Minutes
Town Council Finance Committee Special Meeting
July 8, 2019
Town Hall Conference Room B

1. The meeting was called to order at 6:30 PM.
   Present: Carolyn Arabolos, Mike Sobol, Joan Lewis, Lisa Conant (arrived 6:34 PM)
   Also present: Amanda Backhaus, Finance Director; John Elsesser, Town Manager (arrived 6:39 PM).

2. Acceptance of Minutes:
   Mike Sobol moved to accept the minutes of the Finance Committee meeting on June 13, 2019.
   The motion was seconded by Joan Lewis and carried on unanimous vote.

3. Reports:
   A. Committee Chair – Carolyn Arabolos: No report.
   B. Committee members – No reports.
   C. Finance Director – Amanda Backhaus: Amanda reported on the year ending 6/30/19. There are still a few revenues trickling in – for financial reporting purposes there is a 60-day rule. July and August of 2018 went into last year and this year will do the same.

   Carolyn Arabolos asked if there are any concerns. Amanda replied that we did not collect as much as we billed, but we collected enough to cover expenditures. There is excess enough to cover the additional appropriations we made.

   Lisa Conant arrived at 6:34 PM.

   Mike Sobol asked if there was something different this year. Amanda said not really. We got a little more activity from the tax sale preparations so we got some payments in this fiscal year.

   Mike asked if there is any way to investigate lost revenue. Amanda said she can check. She imagines that the majority will be property. We are looking good for year end. The numbers will change a little bit over the next two months but the report does include the last payroll. It also includes appropriations that were made and we are still turning over $145,000. Amanda did a summary on the Board of Education for what we have in the ledger. Their latest report shows they want to give back $10,000. The most important part is on page 3 – the year end analysis showing where we are in comparison to the final budget. Revenues are over and expenditures are under. The Board has obviously had some changes since their May report but their request indicates they will have $60,000 in addition to what they want to turn back to the Town. Mike Sobol said he fully supports the transfer to capital that the Board has requested. He asked where we are with percentage of fund balance. Amanda said we will be flat or have a slight decrease. As the budget goes up that number becomes less.

   John Elsesser arrived at 6:39 PM.

   Amanda said that COVRRRA decreased slightly from the previous month. A budget to actual comparison was done. Revenues are right on track. The change in the fund was due to an increase in expenditures. The scale broke at the transfer station so we are going to need to replace it. Mike Sobol asked if we need to make any adjustments in the future. Amanda said yes, she thinks we will need to look at that. Mike asked what the impact is of a $10 reduction per
household. John Elsesser replied we have 4700 households. Amanda said this is the first year that the fund has lost money in a really long time. She doesn’t think it is a problem to take a loss for this year but we should look at it in the future.

The Sewer fund anticipates an increase of $23,000. We haven’t raised rates in two years.

The Recreation fund balance has gone down a little bit due to various renovation projects. John Elsesser noted that beach use has been good. We received $4,000 in revenue over the holiday.

The Tax collector spent the month balancing the grand list and mailing out tax and trash bills. They are looking at a tax sale in September. The Assessor is up to date with transfers. Revaluation is still going on with field visits underway. Finance is wrapping up the fiscal year. We are doing an analysis of year end purchasing. We are also doing open enrollment for the PPO plan and set-up for the new year. The banking RFP will go out in the next month or two after John Elsesser does a final review. The auditors will be out for planning 7/24-26 and then will be on site in October. We are expecting a smooth process.

Mike Sobol asked where we stand on getting volunteers to apply the stickers on recycling barrels. John Elsesser replied that we are trying to hire summer workers. He has forwarded applications from several candidates to Mark Kiefer to interview.

D. Review/Discussion - Financial reports:
Financial reports were reviewed. Amanda noted that the July reports do not contain a great deal of information because it is so early in the fiscal year. Mike Sobol noted that the May update to the summary that Amanda created for the Board of Education shows a negative of $228,000. Amanda replied that would be the transfer request that is on your agenda right now. Mike said he is glad that Amanda did the report this year - it gives us a dialogue and way to track changes. John Elsesser said they did a lot of capital expenditures – the track, irrigation, etc. Amanda said she hasn’t seen anything on the track. They did the irrigation out of the facilities fund. Mike said if you’re going to spend money at the end of the year at least it is part of the plan.

4. Board of Education: Request to Move $60,000 of FY19 Unexpended Funds into the Board's Reserve Fund for Capital Expenditures:
Amanda Backhaus noted that the motion the Board passed is slightly different than the Superintendent’s letter. It is not appropriate for us to have an open-ended amount. We need a solid number by August. John Elsesser said there has to be a point where we know that we are done, so the number the Council authorizes needs to be “not to exceed.” We need to be able to close our books. Lisa Conant moved to recommend moving up to $60,000 in unexpended FY 2019 funds to the Board of Education’s Reserve Fund for Capital Expenditures. The motion was seconded by Mike Sobol and carried on unanimous vote.

5. Moody's Annual Issuer Comment Report:
John Elsesser noted that this document was provided for informational purposes. He thought it was very positive. Joan Lewis said that it points out fund balance. John replied that Connecticut is an outlier compared to other states. We don’t have rules that limit our taxing capability. The report points out that our pension is strong, and we have a lot of good strengths. It does reaffirm the need to increase fund balance.

6. Hooker & Holcomb: Municipal Pension & OPEB Report:
Amanda Backhaus said she did a comparison of highlights. We are still using an investment return assumption of 7.1% - we are on the high side. The Pension Committee didn’t want to
change it. John said we are going into the AFSCME units in the fall. Comparatively speaking we are in good shape.

7. **Adjournment:**
The meeting was adjourned at 7:17 PM on a motion by Lisa Conant, seconded by Mike Sobol and unanimously approved.

Respectfully submitted,

Laura Stone
Town Council Clerk