

**Town of Coventry
Finance Committee Minutes
February 15, 2022**

1. **Call to Order:** Robyn called the meeting to order at 7:01 pm. Present were Robyn Gallagher, Marty Milkovic, Julie Blanchard, Lisa Thomas, John Elsesser Town Manager and Amanda Backhaus Finance Director.
2. **EMS Fund Discussion:** Item was delayed until staff were able to attend.
3. **Acceptance of Minutes:** Motion made by Marty to approve the minutes from January 10, 2022. Motion seconded by Julie. Edits noted:
 - a. Page 1, Section 1B, Line 2 should read "Until Finance's next meeting"
 - b. Page 3, Section 6 – Line 1 strike "as a"
 - c. Page 3, Section 7 – Line 5 strike should read "This increase in" rather than "This increase is"

Motion to accept minutes as amended passed unanimously.

4.A. Committee Chair: Robyn sees this as kick-off for a challenging budget season. She thanked everyone for their hard work to date and hard work to come. There are definitely particular challenges for this year's budget. Also, she wanted to review capital projects funding and what was available. She noted we some have large balances in the Capital Fund and she would like to review them at the next meeting. Amanda noted she will attach a summary to the next meeting's agenda.

4.B Committee Members: No items noted.

2. **EMS Fund Discussion:** James Mcloughlin, Fire/EMS Director and Bud Meyers, Fire Marshall arrived at 7:09 to discuss the status of the ambulance fund. A copy of the information that was distributed is attached to the end of these minutes.

Jimmy provided a brief history on the EMS fund and ambulance services. When COVID began we needed to limit first responders to exposures. 24/7 coverage began in March 2020 on a month-by-month basis. In September 2020 Council authorized 24/7 coverage on a permanent basis. At that time, we had anticipated revenues received for ambulance charges would almost cover the cost of the increased services. One of the biggest drivers is the reimbursement rate of Medicare and Medicaid. The bulk of our ambulance transports are Medicare or Medicaid and the Town only receives 50% or 30% of the ambulance charges, respectively. Medicare is set by the Senate but Medicaid is set by the State and could be changed through legislation.

Jimmy discussed a few items we have done to try to increase revenues and decrease expenses, including:

- Long-form application to the State of CT to increase our allowed ambulance charges. We were able to receive a catch up provision which helped increase our rates.
- Monthly review of distribution reports from our third party billing vendor to send delinquent accounts to collections.
- Reduction in ambulance fleet to save on maintenance costs.

Further, Jimmy discussed possible solutions to help support the ambulance services, including:

- Seek legislative changes for higher reimbursement rates for Medicaid.
- Explore the option for a live in volunteer program with a neighboring college
- Explore the option to return to volunteer ambulance services. This option is risky as volunteers can always call out sick or not show up. Vintech provides 100% guarantee that ambulance services will be available to residents.

Marty inquired about current volunteers. Jimmy confirmed volunteers currently man the second ambulance if second calls come in. They have been very successful with this. It is important to note that when a call comes in, dispatch alerts us. If they do not hear back within 5 minutes, they reach out again. They wait an additional three minutes to then call mutual aid. This is a significant amount of time for a resident who is in need of emergency services.

- Currently researching charging for non-transport related calls in which medical services are provided.
- Reviewing option for per diem paid staff schedules rather than 24/7 coverage. They are still performing a cost/benefit analysis on this.

Robyn noted this is all great but does not help with the Fund's current status in FY22 or next year in FY23. Amanda discussed the idea to have a separate line item for EMS transfer within the budget. Robyn noted we need to communicate to tax payers and that presentation to the public is very important. John noted it is important to also keep volunteers. Robyn noted some changes discussed will take some to implement.

The Finance Committee thanked Jim and Bud for attending and all of the information they provided.

4.C. Finance Director's Report: Amanda reviewed her monthly report.

4.D. Monthly Finance Reports: No questions identified.

4.E. Board of Education Fiscal Reports: Julie noted a DR3 report within the EFS regarding in-kind services and how large the dollar amount. John noted that this amount can change from year to year due to capital and one-time expenditures.

5. **FY2023 Budget:** It was noted that these attachments are carryforward items to be kept in mind as we go through the budget process. John noted he will submit for intern intent during this week.
6. **CHS Walls:** It was noted this item is not yet ready for action. Robyn asked when we were expecting the report from the engineer. John notes we do have the contractor lined up. He will send a reminder.
7. **American Rescue Plan Funding:** John went through the updated list of possible ARP uses. John noted priorities are to make up for lost revenues, fund non-recurring costs, to try to clear

the deck of issues as well as share the money with multiple departments. John discussed the following:

- Increase in Fire Administrator vehicle costs
- Police Officer: phase back 50% into operating budget, fund 50% with ARP
- Nutanix: IT backup solution for both Town and BOE. Currently half is proposed in the BOE operating budget.
- Assistant Town Manager position: John noted possibility to fund a portion through here and phase in the cost to the operating budget. This number can also be adjusted based on hire date.
- School HVAC: This amount would cover the additional funds needed to complete the High School units only. There is still potential for grant opportunities for this although John does have some concern about timing with other capital projects.
- School Air Conditioning: BOE capital request for front offices at GHR and CGS
- Fiber run: additional runs between the Town Hall and BOE.
- Library windows and roof: The windows are a bid alternate in the upcoming renovation project but were not included the base bid. John does not think we will have funding for them. The roof is the older portion not being done with the renovation which is 35 years old and currently leaking.
- Tree removal
- Relocate transfer station: John noted this has increased from \$200k to \$250k based on recent design work. In reality based on the design work received we might realistically be looking at \$500k.
- Police AC units
- Lisicke kayak launch: includes launch and addresses ADA accessibility
- Miller Richardson design work
- South Street Fire Station generator
- Fire gear and special equipment
- GIS base map update
- Electronic document management system

Other possible funds are listed on page 2 –including some larger projects and the concept of funding lost revenue to funds who are in deficits due to COVID issues (ambulance, recreation, insurance).

8. ARP Cultural & Arts Grants: Amanda noted the Review Committee met regarding the Cultural and Arts programming grants that were previously authorized. The Committee is currently recommending awards to 6 of the applicants, totaling \$26,600 of the \$36,600 available. She noted there are two additional applications but the Committee has requested additional information prior to recommending an award. Motion made by Marty and seconded by Julie to recommend the Council award the grant awards as outlined. Motion passes unanimously.

9. Review of Fiscal Management Policy: Motion by Julie, seconded by Marty to table this item until the next meeting. Motion passed unanimously.

10. Board of Education Request for Adjustment to the Reserve Fund Policy: It was noted the BOE has requested to increase their non-lapsing account to be able to transfer up to 2% at the end of the year rather than 1%. Audience member and BOE Chair Jen Beausoleil was acknowledged by the Committee. Jen noted this fund has been instrumental to the BOE over the past few years and has allowed them to complete several projects that were included in the Town Manager's capital plan early. Robyn noted agreement with this and noted the fund has been used well in the past to fund future capital purchases as well as unexpected emergency expenditures. Amanda reviewed a set of questions that had been submitted from John French. It is important to note that the Council still gets to approve the transfer each year and any emergency uses. Motion to recommend the Council revise the Non Lapsing Fund Policy to denote 2% rather than 1% was made by Marty and seconded by Robyn. Motion passed with Julie opposed.

11. Creation of Severance Fund: Motion by Julie, seconded by Marty to table this item until the next meeting. Motion passed unanimously.

12. Auditor Appointment or RFP for FY22 Audit: Amanda stated that she had emailed several towns that are considered comparable to Coventry to see what audit firm they use and what their current fees were. This information has been attached to the agenda. She noted that she had received a quote from our current auditors for FY22 at \$57,600. She noted it was up to the Finance Committee to decide if they wanted to accept this offer to extend or go out to bid. Robyn noted Granby's audit fees are much lower than ours and she would be in favor of going out to bid. Amanda noted it had been several years since Coventry had gone out to bid and it is never a bad thing to do. John reminded the Committee that there are very few firms with municipal expertise that would be considered. The Committee agreed to a consensus to go out to bid for audit services for FY22.

13. Collector of Revenue Surety Bond: Amanda noted that we recently has turnover in our Revenue Collector's position. Previously the Revenue Collector had been bonded through CIRMA. It had come to her attention that now that the Town had CIRMA's crime policy, there is no need to bond staff, but wanted confirmation from this Committee before formally not bonding. Members asked for a copy of the Crime Policy. Amanda said she will distribute that and we can revisit this topic at next month's meeting.

14. Executive Session: Robyn noted that there was no need to hold the executive session at this time.

15. Adjournment: Motion to adjourn at 11:01 pm made by Marty. Motion seconded by Julie and passed unanimously.

Respectfully submitted,

Amanda L. Backhaus, CPA
Director of Finance

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