



Town of Colchester, Connecticut

127 Norwich Avenue, Colchester, Connecticut 06415

Mary Bylone, First Selectman

**Town of Colchester
Board of Finance Regular Meeting
December 16, 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

0. Call to Order - Chairman Tarlov called the meeting to order at 6:32 pm.
1. Additions to the agenda - None
2. Approval of Minutes - M. Egan moved to approve the minutes from the December 2, 2020 meeting. M. Hayes seconded. Vote was unanimous. Motion Carried.
3. Citizens' Comments - None
4. Correspondence - None
5. Department Reports
 - a. Tax Collector - M. Wyatt reported the current collection rate is similar to this time last year. Supplemental vehicle tax bills will be going out Friday and will be due February 1st. The collection rate is expected to be around 97% by the end of January.
 - b. Finance - M. Cosgrove discussed budget revenues and expenditures. Building permits continue to trend well, as do conveyance taxes. Town Clerk and Registrars were over-expended due to the election. Costs are currently being shifted as COVID relief funds are received. No other major changes were reported.
6. First Selectman
 - a. Transfers - None
 - b. First Selectman's Report - M. Bylone reported the Town Hall will be closed on 12/17 due to the winter storm. Most employees will be working from home for the day. Storm preparedness meetings were held. Youth and Social Service received a grant for \$625,000. Plans for the Fire Apparatus and the coming budget are being worked on. The fuel cells have not been delivered for 12/1 as planned due to COVID.
7. Old Business
 - a. Memorandum of Understanding - The possible change to the MOU were discussed, but no action has been taken. M Bylone will contact town attorney again and get more information on making an amendment.
 - b. Fund Balance Policy - Final changes and concerns were discussed. Document presented with the revisions from the previous meeting. An additional change to one phrase, adding the word "possible" to "for possible future purposes" under above 15% was made. M. Hayes motioned to approve and send to the BOS for their review. A. Migliaccio seconded. Vote was unanimous. Motion Carried. The approved document is attached.

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c. Rec Field Presentation - J. Paggioli reported 32 people attended the forum on the fields in addition to staff. Overall, the response to the information presented was positive. The Zoom recording of the presentation and discussion is available on the town website. The Board discussed the need for irrigation and additional land for fields. The board members agreed that they need to review further, but that they must learn of the other priorities that the First Selectman has been analyzing.

8. New Business – None

9. 2021-2022 Budget Discussion

a. Survey Questions - Changes to the list of survey questions were discussed and final list was agreed upon. B. Dennler and M. Egan make the changes and send out the final questions. The survey will open on January 8th and will close on the 18th.

b. Other items - None

10. Board of Finance 2021-2022 Discussion Priorities

a. Review and Update - No changes made to list developed during the previous meeting.

11. Liaison Reports - Planning and Zoning is discussing the medical marijuana production facility that may be built in town. The BOE reported the WJJS renovation came in 9.5% under budget.

12. Citizens' Comments - None

13. Next Meeting Date - This item was left on from the last meeting agenda.

14. B. Dennler motioned to adjourn. Seconded by M. Hayes. Meeting adjourned at 9:00 pm.

Submitted By,

Stacey Schweighoffer, Clerk

TOWN of COLCHESTER

Unassigned Fund Balance Policy

	POTENTIAL USES ¹		REQUIRED ACTION TO USE	
	Supplemental Appropriation	Budget	Supplemental Appropriation	Budget
Cautionary Zone < 10%	Specific Urgent and Unexpected Situation as deemed by the Board of Finance and Board of Selectmen	N/A	Requires recommendation by the Board of Selectmen. Requires approval by at least 4 members of Board of Finance. Board of Finance shall adopt a plan that will restore the dollars to Unassigned Fund Balance to 10% over the next 2 fiscal years. ¹	N/A
Confidence Zone 10% to 12%	Capital Projects	N/A	Requires recommendation by the Board of Selectmen if it brings balance below 10%. Requires approval by a majority of the Board of Finance, but at least 3 members approving. If the appropriation results in the fund balance falling below 10%, the Board of Finance shall adopt a plan to restore the Unassigned Fund Balance to greater than 10% over no more than the next 2 fiscal years. ¹	N/A
	Repay Debt, if Permissible Transfer to Other Funds Other One Time Items		Identify one time expenditure, expected temporary revenue reduction, or temporary expense increase to occur in next fiscal year. Requires approval by at least 4 members of the Board of Finance. Should the Unassigned Fund Balance fall below 12% on subsequent Town audits, the Board of Finance shall adopt a plan to restore funds used to bring the Unassigned Balance back to 12% over the next 3 fiscal years. ¹	
High Confidence Zone >12%		<div> <div>The fund balance can be used for revenue in the next Fiscal Year Budget. (Mil Rate Relief) ³</div> <div>Cannot bring the Unassigned Fund ¹ Balance below 12% ²</div> </div>	Requires recommendation by the Board of Selectmen if it brings balance below 10%. Requires approval by a majority of the Board of Finance, but at least 3 members approving. If the appropriation results in the fund balance falling below 10%, the Board of Finance shall adopt a plan to restore the Unassigned Fund Balance to greater than 10% over no more than the next 2 fiscal years. ¹	
>15%	For Unassigned Fund Balance amounts above 15%, the Board of Selectmen and the Board of Finance shall identify for the taxpayers possible future purposes for this money.			

1. Declarations of an ongoing emergency by other government entities can allow the BOS and BOF to create adjustments to the policy for the use of funds and planned restoration schedules.

2. Based on the Unassigned Fund Balance and Expenses shown in the last Fiscal Year Town audit.

3. Because use of funds in the current year budget could create a need to replace these funds in the next budget through a tax increase, consideration should be given to allow these funds to be used in a way to allow potential availability over multiple budget years.