

MIDDLEFIELD BOARD OF FINANCE
405 Main Street
Middlefield, Connecticut 06455

Minutes of the November 12, 2020 Regular Meeting via Zoom

Jim Irish called the meeting to order at 7:02 pm.

Attendance:

Members

Others

X	Irish, Jim	A	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

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

Approval of Minutes from 10/22/20 Special Meeting

Jim Irish proposed a revision to a comment that Jason Wickham made at the last meeting.

Jim Irish made a motion, seconded by Melissa Kowal, to approve the minutes from the 10/22/20 special meeting, as amended. Motion carried unanimously.

Old Business

A. FY20 Year-End Transfers to close out accounts - Al Rusilowicz

Al Rusilowicz explained that he has tweaked the actual expenses for last fiscal year to try to push back anything possible into FY20. He tried to offset all items that were over-expended with an under-expended line item in the same group. At any point that he could not do that, he has highlighted that item in red and took it out of contingency. None of the transfers required any appropriation from the Fund Balance.

Mr. Rusilowicz also noted that the Town Clerk has reimbursed the town for the Assistant Clerk expenses. The Town Clerk did ask him to make it clear that when she hires additional staff, she has the liberty to do that and pays for it out of two fees accounts. Mary Wolak felt that if the Town Clerk anticipates needing help to do that, it would be cleaner if it was presented in the budget and Melissa Kowal agreed. Al Rusilowicz explained that the amount of those fees does show in the audit report and is usually a few thousand dollars in each account. These funds are typically used for items outside of the general fund budget, such as the mapping projects and equipment. He also noted that the Town Clerk is the only check signer on those two accounts.

Melissa Kowal asked who decided that those funds are to be used at the discretion of the Town Clerk when they are fees collected by the town and if it is common practice for that to be done. Al Rusilowicz believed that it is a statutory issue and stated that the Board of Finance wouldn't have even seen it if the Town Clerk had just purchased a piece of equipment rather than go through the town's payroll. Mr. Rusilowicz confirmed that every single town does it this way. Jim Irish suggested that they explain that if an activity is predictable, it should be funded during the regular budgeting process.

Melissa Kowal commented that the Town Clerk's office has a fairly large employee budget and seems to be the only department to consistently need additional help. Jim Irish believed that the additional help in both recent years was entirely for the mapping project and Mrs. Kowal apologized as she misunderstood that. Mr. Rusilowicz added that the Assistant Town Clerk works 29 hours and also works as an accounts payable/floater position for five hours, totaling 34 hours per week.

Al Rusilowicz noted that the Assessor's department had the largest amount coming out of contingency. He again reiterated that nothing came out of the Fund Balance for the year.

Mr. Rusilowicz went on to review that \$11,817 was used in Emergency Management primarily for COVID-related costs. The town has not received any money from FEMA or the state as of yet for COVID expenses. He stated that they will come in as miscellaneous state grant revenue. He also noted that the State of Connecticut must expend the money by December 31st or give it back.

Mr. Rusilowicz then reviewed the Contingency Fund, including any transfers that were made, and reported that the unused Contingency balance is \$40,203. Jim Irish reviewed that most of the transfers were made intradepartment, with four transfers from the Contingency Fund.

Al Rusilowicz hoped that the Board of Finance would vote to accept the transfers and explained that they do not require a town meeting.

Mary Wolak made a motion, seconded by Joel Nick, to authorize the FY20 year-end transfers identified by the Middlefield Finance Director, per attached sheets, in order to balance out line item over-expenditures. In most cases, transfers are intradepartment. In no case is there a transfer to a specific line item exceeding the 0.5 percent of the current general government budget limit on Board of Finance spending authorized by the Town Charter. Motion carried unanimously.

Al Rusilowicz stated that he presented Fund Balance information at the last meeting, but felt that it misrepresented where the fund balance would really be. Tonight's numbers are much more conservative and depict what the fund balance actually is. Unaudited revenue is real revenue earned in FY19-20, not counting any fund balance that was used to balance the budget. The expenditures of \$16,355,000 do include the \$243,000 spent on the LED lighting. The surplus went from about \$750,000 down to approximately \$315,000, due to the surplus that was carried over and the LED light surplus that was used.

Mr. Rusilowicz felt that this is a depiction of the true dollar increase in fund balance for the year. The projected unaudited surplus will be \$3,427,539 and the BOF had decided to use \$250,000 to balance this year's budget, leaving an unassigned fund balance of \$3,177,539, as of today. The unassigned fund balance is 19.21 percent of the FY21 budget expenditures. He is unsure about what funding will be provided by the state and the economy has certainly not gotten better during the pandemic.

Mary Wolak mentioned that the state's budget numbers are getting a little better, primarily due to people making a lot of money on Wall Street, drinking, gambling and selling real estate. Melissa Kowal added that it looks like a second wave of COVID is coming and that creates uncertainty come Spring. She also stated that no one knows how long COVID will last and what tax collections or reimbursement will look like. Mrs. Kowal would personally like to hunker down with extra cash in the fund. Mrs. Wolak agreed. Al Rusilowicz stated that tax collections have not been impacted at all by the COVID situation or increased unemployment and are actually better than the prior year. Mrs. Kowal cautioned that next year could be worse, with no stimulus packages.

B. YTD Revenue and Expenditure Variance Analysis - Al Rusilowicz

Al Rusilowicz then went on to review the expenditures to date and explained that the town should be at about 29 percent of budget through the end of October. He then went on to review the items that are substantially over the 29 percent. The accounting system was paid up-front, dues were paid at the beginning of the year and Regional Planning and Council of Governments are paid up-front as well. Insurance is paid in two equal installments.

Health insurance is at 47 percent and HSA payments are made for employees in July. Mr. Rusilowicz noted that the town has received a grant from the Secretary of State's Office to help offset some of the increased election costs, both in the Town Clerk's Office and Registrars. Everything is on track in Public Works. Under Park and Rec, the Lake Beseck expenses are high, but Mr. Rusilowicz did not know why and will look into that.

Al Rusilowicz did note that the Emergency Notification system did have an increase this year and is over budget by \$163.00. Moving to Debt Service, Mr. Rusilowicz stated that the USDA note has been paid in full. He also noted that Regional Hazard Waste is over budget and will be over even further. Mr. Rusilowicz summarized that the town should be at roughly 29 percent in total and they are actually at 35 percent, primarily because of the costs that are paid up-front.

Mr. Rusilowicz also stated that Ed Bailey had applied for a STEAP grant and it was awarded for a total of \$128,205. This is for replacement of a culvert on Lake Shore Drive, with a total cost of \$180,300. The balance of \$52,095 will come out of the Capital fund.

New Business

Jim Irish reported that two tennis and four pickleball courts have been completed at Memorial, along with the basketball court. There are also six Four Square areas.

Mr. Irish also reported that the new dump truck and excavator should be in town soon.

Jim Irish also explained that Middlefield is in the red zone for COVID infections because of the numbers per 100,000 ratio. Prior to today, Durham was orange but that could have changed. The State has given school districts some flexibility in their decision-making process and Mr. Irish felt that District 13 is

doing a great job in contact tracing. The district also received a \$400,000 grant from the state for COVID expenses that can be spent through December, 2020. Mr. Irish added that Kim Neubig reported that the district had a \$838,000 surplus last year and have applied \$615,000 to the FY21 budget, leaving \$223,000 which is a lot more than was anticipated.

Al Rusilowicz reported that they have received the enrollment numbers and Middlefield's participation has decreased by ~0.5 percent, which should be roughly \$200,000. Mr. Irish also noted that the district has accepted a three-year contract agreement with the administrators, with a roughly 2.5 percent per year increase in salaries plus some step function increases.

Al Rusilowicz reported that Betsy Dean's husband passed away this weekend unexpectedly. There are currently no services planned.

Dave Lowry asked if anyone knew when they would be able to meet the new superintendent and Al Rusilowicz stated that Ed Bailey and Laura Francis had a Zoom meeting with him.

Jim Irish also reported that Draya Gohagon, a 10-year-old activist from Middlefield, did a presentation at last night's Board of Education meeting. Mr. Irish will forward the link for the presentation to the board members. Draya offered the Board a \$500 donation to buy books for Brewster School on race and equity.

Dave Lowry also announced that he is now a grandfather.

Adjournment

Jim Irish made a motion, seconded by Mary Wolak, to adjourn the meeting. Motion was carried unanimously. The meeting was adjourned at 8:23 pm.

Respectfully submitted,

Debi Waz

Debi Waz
Alwaz First