committee could do to ensure that the BOE only carries forward valid encumbrances at year-end. Amanda noted the Town could do a policy. John asked Amanda to pull the definition from the GFOA guidance which we can distribute to both Town and BOE staff near year-end.

6. **Adjournment:** Motion to adjourn made by Julie Blanchard at 9:03 pm to adjourn the meeting. The motion was seconded by Richard Williams and passed unanimously.

Respectfully Submitted,

Amanda L. Backhaus, CPA  
Finance Director

*Note: These minutes are draft/not official until approved by the Town Council Finance Committee at the next Finance meeting. Please see subsequent meeting for approval or changes to these minutes.*