

**Town of Redding**  
**Board of Finance Regular Meeting Minutes**  
**Monday, 8/28/2023**  
**7:30PM via Zoom**

*Filed subject to approval.*

**Present:**

- Ward Mazzucco, Chair
- Karen Gifford, Vice Chair
- Robert Dean
- Jenifer Wyss
- Roger Van Ausdal
- Jamie Barickman (Absent)

**Also Present:**

- Jim Sanders, Finance Director
- Wes Higgins, Treasurer
- Steve Stafstrom, Pullman & Comley
- Julia Pemberton, First Selectwoman
- Peg O'Donnell, Selectwoman
- Michael Thompson, Selectman
- Members of the Public

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

- 1. To Approve the Minutes of the Monday, 7/24/2023 Board of Finance (BOF) Meeting.**

**Motion:**

**Vice Chair Gifford made a motion to approve the minutes of the Monday, 7/24/2023 BOF meeting. Ms. Wyss seconded the motion. The vote was unanimous, and the motion carried.**

- 2. Public Comment.**

Chair Mazzucco opened the floor to Public Comment. There was no Public Comment.

- 3. Executive Session: Redding Life Care Pending Claims.**

**Motion:**

**Vice Chair Gifford made a motion to move into Executive Session to discuss pending legal claims related to Redding Life Care. The following parties are invited to join:**

- **Board of Selectmen (BOS)**
- **Jim Sanders, Finance Director**
- **Wes Higgins, Treasurer**

- **Pat Moisio, Tax Collector**
- **Steve Stafstrom, Pullman & Comley**
- **Zachary Smith, Recording Secretary**

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

The Executive Session started at **7:32PM**.

**Motion:**

**Vice Chair Gifford made a motion to leave Executive Session. Ms. Wyss seconded the motion. The vote was unanimous, and the motion carried.**

The Executive Session ended at **7:48PM**.

**4. Tax Collector's Report.**

Pat Moisio was not present to discuss the Tax Collector's Report.

**5. Treasurer's Report.**

Wes Higgins addressed the BOF.

The Town of Redding's Operating Cash Balance as of 7/31/2023 was \$38,265,710. This is a year over year increase of \$8,462,123. Tax collections during this period were very successful.

The monthly interest income received as of 7/31/2023 was \$74,392. This is a year-over-year increase of \$51,730.

Webster Bank has a new online platform that was rolled out during July 2023. The initial transition was difficult, but the system is functioning well currently.

Region 9 sold a bond deal in July. The interest rate that was secured was approximately 4%. Discussion followed concerning the \$250k ARPA contribution from the Town of Redding approved at Town Meeting and Easton's proportional share contribution.

**6. Finance Director's Report.**

Jim Sanders presented the Finance Director's Report to the BOF.

**FY23 Accounting Close – Current Status excluding Region9/BOE**

We are on target to close the Town ledger for FY23 by the end of the month. The table on the next page provides a preliminary view of our FY23 financial results as of August 21st. The Town has outperformed revenue by \$1,715,000, driven primarily by investment income and tax collections. The Town is also under-running the expenditure budget by \$620,000 with employee benefits and legal expenditures well below budget. Additionally, the Town did not need to utilize the \$100,000 contingency line item. The net result is a \$2,335,000 increase in Unassigned Fund Balance.

FY23 Accounting Close – Current Status excluding Region9/BOE (cont.)

<b>FY23 General Fund (excluding BOE) - Ledger as of Aug 21, 2023</b>			
<u>(in thousand \$s)</u>	<u>Budget</u>	<u>Current Ledger</u>	<u>( ) = Unfav Variance</u>
<b>Revenue</b>	<b>\$51,461</b>	<b>\$53,176</b>	<b>\$1,715</b>
<u>Revenue Drivers:</u>			
Investment Income			724
Taxes			698
State of CT - Revenue Sharing			180
Building Inspection Fees			70
Heritage Center Bus Grant			24
FEMA Reimbursement			22
Various Service Charges/Fees			51
Special Education Excess Cost Grant			(54)
<b>Expenditures</b>	<b>\$15,912</b>	<b>\$15,292</b>	<b>\$620</b>
<u>Expenditure Drivers:</u>			
Contingency			100
Retirement Fund Contributions			174
Legal			73
Health Insurance			58
Conservation, Planning, Zoning, Land Use			55
Police Department / Communications			36
Highway Department / Transfer Station			33
Heritage Center			29
Paramedic			23
Registrars Office			19
Park & Rec			17
<b>General Fund (excluding BOE) Surplus</b>			<b>\$2,335</b>

**Board of Selectmen FY23 Line-item Budget Transfer Request**

Since the budget process only allows Town departments to spend up to their approved budget amounts, the Board of Selectmen voted at their August 21<sup>st</sup> meeting to request the Board of Finance to approve the FY23 line-item budget transfer outlined in the table below to address any overages. In consulting with Town Attorney, authority for line-item budget transfers resides with the Board of Finance. The table summarizes the overages by line item and the requested budget increase. For the larger amounts, a brief explanation is also included. From the table on page 2, you'll have noted that the Town had budget underruns in retirement contributions and health insurance expenditures. As such, the employee benefits line item has been identified as the source for all of the budget transfers. The transfers net to \$0 and do not represent an additional appropriation.

<b>Town of Redding</b>			
<b>FY23 Requested Line Item Budget Transfers</b>			
<b>as of Aug 21, 2023</b>			
Budget Line Item	Estimated Budget Overage	Requested Transfer	Comments
Finance	19,865	22,000	Finance Director overlap
Tax Collector	1,192	2,000	
Treasurer	7,215	8,000	Bank fees (offset by higher investment income)
Computer Capability	13,964	15,000	Current service provider contract rates
Management Services	728	1,000	
Old Town House	767	1,000	
Police/Communications Bldg	15	1,000	
Administrative Services	7,173	9,000	Higher heating oil and fuel costs
Board of Assessment Appeals	1,304	2,000	Revaluation
Office of Tree Warden	5,195	6,000	Stipend not budgeted
Sanitarian	17,221	18,000	New department head / Tuition reimbursement
Animal Control	495	1,000	
Employee Benefits	0	<u>(86,000)</u>	Reduced retirement contributions - staffing changes
<b>Net change to overall budget</b>		<u>0</u>	

Ms. Wyss asked Mr. Sanders why some of the budget overages were small (Police/Communications Bldg) but their requested transfer was high in comparison (\$15 versus \$1,000). Mr. Sanders stated that this listing was prepared two weeks ago for review by the BOS and transactions for FY 2023 were still being processed. As such, the overage amounts reflected best estimates and are consistent with the BOS review on August 21st.

Chair Mazzucco asked Mr. Sanders to clarify that these transfers are only transfers and do not increase the overall FY 2023 budget. Mr. Sanders stated that this is a re-allocation of funds along line items. The “donor” account is the Employee Benefits line item.

**Motion:**

Vice Chair Gifford made a motion to approve the FY23 Requested Line-Item Budget Transfers. Mr. Van Ausdal seconded the motion. The transfers are as follows:

Town of Redding FY23 Requested Line Item Budget Transfers as of Aug 21, 2023			
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Finance	19,865	22,000	Finance Director overlap
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<b>Net change to overall budget</b>		<b>0</b>	

The vote was unanimous, and the motion carried.

Chair Mazzucco asked Mr. Sanders about the status of the FY23 BOE budgets. Mr. Sanders stated that the preliminary surplus after the special considerations, including contribution to the Medical Fund, was estimated to be \$50k. However, actual results may be more favorable and potentially increase the surplus returned to the Town. Discussion followed concerning the medical fund and a larger contribution to it using the surplus.

**FY23 Audit Status**

- Following ratification of CLA as the Town’s Auditors at the July Board of Finance meeting, the FY23 Master Services Agreement and Statement of work were signed on August 3<sup>rd</sup>.
- An in-person meeting was held August 24<sup>th</sup> with Leslie Zoll, her CLA team, and the Finance teams from Redding, Easton, and ER9 for audit planning.
- Auditors will be on-site at Redding Town Hall the weeks of August 28<sup>th</sup> and September 4<sup>th</sup> to review internal controls, meet the departments, and perform audit testing.
- Easton and ER9 will follow later in September.
- The prior auditor has not yet responded to CLA’s request to review FY22 audit working papers.

Discussion followed concerning auditing firms and best practices for sharing audit working papers.

### ARPA – Treasury Department 2023 Interim Final Rule

- Issued by Treasury Department this month and provides three new categories of eligible uses:
  1. Emergency Relief from Natural Disasters, including those threatened to occur in the future.
  2. Surface Transportation Projects.
  3. Title 1 Projects, such as those covered under HUD Community Development Block Grant programs.
- Existing eligible uses described in the 2022 Final Rule remain available and generally unchanged.
- May have been able to engage in similar categories through other eligible use categories, such as Revenue Loss.
- ARPA funds can continue to be used in accordance with the 2022 Final Rule as planned.
- No impact to Redding as all funds have been appropriated for uses consistent with 2022 Final Rule.

### Municipal Retirement Plan Data Collection

- Newly signed state law (Public Act 23-182) requires municipalities to share certain data regarding municipal retirement plans with the Office of the State Comptroller (OSC).
- Requested data includes investment policy statement, summary plan document, 5 most recent actuarial valuations, form and governance structure of the municipal entity that provides plan oversight, whether the municipality uses a third-party administrator or advisor, and the estimated fees paid by the municipality.
- Request includes both defined benefit and defined contribution plans.
- CMERS is specifically excluded. Town will report 457(b) retirement saving plan.
- On-line survey to be completed by September 1<sup>st</sup>.
- A report will be produced from the survey and shared with each municipality outlining a summary of the information collected, best practices, and any legislative recommendations.

Ms. Wyss asked Mr. Sanders who is tracking ARPA projects. Mr. Sanders stated that the Finance Department is managing the funding of the various ARPA projects. \$2.7 million has been allocated to these various projects, and only \$300k has been spent. Many projects are currently underway or in the process of receiving bids or getting approval from outside bodies (Army Core of Engineers, etc.).

#### **7. Board of Selectmen (BOS) FY23 Line-Item Budget Transfer Request.**

See the previous agenda item for details.

#### **8. Update on Board of Education (BOE) Budget.**

Chair Mazzucco stated that this is still in process. He will reach out to the relevant parties.

#### **9. Update on Georgetown.**

Chair Mazzucco stated that he had been participating as a member on ~~the Gilbert~~the Gilbert and Bennett Wire Mill Advisory Committee (GBWMAC). Due to increased responsibilities as the BOF Chair, , Chair Mazzucco recommended to the BOS that he be replaced by Robert Dean.

Mr. Dean made a brief statement concerning the GBWMAC.

## **10. Other Business.**

Chair Mazzucco asked First Selectwoman Pemberton about hybrid meetings and the technology needed to do it. First Selectwoman Pemberton stated that equipment needs to be procured soon so that the September BOF meeting can be a hybrid meeting.

## **11. Public Comment.**

Chair Mazzucco opened the floor to Public Comment. There was no Public Comment.

### **Motion:**

**Mr. Van Ausdal made a motion to adjourn the meeting. Vice Chair Gifford seconded the motion. The vote was unanimous, and the motion carried.**

The meeting was adjourned at **8:26PM.**

*Submitted by,*

*Zachary Smith*