Board of Finance
Regular Meeting Minutes

Wednesday, December 7, 2022
Town Hall Auditorium – 7:00 p.m.

Present: Glenn Patterson, John Sheehan (arrived at 7:02) Ronald Fedor, Robert Tuneski, Kevin Petchark, Joe Filippetti, David Peabody

Absent: Kevin Petchark

Elected: Jody Nazarchyk, Selectwoman, Dave Camp, Town Clerk

Staff: Kimberly Allen, Director of Finance
Shea Moses, Office Coordinator

1. Establishment of a quorum and call to order
A quorum was established and the Regular Meeting of the Board of Finance was called to order at 7 p.m., December 7, 2022 by Town Clerk David Campo.

2. Public Comment: None

3. Election of Chair:

Glenn Patterson was nominated to be the Chair.

**Motion** by Ronald Fedor and **seconded** by Robert Tuneski to open and approve the nomination.

**Vote: 6-0-0** **Motion Passed.**

**Motion** by Ronald Fedor and **seconded** by Robert Tuneski to move that the nominations be closed.

**Vote: 6-0-0** **Motion Passed.**

4. Election of Clerk:

John Sheehan was nominated to be the Clerk.

**Motion** by Joseph Filippetti and **seconded** by David Peabody to open and approve the nomination.

**Vote: 6-0-0** **Motion Passed.**

**Motion** by Joseph Filippetti and **seconded** by Ronald Fedor to move that the nominations be closed.

**Vote: 6-0-0** **Motion Passed.**

5. **Approval and acceptance of minutes:**
Regular Meeting on November 9, 2022

**Motion** by John Sheehan and **seconded** by Robert Tuneski to approve the minutes of the November 9, 2022 Regular Meeting.

**Vote: 6-0-0** **Motion Passed.**

6. Pending BOS approval to consider and act on a request from Michael Howley, Director of Fire Services, in the amount of $25,000.00 to be moved from designated to appropriated from Capital and Non-recurring line # 20522-57794 Radio Equipment/Communications and forward to the RTM as required.

Finance Director Allen reported that the request was not approved by the BOS. It was discovered that pagers were not included in the original Radio Equipment Capital request, so the item was withdrawn from the BOS agenda.

Mr. Tuneski shared that there are 3 ways of communication in that Fire Departments communicate using radio, pagers and Streetwise. Which is a phone app. He explained that pagers are the best way to get people to respond to fires especially the volunteer fire fighters.

Finance Director Kim Allen, stated that a new request would most likely come back to the board as an unbudgeted item.

Based on information from the Finance Director and Mr. Tuneski no action is required for agenda item #6.

7. Pending BOS approval to consider an act on request from Marc Balestracci, Chief of Police, for an additional appropriation in the amount of $86,016.00 to update/renovate the evidence and armory within the police department.

Police Chief, Marc Balestracci stated the request is to fund two projects: updates/renovations of the Armory and the Evidence Room. This was to be an FY24 Capital Project request, however given time, contractor availability and parts availability the request is being made now to meet a state accreditation deadline February 2025. Chief Balestracci noted he first site visit and inspection as part of the accreditation is in February.

There was a discussion on the updated price changes for each item which now equals a total of $86,016 for both projects.

There was also a discussion from the Board and the Director of Finance on where/which account they would like the money to come from for these 2 projects. The Director of Finance recommended that it come from the Undesignated Fund Balance.

**Motion** by John Sheehan and **seconded** by Ronald Fedor to approve additional appropriation of $86,016 from the Capital and Non-recurring Undesignate line #205-31520 Undesignated Fund balance to a new Capital and non-recurring project number to be created and forward to the RTM as required.

**Vote: 6-0-0** **Motion Passed.**

Chairman Patterson proposed to advance item 16 on the agenda to item 8 and renumber the agenda items accordingly to allow Steve Cardelle, Building Official, to address item 16 and not have to wait through the other agenda items which were exclusively business between the Board and the Finance director.

**Motion** by Joseph Filippetti and Seconded by Ronald Fedor to move Agenda item #16 up to #8 on the Agenda.

**Vote: 6-0-0** **Motion Passed.**

8. To consider and act on a request from Kim Allen, Director of Finance, on behalf of the Building Department for a FY23 Out of Series Transfer as follows:

| Line No. | Org. Code | Object Code | Object Description | APPROVED Budget Amount | CURRENT Available Budget | ACCOUNT INCREASE | ACCOUNT DECREASE | REVISED Available Budget |
|---|---|---|---|---|---|---|---|---|
| 1 | 10118 | 51120 | Salary (Inspection) | 174,632.00 | 152,855.00 | | (35,000.00) | 117,855.00 |
| 2 | 10118 | 52030 | Professional Services | 750.00 | 0.00 | 30,000.00 | | 30,000.00 |
| 3 | 10118 | 52050 | Dues, Conferences, and Education | 5,480.00 | 2,086.00 | 5,000.00 | | 7,086.00 |
| 4 | | | | | | | | 0.00 |
| 5 | | | | | | | | 0.00 |
| 6 | | | | | | | | 0.00 |
| 7 | | | | | | | | 0.00 |
| 8 | | | | | | | | 0.00 |
| 9 | | | | | | | | 0.00 |
| 10 | | | | | | | | 0.00 |
| | | | | | | | | 0.00 |
| | | | | | | | | 0.00 |
| | | | | TOTAL | | 35,000.00 | (35,000.00) | |

Steve Cardelle, Building Official is requesting the Out of Series transfer due to new code books that are needed for the building inspectors due to the new state codes. The code books cost $1,500 each and are needed for each building official and other miscellaneous expenses are associated with the transfer request. He also noted the department's new hire is not licensed, will be taking classes, and also requires code books to be able to be supported.

John Sheehan made a comment that there is a need to get building inspectors so that we do not have to outsource inspectors so that we can keep it in house rather than hiring consultants.

Director of Finance, Kim Allen informed the Board-that the Town has hired a new Planning Director Johnathan Mullin, a Waterford Resident, who may come on board with new ideas on keeping inspections in house instead of outsourcing. Mr. Cardelle noted there is a state wide issue with being able to fill these positions.

**Motion** by John Sheehan and **seconded** by Ronald Fedor to approve the decrease of Building budget line 10118-51120 Salary (Inspection) by $35,000 and increase the Building budget line 10118-52030, Professional Services by $30,000 and increase the Building budget line 10118-52050, Dues, Conferences and Education by $5,000.

**Vote: 5-0-1** **Abstain: Joseph Filippetti** **Motion Passed.**

9. Review and approval of the Board of Finance budget for FY24.

John Sheehan asked about the audit cost and the audit itself. Finance Director Allen mentioned that here were new regulations this year for leases and there will be new regulations next year as well. She also mentioned that she received the draft of last year's audit today and that the auditors still have a few things that need to be fixed. Finally, Director Allen noted and that the RFP for the FY24 audit will go out in February.

**Motion** by John Sheehan and **seconded** by Ronald Fedor to approve the budget for $70,159.

**Vote: 6-0-0** **Motion Passed.**

10. Review and approval of the Contingency budget for FY24.

There was a discussion regarding the funds use and how it is supposed to cover increases within the budget and is generally unanticipated. Ronald Fedor made a point that it typically covers the departments on settling contracts. Chairman Patterson agreed with Mr. Fedor that there may be value in updating the budget guidelines around known contract settlements. John Sheehan made a comment that it always ends up unexpected because the departments were generally told no when they asked during the budget cycle.

**Motion** by John Sheehan and **seconded** by Robert Tuneski to approve the budget for $265,000.

**Vote: 6-0-0** **Motion Passed.**

11. Review and approval of the Debt Service budget for FY24.

Mr. Fedor raised a question at the numbers and stated that the interest is increasing where the principal is decreasing, as he looked at the history.

Kim Allen stated that a couple of bonds do not have flat rates and the interest rates fluctuate. John Sheehan made a comment about having all graphs in color versus black and white. Kim Allen assured him that the book would be in color.

Chairman Patterson discussed the bar graph on page 2 and the expenditure history and raised questions about the numbers ranging from 7.5 to 8.1 million. Kim Allen states that the payment went up in FY22 ($7.9M), down in FY23 ($7.1M), peaks in FY24 ($8.1M), and then comes down.

**Motion** by John Sheehan and **seconded** by Robert Tuneski to approve the Debt Service budget for $8,148,250.

**Vote: 6-0-0** **Motion Passed.**

12. Selection of Board of Finance liaisons to Town of Waterford Boards and Commissions' for a term of one year.

    a. Board of Education: Currently Vacant and is tabled for discussion for the January Board of Finance Meeting
    b. Board of Selectmen: Glenn Patterson
    c. Utility Commission: Robert Tuneski
    d. Recreation and Parks Commission: Robert Tuneski
    e. Police Commission: David Peabody
    f. Senior Citizen Commission: Joseph Filippetti
    g. Youth Service Advisory Council: Joseph Filippetti
    h. Emergency Management Advisory Council: John Sheehan
    i. Representative Town Meeting: Glenn Patterson

    There was a discussion regarding liaison item list A, Board of Education, to be tabled until the January Board of Finance meeting due to the absence of Board of Finance member Kevin Petchark.

    **Motion** by Ronald Fedor and **seconded** by David Peabody to approve all the Board of Finance Liaisons as listed in B through I.

    **Vote: 6-0-0** **Motion Passed.**

13. Appointment of a Board of Finance member to serve on the Ad Hoc Committee to Screen Social Service Grant budgets for a term of one year December 2022 to December 2023.

    Ronald Fedor nominated for the position.

    **Motion** by John Sheehan and **seconded** by Robert Tuneski to approve the nomination.

    **Vote: 6-0-0** **Motion Passed.**

14. Appointment of a Board of Finance member to the Fleet Management Ad Hoc Committee for a term of one year December 2022 to December 2023.

    Glenn Patterson nominated for the position.

    **Motion** by John Sheehan and **seconded** by Joseph Filippetti to approve the nomination.

    **Vote: 6-0-0** **Motion Passed.**

15. Appointment of **two** Board of Finance members to serve on the RTM Long Range Fiscal Planning Committee for a term of one year December 2022 to December 2023.

    Glenn Patterson and Kevin Petchark are nominated for the position.

    **Motion** by John Sheehan and **seconded** by Joseph Filippetti to approve the nomination.

    **Vote: 6-0-0** **Motion Passed.**

16. Old Business:
    a. Board review of proposed Board of Finance webpage data

    There was a discussion regarding the revisions needed for page 1 of the webpage data and the meeting dates, needs to add that the BOF normally meets on the second Wednesday of each month but can change due to "extenuating circumstances". For example, BOF meets on the third Wednesday of the month of May and July.

    **Motion** by John Sheehan and **seconded** by David Peabody to approve the Board of Finance webpage data as amended in the discussion.

    **Vote: 6-0-0** **Motion Passed.**

    b. Board review of proposed Board of Finance Policy and Procedure Formatting and Numbering.

    **Motion** by John Sheehan and **seconded** by David Peabody to approve the Board of Finance Policy and Procedure Formatting and Numbering as presented.

    **Vote: 6-0-0** **Motion Passed.**

c. Board review of proposed updates to BOF policy 1.02. "Submission of Agenda Items".

There was a discussion regarding changing the time period in which the Board of Finance agenda is issued before the meeting giving the members enough time to review everything before the meeting. There was also a discussion about making the changes in RED for the next meeting.

Motion by John Sheehan and seconded by Joseph Filippetti to table the discussion until the January Board of Finance.

**Vote: 6-0-0** **Motion Passed**.

d. Continued discussion around revising BOF Policy 1.01, Board of Finance Budget Guidelines to include Performance Metrics.

Robert Tuneski is asking that all applicable departments should be able to codify what they are asking for by showing statistical measurability. There was a discussion and agreeance with Board of Finance members that the departments should be able to provide some metrics, they are not all going to be the same for all departments. Data presented will be a meaningful way to compare year to year that what is requested in the Budget is appropriate according to the backup information and performance metrics.

Chairman Glenn Patterson stated that he had a discussion with Ronald Fedor and agreed Mr. Fedor be the Board's go-between with the First Selectman, who is working with the departments to develop the metrics.

Finance Director, Kim Allen stated that the new software that Recs & Parks will be receiving will be able to pull such metrics in a report. She would also like to re-name the document something other than "Budget Guidelines".

Board of Finance members agreed to carry the discussion as old business for the January Board of Finance meeting.

There was a discussion about the latest property value assessments and how the home assessments have increased by 35-37% this year. They also discussed the concerns of the residents for tax time and setting the mill rate.

The Board and the Finance Director all agree that they need to get the word out there to residents regarding the latest assessments and the increase in values as this will also affect homeowner's insurance rates with the market value.

17. New Business:

a. Board review and possible action on DRAFT Internal Control Policy.

Chairman Glenn Patterson has concerns regarding calling it a policy. He stated that it is more like an instruction to a person that doesn't really know the meaning of Internal Controls. Page 1 seems to be more specific to the Town as a whole versus page 5 which seems to be specific to Finance.

Mr. Peabody noted that many internal control policies outline disciplinary actions for policy violations. Discussion followed as to who has the means to enforce disciplinary action and if violations would be audit findings. It was also questioned as to whether Internal Controls is truly a BOF policy since the policy applies across town departments.

Director of Finance, Kim Allen will continue the discussion of the draft Internal Control Policy with HR and the First Selectman and report back to the BOF.

b. Board review of Board of Finance Director email regarding the 2022 year-end close out and the Audit Process.

Director of Finance, Kim Allen stated that this year's audit was difficult, as several departments were late turning in invoices and did not meet the year-end deadline with spending. There were several changes that had to be submitted to the auditors which resulted in more testing. The Director of Finance cannot see overall all of the department heads.

Starting in January Director of Finance, Kim Allen will be going to each Department doing audits which pertains to reviewing invoices, documents, procedures. The big issue with the end of the year audits is not receiving or receiving late information from the department heads, especially where purchases fall under the Purchase orders threshold amount.

Finance should not have to chase down in the information needed for the audits at the end of the year. There was some discussion of holding department heads accountable for the future.

John Sheehan requested to see where funds were encumbered but not spent. Director Allen said that any encumbrances will now be added to the Quarterly Capital Reports.

Chairman Glenn would like to see a Board of Finance policy in the near future regarding year-end closing.

c. Finance Director Update on potential legislation needed to close-out the High School and Friendship School Project.

Kim Allen, Finance director contacted the state regarding both the high school and the Friendship school projects. Board of Ed Finance Director Joseph Mancini has signed off on the audit identifying that $790,741 of the costs of high school construction were ineligible for state reimbursement, therefore the money is owed back to the state.. Director Aleen noted that the town has not yet been invoiced by the State.

Selectwoman Jody Nazarchyk noted that the school building committee should get together to meet on the issue as they were unaware of the money owed to the state.

Regarding the Friendship school project there was a discussion of the property itself and when the building reverts to town ownership. It was stated that the town takes ownership only if Learn vacates the building or when the building is 20 years old.

There was also a discussion to add the appointment of David Peabody to the Ad Hoc Energy in new business for the January Board of Finance meeting.

18. Liaison Reports: Robert Tuneski reports that he met with both new Directors Ryan McNamara, Recreation and Parks and James Bartelli, Utility Commission are both busy and seem to be diving in and doing well.

19. Correspondence

a. Virginia Bielucki, Town Accountant, Periodic Financial Statements FY23 dated November 9, 2022.
b. Virginia Bielucki, Town Accountant, Status of General Fund Unassigned Balance dated November 9, 2022.
c. Virginia Bielucki, Town Accountant, Status of Contingency FY23 dated November 9, 2022.

20. Adjournment

**Motion** by John Sheehan and **seconded** by Ronald Fedor to adjourn the Regular Meeting.

**Vote: 6-0-0** **Motion passed.**

Meeting adjourned at 9:00 p.m.

Respectfully submitted,

John Sheehan, Clerk

Shea Moses, Office Coordinator

**Board of Finance** **Liaison Appointments** **2022-2023**

| Board/Commission/Committee | Liaison | Notes |
|---|---|---|
| Ad Hoc Committee to Screen Social Service Grant Budgets | Ronald Fedor | 12/2022-12/2023 |
| Board of Education | Vacant | Will vote next BOF |
| Board of Selectman | Glenn Patterson | 12/2022-12/2023 |
| Emergency Management Advisory Council | John "Bill" Sheehan | 12/22-12/2023 |
| Fleet Management Ad Hoc Committee | Glenn Patterson | 12/2022-12/2023 |
| Long Range Fiscal Planning Committee (RTM) | Kevin Petchark | 12/2022-12/2023 |
| Long Range Fiscal Planning Committee (RTM) | Glenn Patterson | 12/2022-12/2023 |
| Recreation & Parks Commission | Robert Tuneski | 12/2022-12/2023 |
| Retirement Commission (2 years) | Kevin Petchark | 12/2021-12/2023 |
| Representative Town Meeting (RTM) | Glenn Patterson | 12/2021 - 12/2022 |
| Police Commission | David Peabody | 12/2022-12/2023 |
| School Building Committee | Robert Tuneski | 2/2022 - 6/2022<br>7/2022 - 6/2023 |
| Senior Citizens Commission | Joe Filippetti | 12/2022-12/2023 |
| Utility Commission | Robert Tuneski | 12/2022-12/2023 |
| Youth Services Advisory Council | Joe Filippetti | 12/2022-12/2023 |