Minutes
Finance Committee Regular Meeting
August 10, 2020
Town Hall Conference Room B

1. The meeting was called to order at 7:00 PM.
Present: Matthew O’Brien, Julie Blanchard (via Zoom at 7:03 pm), Richard Williams, Lisa Thomas (via Zoom)
Also present: Amanda Backhaus, Finance Director

2. Acceptance of Minutes:
Richard Williams moved to accept the minutes of the Finance Committee meeting on July 13, 2020 seconded by Lisa Thomas. The following corrections were identified:

- Page 1 – third bullet – should be “for, for FEMA”
- Page 2 – last paragraph second sentence – missing “how”
- Page 3 – second paragraph – first sentence - should be “Lisa noted that we did receive”
- Page 3 – second paragraph – second sentence – add “services” to end of sentence
- Page 3 – second paragraph – last sentence – word “to” is missing
- Page 3 – last paragraph – add “make a” to the sentence regarding Lisa’s motion
- Page 4 – third paragraph – second line – “ball” should be “ballot”
- Page 4 – first paragraph – sixth line – “chooses” to “chooses”
- Page 5 – item 6 – third line – add “information” after “additional”

The motion to accept the minutes as amended carried on unanimous vote.

3. Reports:
A. Committee Chair: Matthew O’Brien: Matt noted we did meet with the BOE Finance Subcommittee and received a partial update on school reopening. Matt thought it was a good meeting, unfortunately, there was not enough time to go over the full list of questions that Matt had provided to Bill. Matt noted he had provided the questions so hopefully the BOE follows up after with responses to the unanswered questions. Amanda said she would inquire.

B. Committee Members: Nothing to report.

C. Review: Finance Director – Amanda Backhaus:
Amanda Backhaus gave highlights of her monthly report. Tax collections for July are at 55,755 which is in line with the prior year. Matt noted collections should be over 50% as auto tax bills are only sent out once a year in July rather than twice a year like other tax bills. Amanda made note that the Town Hall staff was very pleased with the use of the online payments and the drop box – the Town Hall was able to accommodate in-person payments in a safe manner. Matt inquired why total collections were lower than last year. Amanda noted August 1 feel on a weekend this year, so the last day for on-time tax payments shifted to Monday August 3. Total collections are in line with expectation once we take into account the final day of tax collections.

Amanda noted expenditures are slightly higher this year than the prior due to there being three payrolls in July this year. She noted she intended to discuss staffing needs – the budget that was approved did not have the Town filling the current vacancy in the police department and Chief Palmer feels very strongly that we need to move ahead with filling that vacancy. Amanda noted today we had a sergeant submit his resignation so the funding concern related to this is no longer
an issue. Chief will move forward trying to get an applicant into the academy for September or hire a trained officer from another town.

Amanda noted that the BOE is slightly higher than last year – again due to the third payroll in July. Matt asked if going forward in FY2021 if the BOE COVID expenditures would be captured in this expenditure number or would they be separate. Richard noted that he watched the BOE meeting and they outlined a new way of accounting and reporting which would clearly breakout COVID costs from normal operations. Amanda noted she is interested to see how that is presented next month but would expect the BOE to include COVID costs as part of their total general fund expenditures.

Amanda noted she updated the year-end estimates for fiscal year 2020. There was brief discussion regarding this – including that the $100,000 transfer to the BOE’s carryover account is included in the BOE expenditures and that the $473,741 was overall – including savings from both the Town, debt service and the BOE. Amanda confirmed the BOE number is through July 13 – the most recent report received.

Matt said he had a few questions relating to COVRRA. He noted we are projecting to end the year at $67,389 but if you look at the remaining revenue we plan to collect – it should more than cover what is listed under expenditures and encumbrances. Amanda noted the projected balance is calculated based on what was approved in the FY21 budget. She expects there to be additional expenditures throughout the year that will increase that number and feels the projected balance is still reasonable.

Matt noted that for recreation that the budget had a loss of $52k and the actual for the year was only $50k so recreation actually did better under COVID circumstances. Amanda noted the year-end projected balance for FY21 was a negative. She said they are hopeful that will not be the case this year due to COVID savings, but that everyone should be aware this fund might be in trouble at year-end and might need additional support from the general fund to continue services. Richard noted it his understanding that recreation is partnering with the Board of Ed to provide afterschool program. Amanda noted she has had discussions with recreation about afterschool and last she knew they were still in the planning stages. She is unaware of plans to work with the BOE but she will follow up with recreation and get an update for the Council.

D. Review/Discussion Monthly Finance Reports:
Matt asked if anyone has questions about CNREF. Amanda confirmed we have $87,000 in the current budget and the $99k that was authorized at year-end was included in her reports last month.

E. Board of Education fiscal reports:
Matt noted that the BOE did provide a transfer at the end of the fiscal year.

Matt asked everyone to turn to the BOE management report. He noted there are a number of questions that he still has even after meeting with the BOE. He noted the travel account in particular – which had $0 balance at the end of March, $0 in April and then by the end of the year there is now a surplus of $7,000. He noted the BOE included costs from this line in the COVID savings calculation as they did relate to COVID but this line had savings that were not realized until after the schools were closed due to COVID which not only covered these costs but also generated a surplus. He does not see how this would not be additional COVID savings. Matt outlined a similar situation in the pupil services account – which was minus $1k in March, and then in April and May it was $11k with the comment “potential COVID savings”. Eventually
this increased to $21,254 by the end of the year in an account that had been identified early on as potential COVID savings but after applying COVID costs additional COVID savings were not identified. Matt notes he thinks the BOE determined the number they wanted to give back to the Council and then found a mechanism to do regardless of COVID savings identified after the schools closed. If an account was not projected to have savings and it generated savings after the schools were closed, Matt is unsure of how it would not be considered COVID savings. Richard asked what the correct method is for determining that. Amanda noted the accounting is fine – however she is unaware of what criteria was used by the BOE to determine savings versus COVID savings. Richard noted that COVID or not the savings are still reflected as savings. Matt noted we had asked for what the COVID savings were and how they accounted for them – and that is why he was bringing up these issues. Richard agrees Matt is right but at this point it doesn’t matter where they spent the money because the year had ended. Matt knows we cannot keep going back and forth with the BOE but he wanted his concerns noted. Matt said if the reports are accurate and you follow month to month there are many discrepancies with their calculation of COVID savings. Richard noted hopefully this will be resolved in FY21 since they will be accounting for costs differently. Matt noted he had one additional item to discuss on this. He noted at the joint meeting Jen Beausoleil stated that it had been communicated many times that the $32k in the COVID savings calculation were expenses in accounts where there were no COVID savings. Matt noted he sent several groups of questions and had never been told that. Amanda confirmed that had not been her understanding either.

Richard noted he has concerns over the $60k that was transferred into the cafeteria fund. He feels the money is COVID savings and has no reason to be sitting in the food services account at this point. Matt noted originally the justification for the transfer was because they were projecting a shortfall of $60k – but at the end of the year it turned out to be only a $8k deficit. Lisa was asked her opinion on the transfer. Lisa noted she does not feel that is how the BOE explained it to us but if there are still questions then continue to ask them. Richard noted that perhaps the BOE will consider allocating additional costs to the cafeteria fund – such as the annual employer pension contribution. Amanda noted she will ask Bob how he records his employer portion. Matt noted if they make that payment out of the fund – it would make available additional monies for the current year. Richard asked if have any say in how this is handled. Matt noted that we do not have authority over this but can make a recommendation to the BOE.

4. Storm Isaias Debrief:
Matt noted he wanted this item included as he heard there is potential for FEMA reimbursements and he wanted an update on how this would impact the Town. Amanda noted we did not have a lot of hard costs but have significant amounts of labor which is being tracked – including police, public works, fire and our EMS director. We are also getting a summary of volunteer hours which are reimbursable. Amanda noted significant work was done on overtime over the weekend. Lisa asked about the volunteer hours. Amanda noted it is volunteer fire and the reimbursement rate for volunteer hours is set by FEMA.

5. COVID-19 Update – Town and Board of Education:
Matt noted the Governor created a new fund – with an additional $160 million in funding for school districts for costs relating to COVID and the FY21 academic year. Matt noted that the Governor has not spent a lot of the federal money that was awarded yet. He notes it is a good thing that more funding is available and hopes that will help the BOE feel comfortable doing what is necessary to ensure everyone’s safety. Amanda noted the Town’s FEMA application has been submitted and is under review. She has expenses from the BOE through June 30 and will be submitting their application once she receives the invoice and payment backup. Matt asked if the BOE’s total was still the $32k that had been included in the COVID savings calculation. Amanda
confirmed the total is now approximately $90k. It was confirmed any reimbursement received will come to the Town. Matt noted that although additional costs had been incurred since the original $32k, these additional costs were not included in the Board’s COVID savings calculation.

6. **Information Request from Boothe & Dimock Library Board:**
Matt thought at the last meeting that Libby Parda had mentioned additional information was available in relation to their holdings and restrictions on use of funds. Amanda confirmed that Libby will be requesting to share that information at her next Board meeting which will be in September. Matt is hopeful we get additional information. Richard asked about the accounting for the donations. Amanda noted she would assume each donation, along with restrictions, earnings and expenditures would be tracked separately. She noted each donation could have different restrictions on how the principal and interest of the donation is used. Richard asked how we get that information. Matt noted we are hoping Libby provides it after their next meeting. Richard asked if the Library was re-opened. Amanda noted she would inquire. Richard asked about paying employees if they are still closed. Amanda said the Town has a contract for services with the Library. We agree to pay them a set amount and they agree to provide Library services to the Town. We cannot restrict the funds once provided given current contract language. Richard asked if we could request financial information for the past 7 years – including detailed accounting, 990 backup and any other prior year surplus information that might be available.

7. **Adjournment:**
The meeting was adjourned at 8:07 PM on a motion by Richard Williams, seconded by Lisa Thomas and unanimously approved.

Respectfully submitted,

Amanda L. Backhaus, CPA
Finance Director

*These minutes are draft until approved at the subsequent Finance Committee Meeting.*