

April 27, 2022 Board of Selectmen Meeting

March 2022 financials

- Monthly financials for February are complete, bank statements and tax accounts reconciled. Quickbooks for all funds have been updated and the monthly P&L report for the General Fund as well as a Combined Balance Sheet and P&L for all funds have been distributed with this report. Department heads will receive their reports this week.
- Tax collections totaled \$31k for the month, \$4.38M year to date. This is \$198k below the same period last year (due to lower mill rate), and we are \$68k short of the full year budget for the current levy. Strong collections for interest on the current levy have continued and we are now above budget on that line item, as well as on Back tax collections and interest. Taking all categories into account, taxes are within \$35k of the full year budget.
- General Revenues have already exceeded budget due to the receipt of \$80k reimbursement from the Tech Park and a larger than expected CIRMA Equity Distribution. Even excluding the unbudgeted Tech Park item, remaining revenues have exceeded budget (currently at 108%) partially due to Settlement Income which wasn't budgeted. Interest income continues to lag the budget and I will be re-activating/opening short term investment fund accounts administered through the State which have higher interest rates. SES fuel reimbursement is also lower than budget, but this is offset by savings in the expense line item as well due to favorable pricing and usage of fuel. Departmental revenues are at 192% of budget, driven mainly by Conveyances and Building fees (which were very strong in March), although most other revenue lines have also exceeded their full year budgets.
- No state revenues were received in March, and we expect our next large payment this week (the final 50% payment for ECS).
- General Government expenditures have totaled \$1.05M year to date, including the FY22 CNR contributions/transfers totaling \$93k and debt payments totaling \$133k (including principal and interest on notes & bonds as well as the fire truck lease payment)
- School expenditures totaled \$1.43M for SES (60% of budget) and \$1.77M for RD11 and related transportation costs (81% of budget)
- At March 31, the Town General Fund had \$2.4M in cash, \$2.18M of which was held in interest-bearing accounts.
- **CAPITAL:** Engineering work is underway on various projects (mainly the addition at the town garage), with March spend totaling \$4k, month end balance in the Capital Non-Recurring fund totaled \$171k after these expenses. No TAR activity in March, fund balance at \$227k at month-end. One large paving project being undertaken, unclear whether it will be fully complete by June 30, may have some carryover spend into FY23. No spend from the BOE CNR account this year, balance stands at \$124.4k.
- **DECLARED EMERGENCY FUND:** fund has been set up in Quickbooks and P&L distributed with this report. All spend in this fund in FY22 is under the ARPA/SLFRF program and reflects mainly additional payroll expenses for the ambulance day staff. Other expenses include COVID sick time, fee to NECCOG for administration and the purchase of a water bottle filler/fountain at the library. Upcoming expenses include hybrid meeting equipment set-up and the reverse 911 system.

FY23 Budget

- Draft budget ready for review
- KEY POINTS:
 - Grand list increase of \$3.4M provides an additional \$128k of revenue if mill rates are kept flat

- Note that the Governor has proposed a lower cap on motor vehicle mill rates, but his budget also includes a payment to Town's to reimburse for lost revenue, so it shouldn't impact our overall revenues if it passes.
- Lower Scotland census reduces our RD11 contribution by \$143k
 - Placeholder for transportation costs, waiting for new contract
- Bond payment increases \$25k per year beginning in FY23
- Proposed budget reflects \$18/hr rate for Ambulance day staff, will fund this and PW staff increases with transfer from ARPA/SLFRF/Declared Emergency Fund.
- CNR contributions kept flat to current year
- Draft shown reflects 6% pay raise for all except Ambulance & Public Works staff (who received increases in current year)
- With these changes, the budget reflects a deficit of \$159k
 - At 4% raise deficit would be \$156k, at 2% it would be \$152k
- Key changes since department reviews:
 - Removed UCONN intern costs, as we will not participate in program next year
 - Utilities-oil department and gas/diesel line in Public Works have all been increased by 30% to reflect higher gas prices
 - Removed 10% gross-up for Ambulance staff and holidays as too high
 - Have added a line for the annual cost of the new reverse 911 system to the Admin-Other department (\$4,500)
 - Added a placeholder of \$5,000 for cybersecurity

Other Key activities

- Set up new Quickbooks company for Declared Emergency Fund and entered all transactions beginning in FY21 (previously tracked in excel spreadsheet)
- Quarterly payroll tax returns completed and filed timely including Fed 941, State CT-941, State UC-5 (unemployment reporting) and Bureau of Labor's Multiple Work Site Report
- US Census employment and wages annual report filed timely
- Interviews held with 6 candidates for the bookkeeper role (from both Craigslist and Facebook postings) with 3 coming back this week for second interviews with Gary. Plan to make final decision and job offer this week.
- Data for April 30 ARPA/SLFRF filing sent to NECCOG
- Attended NECCOG training for Procurement Policy needed to support state and federal funding

Upcoming due dates and activities

- FOIA request received for employee pay data for the 2021 calendar year. The request was acknowledged within the required 4 day window, and my counter-offer of a reduced data set was accepted.
- UCOA filing for FY21 – State has not opened the filing for this period yet, but they have notified us that they anticipate opening it during the month of April.
- After attending an info session regarding the Freedom of Information Act and obtaining copies of the Records Retention policy, I believe that we need to carefully review the financial records that have been stored by the Town. The Finance Department will undertake that effort in the coming months, once we have a new bookkeeper on board.
- Final correcting entry to clean-up BOE balance sheet in Accufund
- Attempts to resolve ongoing "account ownership" issues with Intuit have been unsuccessful, and introduces risk in the payroll process. Will be exploring other options for payroll processing as a result.

- Update to Financial Processes document has been postponed, but hope to use UCONN intern to help with this document over the coming year. The plan is to include detailed information about each of the Town's Funds as well.