

**MIDDLEFIELD BOARD OF FINANCE**  
**405 Main Street**  
**Middlefield, Connecticut 06455**

Minutes of the October 22, 2020 Special Meeting via Zoom

Jim Irish called the meeting to order at 7:05 pm.

Attendance:

Members

Others

X	Irish, Jim	X	Bailey, Ed
X	Kowal, Melissa		
X	Lowry, David		
X	Nick, Joel		
X	Skelps, Michael		
X	Wolak, Mary	X	Rusilowicz, Al

A=Absent

X=Present

Approval of the Agenda

Jim Irish made a motion, seconded by Melissa Kowal, to approve the agenda, as presented. Motion carried unanimously.

Approval of Minutes from 9/10/20 Regular Meeting

Michael Skelps made a motion, seconded by Mary Wolak, to approve the minutes from the 9/10/20 regular meeting, as presented. Motion carried, with Melissa Kowal abstaining.

Old Business

A. FY20 Year-End Summary and Variance Analysis - Al Rusilowicz

Al Rusilowicz began by going through the highlights on the revenue side. Tax revenue was \$329,600 over budget, with \$140,000 of that from an increase in the amount of prior year taxes from FY19. That was the highest collection rate in 11 years. The funding for the DUI grant from the State of Connecticut ended about halfway through the fiscal year and has not been renewed for FY21. The senior bus has not operated since the beginning of March, so both the revenue and expenses are down for that. Ed Bailey explained that the State withdrew the funding on the DUI grants because police are not pulling over a lot of DUIs.

Al Rusilowicz also noted that the ECS grant was \$101,000 more than was budgeted. He explained that they are confident in the number that was budgeted for this year. He also explained that there was not a lot of private duty police activity this year and that number is down. Rental of town property was over budget by \$6,000 and miscellaneous income was over by \$8,000, with \$5,700 of that a reimbursement from CIRMA.

Summer camp reimbursement was under budget as was summer camp payroll. The Old Indian Trail line item is under budget as the town is no longer getting reimbursed for payroll costs. The administrative costs related to the two WPCA entities have really been suspended for a period of time. Al Rusilowicz made the decision that the town didn't need it this year, so the transfers were not made.

Interest income is over budget by \$11,000 but far short of the prior year. Mr. Rusilowicz expects that number to steadily decrease as interest rates have gone well below 1 percent. The town did not need to use any of the fund balance, which brings the year's revenue surplus to \$398,437.

Jim Irish asked if the transfer from WPCA is a fixed amount for the Finance Director and Tax Collector. Mr. Rusilowicz explained that it has been a fixed amount, but they have not done the Lake Beseck piece of the transfer for the last two years. It was meant to pay the town back for services rendered, but there is no additional cost to the town. He believes that there is no harm to the town in not making those transfers and they have been eliminated in the FY21 budget. Jim Irish also asked about the backlog of taxes decreasing and Al Rusilowicz will provide an analysis of that. Tax collections to date are \$300,000 more this year than last year, or 58 vs. 56 percent. Mary Wolak noted that the town is in better shape than expected going into FY22 and should look at lowering the tax collection rate.

Moving on to expenses, Al Rusilowicz reviewed that he has kept the Board of Finance informed throughout the year. He noted that the Town Planner is quite a bit under budget because the allocations are not exactly 50 percent and the Town Planner came on later in the year. Insurance is over budget because they paid for two deductibles and that is legitimate. The facilities manager line item is under budget as that position did not begin until February. Fuel costs were lower this year than they have been in roughly 10 years.

The only line item over budget in the Town Clerk area is the assistant and that is not significant. Melissa Kowal asked why it was over budget and Mr. Rusilowicz explained that that was because of the hiring of a second assistant on an as-needed basis by the Town Clerk. Mrs. Kowal thought that the Board of Finance had not allowed for that. Mary Wolak asked if it was related to the ballots being sent out and Mr. Rusilowicz explained that that would be in this year and it remains to be seen how that will fall out since the town has received a special grant for additional election supplies/services. This is the second year in a row that this line item has been over budget and the Town Clerk reimbursed the town last year. Mr. Rusilowicz could send a bill for reimbursement this year. Mrs. Kowal and Mrs. Wolak both argued that the Board of Finance did not approve the hiring of a second assistant and Mrs. Wolak felt that it needed to be made clear to the Town Clerk that any extra people need to be accounted for as all departments need to be held accountable and the Town Clerk needs to follow the same process as everyone else. Melissa Kowal felt there were a number of ways that the Town Clerk could have approached the Board of Finance to be alerted to the fact that she was going to hire another employee and what the project was. Al Rusilowicz will speak to the Town Clerk and he suspects that she will reimburse the town. Mary Wolak understands that things happen and may not be planned, but it needs to be brought up in the budget process. Ed Bailey added that some personnel adjustments have been made because of the current election and he is pretty sure that those additional costs will be covered under the grant from the Secretary of State's office for \$4,328. Mr. Bailey has approved additional staffing, as needed, and left that to the

discretion of the Town Clerk and the Registrars' Office. All additional costs related to the election will be accounted for separately.

Al Rusilowicz moved on to the Registrars' Office and noted that \$5,145 has been expended due to COVID and/or the election. He reviewed that there are three COVID-related expense lines and noted that FEMA is paying for practically nothing. He did note that the State of Connecticut will reimburse most of the items that are not being reimbursed by FEMA if you do not ask FEMA first. The only expenses that Mr. Rusilowicz is going to request from FEMA will be fire department-related. He knows that PPE and shields are not being reimbursed by FEMA. Al Rusilowicz also stated that their original request was for \$8,500 and that request cannot be amended.

Jim Irish noted that there were \$14,000 of COVID costs in emergency management plus \$5,000 for the Registrars' office and they had only asked for \$8,500. Mr. Rusilowicz reminded everyone that their assumption had been that FEMA would pay 75 percent of the expenses and the 25 percent would be submitted to the state for the \$8,500. Ed Bailey added that many towns in the state made that assumption and the state has indicated that they may allow additional reimbursement, if money is available. Mr. Rusilowicz added that the state has received \$75 million to be distributed for COVID-related costs, with \$35 million already allocated.

Mary Wolak summarized that the town is lucky to be in a financial situation to be able to absorb some of those expenses. Al Rusilowicz added that finance directors around the state are wondering why they are wasting their time submitting to FEMA.

Moving to the Land Use department, there were very few items over budget. The items in the Assessor's office have been discussed at prior meetings and he reviewed them again for the Board. Senior/Social Services is only over for the municipal agent and that was due to additional hours for COVID.

Looking at Public Works, payroll costs and overtime are way down due to staffing changes. Road maintenance is over budget, but the projects have been allocated to TAR, the capital fund and the general fund. Garage expenses are up because the doors were painted and they did some remediation of waste water. Public Works is under budget by \$96,000 in total.

Parks and Recreation, Animal Control and the Police Department are all under budget. Ed Bailey explained that the fringe benefit rate on the State Troopers went from 103 percent down to about 85 or 87 percent. Trooper overtime was underspent primarily because private duty was reduced and the DUI grant was not renewed.

The Fire Department is under budget overall. Communications, truck maintenance and equipment and supplies are slightly over budget. The Fire Marshal is also under budget. In Emergency Management, the only thing worth nothing is the COVID expense line which is a basic catch-all for all COVID-related expenses other than the Registrars or Fire Department.

Looking at Boards and Commissions, Inland Wetlands is over budget due to handling a violation at the Lake. Ed Bailey noted that there is a court date set for November. Contingencies are under budget, but will all be utilized as part of the final transfers. Debt Service is complete and Outside Agencies are close to budget.

In total, expenses are under budget \$358,250.

Michael Skelps summarized that the town is under expenses by \$350,000 and over revenue by \$329,000. Al Rusilowicz stated that the fund balance went up roughly \$750,000 in total and the fund balance is now at 20 percent. He reminded everyone that they had used \$250,000 to balance the budget and \$243,000 to buy the LED lights and also reviewed several of the revenue and expenses items that will not be recurring. Going forward, Mr. Rusilowicz stated that the state will have another biennial budget this February which almost surely contain significant reductions to municipalities. Jim Irish felt it is a nice cushion, especially when they anticipate 2022 with lower revenues and special projects coming up.

No transfers will require a town meeting and after using the contingency, Al Rusilowicz believes there will only be about \$20,000 of line items that need to be moved and can be done within the Public Works department.

Jim Irish asked Al Rusilowicz to verify what project the Town Clerk assistant worked on and Mr. Rusilowicz believed it was for indexing of the maps.

Looking at the capital fund, the other revenue was a dry hydrant grant received by the Fire Department. In expenses, the biggest item was the streetlight assessment and Mr. Rusilowicz does not feel that the entire amount will be used up. A dump truck was purchased as was a zero-turn mower. At the end, there is \$2,862,000 in the capital fund.

B. Transfers to close out accounts - Al Rusilowicz - likely vote on transfers

Al Rusilowicz stated that they will vote on final transfers at the next meeting.

C. Grant status update: Ed Bailey/Al Rusilowicz

- I. Open Space Grant - Potential Pogmore property purchase
- ii. Connectivity Grant - \$450K in concert with town development plan
- iii. STEAP Grant - \$128K (+\$75K town funds) = \$200K project for road repair - Lake Shore Drive (LSD) culvert and widening LSD at corner with Chipeway

Ed Bailey reviewed that they have been working diligently on grant applications and they just submitted the Community Connectivity Grant last Friday. That grant would cover phase I of the Town Center Plan for about \$450,000. They have also applied for a STEAP Grant for repair of a culvert on Lake Shore Drive and to do some road widening. That grant will be \$128,000, however the state is requiring that the town provide the balance. They have also applied for an Open Space Grant to help with the purchase of the Pogmore farm. The town is still negotiating a purchase price for the property and the grant would cover 65 percent of the price. They would still need to go through the process of determining if the town actually wants to purchase the property and would have to go to a town meeting to appropriate the funds. Mary Wolak asked if it would be for the entire property and Ed Bailey explained that there are several lots involved, but the three lots they can purchase total 88 acres. Mr. Bailey added that they have received a \$15,000 Affordable Housing Planning Grant and have hired a consultant to prepare the plan. In 2017, the State of Connecticut passed a law that, by 2022, every town must have an Affordable Housing plan. The consultant will be doing the plan for Durham as well. Hopefully, the plan will be submitted to the Board of Selectmen in February for review. Mr. Bailey also reviewed that they received an unsolicited \$4,328 grant from the Secretary of State's office to cover additional general election expenses. The town was also awarded a Neglected Cemetery Grant for the Old North Cemetery in the amount of \$3,336 which

will go towards repairing monuments. Mr. Bailey also noted some of the work that has been done at the cemetery by volunteers.

Melissa Kowal thanked Ed Bailey for all of the hours he spends worrying about the town and writing grant applications. Mr. Bailey explained that having a Town Planner on staff has made a big difference. He also noted that they are moving towards an online permitting system in the Land Use Office. Mary Wolak thanked both the Town Planner and Ed Bailey for bringing the town into the 21<sup>st</sup> Century.

Mary Wolak asked what will be done in phase I of the Town Center Plan and Ed Bailey explained that Phase I will essentially connect Peckham Park with the Civic Center (Town Hall, Community Center, Firehouse, Library, the Federated Church, cemetery and the childcare center). It will be approximately \$100,000 to build a pedestrian bridge to cross the railroad tracks. Phase I will contain sidewalks and crosswalks as well. Mr. Bailey also mentioned that this may become controversial as people may not want to have sidewalks in town.

### New Business

#### A. Public Works Capital Item - Jason Wickham (possible vote to authorize)

Jason Wickham explained that there is a capital item for a backhoe with a balance of \$85,000, but over the years they have been utilizing more and more contractors to do work. Those contractors utilize compact excavators which seem to work well and are more efficient. He felt that they would get more use out of that than a wheeled backhoe at twice the price. They would like to purchase a mini excavator and explained that they already have the trailers to move it around.

Melissa Kowal felt there was a lot of benefit to a mini excavator over a backhoe because the town already has a loader. The mini excavator can do culvert and road work and is definitely more maneuverable. Jason Wickham noted that they would still have the backhoe anyway and hope to extend the life of it for at least another 10 years.

Al Rusilowicz explained that there is currently \$99,327 in that capital line item. Jason Wickham reported that he has received three quotes and is waiting for a fourth. The first quote is a Volvo machine from Tyler Equipment and is \$75,000. The second quote for a Kubota machine is \$71,600, but could be reduced by \$1,000 with an after-market bucket. The third option would be a Caterpillar (which is on the state bid) and is \$68,708 and is being sold by H.O. Penn. Melissa Kowal would support the purchase of the Caterpillar because of their longevity and relatively few issues vs. other brands. Mr. Wickham agreed that the Caterpillar would definitely be more easily serviced as well and he would be in favor of that.

Al Rusilowicz summarized that they would like to buy the Caterpillar now and take the residual balance out of the line item and amortize that cost of \$130,000 over the next 10 years. He felt that some time in the future they will change the line item to be a replacement of the mini excavator.

Joel Nick and Mary Wolak both felt it was a great idea. Ed Bailey thanked Jason Wickham for his work on this. Mary Wolak also thanked Mr. Wickham for all he is doing for the town as did Jim Irish.

Joel Nick asked if Jason Wickham knew how long the machine will last and he explained that they don't use machines as much as contractors so he would expect the life expectancy to be two to three times longer.

Jim Irish made a motion, seconded by Joel Nick, to endorse the purchase of a mini excavator using the balance in the backhoe capital line item 9295. Motion carried unanimously.

B. Auditorium Floor Replacement - cost estimate

Ed Bailey explained that there was a leak that went undetected and a large section of the floor in the auditorium warped. An insurance claim has been filed and the entire wood floor has been removed down to a concrete base with wood sleepers. They are still going back and forth with the contractor that the insurance company hired to restore it, but the issue is that insurance company will want something different than is really needed. There is a long-term moisture problem in one corner of the floor and it has been repaired in the past. The area that was repaired five years ago has already rotted.

Ed Bailey added that there was a five-year plan to replace the auditorium floor but that will need to be accelerated now. A concrete slab with a moisture barrier will need to be installed. The moisture issue will also need to be addressed with some kind of perimeter drain around the inside of the auditorium floor and maybe a sump pump. A vinyl composite floor would be installed on top of that.

Mr. Bailey explained that they will need to come to some sort of settlement with the insurance company and then figure out the cost of what actually needs to be done. He is estimating it to be in the neighborhood of about \$60,000. There is currently \$11,255 in the capital plan. The source of the issue is the high water table. Melissa Kowal felt that there will always be moisture coming through and asked if a structural engineer could provide options. Mr. Bailey agreed that they could install a finished concrete floor or vinyl composite tile. He added that the building is 90 years old and has probably had a moisture problem from day one. Mrs. Kowal suggested that they look at curtain drains to take water away from the foundation itself and Mr. Bailey felt that that would be very expensive. He also explained that the building well is in the basement and the water head is above the level of the auditorium floor. Mr. Bailey also noted that the stairs inside the building have rotted at the bottom. He did explain that there is a dehumidification system in the auditorium as well, but a pump failed and that was the cause of the leak. They have now installed a failsafe to shut the units down if the pumps ever fail.

Jim Irish asked about the timing of this and Ed Bailey reviewed that they are working on a settlement with the insurance company and once that is determined, they will move forward.

C. Emergency Management (Shelter) needs at Memorial School

Ed Bailey stated that Memorial School is the town's designated emergency shelter but is not usable because of an emergency generator problem. The district is planning on doing some renovations next summer, but some of the shelter needs may be in conflict with what the district's plans are - specifically showers. Mr. Bailey and Rob Poturnicki, the emergency management director, have been to the school and will talk to the district about the town's needs. There have been conversations in the past about having a joint shelter at Coginchaug, but the problem with that is Durham paid for specific improvements to be installed for emergency shelter uses and Durham will probably say that Middlefield needs to provide some money. Middlefield would have to pick up the costs for the emergency shelter requirements at Memorial School as well.

Mr. Bailey also reviewed that the Community Center was used as a cooling center during the storm in August and that worked out quite well. The Community Center is not suitable for people sleeping, however, because there are no cooking or shower facilities.

Jim Irish summarized that the Board of Finance will anticipate seeing details in the budget proposal from Emergency Management.

D. Other???

None.

Public Comment

None.

Adjournment

Jim Irish thanked both Al Rusilowicz and Ed Bailey for all of the information. The next meeting will be on November 12, 2020.

Mary Wolak made a motion, seconded by Melissa Kowal, to adjourn the meeting. Motion was carried unanimously. The meeting was adjourned at 9:10 pm.

Respectfully submitted,

Debi Waz

Debi Waz  
Alwaz First