

**BOARD OF FINANCE
REGULAR MEETING MINUTES
JANUARY 24, 2022**

I. CALL TO ORDER

The meeting was opened at 7:00 p.m. via Go To Meeting by Nick Hogan, Assistant Town Clerk. Members present: Cathy Salchert, Margaret Bratton, Ellen Retelle, Carl Gisnarian, Charles Harvell and Houston Putnam Lowry. A quorum was present.

II. OATH OF OFFICE

Nick Hogan, Assistant Town Clerk, administered the oath of office to Mrs. Bratton and Mr. Harvell. Messrs: Gisnarian and Lowry were previously sworn in at the Town Clerk's Office.

III. NOMINATIONS AND ELECTION OF BOARD OF FINANCE CHAIR, VICE CHAIR AND SECRETARY

Nick Hogan, Assistant Town Clerk, asked for nominations from the Board for Chair.

On a motion made by Ellen Retelle, seconded by Houston Putnam Lowry, it was voted: **RESOLVED:** the Board of Finance elects Cathy Salchert as the Chair for the Board of Finance. Messrs: Lowry, Harvell, Gisnarian and Mmes: Bratton, and Retelle voted in favor, Ms. Salchert, abstained. Motion carried 5-0-1.

Nick Hogan, Assistant Town Clerk, turned the meeting over to Chair Salchert.

On a motion made by Ellen Retelle, seconded by Houston Putnam Lowry, it was voted: **RESOLVED:** the Board of Finance elects Charles Harvell as the Vice Chair for the Board of Finance.

Messrs: Lowry, Gisnarian and Mmes: Salchert, Bratton and Retelle voted in favor, Mr. Harvell abstained. Motion carried 5-0-1.

On a motion made by Ellen Retelle, seconded by Charles Harvell, it was voted: **RESOLVED:** the Board of Finance elects Houston Putnam Lowry as the Secretary of the Board of Finance.

Messrs: Harvell, Gisnarian and Lowry and Mmes: Salchert, Bratton and Retelle voted in favor. Motion carried 6-0-0.

IV. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Ellen Retelle.

Ms. Salchert welcomed the new Board of Finance members, congratulated the newly elected and re-elected members. Tom Harrison has retired from the Board of Finance. Ms. Salchert will carry on Tom's tradition of thinking of her fellow board members first as neighbors and friends who also serve as elected officials. Her main goal during her tenure is to increase public participation in the budget process, through the budget workshops and referendums, as research has shown that we haven't had the 9% or more turnout since 2012. Ms. Retelle, echoed Ms. Salchert's congratulations to the newly elected and re-elected members.

V. COMMUNICATION FROM THE AUDIENCE - None**VI. MINUTES OF PRECEDING MEETING:**

Mr. Harvell made a comment that at previous meetings he has listened in on, those not present at the previous meeting, excuse themselves, or said they wouldn't vote on approving the minutes. Ms. Salchert referred to Secretary Lowry, who stated there is nothing in Robert's Rules of Order, preventing you from voting on the minutes whether you were there or not. Ms. Salchert stated people can vote as they feel appropriate.

December 20, 2021 Meeting

On a motion made by Ellen Retelle, seconded by Houston Putnam Lowry, it was voted:

RESOLVED: the Board of Finance approves the minutes of the December 20, 2021 Meeting as drafted.

Messrs: Lowry, Gisnarian, Harvell and Mmes: Salchert, Bratton and Retelle voted in favor
Motion carried 6-0-0.

VII. OLD BUSINESS**21/22-09 Review and Discussion: FY 22/23 Budget.**

Mr. DiStasio gave an update on the 22/23 Budget process. The Town is making the progress necessary to provide the Town Council with a detailed budget book a week prior to the Town Council Budget Workshop, scheduled virtually, at 8am on Saturday, February 5, 2022. The Board of Finance will also be given a hard copy budget book when it is ready.

VIII. NEW BUSINESS**21/22-21 American Rescue Plan Act (ARPA): Special Revenue Fund**

Mr. DiStasio clarified that the Federal Government has issued grant funds to various state and local governments to combat the effects for the Corona virus pandemic. The Town was allotted \$5.4MM, \$2.7MM has been received and we expect the remaining \$2.7MM in the spring of 2022. It was decided that it would be in our best interest to create a Special Revenue Fund dedicated to the funding received from the Federal Government through ARPA. A detailed draft was presented to the Town Council, which they approved. We are now looking for Board of Finance approval, he noted that expenditure recommendations and requests for appropriations, would be forthcoming in the normal supplemental appropriation process.

Mrs. Bratton inquired regarding the four categories of eligible use of the funds. Did we have any premium pay incidences or did we use regular pay for people that performed essential work?

Mr. DiStasio replied that we have not given any premium pay to any employees, although, the grant does allow for this type of expenditure.

Mrs. Bratton inquired how funds received in June of 2021 were applied and how the Town plans to apply the funds that will be received in June of 2022, being so close to the end of a fiscal year and after each referendums for the next fiscal year. Mr. DiStasio explained that the Town recorded the receipt of the funds in the General Fund, the Special Revenue fund, if fully

approved will hold the ARPA funds. Basically, it is on our balance sheet, but does not hit our revenues, expenditures or fund balance until we utilize the funds.

Mrs. Bratton inquired who “management” was referring to in the fund description. Mr. DiStasio responded that management would be the Town Manager’s Office, other department heads and the Town Staff.

Mrs. Bratton inquired regarding the eligible use considerations for ARPA funds, Section 1, Part G, Small Business Support, asking if the Town used any funds for small business support or had plans to, and if so what percentage or dollar amount. Mr. DiStasio replied that at this time we have not appropriated any funds from the grant, but small business support is a qualified use, and there would be certain proof that needs to be reviewed to verify that revenue loss was incurred due to the pandemic. Mrs. Bratton asked if local businesses would be notified of the potential funding and able to apply for funding from the Town. Mr. DiStasio responded it could be done in that manner. He noted there is a working list of potential funding uses available on the Town Manager’s webpage, it is not a final list and we welcome input.

Ms. Retelle inquired about the end date for the funds to be expended. Mr. DiStasio responded that the funds have to be obligated by December 31, 2024, and spent by December 31, 2026.

Ms. Retelle inquired about the public and small businesses being asked for their feedback on the spending of the ARPA funds. Mr. Robertson responded that process has already started, there is a posting on the Town Manager’s webpage and there will be an agenda item on the February 3, 2022 Town Council meeting.

Mr. Harvell inquired about the decision making process for determining the projects that we will use the ARPA funds, for who will be making these decisions, as the current list of potential projects have a total cost over the grant amount we will receive. Mr. DiStasio responded that we would seek input from the public at the February 3, 2022 Town Council meeting and with that input and discussions with management and department heads, an appropriation with a recommendation would be brought to the Town Council and Board of Finance for approval.

Ms. Salchert inquired regarding the process of prioritizing the projects and allowing ample time for input from the public. Mr. Robertson responded that the February 3, 2022 Town Council meeting will be the first opportunity to discuss the projects that have been identified by the Town and the Board of Education, as well as the asks for funding by non-profit organizations, the Farmington Valley Health District and the Historical Society; there will be relevant staff present to discuss the projects they are requesting with discussion on each; ARPA fund spending will be part of the budget and appropriation processes; some ARPA funds will be used to offset the FY 23 appropriations. As an example, we may use at least \$1MM for pavement management. He added that some projects will be done through the appropriation process and require approval through the Town Council and Board of Finance.

Ms. Salchert had a follow up question regarding the eligibility of premium pay, as we were not using funds for such at this time, she clarified that we would be eligible to use funds for it. Mr. DiStasio responded that we would not use ARPA funds as a reimbursement to the Town for funds already paid, but it would be possible to use ARPA funds if we wanted to offer premium pay to those eligible.

Ms. Salchert summarized that the Town Council will have the first look at prioritization of the use of the ARPA funds at their February 3, 2022 meeting of which Mr. Robertson concurred.

On a motion made by Ellen Retelle, seconded by Houston Putnam Lowry, it was voted:

RESOLVED: the Board of Finance approves the establishment of a Special Revenue Fund to account for the revenues and expenditures related to the American Rescue Plan Act.

Messrs: Lowry, Gisnarian, Harvell and Mmes: Salchert, Bratton and Retelle voted in favor.

Motion carried 6-0-0.

IX. TOWN MANAGER'S REPORT

A. Monthly Financial Report Summary

Details were included in the packet report dated period ended 12/31/2021 prepared and reported by Tom DiStasio. Mr. DiStasio provided an overview of the report for the new members.

In response to a question from Ms. Retelle, Mr. DiStasio responded that in order to show the actual percentage of expenditures to budget, the annual pension, OPEB and HSA contributions must be divided by twelve and extrapolated across each month.

In response to a question from Mr. Harvell, Mr. DiStasio responded yes, there is sometimes a delay in information from the Board of Education, but is not normal practice.

Mr. Lowry commented the Board of Finance does not have much control over the Board of Education's budget, the Board of Finance does approve the final number but the Board of Education does the allocations. Mr. DiStasio, concurred with this statement.

X. OTHER BUSINESS

Alternative Revenue and Cost Avoidance (Discussion Item)

Ms. Salchert explained the purpose for this discussion came about after an organic discussion during the caucus, after the election, where the topics were items heard from the voters and ideas on raising revenue. This discussion is to remind the public and ourselves that the Board of Finance has a limited ability to undertake any sort of initiatives. The Board of Finance holds public hearings, makes recommendations on spending levels and sets the mill rate. The budget originates from the Town and is approved by the Town Council. We are looking to the Town Council to keep us informed on the types of things being done to for example, to grow the grand list and what types of things are being looked at in terms of cost avoidance.

Mr. Harvell mentioned that there may be fees that will need to increase as part of the budgetary process in the future, such as use of the Landfill, and fees for solid waste.

Mrs. Bratton stated she has heard about a suggestion of a Town level sales tax. This is something that is not allowed in the State of Connecticut.

Mr. Gisnarian mentioned that Connecticut recently passed a storm surge tax and he asked if this tax is something that the Town has looked into. Mr. Robertson responded that he was involved in the writing of that legislation with CCM and it allows municipalities to have the option to create a storm water authority; it would allow the Town to assess a tax on a property owner with impervious surface coverage; these tax revenues would either go to the sewer use fund or another

special revenue fund and be used to maintain compliance with the MS4 permit for items such as catch basin cleaning and street sweeping.

Ms. Salchert suggested this item be revisited after we have had a chance to talk with the Town Council.

XI. ADJOURN

On a motion made by Ellen Retelle, seconded by Houston Putnam Lowry, it was voted:

RESOLVED: That the Board of Finance adjourn the meeting at 7:58 p.m.

Messrs: Lowry, Gismarian, Harvell and Mmes: Salchert, Bratton and Retelle voted in favor.

Motion carried 6-0-0.

Respectfully Submitted,

Houston Putnam Lowry, Secretary

Attest: Christine Pescatore, Clerk

All referenced material is available to the public in the Town Manager's Office.