

Town of Willington

40 Old Farms Road
Willington, CT 06279
(860) 487-3100
(860) 487-3103 Fax
www.willingtonct.org

BOARD OF FINANCE

**Regular Meeting Minutes
Via Public Online Video Conference**

**January 21, 2021
7:00 PM**

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

Members Present (a quorum of 4 members is required to conduct business):

Mike Makuch – Chairman
Geoff Prusak – Vice Chairman
Pete Tanaka – Secretary
Matt Clark
Stef Summers
Christina Mailhos
Lisa Woolf – Alternate

Members Absent:

Also Present:

First Selectwoman Erika Wiecenski
Donna Latincsics – Business Manager
Mike D'Amato – Zoning Agent
Michael VanDeventer – Mahoney Sabol
Heather Siepmann – Mahoney Sabol
Members of the Public

Chairman Mike Makuch called the meeting to order at 7:04pm.

APPROVAL OF MINUTES

**Mike Makuch made a motion to approve the special meeting minutes of January 14, 2021.
Pete Tanaka seconded the motion.**

Stef Summers clarified that she has removed her conflict for the budget hearing on April 6, but noted that it is still an issue that there are meetings on Tuesdays.

Stef noted that at the bottom of pg. 5, last line, "health" should read "healthy".

Vote: 6 Yes (M. Clark, G. Prusak, S. Summers, C. Mailhos, P. Tanaka, M. Makuch), 0 No

Mike Makuch made a motion to approve the regular meeting minutes of December 17, 2020.

Stef Summers seconded the motion.

Vote: 6 Yes (P. Tanaka, G. Prusak, S. Summers, C. Mailhos, M. Clark, M. Makuch), 0 No

PRESENT TO SPEAK

Jim Bulick of 12 Laurel Dr. stated: I was informed by our Town Clerk this week that Mike Perry is no longer a resident of Willington, so the Republican Town Committee is re-submitting our nomination of Brenda Abrams as an alternate on the Board of Finance until the next election. Brenda has a lot of experience in the town and has participated actively. She ran for Board of Education in the recent election. I believe she will make an excellent candidate. She works in the healthcare industry and sends her apologies this evening; she just received her second COVID-19 shot and is having adverse reactions to that which she is recovering from. I can't speak highly enough for Brenda.

Peter Latincsics of 97 Trask Rd. introduced himself and stated: I also would like to speak on behalf of supporting Brenda Abrams to join the board; I think it's important to have a full board for the budget process and she's an outstanding candidate with a keen interest in Willington's public life, so I hope you'll act quickly. Secondly, I'd like to comment on last week's meeting and ask a question. I was very pleased to see the board come together and issue a budget guideline letter. I wanted to ask if the letter went out to both the town and education budget groups, and has that process been acknowledged by them. Lastly, what is the status of the school roofs CIP project and is there a schedule now in place for the spring when the students vacate.

Chairman Makuch replied that the letter was sent on Friday, January 15 to all of the budget-submitting groups. He has not particularly had any response, but that's typical. On the topic of school roofs, he has not heard any official information, but he has heard that the project is being prepared for this summer.

NEW BUSINESS

1. South Willington LOTCIP Design Funding – Selectwoman Wiecenski and Mike D'Amato

Selectwoman Wiecenski presented a request for funding for design monies for a project in South Willington. She explained that Willington was awarded a Local Transportation Capital Improvement Program (LOTICIP) grant for just under \$1,000,000, but the design is not covered by the grant. The total design cost is \$22,000. While there is a CIP request for these funds, there is a possibility the funding would be needed before the budget passes and the new fiscal year begins on July 1, so we don't risk losing funding for the project. She explained that Mike D'Amato is leading the way on this project.

Mike D'Amato explained that the project has to do with pedestrian and safety improvements in South Willington from Hall School almost to the mill to match the sidewalks that are already there. The project will include Americans with Disabilities Act (ADA) improvements, sidewalk reconstruction and installation, the addition of pedestrian islands and rapid-flashing beacons in front of the school to slow traffic, and fix the fact that there is not currently ADA accessibility between the school and the parking lot. The Pinney Hill intersection and the entrance to the

parking lot is inadequate and unsafe. The grant will fund all of that construction, but, as Selectwoman Wiczenski stated, it doesn't cover the design.

Mike D'Amato continued that the project has been approved by the Capitol Region Council of Governments (CRCOG) and now the plans need to be turned around and squared away with the Department of Transportation (DOT) so they produce a commitment to fund the project and set the funds aside. While there is flexibility regarding the execution of the project to make sure it's not being completed while the school is in session, the design of the project can't necessarily afford to wait until the Capital Improvement Plan (CIP) is approved in May. There are lots of other projects that weren't awarded the grant, so the DOT needs to know if we're able to pay the design costs, otherwise they could award the money to another project.

Mike D'Amato noted that he was able to receive survey data from DOT and incorporate it in the plans, which has reduced the cost of design by around \$10,000, from \$32,000 to \$22,000. The next step would be to bid the survey work and then go through town's procurement process.

Chairman Makuch recalled that a similar project was discussed in previous years and asked if this was the same. Selectwoman Wiczenski replied that this project connects to existing sidewalks in the village area, but the grant will not be able to also cover fixing the existing sidewalks in front of the mills.

Mike D'Amato provided the detail that the additional sidewalks will go to Village St. He explained that the grant application was submitted in the summer of 2020, shortlisted in the fall, and awarded around October. Only certain projects are eligible because they are required to be located on certain roads and tied to transportation infrastructure, among other requirements. This project is additionally important because DOT has said that they have work they want to do in the area of the school because they have identified safety concerns, but this grant would cover well beyond what they would do. If Willington doesn't tell them where we are with this grant quickly, there will be no time for them to design theirs and the town may be left with neither project getting done. That is why they felt it was appropriate to come before the Board of Finance now.

Chairman Makuch recalled legalities discussed in the past regarding who would own the sidewalks and who is responsible for maintenance and asked if those issues have been resolved. Mike D'Amato replied that that conversation hasn't happened yet. The majority of this work is fixing the sidewalks and crossing points that currently exist which are broken, cracked, and not wide enough for ADA standards, not a lot of installation of sidewalk where there's nothing. The legalities will need to be figured out when looking at rights of way and such during the design phase. The requirement from CRCOG is to develop concept-level plans to a certain specification, which is what has been submitted. Then, surveys need to be procured which will show where those rights of way specifically are.

Selectwoman Wiczenski added that the installation of new sidewalk would be around what is already property of the town, including the school.

Christina Mailhos recalled that during her tenure as First Selectwoman, the project never got to the point of resolving who the owner of the sidewalks was and the possibility that if the town were to break ground, it may become the town's responsibility. She questioned who is responsible for maintaining the sidewalks when they get need cracks repaired or snow shoveled; adjacent property owners or the town? The school would take care of the sidewalks on the school property. Chairman Makuch recalled that there was a section of sidewalk removed because no-one could agree on who would maintain it.

Mike D'Amato explained that the grant process requires public outreach, so residents will be informed of the project well beforehand. He added that certain towns that have ordinances that turns maintenance of the sidewalk over to adjacent property owners once it's installed by the town.

Christina Mailhos stated that she believes Willington does have an ordinance saying that; it just hasn't been used much since there are very few sidewalks in town.

Mike D'Amato clarified that what he is looking for at tonight's meeting is how the BOF views funding for the design of this project; determining whether it is worth moving forward with the grant process, as it will require a fair amount of time. He is not sure CRCOG will be able to wait 6 months until CIP funds are available.

Pete Tanaka stated that he is a little concerned this is the first the BOF is hearing of this project, not in June during the application process. Last-minute immediate requests for funds is an issue the Board has seen quite a bit lately. He doesn't want to see the CIP process bypassed; he suggested that if the \$22,000 is paid, it still go through CIP and be counted toward a project so \$22,000 isn't added to the existing CIP budget.

Selectwoman Wicewski replied that the full intent was to put this portion of funding into the CIP process. They didn't anticipate needing funding or risk losing the project. They feel the responsible thing to do to help secure a \$1 million grant was to come to the BOF and not wait for the whole process. She cautioned against spending dollars in this fiscal year for next year's budget that will be already spent by the time it goes to the voters to approve.

Discussion was held on CIP status, process, and use of funds.

Stef Summers inquired about the logistics of slowing traffic in that area, as when Tolland did their project there was some ability to widen the road. Mike D'Amato replied that as part of the grant process, DOT has had to review the plan. They had minor suggestions, which have been incorporated, but did not present any concerns.

Lisa Woolf inquired whether the project requires that the sidewalks run to the mill, or whether we can just take the portion of funds that improves ADA accessibility and traffic flow and speed in front of the school. Mike D'Amato replied that the summer camp uses the sidewalks to walk to the pond, and when you look at fixing one component, they're all tied together. He doesn't know if the project could be cut in half to remove a component at this point. There are a number of boxes that need to be checked for the types of improvements being made in order for it to

qualify for the grant. Selectwoman Wiecenski added that one of the specific guidelines is that the project be tied to recreation. Getting sidewalks up to Village St. was another one of the points.

Mike D'Amato stated that this project will also provide what is called a pedestrian "area of refuge" which gives pedestrians a chance to stop safely and determine the best time to finish crossing the road. They requested the maximum amount of funds for this grant, so there is nothing else that could be added to this project.

Geoff Prusak asked how this project falls under the realm of Mike D'Amato's job description as the zoning agent. Selectwoman Wiecenski replied that Mike D'Amato has grant-writing experience, which was one of the benefits to contracting the services of CHA Consulting and Mike. She continued that many people in Willington wear many hats and this fits well into his job description. Mike D'Amato added that planning and zoning, place making, community building, and trying to make South Willington have a village feel is something the Economic Development Commission (EDC) has focused on for a long time. While Mike did the typing, this is not just his project; many departments sat down as a team to determine what projects might fit criteria and be able to procure funds.

Christina asked about the timeline and when the \$22,000 is spent. Mike D'Amato replied that once everything is finalized with CRCOG and a commitment to fund has been received, then the process begins, including public outreach, and a Request for Proposal (RFP) goes out, at which point the money will be spent. Selectwoman Wiecenski clarified that that would happen in approximately late spring.

Matt Clark asked when the project would break ground. Mike D'Amato replied that they would make sure this coincides with summer so it's not being done while school is in session. It's unlikely everything could be turned around and on a contractor's list by summer of 2021, so it would probably be done in the summer of 2022.

Mike D'Amato stated that this grant does not require the town to front the \$1 million; the funding is available.

Christina asked if there is a risk that the town spends \$22,000 on the design of the project and then have the project not be approved by any entity. Mike D'Amato replied that once the commitment to fund is received from DOT, there are no other approvals necessary. PZC has no jurisdiction over sidewalks, and the goal is to educate residents in the area about why the improvements are necessary, but, as it is state-owned land, no easements are being sought to use private land or relocate utility poles. The state is going to grant the town access to work within that right-of-way.

The unresolved issue of ownership and maintenance of current and planned sidewalks was discussed.

Matt Clark asked whether there is a possibility the funding could be pulled after the fact. Mike D'Amato replied that no, this grant can be used to fund projects as large as bridge reconstruction,

so they understand that projects require longer timelines. Once they issue a commitment to fund letter, the money has been set aside.

Matt Clark asked where the funds for the \$22,000 would come from. Selectwoman Wiecenski replied that it is up to the BOF to determine where non-budget funds come from; most likely the General Fund.

Matt expressed his concern that at every meeting there seems to be a request for money that's not budgeted; the Board finds out about it the day before on the agenda and has no background, and it is frustrating. He stated that he would support the project, but he wished he had known beforehand. Selectwoman Wiecenski recognized Matt's frustration and shared that this project was in the list that the Board of Selectmen (BOS) presented to the CIP Committee in their public meeting two weeks ago. It was stated then that it would be brought to the BOF. Members of the CIP Committee had the same questions and positive and concerned feedback raised tonight.

Mike D'Amato added that CRCOG was almost 2 months late in awarding the money, so 60 days were lost there.

Christina recalled that spending this amount of money would require calling a Town Meeting. She expressed that it would be great if the people who are supportive of this project could come forward to talk about how they're supportive, because at this point it's unclear if people are even aware of it. Selectwoman Wiecenski shared that Superintendent Stevens is aware and supportive of the project and was part of discussion when this opportunity came about.

Stef added that it would be good to hear from the Economic Development Committee (EDC) about the project, since they've been focused on South Willington for some time. Mike D'Amato shared that both PZC and EDC were told when the application was being filed and are being kept up to speed.

Business Manager Donna Latincsics noted that, as this is a small amount of money, it's possible it could be paid for by line item transfers from lines that are tracking favorably for the year. She and Selectwoman Wiecenski will look through the budget before the next meeting to locate possible sources of funding.

Chairman Makuch expressed support for the project, stating that the grant provides a great opportunity to get work done that has been talked about for years.

Stef asked if there is any risk at not doing something tonight. Mike D'Amato replied that he can do some work on it in the next month, but if waiting provides opportunity to find the most efficient path forward, it is manageable. He will get answers in the interim to questions posed tonight and provide those at the next meeting.

Mike Makuch made a motion to table the topic to the next regular meeting on February 18, 2021.

Geoff Prusak seconded the motion.

Discussion was held on possible location and process of accessing funds.

Vote: 6 Yes (M. Clark, G. Prusak, S. Summers, C. Mailhos, P. Tanaka, M. Makuch), 0 No

2. Auditor's Presentation - Mike VanDeventer of Mahoney Sabol Attachment #1
Mike VanDeventer, Partner at Mahoney Sabol, introduced himself and Heather Siepmann, Audit Supervisor, to present the results of the town's Fiscal Year 2020 audit. He reviewed his presentation (Attachment #1).

Matt asked if it is typical for a town Willington's size to have no deficits in any of our accounts, as stated in the presentation. Mr. VanDeventer replied confirmed, and stated that those are the controls that towns want to have in place. If towns are going to run a deficit, they would want to secure a funding source for that.

Matt asked where the federal COVID-relief funds will go when they are received. Donna Latinsics replied that the town is receiving money from FEMA and Coronavirus relief funds. They have decided that if the expenditure is incurred and paid for in the same year that the money comes in, they will credit the expenditure. If it happened in a prior fiscal year, then they are going to recognize it as revenue. Mr. VanDeventer explained that COVID reimbursements are supposed to be used for unbudgeted costs. By recording it as an expense credit, you restore the appropriation that was authorized by the town for that department.

Matt asked whether it is appropriate or typical that the BOF shift money between accounts to pay for an unexpected expense. Mr. VanDeventer replied that that practice is permitted by statute and gives the BOF the flexibility to manage the overall budgetary operations of the town. It is a very common practice in operating a town and is a transparent process.

Stef clarified whether the COVID reimbursements received as revenue will be separated to be reported versus being lumped in to the typical revenue receipts. Donna replied that she will probably make an account number for it in the general fund so it stands out when the revenue report is read.

Mr. VanDeventer reviewed three slides at the end of his audit presentation regarding what the Board might be looking for regarding fund balance.

Matt asked specific clarifying questions about earmarking parts of the fund balance for different purposes. Mr. VanDeventer confirmed that it is an option that the Board could consider, though it can get overly complicated.

Mr. VanDeventer concluded that in his experience with other municipalities, they often have a number of audit adjustments as part of the audit process, but that Donna and her team do a very good job. They reach out when they have questions regarding how things should be accounted for, therefore any issues are addressed before the audit process.

3. Suspend new business until after old business

OLD BUSINESS

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

Chairman Makuch stated that according to the Department of Labor (DOL) website, the nationwide and Connecticut jobless rate is historically high but dropping over last week. He reviewed a document available on the DOL website.

Selectwoman Wiczenski stated that the revenue collector shared; to date, 75.97% of tax revenues have been collected, which amounts to \$10,207,634. Included in that collection is 74.03% of real estate, 68.51% of personal property, 93.43% of regular July motor vehicle, and 48.49% of supplemental January motor vehicle. \$1.1 million is anticipated from remaining escrows, due February 1. By February 1, expected to be at 85.58% of budgeted collection. In addition, 5 individuals applied for deferment, so that \$137,000 won't be due until April 1.

Selectwoman Wiczenski continued that while the comparison is not perfect, compared to this date last year, about \$70,000 more has been collected.

2) CIP/Capital funding process: continued discussion

Chairman Makuch shared that the CIP Committee met last night for a continuation of the meetings that are reviewing submittals and asking questions of the submitting parties. They are not yet at the point of constructing the plan. The next steps are field trips to look at town-wide assets that presenters are looking for CIP to consider for replacement or upgrade. Field trips will start this Saturday. The field trip process will be critical this year as there isn't a 5-year plan in place and it will be important to see all of the items. In the requests for next 5 years are many parking lots and vehicles for chip sealing, painting, and repairing, building projects, etc.

Christina shared that the CIP field trips are public meetings and anyone from the public can attend. She encouraged anyone on the BOF to attend because the CIP plan will eventually come to this board. Details and protocol of the field trips were discussed further.

3) Monitoring the current FY budget

Reviewed at the January 14 meeting; nothing new to discuss.

4) Board of Finance manual/policies/etc.

Chairman Makuch shared that he is gathering information from other towns to model from. Information is being sent for review at Board member convenience. There are great models from other towns that may help as the BOF endeavors to make the process easier and more predictable.

5) Annual reports

Timing and process of annual reports was discussed. The annual report for FY18-19 will be sent to Board members for review and approval at the next regular meeting. It was not approved because there was no 2020 Annual Town Meeting. Both that and the FY19-20 annual report will be approved at the 2021 Annual Town Meeting.

The request for submissions for FY19-20 will be sent to departments soon.

6) Status of M Perry alternate seat

Chairman Makuch shared that the registrars of voters were able to establish that Mike Perry is a registered and active voter in another jurisdiction. They sent a letter to the Town Clerk, who was able to accept that as the required information to be able to consider him no longer an elector in Willington and thus remove his appointment to the Board of Finance. The alternate seat is now vacant.

Discussion was held on the time frame of the vacancy of the seat and the fact that he was elected to the position. Selectwoman Wiecewski noted that the registrars and the town clerk worked diligently to navigate different state systems and find this information.

NEW BUSINESS

4) Appointment to fill vacancy of alternate Mike Perry. Alternate vacancy to be filled expires at the next municipal election, November 2021

Chairman Makuch stated that the Board of Finance has a vacancy of the alternate seat which expires at the next municipal election, November 2021. As shared in correspondence, the Republican Town Committee (RTC) has sent a nomination. Last time the board faced this situation, word had been out for a while that the seat was available and the board heard interest from multiple people. He recalled that during Present to Speak, the board heard that the person that the RTC endorses is unavailable to join the meeting tonight.

Pete Tanaka made a motion to nominate Brenda Abrams to fill the vacancy on the board for the alternate seat expiring November 2021.

Matt Clark seconded the motion.

Chairman Makuch stated that while the endorsement from the RTC has value, he was hoping she would be able to join the meeting tonight, as he would have liked to talk to her.

Geoff commented that he has met her and she seems like a nice lady. Matt stated that he has met Brenda on several occasions, worked with her campaigning, and had discussions with her. He continued that she is bright, intelligent, and well-meaning; she ran for an office recently and lost by only a couple votes, so she is known to the people of Willington as well.

Chairman Makuch recognized that he doesn't begrudge her not feeling well, but would like to have a chance to meet her.

Christina echoed the concern that the board hasn't met Brenda, but also expressed the concern that Brenda hasn't attended any of these meetings and the board is right in the middle of budget season. Christina continued that it seems like the board has an issue with onboarding and getting people up to speed with the process. The board has started talking about how to fix that, but she is curious about who would take responsibility for getting Brenda up to speed.

Chairman Makuch commented that the vacancy of the seat came together in the last 24 hours and he doesn't know how many people even know the opportunity to be on the BOF exists. Geoff

replied that it has been known for a while that Mike Perry was not active, though it was not official until today. Brenda has been waiting in the wings for a few months.

Christina asked that if Brenda has been waiting in the wings, why she hasn't attended any meetings. They are open to the public and it shocks her that more people don't come to see what's going on. Someone who has an interest in being on the board definitely should. Lisa noted that it's even easier to attend now when you don't even have to get in your car to go anywhere.

Stef commented that she doesn't feel comfortable voting on an appointment tonight. She would like to hear Brenda's statement on what she'd like to do on the BOF and why she's interested, what her financial background is as far as this type of work goes, etc. That seems basic. When Brenda was a candidate for another board, she also was not able to appear during decision-making points for whether she was going to join the board. Given that this Board has already had an absenteeism issue in this spot, Stef would like to feel more secure.

Pete Tanaka withdrew the motion in consideration of tabling it for the next meeting in hopes Brenda can attend.

Matt agreed, commenting that he thinks Brenda will make a fine Board of Finance member.

Mike Makuch made a motion to table the item to the next regular meeting of the Board of Finance on February 18, 2021.

Pete Tanaka seconded the motion.

Vote: 6 Yes (C. Mailhos, M. Clark, G. Prusak, S. Summers, P. Tanaka, M. Makuch), 0 No

5) Use and disposition of meeting "Zoom" videos

Chairman Makuch shared that the town has a new Zoom account set up which is being used for this meeting. Selectwoman Wiczenski elaborated that the minimum required by Executive Order for virtual meetings is to have a phone number to call; the free Zoom licensing no longer provides a dial-in number, so the town has now purchased licensing. A meeting moderator will be able to log into the Zoom account and record meetings to the cloud instead of a physical computer so there won't need to be a file transfer anymore for it to be uploaded to the town YouTube channel. All previous meetings have now been uploaded to YouTube.

6) Board email communications

Chairman Makuch stated that there have been multiple times recently where he has had to ask board members to limit discussions via email, as there is a risk of being guilty of conducting an illegal meeting. He reviewed the conversations that took place and clarified that legally, the board cannot go back and forth discussing business with a quorum of the board unless it's in a meeting that's publicly advertised and warned. Chairman Makuch gave examples of a cases in another town where this was an issue and said that he would send the exact statute wording to the Board so everyone had a copy.

Geoff summarized that, for the future, people should reply just to Mike instead of the group. Chairman Makuch agreed, though it's okay to reply to the group if only discussing availability.

Christina added that someone told her a rule that makes it simple: if you're trying to persuade someone about something or share an opinion, you can't do it on e-mail. Saying "information is attached" is fine, but sharing an opinion or commentary leads to others sharing their opinions. Chairman Makuch replied that while that is true if someone replies with countering information, it becomes a discussion.

Stef noted the use to replying to the group about agenda items, as it's important for everyone to see what others want to discuss. Chairman Makuch agreed, specifying that no-one else can comment or counter it. Christina further clarified that suggesting agenda items shouldn't include reasons and what action you think should be taken.

Selectwoman Wiecenski talked about the undisclosed recipient option so there is no inadvertent reply all and accidentally starting a discussion.

Matt mentioned a gentleman who works for the state of Connecticut and presents to boards about Freedom of Information (FOI) rules. Christina and Selectwoman Wiecenski noted that Tom has been to Willington many times, though it might be worth asking for a presentation specifically to this Board.

7) Grand List

Matt stated that he talked to the Assessor, who indicated his report will be ready for the BOF at the end of January. He does not expect any increase and expects it to be flat. Selectwoman Wiecenski added that the filing date is by the 31st. The assessor is working diligently and will probably be filing next Friday. Then he gives a report to the BOS who then send information to the BOF.

Matt noted that Willington has a concentration with FedEx of about 5-6% of the budget. If they left, it would be a severe blow. Another way to look at things is by groups of taxpayers. If you look at all the apartment complexes in aggregate, if all of them were hit with some problem such as UConn shutting down or moving, they could all get hit with a revenue shortfall at the same time, and it's a risk the BOF should consider.

Chairman Makuch recognized the point and noted that one of the challenges in considering risks is likelihood. The likelihood of FedEx deciding to reset their logistics is a little more plausible, though they have a huge investment in it. The likelihood of the apartments failing as a taxpayer is very unlikely. They've always seen growth and there is always competition for the next investment company to buy them. Even with the COVID situation at UConn, they've done well. With limited capacity on campus, the demand is spilling out into the community.

Lisa commented that if we just experienced COVID, which we've said is the worst financial time we've experienced in our lifetime, which would be a good indicator we've weathered through it. She doesn't think we should put up false barriers moving forward and should be realistic financially.

8) State Aid

Selectwoman Wiecenski shared that she heard today that state aid is anticipated to stay level and see no reductions, but that's not an assurance. She will look forward to seeing it in writing and in the accounts.

CORRESPONDENCE

No additional correspondence.

PRESENT TO SPEAK

No-one present to speak.

GOOD & WELFARE

Chairman Makuch stated:

I have been a presenter to Board of Finance for decades, and I remember all too well how I felt when board members yelled at me, made tacky jokes, demeaned the presenters, and even blatantly favored one agency over another, and were proud of their unprofessional attitude. I vowed that if I ever held public office, I would not do that, and I would discourage others from doing it. We have a very important job to do, and we have been entrusted by our constituents to make big decisions on their behest.

There is NO time that this responsibility includes being demeaning, aggressive, angry, threatening, or even attacking. As I have now been entrusted to be the chairman of this board, I cannot stand for this type of behavior. I have worked hard to maintain my own decorum even when I was frustrated by things. As I manage the talking in the meetings, I encourage us not to get too chippy with each other or interrupt each other, but still maintain some flow because I want a lot of ideas shared.

We have done an excellent job over these past three years of making decisions based on hearing all points of view. I've gone into meetings feeling really sure about something, and had someone with the opposite thought of my idea teach me something. We do that through hearing all the points of view, respecting those that we disagree with, and operating with decorum. We should act with the dignity that befits the responsibility we have. That is how we do right by our community, and we should be proud of it, and we should banish any other behavior from board business.

Stef stated: I was impressed with the nugget that was in the audit presentation that half the towns in CT did not make the statutory deadline but that we did. I appreciate Donna so much and the leadership of the town for getting all that done. It helps us be better as a BOF too. I'm proud of them. Congratulations.

Selectwoman Wiecenski commented that it's an achievement this year especially, between a new software system with no in-person training, FEMA funds, COVID relief, unprecedented billings; the work that Donna and Laurie and the staff have done to make that happen on time is an

achievement, on top of preparing budgets for the town and school board. Kudos to Donna and her staff because they work diligently. To not to be able to do it in person makes it that much harder.

Pete Tanaka made a motion to adjourn the meeting at 9:27pm.

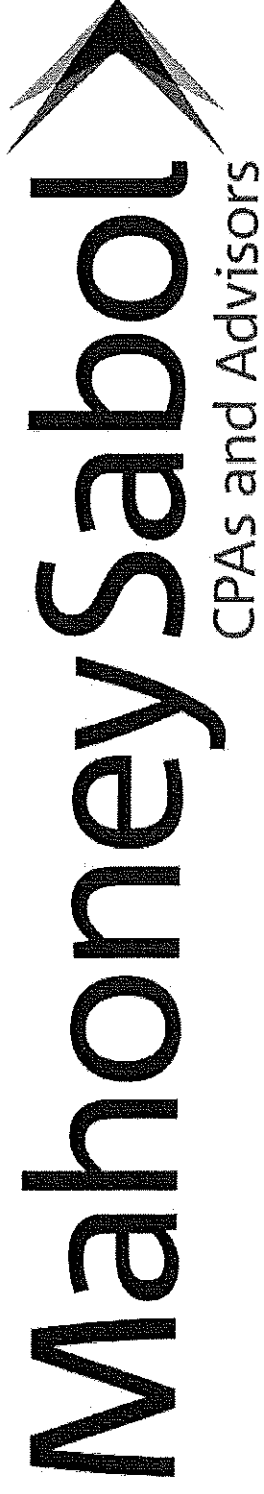
Stef Summers seconded the motion.

Vote: 6 Yes (M. Clark, S. Summers, C. Mailhos, G. Prusak, P. Tanaka, M. Makuch), 0 No.

Respectfully submitted,

Marysa Semprebon

Recording Secretary



Presentation to the Board of Finance

2020 Audit Results

**Town of Willington,
Connecticut**

Presented by:
Michael VanDeventer, Partner
Heather Siepmann, Supervisor

January 21, 2021

www.mahoneysabol.com

Glastonbury Essex Middletown

Agenda

- Scope of Work
- Auditor's Reports
- Financial Highlights
- Required Communications
- Fund Balance Reserves
- Questions

Scope of Work

Audit of Financial Statements performed in accordance with the following:

- Auditing standards issued by the American Institute of Certified Public Accountants
- *Government Auditing Standards* issued by the Government Accountability Office

State Single Audit performed in accordance with the following:

- State of Connecticut, OPM Compliance Supplement to the State Single Audit Act
- Applicable grant and contract agreements

Town did not meet the threshold for having a federal single audit:

- The threshold is \$750,000 and the Town spent approximately \$360,000 in federal awards

Agreed-Upon Procedures on End of Year School Reports (EFS)

- Procedures required by the State of Connecticut Department of Education

Scope of Work *(Continued)*

Nonaudit Services:

- Assisted in the preparation of the financial statements, the schedule of state financial assistance and related notes
- Assisted in the conversion of the governmental funds financial statements to the government-wide financial statements
- In order for our firm to be able to perform these services and remain independent of the Town, management is required to oversee these services by designating an individual with suitable skill, knowledge, or experience, to evaluate the adequacy and results of those services; and to accept responsibility for them. Donna Latincsics, Business Manager, has accepted responsibility for these services

Auditor's Reports

Report on Financial Statements

- Unmodified "clean" opinions on the following opinion units:
 - Governmental activities
 - Business-type activities (Utility Fund)
 - Each Major Fund:
 - General Fund
 - Capital Projects Fund
 - Aggregate remaining fund information:
(Nonmajor Special Revenue and Capital Projects Funds, Pension Trust Fund, and Agency Funds)

Report on Compliance and on Internal Control over Financial Reporting

- We did not report any material noncompliance of laws and regulations
- We did not report any significant deficiencies or material weaknesses over financial reporting

Auditor's Reports (Continued)

State Single Audit

- Report on Compliance and on Internal Control at the State Financial Assistance Level
 - Fiscal Year 2020: \$4,048,342 expended, \$381,941 nonexempt
 - Major Programs:
 - Town Aid Road Grants - \$258,955
 - Unmodified “clean” opinion on compliance
 - No significant deficiencies or material weaknesses over compliance reported

Financial Highlights

General Fund – Budgetary Highlights

- Original budget provided for the use of fund balance in the amount of \$410,000 to balance revenues and expenditures
- Final budget included additional appropriations of \$240,251 from fund balance, resulting in a final planned used of fund balance in the amount of \$650,251
- Actual net change in fund balance was an increase of \$71,925, resulting in an overall favorable budgetary variance of \$722,176
- Revenues were approximately \$314,000 more than budgeted
 - Result of favorable collections on property taxes and education cost sharing funds
- Expenditures were approximately \$408,000 less than budgeted
 - Expenditures were under budget across all departments
 - The education surplus of \$459,700 has been reported net of the transfer to the nonlapsing account of \$173,781
 - No instances of budgetary noncompliance identified

Financial Highlights (Continued)

Governmental Funds – Highlights

- Combined ending fund balances as of June 30, 2020 totaled \$6,427,909 an increase of \$183,663 from the prior year
- Total fund balances consisted of the following:
 - General Fund: \$4,187,370, an increase of \$265,681 from the prior year
 - \$2,644,892 is unassigned, which represents 14.9% of the fiscal year 2021 budgetary expenditure appropriations
 - Capital Projects Fund: \$216,186, an increase of \$39,210 from the prior year
 - Other Funds: \$2,024,353, a decrease of \$121,228 from the prior year
 - \$655,813 in Reserve for Capital and Nonrecurring Fund
 - \$795,295 in Small Cities Grant Housing Fund primarily in the form of loans receivable
- No deficit fund balances were reported

Financial Highlights (Continued)

Government-wide Financials – Highlights

- Positive unrestricted net position of \$3,340,441
 - \$3,222,158 in governmental activities
 - \$118,283 in business-type activities (Utility Fund)
 - Low levels of long-term bonded debt (debt service represented 1.3% of fiscal 2020 budgetary expenditure appropriations) and the status of the Town's pension and OPEB liabilities contribute to the overall positive net position
- Net Pension Liability
 - NPL for Town Plan - \$111,303 (78.97% funded, 7.0% discount rate)
- Other Post-employment Benefits
 - Reflects retiree health benefits for eligible employees of the Board of Education
 - State law allows eligible retirees access to the Board of Education's healthcare plan provided to active employees
 - Actuarial determined liability for these benefits total \$2,142,889 as of June 30, 2020

Required Communications

Auditor's Responsibility under U.S. Generally Accepted Auditing Standards

Planned Scope and Timing of the Audit

- No changes in the scope or timing of the work that was originally agreed-upon
- All reports were filed by the December 31 statutory deadline

Significant Audit Findings

- Qualitative Aspects of Accounting Practices
 - Implementation of GASB Statement No.95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, resulted in the postponement of the effective dates of most GASB standards by at least one year in response to the pandemic
- There were no difficulties encountered in performing the audit
- There were no uncorrected misstatements
- There were no disagreements with Management
- Management Representations - No unique representations were obtained
- We were not aware of any management consultations with other independent accountants

Fund Balance Reserves

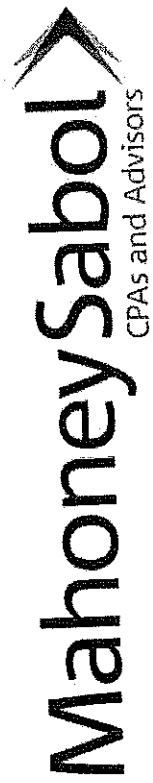
- There are no statutory requirements or accounting rules that specify the amount of reserves that a municipality should maintain. As such, municipalities should consider the guidance that is provided by institutions and rating agencies in order to determine an appropriate level of reserves.
- The Government Finance Officers Association (GFOA) is an organization that was established to assist in the professional management of governments by developing and identifying financial policies and best practices.
- The GFOA states that it is essential that governments maintain adequate levels of fund balance to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenditures) and to ensure stable tax rates.
- The GFOA recommends, at a **minimum**, that general-purpose governments, regardless of size, maintain unrestricted budgetary fund balance in the General Fund of no less than 2 months of regular general fund operating revenues or regular general fund operating expenditures. The Town's unrestricted budgetary fund balance was 1.8 months as of June 30, 2020.

Fund Balance Reserves (Continued)

- However, the GFOA further states that the adequacy of unrestricted fund balance in the General Fund should take into account each government's own unique circumstances. For example, governments that may be vulnerable to natural disasters, more dependent on a volatile revenue source, or potentially subject to reductions in state aid and/or federal grants may need to maintain a higher level of unrestricted fund balance.
- Evaluating specific risks to the Town of Willington:
 - Reliance on State and Federal Funding - Approximately 22% of the Town's fiscal year 2020 revenues were from State and federal grants with approximately 20% derived from education cost sharing funds.
 - Property tax concentrations - No individual taxpayers that represent more than 10% of the taxes levied.
 - Natural disasters - Reserves provide readily available liquidity for responding to natural disasters (e.g. pandemics and storm clean-ups). Although funding is often provided by State and federal resources, often times funding is delayed or provided on a cost reimbursement basis. Reserves allow the Town immediate access to cash flows to respond to natural disasters .

Fund Balance Reserves (Continued)

- Other Considerations:
 - Potential impact on the Town's bond ratings and the corresponding increased cost of borrowed funds. To assess the creditworthiness of an issuer, rating agencies evaluate the issuer's ability and willingness to repay its obligations in accordance with the terms of those obligations.
 - In rating governments, the analysis often concentrates on fiscal and economic performance, monetary stability and the effectiveness of the government's institutions. Fund balance and a fund balance policy is one key factor that is considered in the rating process.
 - Governments may report assignments of their unrestricted fund balance. Although assignments are not legally limited to any specific purpose, a government may assign portion of its fund balance to express its intention to use available resources in a particular manner. An assignment is not legally binding but does convey a government's plans for using its available resources (e.g. assigned for emergency management or assigned for working capital purposes)



Questions?

Michael J. VanDeventer, CPA, Partner

860-781-7924

mvandeventer@mahoneysabol.com

Heather Siepmann, Supervisor

860-781-7931

hsiepmann@mahoneysabol.com

TOWN OF WILLINGTON, CT
Received for record Feb 2, 2021
At 12:25 pm RAM
ATC

