



Minutes of Board of Finance, 08/26/2019

AGENDA: **Board of Finance**

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Michele R. Grande – Redding Town Clerk

BOARD OF FINANCE REGULAR MEETING MONDAY, AUGUST 26, 2019 TOWN HALL HEARING ROOM

Filed subject to approval.

Present:

Dr. Kimberly Yonkers, Chair; Ward Mazzucco; Jamie Barickman; Rob Dean; Susan Clark (Absent); Ed Miller (Absent)

Also Present:

Pat Moisio, Tax Collector; Steve Gniadek, Finance Director; Wes Higgins, Treasurer; First Selectwoman Julia Pemberton; Selectwoman Peg O'Donnell; Selectman Michael Thompson

Chair Yonkers called the meeting to order at **7:30PM**.

1. TO APPROVE MINUTES OF BOF MEETINGS HELD ON MONDAY, JULY 22 AND MONDAY, AUGUST 5, 2019.

MOTION:

Mr. Mazzucco made a motion to approve the meeting minutes of Monday, July 22, 2019 with the amendment that the \$4.3 million of available cash comment be changed to \$15.145 million in available cash with a \$4.3 million increase in cash. The vote was unanimous, and the motion passed.

MOTION:

Mr. Dean made a motion to approve the meeting minutes of Monday, August 5, 2019. Mr. Mazzucco seconded the motion. There were three yes

votes (Yonkers, Mazzucco, and Dean) and one abstention (Barickman). The motion carried.

2. PUBLIC COMMENT

Chair Yonkers opened the floor to public comment. No members of the public commented.

3. TAX COLLECTOR'S REPORT

Pat Moisio addressed the Board of Finance.

Ms. Moisio said at the end of July, 45.6% of the FY 2020 budget has been collected. The budgeted amount for FY 2020 is \$50,546,000, and \$23,071,000 had been collected. As of today, Monday, August 26, 2019, 50% of the FY 2020 budget has been collected (\$25,700,000).

Ms. Moisio said the Town is signing up with a new collection agency, TaxServ Capital Services, LLC.

Ms. Moisio said the Tax Sale collected \$350,000.

Ms. Moisio said the Tax Collector's office is preparing for the FY 2018-2019 Audit.

4. FINANCE DIRECTOR'S REPORT

Steve Gniadek addressed the Board of Finance.

Mr. Gniadek said that little has changed for the end-of-year forecast. He said that there are some additional bills to be paid but outside of that the numbers are consistent.

The Finance Department has received the Certificate of Achievement for Excellence in Financial Reporting (CAFR) for the 5th consecutive year.

Mr. Gniadek discussed cybersecurity and municipalities. He said that municipalities are being targeted and that the Town of Redding needs to protect itself even more. He said he will meet with a representative from American Public Entity Association to discuss additional insurance (\$175 a month for \$1M in coverage) since our current coverage includes 150 municipalities and has a total amount of \$10 million available across all parties.

Mr. Gniadek said he spoke with Jay Parisi of Aegis Technology Partners about our strengths and vulnerabilities.

Mr. Barickman asked Mr. Gniadek if the Town was targeted by a malicious entity, what would happen to the Town's data. Mr. Gniadek said that in an ideal situation, because the Town's data are backed up hourly, there would

only be an hour's worth of data lost. He said that the process of restoring this data would take time.

Chair Yonkers said that two best practices the Town should engage in is regular and consistent updating of Town operating systems as well as good decision making on the part of staff of the Town of Redding, concerning emails, passwords, and other safety measures. She said that updating passwords regularly and being cautious with emails and downloads will mitigate a great amount of risk.

Mr. Gniadek said he can ask Mr. Parisi to visit the BOF at their next meeting.

Chair Yonkers asked Mr. Gniadek if all of the Town computer's update simultaneously. Mr. Gniadek said this does happen but creates issues occasionally with user functionality.

Mr. Mazucco asked Mr. Gniadek if the GFOA has any best practices they recommend. Mr. Gniadek said they don't have anything yet but cybersecurity is a topic that has increasing importance at the meetings.

Mr. Gniadek said using 12 character passwords make it hard for malicious agents to hack.

Mr. Gniadek said the Finance Department is short-handed again. Krista Gramer is home recovering from surgery. She is working from a laptop and can do 75% of her usual workload.

Chair Yonkers said that an employee working from home is a cybersecurity risk. She said that the computer should be encrypted or the employee should be working with a VPN (Virtual Private Network).

Mr. Gniadek said the FY 2018-2019 audit has begun. He said RSM is still the auditor and this year is an add-on year in the contract.

Mr. Mazucco asked Mr. Gniadek when the Town could start pursuing other auditors, if it is inclined to do so. Mr. Gniadek said this should be completed by July 2020 and should begin around December/January. He said that Region 9, Redding BOE, and Easton BOE need to be onboard.

Chair Yonkers emphasized quality of the reporting by the auditor.

5. TREASURER'S REPORT

Wes Higgins addressed the Board of Finance.

Mr. Higgins said July 2019 was a busy month and ended with \$29.7M in balances.

Mr. Higgins said the Town has \$11M in treasury bills.

Mr. Higgins said that the Stone Castle account was at \$6M at the end of July, rose to \$9M, and was drawn down to \$7M.

Mr. Higgins said \$36,912 in Interest has been collected. He said interest rates are down, which may make it difficult to achieve budget targets for interest income.

6. ROAD RECONSTRUCTION STATUS

First Selectwoman Pemberton said there was low turnout at the referendum. She said many residents were upset about a referendum happening during the summer.

Chair Yonkers asked First Selectwoman Pemberton about using a robo-call to inform town residents about an upcoming vote. First Selectwoman Pemberton said this could be an option.

First Selectwoman Pemberton said that there isn't a real print media option aside from the Gazette. She said that Hello Redding has a higher circulation than the Redding Pilot had.

Chair Yonkers said it is concerning that so few residents were aware of this referendum. Discussion followed concerning the best avenues to reach residents.

First Selectwoman Pemberton said that there are many seniors in Redding who do not have access to the Internet or a computer/Internet-enabled device. She also said that some residents deliberately choose to not receive emails or internet-based communication.

First Selectwoman Pemberton said that this particular road situation was unique and required this referendum.

7. UPDATE ON STATION ROAD BRIDGE AND TELECOMMUNICATIONS UPGRADE PROJECTS

First Selectwoman Pemberton said that these topics were discussed at the last BOS meeting. The telecommunications project is still in the design phase.

First Selectwoman Pemberton said there has been concerns about equipment compatibility. She said that Motorola has the state bid and that the town is currently using that equipment. She said that everything will be compatible with the new system.

Selectman Thompson informed the BOF that there were 320 yes votes to 188 no votes for the Road Reconstruction Referendum. The referendum passed.

First Selectwoman Pemberton said the Station Road Bridge project is a next season project. She said that having both Long Ridge Road and the Station Road Bridge simultaneously under construction would have been too difficult for residents.

Chair Yonkers asked First Selectwoman Pemberton when the Station Road Bridge project would be worked on. First Selectwoman Pemberton said this would happen in June or July. Mr. Gniadek suggested that this project could be put on the budget referendum in May to avoid a town meeting and save taxpayer money. First Selectwoman Pemberton said that it should be clear this is money that will be reimbursed as opposed to a normal capital expenditure.

Chair Yonkers asked First Selectwoman Pemberton about the quality of the pavement. First Selectwoman Pemberton said there isn't an update on this. Chair Yonkers asked if a different asphalt vendor will be used. First Selectwoman Pemberton said that the quality of the asphalt has improved compared to a few years ago.

Mr. Dean asked First Selectwoman Pemberton about the Planning Commission and Umpawaug Road's status as a scenic road. He said that historic roads have natural traffic-calming characteristics. He said he is worried that the character of the road will be damaged. First Selectwoman Pemberton said critical measurements will be made and the Planning Commission will be involved.

First Selectwoman Pemberton said that Eversource will be doing some maintenance work on Umpawaug Road for the underground infrastructure.

Mr. Gniadek asked the BOF about the funding mechanism and how much money needs to be transferred. First Selectwoman Pemberton said we must approve the transfer of \$550,000 allocated for Umpawaug Road and Marchant Road, now that the voters have approved the overall road plan.

MOTION:

Mr. Mazzucco made a motion to transfer \$550,000 from the General Fund to the Capital Project Town Fund for Road Reconstruction to be reimbursed by issuance of a BAN in the future. Chair Yonkers seconded the motion. The vote was unanimous, and the motion carried.

First Selectwoman Pemberton said LOCIP for road maintenance does not make sense.

She said the LOCIP funds are for the Station Road Bridge and that LOCIP is a reimbursement as opposed to money immediately available.

8. REPORTS FROM INDIVIDUAL BOARD MEMBERS AS ASSIGNED

Mr. Mazzucco said that Ms. Clark spoke about an education consultant. She said in a text message that she has received positive feedback from Superintendent McMorran as well as members of the BOS about a meeting with this education consultant. Mr. Mazzucco asked First Selectwoman Pemberton about this.

First Selectwoman Pemberton said that she is supportive of this meeting and that she is curious how buy-in will be ensured and how the proposed changes from this meeting would be implemented.

Chair Yonkers asked where the money for this consultant would come from. Mr. Gniadek said that this would be a transfer from contingency. He said the BOF is allowed one transfer from contingency during a fiscal year. Chair Yonkers said that the BOF would like a formal ask from the BOS for this transfer from contingency.

Mr. Gniadek said that, unless this service is highly specialized, regulations require three quotes for any service over \$10,000.

Chair Yonkers asked First Selectwoman Pemberton to add this item to the BOS agenda and to reach out to the BOE, Region 9, Central Office, and the BOF so anyone can attend.

Chair Yonkers said this discussion should be tabled so that Ms. Clark can comment on it in-person.

Mr. Barickman spoke with Superintendent McMorran and said the discussion went well. He will have a scope discussion with Mr. Gniadek, Scott Reiss, and Superintendent McMorran.

9. CORRESPONDENCE AND ADMINISTRATIVE MATTERS

There was no correspondence or administrative matters.

10. PUBLIC COMMENT

Chair Yonkers opened the floor to public comment. There was no public comment.

Chair Yonkers adjourned the meeting at 8:40PM.

Submitted by,
Zachary Smith