

**Town of Redding
Board of Finance Regular Meeting
Monday, 1/23/2023
7:30PM Via Zoom**

Filed subject to approval.

Present:

- Ward Mazzucco, Vice Chair
- Jamie Barickman
- Robert Dean
- Jenifer Wyss
- Karen Gifford

Also Present:

- Jim Sanders, Finance Director
- Wes Higgins, Treasurer
- Julia Pemberton, First Selectwoman
- Michael Thompson, Selectman
- Sara Scrofani, ER9 Director of Finance, Operations, & Technology
- Members of the Public

Vice Chair Mazzucco called the meeting to order at **7:30PM**.

1. To Approve the Minutes of the Board of Finance Meeting held on Monday, 12/19/2022

Vice Chair Mazzucco proposed an edit for a motion in item 3 of the Monday, 12/19/2022 minutes (Lonetown Marsh Boardwalk Capital Project).

The original motion is as follows:

Vice Chair Mazzucco made a motion to approve a supplemental appropriation, as the BOF is allowed to do as per Section 7-348 of the General Statutes, of \$100,000 to address the additional lumber costs of the Lonetown Marsh Boardwalk project. This will be funded from the Capital Projects Schools account which is the same account used to fund the initial \$35,000 request. Ms. Gifford seconded the motion. Discussion followed. The vote was unanimous, and the motion carried.

This is the edited motion:

Vice Chair Mazzucco made a motion to approve a supplemental appropriation, as the BOF is allowed to do as per Section 7-348 of the General Statutes, of \$100,000 to address the additional lumber costs of the Lonetown Marsh Boardwalk project. This will be funded

from the Capital Fund Surplus account which is the same account used to fund the initial \$35,000 request. Ms. Gifford seconded the motion. Discussion followed. The vote was unanimous, and the motion carried.

MOTION:

Mr. Barickman made a motion to approve the minutes of the Monday, 12/19/2022 Board of Finance meeting with the following change:

Vice Chair Mazzucco made a motion to approve a supplemental appropriation, as the BOF is allowed to do as per Section 7-348 of the General Statutes, of \$100,000 to address the additional lumber costs of the Lonetown Marsh Boardwalk project. This will be funded from the Capital Fund Surplus account which is the same account used to fund the initial \$35,000 request. Ms. Gifford seconded the motion. Discussion followed. The vote was unanimous, and the motion carried.

Ms. Wyss seconded the motion. The vote was unanimous, and the motion carried.

2. Public Comment

Vice Chair Mazzucco opened the floor to Public Comment.

There was no Public Comment.

3. Finance Director's Report

Jim Sanders addressed the Board of Finance (BOF).

FY22 Financial Audit – The Town of Redding had previously requested and received a 1-month extension for filing of the FY22 financial statements, moving the deadline to January 31st. The last communication with PKF O’Connor Davies was a Town-scheduled meeting on January 9th. My request for update and offer of assistance on January 17th is currently unanswered. Ward Mazzucco and Jen Wyss reached out to the audit partner on January 20th. At this time, my expectation is that we will need to request an additional extension and schedule a special meeting of the Board of Finance in February to review the audit report, when available.

FY23 OPEB Trust Fund Contribution – The second of four FY23 OPEB Trust Fund contributions (\$75,000 each) was made last week. Fiducient is in process of investing the contribution following the Trust Fund’s Investment Policy Statement.

OPEB Plan Actuarial Valuation as of June 30, 2022 – On January 20th, Hooker & Holcomb provided the OPEB Plan Actuarial Valuation as of June 30, 2022. (The valuation report is being distributed to the Board of Finance along with this monthly report.) Stephen Chykirda, ASA, Consulting Actuary, provided the following commentary: “Please note that we have added some additional information in the report in regards to the liabilities and assets as the plan is now funded. The plan experienced losses due to data and premium experience, however these losses were exceeded by gains due to the changing of the discount rate for a funded plan. In addition to the increase in the discount rate, we updated the mortality improvement scale and updated the medical trend. Note that some of the charts have limited information as the plan has only recently set up the trust. In addition, the ADEC shown for fiscal year ending 2022 and 2023 is an estimate as we did not develop a formal ADEC at the time due to the plan being unfunded.”

For purposes of the FY24 budget, page 10 of the valuation report provides an Actuarially Determined Employer Contribution (ADEC) of \$285,902 for incorporation into the budget. The OPEB Trust Board may want to consider including Stephen and the valuation report on the agenda of their regular meeting in February.

Town Hall Repair Insurance Claim – On January 17th, Julia, Shaun Donnelly, and I reviewed the first percentage-of-completion invoice submitted by Harding Builders for \$131,440. On January 18th, the invoice and the Town’s notarized Proof of Loss Statement were submitted to our insurance provider, CIRMA (Connecticut Interlocal Risk Management Agency). Direct payment by CIRMA to the contractor is currently in process. The Town’s deductible for this loss is \$1,000. CIRMA has been very supportive in expediting the repair work and vendor payment.

Board of Selectmen January 20th FY24 Budget Workshop – The all-day Board of Selectmen’s FY24 Budget Workshop was held at the Mark Twain Library on January 20th. (The 39-page budget document was previously provided to the members of the Board of Finance via email on January 19th.) The preliminary FY24 budget presented to the Board of Selectmen totaled \$16,038,554, an increase of 2.73% compared to the FY23 budget. The Board of Selectmen will be scheduling a special meeting for further review and discussion of the preliminary budget. Thank you to the Board of Finance members who were able to participate in Friday’s workshop.

Redding Board of Education FY24 Budget Meetings and Current Status – The Redding BOE has met twice, January 12th and 19th, to review and discuss the FY24 budget. The current iteration reflects expenditures of \$25,106,450, an increase of 5.44% compared to the FY23 budget. The Board of Finance can access both the video and 37-slide presentation from the January 12th meeting and the full details of the current budget iteration using the following links:

[Redding Budget website](#)
[Budget spreadsheet with the cost centers:](#)
[Link to the Q & A](#)

Please note that the budget detail spreadsheet is a live digital document that will be continually updated and refined during the budget approval process. The Board of Finance is encouraged along with the public to post questions using the Q&A link.

Region 9 FY24 Budget Meeting – A Region 9 budget discussion is scheduled for January 24th.

Chair Mazzucco suggested that the BOF should hold a Special Meeting on Monday, 2/13/2023 to discuss the FY 2021-2022 Audit.

Ms. Wyss asked about the OPEB Trust and the funding strategy of the OPEB Trust Board. Discussion followed.

Vice Chair Mazzucco suggested to the BOF that the OPEB Trust Funding Question should be an agenda item at the Monday, 2/27/2023 Regular BOF Meeting.

Ms. Gifford asked Jim Sanders about the delay of the FY 2021-2022 Audit. Discussion followed.

4. Treasurer's Report

Wes Higgins addressed the BOF.

The Operating Cash Balance was just over \$23 Million for December 2022. This is \$2.5 million ahead of December 2021.

Interest Income was \$102,166 in December 2022. FY 2023-2024 Interest Income is estimated to be \$400k.

Wes Higgins provided the BOF with an update on the Long-Range Financial Planning Committee's work. Discussion followed.

5. FY 2023-2024 Budget Update

Vice Chair Mazzucco asked First Selectwoman Julia Pemberton to provide an update on the FY 2023-2024 budget.

First Selectwoman Julia Pemberton said there will most likely be adjustments to the currently presented budget to offset increases in unanticipated areas.

Mike D'Agostino, Region 9 BOE, stated that their budget will be discussed in February 2023.

Sara Scrofani, ER9 Director of Finance, Operations, & Technology, thanked the BOF for analyzing their budget and welcomed future questions.

6. Other Business

There was no other business discussed.

7. Public Comment

Vice Chair Mazzucco opened the floor to Public Comment.

There was no Public Comment.

MOTION:

Mr. Barickman made a motion to adjourn. Ms. Gifford seconded the motion. The vote was unanimous, and the motion carried.

The meeting was adjourned at **8:09PM**.

Submitted by,

Zachary Smith