

**Minutes**  
**Town Council Finance Committee Special Meeting**  
**June 13, 2022**  
**6:30 PM**  
**Town Hall Conf. B and Virtual meeting**

Video Link to Meeting: [6-13-2022 Town Council Special Finance Committee meeting \(viebit.com\)](https://viebit.com/join/6-13-2022-Town-Council-Special-Finance-Committee-meeting)

**Call To Order, Roll Call:**

The Meeting was called to order by Chair Robyn Gallagher at 6:35 PM

Members Present:

Robyn Gallagher, Marty Milkovic, Julie Blanchard, Amanda Backhaus (Finance Director), John Elsesser (Town Manager), and Lisa Thomas (Council Chairwoman)

Also Present:

Nicole Archambault (Minutes Clerk-Remote)

**Acceptance Of Minutes: May 9, 2022:**

Blanchard moved to accept the minutes, Milkovic seconds.

No Discussion

Vote: Unanimously all in favor

**Reports:**

Committee Chair: Gallagher expressed disappointment in the budget referendum failing to pass, will be discussing next steps later in the agenda. She believed the budget provided for the community in a fiscally responsible manner, but understands that the economy is hurting Coventry citizens causing influence on their votes.

Committee Members: Milkovic also expressed disappointment and understanding. The Town is trying to provide services that people need, and need to figure out a way to provide it to them.

**Finance Director's Report & Monthly Finance Reports:**

Revenues are looking great.

Tax Collection Report- at 99.79%

Total General Revenue- 99.99%, thinks we will exceed the revenue budget for the year and not need to use the new fund balance as we have previously.

Expenditures- In line with prior years at 91.86%. The legal line is noted as the only item for the year that could use additional funding prior to year-end.

Board of Ed.- Slightly higher than last year at 82.62%. A chart was added regarding year end budgets with the BOE report as of May 2022 that show an increase of \$433,679 in total funds. This is an estimate based on projections for the next month and where BOE ends up at year-end.

COVRRRA- 101.8%, balance increased from 25 to 42. Expects revenues to increase for the month of June, ending on a positive balance.

Sewer-Balance increase about \$10,000 higher than the previous month. This is in great shape, and includes an increase for FY23. The increase in balance will help fund capital projects.

Recreation- They are projected at a balance of zero, but had a rough start to the summer. There are a lot of upcoming expenditures for the parks and camp. We will need to see how the month of June ends for them.

Made note that included in the expenditures and encumbrances is \$12,000 for fireworks for Coventryfest in July. We expect donations to come from Coventry Cares to contribute to the cost, but it is not anticipated that they will be able to cover entire cost. If entire purchase is not covered, it will cause problems for the recreation fund. Town Council will need to review and consider to fund.

#### Discussion:

Thomas requested further explanation as to why we have that account. Elsesser explained that after the Millennia (2000) there was a surplus and over the years it has disappeared. We have been able to front the costs, to have them repaid, and have never not been paid back. It has been discussed previously that if the money is ever not paid back, then the Town will discontinue to front the funding, and we will not have the fireworks.

Thomas also asked why the non-profit that runs it can't have their own account to fund it. Elsesser explained they don't have the money to do so as they are at a zero balance.

Backhaus also explained that the fireworks purchase needs to be scheduled in advance. In the past the Town has used a purchase order to commit to the purchase, and that the non-profit does not have the ability to make that type of commitment. Elsesser suggested to carry discussion over to next month.

Thomas agreed, but wants to make sure that the Town has answers in case the general public inquires as to why the Town is purchasing fireworks. Needs to be able to provide a deeper response than, it has been what was done in the past. Wants to make sure that it is clear that it is a reimbursable expense covered by CoventryCares. Moving forward would like to see the non-profit fund in advance, so that it is not on the Town's books. Due to scrutiny that goes on regarding budget/spending, she does not want there to be any misunderstanding.

Backhaus will look into history of the fireworks purchasing/reimbursement to have a breakdown and where it started for next month's meeting.

EMS- Similar to last month over \$400,000 deficit for the year. Prior year deficit was just over \$184,000. Thomas confirmed that we will be trying to address this with the AARP funds that have been assigned to the EMS fund to cover the expenses.

Milkovic questioned whether is has already been added to their funds; which it has not. The current year shows expenditures at \$223,778. It was questioned whether this was the case with prior years.

Backhaus indicated the expenditures were based on the budget. In 2021 the Town started the 24/7 ambulance service. That year, you can see the large swing from a positive balance in 2020, to the negative balance at year end. Prior to that service, previous years reflected positive year end balances. AB also noted that

after year end, she wants to provide the June 30<sup>th</sup> deficit report to the Town Council so that they can review for allocation of the AARP funds to cover the deficits. This is still on the list for potential AARP uses. Gallagher agreed that it would be a good use for AARP funding as it would match revenues with expenditures.

Backhaus also included in her report that the second AARP payment will be coming soon. Elsesser wanted to express that it is important that everyone understand that we have not received full AARP balance of 3.6 Million dollars. We have only received half at this point as it is being paid out in two parts. We can't spend all the AARP money until it is received in full. Second payment to be received in the next couple of months will bring the total balance received to 3.6 Million.

Milkovic asked a question regarding the \$423,000 shown in report, that once it is spent on what it is needed to be spent on, will any remaining balance go to reserves. AB confirmed that this will be the case.

Gallagher questioned historically what the swing from the BOE will look like. She wanted clarification as the projections on the report are based on the BOE report from April. She wants to try and plan or anticipate whether the swing could be minimal or a bit larger. AB discussed that the April report showed a balance of \$165,000, and she hasn't seen them give back more than \$5,000 or \$10,000. She thinks that the net changes would put the general fund at \$250,000-\$275,000. Elsesser clarified that there could be a swing of \$10,000 to \$15,000 from the BOE.

Thomas questioned regarding the AARP funds memo that Backhaus received, and if a date was provided as to when the second payment would be received. The memo indicated that the treasury has not sent funds to OPM, and OPM cannot provide funds to the Town of Coventry until it is received by the treasury. AB explained that she feels it will be very soon as the previous payment was received by end of June, so hoping it is received prior to FYE. Under that state law, once the money has been received by OPM from the treasury, they have 30 days to provide it to the Town.

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

*Milkovic moves to move items 5 & 6 of the agenda to be next in discussion, Gallagher seconds.*

*No discussion*

*Vote: Unanimously all in favor*

**Discussion/Possible Action: Recommendation On Year-End Purchasing:**

Backhaus discussed that there could be a surplus of \$250-\$275, and the council can decide what can be done with these funds, including authorizing various projects. Some items surplus can be used on are:

Intern-funded at last Council meeting, no longer applicable

South Street Grant- There is some of the engineering funding, but the project will need an additional \$61,000. Elsesser added that last year Council gave \$99,000 to this project, it's a \$3.2 Million project.

Grant Match-EV Charging Stations- Eversource would match Town spending. First firm that provided proposal was cheaper, but they are unknown and do not have cable management. Elsesser believes the cables would get caught up in the snow plows. Up to 10% (up to a certain amount) of installation is paid for and 50% of the unit is covered by a grant from Eversource. This would allow the addition of two charging stations at Town Hall.

Transfer of Funds to CNREF- Good place for funds to go as it can be allocated to capital needs as they come up. Elsesser made note that we just received 3.2 Million for Daly Road Project, that we will need to start planning for. CNREF funds can aid with this project.

CHS Walls- Firm price had not been provided as of yet and we will not have it by FYE. The contractor is not able to do the work this summer. This is an ongoing project that we know needs more money, so we can assign any amount, or an 'up to' amount to save for this when project is ready.

Beach Police- covered at last meeting

Sick and Severance Pay- Has been discussed previously. In August there is a \$46,000 pay out to one person. It is smart to start this fund, whether a \$40,000 or smaller amount to reduce impact come August. Also noted that over the next couple years there are approximately 10 people who will be receiving significant pay outs.

Legal Shortage- AB requests that this is not paid from the 1.5% surplus as there is savings in the debt budget as part of the regular operating budget that she will propose a transfer to cover that cost of \$15,000 at next council meeting. She took that into consideration when estimating the \$250,000-\$275,000.

Engineering for Daly Road- Will need more funding for this project

Transfer Station Project- Bids came back higher than expected. Additional money allocated here would be useful.

Softball Field Project- Anticipated increased costs with this project as well.

Discussion:

Elsesser also made note regarding the school roofs and their increase in price. State estimated the costs will be \$50. The Town has only budgeted \$20. This cost is more than double the costs from 2 years ago and will require additional funding.

Milkovic questioned when the Daly Road project money will be needed. Elsesser explained it will be needed over the course of a couple years. Construction would be about 3 years from now. Designs would need to be started this year starting in July or August, so they have a year to design and survey. So approximately over 2 Fiscal Years. Also noted that the transfer station came in \$200,000 over budget. Will be working on what can be changed to reduce costs. Elsesser will be having additional meetings to discuss final pricing and budgeted needs for the other projects as no final dollar amounts have been given.

Gallagher shared that since there are no final dollar amounts for some of these additional projects (CHS Walls, Daly Rd., Etc.) that the money be allocated to CNREF, and these projects can pull funding from there when ready and needed. Elsesser noted that there is a charter limit to what can be added to CNREF total amount.

Gallagher suggests: funds be properly allocated as listed to Intern (\$16,500), South St. Engineering (\$61,000), Sick and Severance (\$40,000), Beach Police (5,000), EMS deficit (\$90,000 as this is a firm expense), CNREF (35,000). This in total will bring us just under \$250,000. It'll free up AARP funds which can then be used for Transfer Station, it matches revenues and expenditures, and puts additional funding in CNREF so that it can be used for any future project.

Elsesser made note for the record that two of these items have already been approved by council, so he wanted it made clear that these items were not being doubled/allocated twice for the same thing.

Milkovic discussed the EV charging stations and questioned the amount of the grant. Backhaus explained that the project is \$38,401 total, and the grant is estimated to cover \$20,000, more than half of the project.

Thomas discussed the total of items that Gallagher had listed. Gallagher explained that she aimed under \$250,000 as a conservative estimate based on what we currently have and in order to not over shoot the Finance Director's projections as well as assume the BOE will spend the majority of their budget. Total of spending adds up to \$247,500.

Elsesser explained historically we have been in the ballpark of \$250,000 going back into general funds. We have been able to do this since revenues have been more than expenditures.

Thomas questioned the \$90,000 to go to the EMS fund deficit and that Gallagher suggested it to come from the general fund surplus instead of the AARP funds. Gallagher explained that had we budgeted correctly for the EMS service costs, it would have reduced this year-end surplus regardless. Doing this continues to balance the revenues and expenditures. It was noted that this will only address the deficit this year, not fix the budget for next fiscal year.

Backhaus noted that previous years, we have been consistently been receiving \$200,000 back. Milkovic stated that it is beneficial we are over that this year at \$250,000. He also expressed that he did not want to lose the other half of the grant for the EV charging stations. He suggested that the \$18,401 go toward year end spending to the EV charging stations from the \$250,000.

Gallagher questioned the use that the existing EV charging stations received. Elsesser stated he was often unable to charge his vehicle. Those in attendance agreed that they have heard these concerns before. Gallagher expressed her hesitation to include this item in year-end spending as the scope of community use is limited due to not all residents having electric vehicles. It only directly impacts those visiting or working at Town Hall. Backhaus noted that in the evenings and weekends residents have come to Town Hall to hang out and charge their vehicles. Elsesser explained how the EV charging station would be in use. Milkovic noted while the scope of use is limited, that applies to other items suggested to receive funding, like the Beach Police. Not all residents use the beach. Gallagher explained that her understanding was that it would be a much smaller subset of the population using EV chargers, as compared to the Softball Field Project. She also explained that the items on her list are items that have already been committed to. She felt the EV Chargers were a new item. However, the committee will only be recommending to Town Council proposed year-end spending, which can and most likely will discuss in greater detail. Thomas explained that the EV charging stations are not particularly new as the Town has made a commitment to 'Go Green' and reduce energy consumption. It is part of the goal of sustainability for the Town, and expanding the types of services/opportunities that are available. She also thought to inquire on the number of electric vehicles in town. Elsesser made note that the current EV charger that is available is a level one, and the new one, if purchased, would be a level two which enables faster charging. Higher levels are not an option as we do not have the electricity to power them.

Gallagher questioned whether we could pull the money out of CNREF in the future for the purchase and installation of new EV charging stations. Elsesser explained that the grant is first come first serve, and when the money is gone, it's gone. Recommend against stalling, as this is a really good opportunity. There will be other options in the future, but none as good as this. He also added that the grant has been open for approximately 2.5 months. Milkovic suggested we recommend the list to Council with the EV Charging Stations added in as a second option. Then the Council can discuss it as whole and make a decision.

Elsesser added that by year-end the BOE will probably purchase new EV charging stations too. It really benefits those who have these cars and are showing up to work. Gallagher questioned if it is known where the new charging stations would be put. Elsesser explained they have 2 options should they choose to purchase. Gallagher doesn't want to have both BOE and Town Hall purchase them and have them in the same parking lot. Suggests an additional recommendation to Town Council, reducing the EMS deficit spending from \$90,000 to

\$70,000 and using the difference for the EV charging stations. Milkovic made a comment that we are \$50,000 over where we were last year. Gallagher expressed that the only reason that is true, is because the budgeting for the EMS services was not done appropriately. If we had, we wouldn't be \$50,000 over, but \$100,000 under.

Milkovic moves that Gallagher's original list (Intern, South St. Engineering, Sick and Severance, Beach Police, EMS deficit, and CNREF) of year-end spending be recommended to Town Council for approval, with the alternative option of the same as above with the reduction of \$20,000 from the EMS Deficit spending to be allocated to new EV charging stations at Town Hall. Gallagher seconds.

No further discussion.

Vote: Unanimously all in favor.

**Discussion/Possible Action: Nip Bottle Revenue Use:**

Projected nip sale for 2020 was \$17,056, of which we have received \$7,163. This money has specific uses it needs to be allocated for. We should plan or discuss how it should be used, so it is used correctly.

Thomas questioned if it is something that could be accumulated for a couple of years so that it could be a substantial use. Elsesser advises against it, because the spending is monitored by the liquor industry. The funds should be used in a timely manner to advocate for recycling, encouraging the nip pick up, and discouraging the littering of this item. Options were discussed as to having specific groups pick them up, fund education on the matter, or place bins in popular areas of disposal. Gallagher questioned if there is something recycling related we can do at the transfer station to make use of these funds, and it is a possibility according to Elsesser.

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

The attachment on the agenda showed what has been approved, what the remainder of funds are, as well as potential uses.

Blanchard questioned what has been approved and what has been spent, to follow the list better. Backhaus explained which items have been approved on the report and that the total authorized spending so far has been 1,239,800.11, leaving a balance of 1,388,054.46 to be authorized for spending. Backhaus explained that in her spending report for next meeting she can detail which items are encumbrant and what has been actually been spent from the AARP funds.

Milkovic brought up a question regarding crumbling foundations, and more information regarding the matter. Backhaus explained that the new Assessor, John Preisner, can help obtain some new information for/with her for next meeting.

**Adjournment:**

Milkovic motions to adjourn at 7:22 PM, Blanchard 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.*