

Town of Willington

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BOARD OF FINANCE

**Meeting Minutes
Via Public Online Video Conference**

**August 20, 2020
7:00 PM**

**Minutes are not official until approved at the next regular meeting*

Members Present:

Mike Makuch – Chairman
Peter Tanaka – Secretary
Stef Summers
Matt Clark
Lisa Woolf - Alternate

Members Absent:

Geoff Prusak
Christina Mailhos
Mike Perry - Alternate

Also Present:

First Selectwoman Erika Wiecewski
Business Manager Donna Latincsics
Director of Human Services Jennie Arpin
Chief Alex Moore – Willington Fire Department #1
Members of the Public

Chairman Mike Makuch called the meeting to order at 7:06pm.

SEATING OF ALTERNATES

Stef Summers made a motion to seat Lisa Woolf for Christina Mailhos.

Mike Makuch seconded the motion.

Vote: 4 Yes (S. Summers, M. Clark, P. Tanaka, M. Makuch), 0 No

PRESENT TO SPEAK

Peter Latincsics of 97 Trask Rd. stated: I am glad to see the school roofs are on the agenda and will be discussed. What is the status of the MBR calculation? Also, has the board communicated with its resources to design a way to restructure the fund balance to make it less susceptible to different liabilities the town may face?

Chairman Makuch replied that there has been no action on the MBR and while it is good information, it won't change what the board approved.

Peter Latincsics pointed out that the MBR calculation will have a significant bearing on the forthcoming budget and appears every year as a baseline.

To Peter's second question, Chairman Makuch responded that he inquired with Business Manager Donna Latincsics about what tasks the accounting firm completes. If the board chose to engage them in any capacity to discuss Capital or reserves, it would be on new financial terms because it is not included in the current contract. Because there was a cost involved, he did not attempt to engage them without it coming back through the board. He noted that both questions are ongoing and will be continued conversations.

OLD BUSINESS

1) Public Health Crisis Update-potential effect on municipal budgets

Chairman Makuch summarized that surrounding the conversation is much information, including feedback from Selectwoman Wiecenski in looking at town operations; more information from the Board of Education (BOE), where significant dollar items are; some smaller items from the fire departments in the form of salary expense for Willington Fire Department #1 (WFD#1) due to the number of people on duty during COVID and the storm emergency; under \$3,000 from the Willington Hill Fire Department (WHFD) related to hosting COVID-positive or exposed EMTs in the house at 25 Old Farms Rd.; and some costs for personal protective equipment (PPE). Many of these costs have opportunities for reimbursement and many don't.

Selectwoman Wiecenski elaborated that some of the expenses are indicated in a spreadsheet she shared, including most of the WHFD expenses. She continued that additional expenses may stem from the presidential election in November, as there are potential additional costs due to COVID concerns. The current plan is for the Secretary of State's office to mail out applications for absentee ballots to registered voters, which are then mailed back to the Town Clerk. Unlike the primary, the Town Clerk's office will be responsible for sending each associated ballot. That could cost upwards of \$1,200 if postage stays the same. This morning, towns were told that the Secretary of State's office is planning to send funds to each municipality to cover postage and necessary extra staffing to help with processing absentee ballots, so it may not cost the town, but more information is to come.

Chairman Makuch inquired about Federal Emergency Management Agency (FEMA) reimbursements. Selectwoman Wiecenski shared that regarding coronavirus expenses, most towns have been surprised to find that most of what they expected to be covered by FEMA is not, e.g. Plexiglass dividers and small-scale building modifications; additional EMS hours; technology costs to enable remote work. Everything must be submitted to FEMA; once rejected, it can be submitted to the state system for federal funds provided to states. The state originally said that they could cover 100% of those costs, so that is the current assumption. There are new costs coming in and different avenues for funding for schools than municipalities.

Chairman Makuch inquired about unemployment numbers for the town of Willington. Selectwoman Wiecenski shared that July numbers had not yet been made available, but June numbers showed a slight increase to 7.5% or 274 people unemployed.

Matt Clark shared that a different spot on the Department of Labor (DOL) website shows 230 or 237 people unemployed in Willington, so unemployment going down. However, a lot of those people have decreased hours and it is still a difficult time. He continued that the financial person from the Office of Policy Management (OPM) is asking for budgets that are no increases and no inflationary adjustments except where mandated by law. They are looking at \$3 billion deficit next year and the year after that at the state level. They are asking for departments to decrease spending and mentioned aid to towns and cities and Medicaid or Husky.

Chairman Makuch responded that he has heard the same thing. Information from the state changes daily and he guesses there will be a deficit this year. Stef Summers clarified the deficit mentioned in the article referenced by Matt; the next two fiscal years, the state is expecting \$3 billion per year in deficit. Chairman Makuch responded that for local purposes, the board should interpret it as a risk for the revenue stream from the state.

Selectwoman Wiecenski added that if the latest coronavirus relief fund comes through, the board should keep in mind how the state will plan to come up with those funds, as it affects the current budget and may cause further cuts.

Stef Summers inquired whether the unemployment claims are for the schools, the town, or both. Selectwoman Wiecenski responded that it encompasses the town and school district. It is minimal unemployment, but there were people who worked for Willington in lesser capacities who filed for unemployment. The town tried to argue them, but didn't come to fruition so the town was responsible for paying them.

Stef noted that altogether the amount of growth over budget is \$56,000 - 68,000 through September 1, and that's only 2 months in the fiscal year. She inquired whether that is expected to keep that pace. Selectwoman Wiecenski replied that most of those costs were one-time expenses that came early in the year, e.g. retrofitting and shoring up offices in town hall, IT to set up VPN for people working from home, and FD overtime when they had individuals who tested positive and were quarantined.

Stef inquired as to the reason it was necessary to use both the house at WHFD and the trailer at WFD #1 to quarantine people. Chief Moore replied that due to the timing of when people tested positive, they had to be separated. If they had been put together, it would've extended the person in the house's quarantine.

Selectwoman Wiecenski noted that the expenses related to storm Isaias came out of the budget and were mostly overtime, but the numbers aren't yet available. The year's tree-cutting budget is close to maxed out at this time.

Matt Clark inquired about revenue. Selectwoman Wiecenski shared that tax revenue as of Tuesday has brought in roughly \$6,531,000, which represents 47% of total real estate collection, 56% of personal property taxes, and 60% of motor vehicle taxes. The tax collector reports that that is about average for this time in the collection cycle. The total for the first installment, which

includes all of the motor vehicle and first installment of real estate and personal property taxes is \$7,367,000, so we are only about \$800,000 under the first installment amount, which is typical for this time of year. Lots of people are paying in full and there is a continuous stream of people coming in to pay, which has caused big changes to the collection rate between the beginning of August and this week's report. She noted that people have until October 1 before a penalty is incurred, in which case the interest goes back to July 1.

Matt inquired whether the town is seeing normal payments from commercial properties like apartment complexes, as he has observed that many are empty. Discussion was held regarding dates of UConn students returning and the impact of reduced housing available on campus.

Peter Tanaka added regarding the Registrar's budget - he worked at the primary election and noticed errors in mail-in balloting, including some who requested ballots not receiving them. He really thinks that the registrars are going to need help with mail-in balloting at the general election. In addition, the move to hold voting at Hall School will be a cost issue if not a logistics issue as well.

Stef added that she did the AP polls for Tolland and they had 3 times the number of absentee ballots for this primary that they had in the last presidential election, totaling about ¾ of the vote. Peter agreed that the clerks in Willington spent a large amount of their time on Election Day counting and ensuring a truthful vote for mail-in ballots. Selectwoman Wiecenski noted that that's why they are asking for additional staffing in the town clerks' office. At this time, it's unclear whether the Secretary of State is planning to provide additional funding for registrars.

2) Capital funding process: continued discussion

Chairman Makuch summarized that there are two items at hand and that this item will stay on the agenda; the first is dealing with the capital plan itself, and the other is dealing with the capital process and definitions. He noted that CIP chairman Stuart Cobb is working with Business Manager Donna Latincsics on when the materials and updates will be ready, some of which are governed by the transition to the new software. Stuart hopes to be ready to start capital meetings again at the end of the month.

Chairman Makuch recalled that the board does have the potential to ask the auditing firm for advice, e.g. definitions of capital asset vs. maintenance item, as interpretations differ. There are definitions within the capital plan, but the amount that it is followed varies by committee, so in his mind it would be helpful to clear up the definitions and then follow the plan.

Stef expressed that as an overall issue, a process review and debate might take a lot of the board's time right now, and that there are a lot of other things that are of rising priority; a CIP plan that's not compete and school reopening and potential re-closing.

Chairman Makuch responded that he agrees it would be easier to discuss in a "quiet" year, but he believes some of it will be discussed naturally as the CIP committee decides how to structure the plan for the next 4 years. If every CIP committee had followed the definitions in the plan, it wouldn't be a conversation. It's especially relevant due to the item brought up earlier about the structure of the fund balance to help with negotiations. Many issues are related.

Matt Clark added that he'd like to know from the accounting firm how the town finances could be structured such that there's an account that's clearly set aside for capital and not operating expenses.

Stef noted that the CIP committee has talked over the last few years about increasing the pool for capital and that many budgets don't have maintenance built into the regular operating budget now.

3) Monitoring the current FY budget

Chairman Makuch noted that it is early in this budget year, but the goal of monitoring the budget is one that the board and the public feel is important. The board will continue to monitor this report for any unexpected expenses. He continued that he sent the readout from the software to the board; it shows 26% of the budget spent due, he believes, to frontloaded expenses such as encumbered salaries and the entire \$22,000 fire department insurance bill being paid at the beginning of the fiscal year.

Business Manager Donna Latinsics confirmed that insurance premiums such as worker's compensation liability are paid in full at the beginning of the year, in addition to 70% of the heating oil contract.

Matt stated that as of right now, the budget looks okay if revenue from the state remains intact. He asked if there is an estimate of what happens if the state cuts 10% of the budget like the article he shared said. Selectwoman Wiecenski clarified that any reduction from the state would reflect in the next fiscal year's budget.

Chairman Makuch added that those sorts of projections become more important throughout winter and into the spring budget season and can affect how the current year is closed out if it looks especially dire. Stef clarified that the article shared did not target 10% or any specific level of cuts.

4) Board of Finance manual/policies/etc.

5) Annual report-previous year

Outstanding reports FY 18-19:

- Board of Assessment Appeals
- Economic Development Commission
- Inlands Wetlands and Watercourses Commission
- Library
- Planning and Zoning Commission
- Zoning Board of Appeals

Chairman Makuch stated that these reports are well overdue, as it is time to be compiling the annual report for FY 19-20. He will communicate directly with those organizations and if their reports aren't produced, the report will be published without them.

6) CIP:

a) Committee reopening

Discussed in previous items.

b) Current FY funded projects-approval process

Discussed in previous items. Logistics of scheduling a meeting was discussed.

7) Schools:

a) Roof project

Chairman Makuch referenced an e-mail from Superintendent Stevens saying that they are working well over their normal work days attempting to meet state requirements and communicating with townspeople and the BOE on getting school reestablished with coronavirus and he can't give the roof project his attention right now. They discussed the possibility of turning over management of the project to another party like a consulting firm. Superintendent Stevens thinks it would cost \$20,000 – 30,000 to bring in a consultant to take over management of the contract from the town's point of view. They would also take care of filing necessary paperwork. Superintendent Stevens believes he could manage the project in the winter and spring if coronavirus is managed well at that point but if the pandemic gets worse again, it would cause pushing the project further back.

Chairman Makuch gave the opinion that this decision can wait a month, until we see how school open goes.

Matt Clark stated that he heard the roofs were leaking and asked if that was true. Selectwoman Wiecenski reached out to Superintendent Stevens who replied that the patches are working and there are no leaks.

Stef asked if there is a time frame we have to do this work to get state reimbursement, and whether the state reimburses for a consultant cost. Chairman Makuch replied that typically project management is a project cost, but he's not sure if it would need to be structured a certain way.

b) CES septic

Selectwoman Wiecenski stated that the project is done and was paid for out of last fiscal year's budget.

NEW BUSINESS

1) Transfers

Donna Latincsics summarized that three departments in the FY 19-20 budget are overspent and the books cannot be closed with departments in a negative situation because of a statute that says a department may not exceed their appropriation. There is another statute that says a BOF may transfer unexpended balances from the same FY budget. Line item 0871 Miscellaneous went over by \$1,559 due to COVID-related virtual meeting expenditures. Line item 0351 Transfer station went over by \$9,641 due to increases in use, especially bulky waste, discussed at previous meetings. Line item 0137 Revenue Collector went over by \$831 due to a salary shortfall because

of a staffing change after the budget had been set. There were budget savings in line item 0181 Town Office Operations in the computer expense line, line item 0311 Public Works, and line item 0171 Planning and Zoning due to a new employee resulting in salary savings.

Mike Makuch made a motion to transfer \$1,559 from line item 0181 Town Office Operations to line item 0871 Miscellaneous.

Lisa Woolf seconded the motion.

Vote: 5 Yes (S. Summers, M. Clark, P. Tanaka, L. Woolf, M. Makuch)

Mike Makuch made a motion to transfer \$9,641 from 0311 Public Works to line item 0351 Transfer Station.

Lisa Woolf seconded the motion.

Vote: 5 Yes (S. Summers, M. Clark, P. Tanaka, L. Woolf, M. Makuch)

Mike Makuch made a motion to transfer \$831 from 0171 Planning and Zoning to line item 0137 Revenue Collector.

Lisa Woolf seconded the motion.

Vote: 5 Yes (S. Summers, M. Clark, P. Tanaka, L. Woolf, M. Makuch)

2) Storm effects on budgets (Town operations/Public Works/Fire Departments/etc.)

Discussed in previous conversation. Chairman Makuch recalled that there was some additional staffing in the fire departments during the storm. The Public Works tree-trimming budget is almost maxed out and there is lots more left to do, as there are trees that were broken in the storm that just haven't fallen yet. Hanging branches are a risk to the budget and people's safety. He imagines this conversation to find solutions will continue throughout the year.

Selectwoman Wiecenski shared that many of the broken trees appeared to be otherwise healthy and outside of the town's jurisdiction to be taking down. Eversource's tree trimming program seems to have done some good, but allowed space for new trees to fall. Her question is whether Willington should look into more tree trimming on our own and increasing that budget. Selectwoman Wiecenski shared that Director of Public Works Troy Sposato is concerned that his tree trimming budget is maxed out. The CIP committee knew that he was asking for a bucket truck. If Willington had one, we wouldn't have to pay another company to come in and do it, so there's an added expense there. She concluded that it's only August, so we can't be sure that we're done with storm damage for the year, especially if storm season happens the way it's predicted.

Chairman Makuch inquired about emergency operations center expenses, as he knows they fed staff. Selectwoman Wiecenski shared that the majority came from donations; the fire department paid for some and It Takes A Village Hill stepped up to help with the charging and water station as well as bringing in food for those people working overtime. Selectwoman Wiecenski thanked Sarah Reis for her program and those donations, as they made a difference.

Chairman Makuch detailed the long hours and huge efforts of the Emergency Operations Center, fire departments, Selectwoman Wiecenski, and other town staff, as well as volunteers, to assess

the damage and keep the town safe during the storm. The numbers are hard to calculate but many people were working very hard.

Selectwoman Wiecenski mentioned Human Services Director Jennie Arpin and her extra hours as well, especially rallying volunteers. There is not a current Community Emergency Response Team (CERT), so no funds available, though the town may come back to the BOF and ask for funding for one. FEMA asks for number of volunteer hours when they send their report.

Stef added that the work by staff and volunteers to document and report road closures was very appreciated, as it was a comprehensive and helpful list to assist people getting around. Selectwoman Wiecenski noted that, in addition to safety, they shared the list as a whole because Eversource wasn't coming quickly and they wanted to make sure they didn't miss anything; they'd rather have folks report the same issue 5 times than let something go unreported. Chairman Makuch shared that between the fire departments and public works, all roads in town were checked at least twice per day.

Stef inquired about the status of changes with town clerks and the elections. Selectwoman Wiecenski replied that the Town Clerk resigned and the Assistant Town Clerk is retiring October 2. They will begin the interview process to hire a new Town Clerk within the next three weeks. There is a possibility that if the town needs to hire temporary staff, the retiring assistant may be a resource to utilize. Once they hire a Town Clerk, they will start process for hiring an assistant.

CORRESPONDENCE

No new correspondence.

PRESENT TO SPEAK

No-one present to speak.

GOOD & WELFARE

Chairman Makuch repeated that the Town Clerk resigned and the Assistant Town Clerk has announced she will be retiring.

Selectwoman Wiecenski shared that there will be a food distribution tomorrow at the Town Office Building from 10am – 12pm. There will be a food drive on Monday.

Chairman Makuch thanked board members and the public for participating in the meeting. He noted that everyone is getting better at using the virtual platform but he looks forward to someday when the board can meet in person again.

Peter Tanaka made a motion to adjourn the meeting at 8:23pm.

Lisa Woolf seconded the motion.

Vote: 5 Yes (M. Clark, S. Summers, P. Tanaka, L. Woolf, M. Makuch), 0 No.

Respectfully submitted,

Marysa Semperebon

Recording Secretary