

**TOWN OF PLAINFIELD
BOARD OF FINANCE
MINUTES**

Received For Record At Plainfield CT
On FEB 24 2021 @ 4:18 pm
Attest: Cynthia J. Matton
Town Clerk *asst.*

The Board of Finance for the Town of Plainfield held a Regular Meeting on Wednesday, February 17, 2021 at 6:30 p.m. at the Plainfield Town Hall. The meeting was called to order by Chairman Tom Sinkewicz.

Members present: Tom Sinkewicz, Matt Radant, Don Kivela, Gary Stalaboin and Dean Gorman

Members absent: Keith Sheeley, Travis Irons and Ted Dumaine

Also present: First Selectman – Kevin Cunningham, Finance Director – Kelly Vachon, Selectman – Art Gagne

Tom Sinkewicz appointed Matt Radant for voting.

Minutes of January 20, 2021 Meeting

Gary Stalaboin noted that some questions were omitted from the minutes.

Don Kivela motioned to accept the minutes of January 20, 2021. Matt Radant seconded. Gary Stalaboin abstained. Motion passed.

New Business

Item 1. Discuss and act on Line Item Transfers

Kevin Cunningham reviewed the Line Item Transfers:

- Overage on the audit
- Additional maintenance hours 5 hours/week due to Covid
- Town building repair was for heating system at Animal Control Office.
- Highway contracts – issue with the uniform contract
- Building inspector is at a higher rate due to Certification
- Board of Tax Review was cut during budget season
- Fireworks were cancelled due to Covid. Unemployment benefit funds came back as a credit.

Gary Stalaboin inquired about the Highway issue. Mr. Cunningham said it appears that it was under budgeted. Don Kivela inquired if the Building and Grounds hours were overtime rate. Kelly Vachon replied, no they were regular time. Matt Radant questioned the Unemployment benefits. Ms. Vachon noted that an employee was not eligible so we received a credit. She added that it will stay in that account.

Tom Sinkewicz noted that it would be helpful if Department Heads were here to explain.

Matt Radant motioned to approve the Line Item Transfers of \$41,916.00. Don Kivela seconded. All in favor, motion carried.

Item 2. Discuss and review current FY 20/21 Budget Statement

Ms. Vachon reviewed the revenues. Mr. Radant asked if the anticipated ECS has been received, and if so that is it. Ms. Vachon replied, yes she has had no communication from Hartford. Mr. Radant asked about I Park sales. Mr. Cunningham said when the transaction is complete. He expects a couple months.

Mr. Stalaboin questioned other local revenue. He asked about the bus lease status. Mr. Cunningham stated that there was one bid for transportation.

Ms. Vachon reviewed the expenditures. She noted Tax Collector salaries is less due to less hours required by the seasonal worker. Don Kivela inquired about Highway Fuel. Ms. Vachon stated that it is posted. Mr. Stalaboin questioned Highway Overtime. It will be posted next week. Mr. Sinkewicz noted that many residents want more plowing, adding that a town owned lot should be plowed, and it is our responsibility. Mr. Cunningham noted that the comments have not been bad. He said the issue is the ratio of salt and sand and vehicle down.

There was a discussion regarding snow removal on sidewalks. Mr. Stalaboin specified, Town owned sidewalks. Mr. Cunningham is planning to budget for snow removal equipment to address sidewalks.

Mr. Sinkewicz asked about paving. Mr. Cunningham said there is more to be one. The road selection is by the Highway Department. Mr. Cunningham said it can be put on the website. He suggested including it in the 5 year Capital Plan. Mr. Radant inquired about the pool budget. Mr. Cunningham noted that it is still running to prevent dry out of the grout. He said the Recreation Director should allocate funds for pool purchases when it re-opens. He added that the Plainfield's Covid numbers are looking better. If the trend continues we can do more events.

Mr. Cunningham stated that the budget looks good as a whole, noting the freeze. Mr. Sinkewicz noted the Board of Education workshop is Saturday. He said the 5 year Capital Plan should be addressed.

Mr. Radant asked what the BOE anticipated savings is as a result of not spending. Mr. Cunningham suggested \$100,000 – 200,000. Ms. Vachon anticipated more. There was a brief discussion regarding the 5 year Capital Plan and unspent money.

Mr. Stalaboin inquired about the Engineering vehicle. Mr. Cunningham stated that the used vehicle will need to be replaced soon. There was a discussion regarding replacement of used American Flags. Mr. Radant suggested considering adding banners.

Item 3. Discuss and review current Board of Education Financial Report

Mr. Radant mentioned the underrun of \$500,000 - \$700,000 and spending of the 2 percent holdover. He asked if it could be put to the Pension fund, expended by BOE to the pension on Town side. Ms. Vachon stated that the 2 percent account has no restriction, it would have to come to the Board of Finance. Mr. Sinkewicz was in favor of putting it to the Pension fund. Ms. Vachon said it could be used toward next year budget. There was a discussion whether it could be earmarked for Town Pension fund.

Item 4. Discuss Fund Balance Policy

Mr. Sinkewicz said he wanted to discuss the Fund Balance Policy because it came up and at a town meeting. He said currently the town can get by for two months. Ms. Vachon said many towns have 17 percent unrestricted fund balance. GFOA recommends 2 months. She stated that we are at \$8.7 million, the amount used for budget brings it down to \$7.7 million. We are at 16 percent due to usage of fund balance in 20/21 Budget. Mr. Sinkewicz noted that if we do have a situation that requires usage, we must have ways to replenish it. Mr. Cunningham said we are in a good position and added that some bonds will be dropping. He suggested planning for the heating systems. Mr. Sinkewicz said he is not in favor of business loans as suggested in the past. Ms. Vachon cautioned we can only do so much with the funds.

There was a discussion regarding the 5 year Capital Plan. Ms. Vachon noted that use of Locip funds should be in the 5 year Plan. She gave an example, if you need a bridge replacement, you can use Locip. Mr. Stalaboin said we could take our own money. Ms. Vachon said the Town Charter has guidelines. Mr. Radant said most capital plan projects are to substantiate money from grants. Dean Gorman suggested that the fund balance is at an appropriate level.

Mr. Sinkewicz looked forward to the sale of I Park lots and dog track property.

Citizens Participation

None.

Adjournment

Matt Radant motioned to adjourn the meeting at 7:36 p.m. Don Kivela seconded. All in favor, motion carried.

Respectfully submitted,



Dodie Mineau
Recording Secretary

10-6205-12	Audit	\$ 5,000.00	Audit of pension and opeb not budgeted
10-6102-22	Building and Grounds	\$ 5,408.00	Additional hours per week 5 hours
10-6386-52	Town Building Repairs	\$ 3,000.00	Heating system at Animal Control
10-6244-24	Contract Services	\$ 5,000.00	Uniform contract
10-6102-32	Building Inspector dept. head	\$ 22,908.00	Budgeted at reduced rate
10-6325-46	Tax Review	\$ 600.00	Was reduced during budget season
10-6279-48	Fireworks	\$ 10,000.00	
10-6138-40	Unemployment Benefits	\$ 3,000.00	
10-6102-37	Grant Writer Salaries	\$22,000.00	
10-6101-39	Recreation Dept. Head Salaries	\$6,916	
		\$ 41,916.00	\$ 41,916.00

SUBJECT: Fund Balance Policy

This Fund Balance Policy establishes the procedures for reporting unrestricted fund balance in the General Fund financial statements. Certain commitments and assignments of fund balance will help ensure that there will be adequate financial resources to protect the Town against unforeseen circumstances and events such as revenue shortfalls and unanticipated expenditures. The policy also authorizes and directs the Town Finance Director to prepare financial reports which accurately categorize fund balances as per Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions.

Per GASB No. 54, fund balance consists of five categories: Nonspendable, Restricted, Committed, Assigned, and Unassigned:

Nonspendable fund balance consists of funds that cannot be spent due to their form (e.g. inventories and prepaids) or funds that legally or contractually must be maintained intact.

Restricted fund balance consists of funds that are mandated for a specific purpose by external parties, constitutional provisions or enabling legislation.

Committed fund balance consists of funds that are set aside for a specific purpose by the district's highest level of decision making authority, Board of Selectman with the Board of Finance approval. Formal action must be taken prior to the end of the fiscal year. The same formal action must be taken to remove or change the limitations placed on the funds.

Assigned fund balance consists of funds that are set aside with the intent to be used for a specific purpose by the Board of Selectman with the Board of Finance approval. Assigned funds cannot cause a deficit in unassigned fund balance.

Unassigned fund balance consists of excess funds that have not been classified in the previous four categories. All funds in this category are considered spendable resources. This category also provides the resources necessary to meet unexpected expenditures and revenue shortfalls.

Nonspendable and Restricted Funds

Nonspendable funds are those funds that cannot be spent because they are either:

1. Not in spendable form (e.g. inventories and prepaids)
2. Legally or contractually required to be maintained intact

It is the responsibility of the Town Finance Director to report all Nonspendable funds appropriately in the Town's Financial Statements.

Restricted funds are those funds that have constraints placed on their use either:

1. Externally by creditors, grantors, contributors, or laws or regulations or other governments
2. By law through constitutional provisions or enabling legislation.

It is the responsibility of the Town Finance Director to report all Restricted funds appropriately in the Town's Financial Statements.

Classifying Fund Balance Amounts

When both restricted and unrestricted funds are available for expenditure, restricted funds should be spent first unless legal requirements disallow it.

When committed, assigned and unassigned funds are available for expenditure, committed funds should be spent first, assigned funds second, and unassigned funds last; unless the Board of Selectman with the Board of Finance approval to have provided otherwise in its commitment or assignment actions.

Authority to Commit Funds

The Town's Board of Selectman with the Board of Finance approval has the authority to set aside funds for a specific purpose and to commit revenue sources in special revenue funds. Any funds or revenue set aside as Committed require the passage of a resolution by a simple majority vote. The passage of a resolution must take place prior to June 30th of the applicable fiscal year. If the actual amount of the commitment is not available by June 30th, the resolution must state the process or formula necessary to calculate the actual amount as soon as information is available.

Authority to Assign Funds

Upon passage of the Fund Balance Policy, authority is given to the Town Finance Director to assign funds for specific purposes. Any funds set aside as Assigned fund balance must be reported to the Board of Selectman and Board of Finance at their next regular meeting. The Board of Selectman with Board of Finance approval has the authority to remove or change the assignment of the funds with a simple majority vote.

The Board of Selectman with the Board of Finance approval has the authority to set aside funds for the intended use of a specific purpose. Any funds set aside as Assigned fund balance requires a simple majority vote and must be recorded in the minutes. The same action is required to change or remove the assignment.

Unassigned Fund Balance

Unassigned fund balance is the residual amount of fund balance in the General Fund. It represents the resources available for future spending. An appropriate level of Unassigned fund balance should be maintained in the General Fund in order to cover unexpected expenditures and revenue short falls.

Unassigned fund balance may be accessed in the event of unexpected expenditures up to the minimum established level upon approval of a budget revision by the Town's Board of Finance. In the event of projected revenue shortfalls, it is the responsibility of the Town Finance Director to report the projections to the Town's Board of Selectman and the Board of Finance on a regular basis and shall be recorded in the minutes.

Any budget revision that will result in the Unassigned fund balance dropping below the minimum level will require the approval of the Town's Board of Selectman and the Board of Finance. The approval is by majority vote.

The Fund Balance Policy establishes a minimum Unassigned fund balance equal to 10% of total General Fund expenditures. In the event that the balance drops below the established minimum level, the Town's Board of Selectman and the Board of Finance will develop a plan to replenish the fund balance to the established minimum level within two years.