

Town of Seymour ~ Board of Finance
MINUTES
Regular Meeting
Tuesday, July 28, 2020 at 7:00pm
Via Zoom Teleconference # 899 756 93857

COPY RECEIVED
DATE: 7/29/20
TIME: 8:00 AM
TOWN CLERK'S OFFICE

Members Present: Bettyann Peck, Richard Demko, Kwame Dunbar, Bill Sawicki, Beverly Kennedy, Jim Cretella, John Stelma; Grace Brangwynne

Members Absent: Gary Popielasz (alternate)

Others Present: Rory Burke, Doug Thomas

Item #1 – Call Meeting to order

Chairman Bill Sawicki called the meeting to order at 7:03pm.

Item #2 – Pledge of Allegiance

Everyone saluted the Flag and recited the Pledge of Allegiance.

Item #3 – Appointment of Alternate

Last week Paul Wetowitz resigned as an alternate

Motion to appoint Patrick Lombardi as an alternate in his place.

Motion: Richard Demko (Chairman of RTC) Second: Beverly Kennedy
Vote: Yes: 7 No: 0 Abstain: 0

Item #4 – Seating of Alternates

None

Item #5 – Public Comment

None

Item #6 – Approval of Minutes – June 23, 2020 Regular Meeting

Motion to approve Minutes from June 23, 2020 Regular Meeting

Motion: Bettyann Peck Second: John Stelma
Vote: Yes: 6 No: 0 Abstain: 1 (Richard Demko)

Item #7 – Report from the Finance Director

Fiscal Year 2020

Not much has changed. We are still expected to have a deficit of about \$66,000 – assuming that the Board of Education is about \$290,000 (the range that they gave was between \$290,000 and \$441,000).

Revenue class projections less than budget are; Use of fund balance (\$225,000), Capital Grant (\$210,000), Tax collections (\$188,000), Recreation (\$112,000), Assessments (\$132,000) and all other net (\$99,000). Total shortage is (\$966,000) mainly due to COVID 19.

Expenditures class projection surplus; Police (\$135,000), Contingency (\$8,500 after retirement transfer), EDC (\$46,000), General govt (\$100,000), DPW (\$110,000), Recreation (\$102,000), and all other net (\$110,000). The Board of Education (BOE) is projecting a surplus in the range of \$290,000 to \$441,000. The projection is dependent on cancelling vendor contracts for no-work performed due to COVID 19. The BOE surplus is due to COVID 19 savings. Total surplus using low end of BOE projection is \$901,500.

Transfers being prepared for the August meeting are Police department, Department of Public Works and Retirement funding. Police department will be an interdepartmental transfer as will Public Works. The Retirement transfers will be from the contingency accounts.

Software Update

Both old system and new system are up and running. We are in the middle of transition of old system to new system. It currently is very labor intensive. New reports will be available at the next meeting. We did our first check run on Thursday. Departments are entering their own requisitions with department heads electronically approving them. PO's will have department head signature on them after approval.

Doug Thomas included an updated report on the open balances on the Police Private Duty as of the end of June 30th.

Item #8 – Comments from the First Selectman

None

Item #9 – Transfers

None

Item #10 – New Business

Bill Sawicki gave an update on the expected projected savings from the Board of Education:

- The below letter was included in the packet for this month on this issue to Bill from Sherry Holmes, Business Manager @ Seymour Public Schools:
Dear Mr. Sawicki:

On behalf of the Board of Education, I am requesting that any unexpended education funds from the 2019-2020 school year be placed into a non-lapsing account, not to exceed 2% of the Board of Education's overall budget, pursuant to Conn Gen Statute 10-248a which states that:

Unexpended education funds account. For the fiscal year ending June 30, 2020, and each fiscal year thereafter, notwithstanding any provision of the general statutes or any special act, municipal charter, home rule ordinance or other ordinance, the board of finance in each town having a board of finance, may deposit into a non-lapsing account any unexpended funds from the prior fiscal year from the budgeted appropriation for education for the town, provided (1) such deposited amount does not exceed two per cent of the total budgeted appropriation for education for such prior fiscal year, (2) each expenditure from such account shall be made only for educational purposes, and (3) each such expenditure shall be authorized by the local board of education for such town.

The Board of Education at their June 1, 2020 meeting made the motion to officially make this request of the Board of Finance due to the potential, unexpected savings as well as anticipated and unanticipated expenses related to the COVID-19 pandemic and its impact on teaching and learning in its schools. If you have any questions regarding this matter, please contact me.

Sincerely,

Sherry Holmes
Business Manager

- One of the COVID related items that was passed on the State level was that the Board of Education can request of the Board of Finance in each town that up to 2% of the budgeted appropriation that the Board of Ed had from 2019/2020 year end can be put aside to be able to have for the new budget year. Essentially in accounting parlance this would be an appropriation-in-force (NOT an encumbrance). The conditions on this amount are given above: provided (1) such deposited amount does not exceed two per cent of the total budgeted appropriation for education for such prior fiscal year, (2) each expenditure from such account shall be made only for educational purposes, and (3) each such expenditure shall be authorized by the local board of education for such town.
- After getting this on July 12th, I sent an e-mail to Sherry, (Copy to: Kurt, Doug, Mike Wilson (Superintendent of Schools), Ed Strumello (Chair of the Board of Ed), and Kristin Harmeling (Finance Committee – Board of Ed) and asked four things:
 - The estimate of what the **total** dollars that represent the 2%.
 - Does the 2% carry-over over represent the **total** unexpended money? In other words, 2% of their budget in rough terms is about \$620,000.
 - How much is estimated that **won't** be spent out of the budget?
 - What expenses are they earmarking to pay for with this money?
- The Board of Education is projecting a window of \$290,000 to \$441,000 as unspent money. The first thing we have to consider is the overall DEFICIT that the Town may find itself in after the past fiscal year. Any amount that the Board of Education has that represents their underspending would first go to cover the projected deficit of the Town. Whatever money is left after that 2% carryover money would go into the Board of Ed Reserve Fund. If the deficit were MORE than the unspent money, there would be no 2% amount to put into the Board of Ed Reserve Fund. If the Town #'s and the Board of Ed #'s are ready, we may be able to take action on this next month.
- Richard Demko asked what it would be like if their surplus ended up not going into their Reserve Fund and instead went into our General Fund (deficit)? Is that an option? Bill Sawicki said that this is not a good option. Simply because we haven't accumulated the final data – the final hit that this Town has taken in all areas, not just Board of Ed, because of COVID. I think it would be an exercise of – we take it all and don't give them a reserve and then for whatever projects or issues come up that we have to go back and take money out of surplus to affect what needs to be done. For all purposes there is no effect on the Mill Rate, there is no effect on the 2021 budget. This is an appropriation-in-force. This means that it was appropriated in year one, and there is money left unspent, so it goes over to year two. Richard Demko asked if we subtract this amount from them in year two. Bill Sawicki said no. They have their budget now that we've approved. Next year we may be in the same situation. Problem being that the COVID impact still has not been assessed. I think that this is probably the cleanest way to do it in terms of covering whatever Board of Ed expenses are needed for projects. The Budget for 2021 has been passed and we are not going to go back and amend their budget to lower it by whatever their number would be. I can't conceive it's going to be a material number. As we have heard from Doug tonight, it's not going to be close to that.

- Bill Sawicki said we are still feeling our way through this COVID situation. Bill asked Doug if we have any numbers yet for reimbursement. Doug said we have not received any. We have been tracking what we've spend, and we've spent less than \$100,000. Bill said there has to be some architectural and engineering work – partitions, spacing, walls, etc. to be put into the school system in order to have any kind of opening. All of it takes money. We don't have anything like this in the budget that passed. We are trying to minimize going into the Fund Balance.
- Jim Cretella asked if they have excess money after the money has been put into the Town deficit, does that money have to be put into a special account and do they have to keep track of that separately and show where it was spent? Bill Sawicki said that they have to separately track it – can't just lump it into the current year budget. Any money that comes back to the Town (COVID related) – there COULD be a separate amount back to the Board of Education. Jim asked this is to be used for Education – could be used for walls, etc. Bill Sawicki said that in other towns, they Board of Education probably does not have any excess money. It's still too early to tell what our final deficit amount will be. The Board of Finance has the final decision of what the 2% number will be that goes into that account.

Item #11 – Correspondence

None

Item #12 – Adjournment

Motion to adjourn

Motion: Richard Demko

Second: Jim Cretella

Vote: Yes: 7

No: 0

Abstain: 0

Meeting was adjourned at 7:24 pm.

Submitted by:

Monica Dimon
Recording Secretary