



Town of Colchester, Connecticut

127 Norwich Avenue, Colchester, Connecticut 06415

Mary Bylone, First Selectman

**Town of Colchester
Board of Finance Regular Meeting
October 21, 2020 – Virtual Meeting – 6:30 PM**

MINUTES

***All members and citizens were present via Zoom webinar

MEMBERS PRESENT: Chairman Rob Tarlov, Michael Hayes, Mike Egan, Andreas Bisbikos, and Andrea Migliaccio, Bernie Dennler

MEMBERS ABSENT: None

OTHERS PRESENT: CFO Maggie Cosgrove, Selectman Rosemary Coyle, Chief Sean Shoemaker, Tax Collector Michele Wyatt, BOE Liaison Amy Domeika, Brad Bernier

1. **CALL TO ORDER:** Chairman Tarlov called the meeting to order at 6:30 p.m.
2. **ADDITIONS TO THE AGENDA:** None
3. **APPROVAL OF MINUTES – Regular Meeting 10/07:** M. Hayes motioned to approve the regular meeting minutes of October 7, 2020, seconded by B. Dennler. Vote was unanimous. **MOTION CARRIED.**
4. **CITIZENS' COMMENTS:** None
5. **CORRESPONDENCE:** None
6. **FIRE APPARATUS PRESENTATION:** S. Shoemaker gave a presentation on the condition of the current fire apparatus, what is needed for replacements, and the costs associated with each of them. The average age of the equipment is 28.83 years with needed repairs costing more than the equipment is worth. The ambulance is 3 years beyond the life expectancy of an ambulance. Hoses and equipment would be moved to the new vehicles. Apparatus would be rotated to extend the life of the vehicles. No changes to the fire houses would need to be made to accommodate new equipment. Members discussed options for financing. A. Migliaccio would like leasing to be explored so we are not stuck with vehicles that do not meet regulations if regulations change as they have since we purchase our current equipment. She also suggested low interest rate municipal loans. Chairman Tarlov said we do not want to frontload the debt service costs as there are bonds that are coming off in 3 - 6 years. A. Bisbikos asked for a comparison of lease vs. purchasing and long-term maintenance costs. S. Shoemaker said he anticipates the operational costs will be lower with new equipment. M. Cosgrove needs to check but believes the cost of insurance might go down

RECEIVED
OCT 27 AM 11:00
TOWN CLERK
Rosemary Coyle

as well. Not replacing equipment would result in an increased cost later on. S. Shoemaker provided the example of a new aerial truck that has a current cost of \$1.5 million now and will be \$1.7 in a few years. R Tarlov said while future maintenance and insurance costs are important for budgeting and purchasing alternatives, they are not relevant to the decision as to whether the equipment needs to be replaced. Equipment will take several months to a year to be delivered once ordered. Last time we waited until the aerial truck became condemned. We had to get what we could get the quickest resulting in a 75ft ladder when 100 ft was what was ideal. Chairman Tarlov asked B. Bernier, based on his experience as a career firefighter, for his opinion. He said that the department does a great job keeping equipment in service but it is time to replace it. He does not think the package put forth is excessive and is well thought out. The current thought is to bring purchasing the equipment to the vote after the first of the year.

7. DEPARTMENT REPORT:

- a. Tax Collector:** The current collection rate is 57.037% which is about where it was last year at this time. The Executive Order for tax relief expired. Any outstanding balances will now be billed at the regular rate. Interest will be charged on late balances at a rate of 6%. The delinquency collection rate is low. The office will work to improve this now that the Executive Order has expired. Demand notices were sent out October 6th.
- b. Finance:** Interest revenue is a concern. Building permits are still trending high. Nothing of significance on the expenditure side. There are still positions that need to be filled. FEMA reimbursement starting from mid-March is possible soon. It will cover the additional coverage and cleaning supplies needed at the firehouse. Reimbursement for items needed at Town Hall and other town facilities will need to be applied for through CRF. These funds will change our expenditures from last year.

8. FIRST SELECTMAN:

- a. Transfers:** None
- b. First Selectman's Report:** R. Coyle gave the report - 140 tests were done at the recent COVID-19 test clinic at Town Hall. Colchester has 154 confirmed cases with 6 COVID-related deaths, not including Harrington Court. With 10.3 positive cases per 100,000 residents, the town is at level Orange. Harrington Court has 56 positive cases out of a population of 70 residents. Apple Rehab is COVID-free. The Senior Center will remain closed per Chatham Health District's recommendation.

9. OLD BUSINESS:

- a. Memorandum of Understanding - update on process to change Charter:** A Bisbikos said we need a deadline as when this will be done. Chairman Tarlov will speak to First Selectman Bylone about moving this process along.
- b. Fund Balance Policy:** A. Bisbikos and A. Migliaccio provided suggested changes to the process. They want to make sure BOS share the responsibility if the balance dips to a critical point such as below 5%. It was agreed that the use for mill rate relief should be part of the policy. M. Cosgrove is concerned that at a low level of 5% it could be too late to recover from. Action should be taken before so it does not go that low. Members will

consider the wording of the various proposed versions of the policy and try to reach an agreement for the next meeting.

10. NEW BUSINESS:

- a. Capital Plan Update:** M. Cosgrove shared the 5 year plan broken down to show a comparison of the 2019-2020 and 2020-2021 anticipated and actual budget amounts. Further discussion and questions will be addressed in the next meeting. She asked members to keep in mind when looking at the comparison of the source of funding and if it is something that has to go back into the budget this coming year.

11. 2021-2022 BUDGET DISCUSSION :

- a. Survey:** The need for a survey was discussed and members agreed on the necessity of surveying town residents for the budget.
- b. Calendar:** R. Tarlov expressed the desire to shorten the budget season and hold fewer meetings. He has asked that departments start giving the board an idea of new items they feel are most important next year.
- c. Other:** None

12. BOARD OF FINANCE 2021-2011 DISCUSSION PRIORITIES:

- a. Review and Update:** A. Bisbikos would like to revisit the discussion funding the fields. M Egan said we needed to address the two items with higher priority first, fire apparatus and Senior Center. Chairman Tarlov agreed, but said the field presentation that was supposed to take place, but was cancelled due to COVID should still be done. Field sustainability can be discussed at the next meeting.

- 13. LIAISON REPORTS:** M. Egan: Senior Center Building Committee - Looking at estimates and obtaining an all-inclusive cost. The RFQ/RFP for the Owner's Rep went back out to bid. BOE - A parent letter was read endorsing the change to full time learning. Superintendent Burt presented a draft of a long range recover plan. A 1.0 FTE for Pupil Services in Special Education was approved. Budget priorities were discussed. Current enrollment is 275 students, which is a reduction of 90 students being enrolled. 48 students are currently doing full time remote learning. 7 retirements have been submitted. R. Tarlov: Youth Services - 12 students are receiving tutoring services. A. Domeika added that a mock run for suicide post intervention was done.

14. CITIZENS COMMENTS: None

- 15. ADJOURNMENT:** M. Egan motioned to adjourn, seconded by B. Dennler. Vote is unanimous. **MOTION CARRIED.** Chairman Tarlov adjourned the meeting at 9:22 pm.

Submitted by,
Dawn LePage, Clerk

Attachments: Fund Balance Policy Drafts

Zone	Percentages	Potential Uses	Required Actions To Use
High Cautionary Zone	< 5 %	Specific Urgent and Unexpected Situation Only as deemed by the Board of Finance and the Board of Selectman	Requires approval by a vote of 4 members of the Board of Finance at an official meeting, and only upon the determination of a specific urgent situation by both the Board of Finance and the Board of Selectmen (by regular voting procedures). The Board of Finance shall adopt a plan to restore the Fund Balance to greater than 5% over the next two fiscal years
Cautionary Zone	5 % to 9 %	Specific Urgent and Unexpected Situation as deemed by the Board of Finance.	Requires approval by a vote of 4 members of the Board of Finance at an official meeting, and only upon the determination of a specific urgent situation by both the Board of Finance and the Board of Selectmen (by regular voting procedures). The Board of Finance shall adopt a plan to restore the Fund Balance to greater than 9% over the next two fiscal years
Confidence Zone	9 % to 12%	Capital Projects, Debt Repayment, One time expenditures. Should not bring fund balance below 9%	Requires a majority vote of Board of Finance members present, but no less than 3 members in favor of approval. Identify one time expenditure(s); or expected revenue or expense reduction to occur in next fiscal year. The Board of Finance shall adopt a plan to restore the Fund Balance to greater than 9% over the next 2 fiscal years and to replace funds over 5 fiscal years.
High Confidence Zone	> 12 %	Capital Projects, Debt Repayment, One time expenditures, Mill Relief. Should not bring fund balance below 12%	Requires a majority vote of Board of Finance members present, but no less than 3 members in favor of approval Board of Finance shall adopt a plan to restore the Fund Balance to greater than 7% over the next 2 fiscal years and to 12% over 5 fiscal years.

TOWN of COLCHESTER

Unassigned Fund Balance Policy

POTENTIAL USES			REQUIRED ACTION TO USE	
	Supplemental Appropriation	Budget	Supplemental Appropriation	Budget
Cautionary Zone 				

¹ Based on the current Adopted Budget

² Based on Proposed Budget