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TOWN OF PLAINFIELD
BOARD OF FINANCE
REGULAR MEETING
MINUTES

The Board of Finance for the Town of Plainfield held a Regular Meeting on Wednesday, October 20, 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, Don Kivela, Matthew Radant, Ted Dumaine, Gary Stalaboin and Virginia Sampietro

Members absent: Keith Sheeley and Dean Gorman

Also present: Kevin Cunningham, First Selectman; Kelly Vachon, Finance Director; Superintendent of Schools, Paul Brenton; and other members of the audience.

Matt Radant was appointed in for voting.

1. Acceptance of minutes from October 6, 2021 meeting.

Matt Radant motioned to approve the minutes of the October 6, 2021 special meeting. Don Kivela seconded. Discussion: None. All in favor, motion carried.

2. New Business:

a. Discuss and Act on 2% School Reserve Policy.

Kelly Vachon stated that there were no changes from the last time it was reviewed. The Board reviewed the policy and Matt Radant suggested changing the effective date from FY2021 to FY2023. This way it would not be a case of retroactive limit on spending out of this account that the school board already broadcast on how to spend those funds and because they are going into the FY2023 budget season soon.

Tom Sinkewicz stated that the Board of Education still needs to review the policy. This will not affect the MOU (Memorandum of Understanding) as that has already been approved by the Board of Education and signed; the Board of Finance still needs to sign.

Matt Radant motioned to approve the 2% School Reserve Policy with the policy amendment to change the effective date from FY2021 to FY2023. Virginia Sampietro seconded. No discussion. All in favor, motion carried.

b. Discuss and Act on the disbursement of \$100,000 from 2% Reserve to fund FY 2022 Budget.
Tom Sinkewicz explained that this was discussed last budget season and that the funds need to be moved.

Kelly Vachon stated on page 2 of the financial statement it shows the line item of 2% school reserve as a revenue source.

Matt Radant asked if this shows on the school budget too. Kelly Vachon was unsure; it should reflect as an expenditure on the 2% reserve.

Tom Sinkewicz stated that Ron Lussier, Finance Director/Plainfield Schools, is familiar with this line item and can explain better on how it is reflected on his side. Maybe he can attend the next meeting to discuss with the Board.

Matt Radant motioned to table. Don Kivela seconded. Discussion: Motion should be amended to include Ron Lussier's attendance. Matt Radant amended the motion to table and invite Ron Lussier to the next BOF meeting to discuss. Don Kivela seconded the motion. All in favor, motion carried.

c. Update on FY 2021 Audit

Kelly Vachon reported that she speaks to the auditor daily and currently the financial statement is waiting on reconciliation of cash on the school side, and she is currently working with Ron Lussier. Next is the State and Federal single audit which means major pieces of the audit will be reviewed. For example, they will pick a grant, i.e., LOCIP, and they will have to supply the expenditures for the grant. Most of the audit is conducted remotely but they can also schedule an in-person meeting. There are no delays, and the expected timeline is 12/31.

d. Discuss creation of MOU – Pension contributions Town and BOE

Tom Sinkewicz stated that at the last BOF meeting Selectman Art Gagne suggested instead of an MOU between boards maybe it should be a policy. They checked with other towns, and one does not exist. He reminded the Board no action will be taken tonight; it is up for discussion and now that there will be yearly contributions for pension, it makes sense to have an MOU. Once it is approved it will go to the Town Attorney for review.

Virginia Sampietro stated she felt it was a good idea because of the concerns with pension funds.

Ted Dumaine expressed concerns over the pension fund and that there have been issues for over 30 years and maybe it is time for the town budget to fund pensions, not the BOE.

Virginia Sampietro stated it is the BOE responsibility to budget the pensions and follow through.

Tom Sinkewicz stated that there have been concerns because it has been funded by the fund balance instead of the line item.

Kelly Vachon reminded the Board that an actuary report is generated every two years with a breakdown of the employees' pensions. A new report will be coming out this month.

Kevin Cunningham stated that if the funds go to the Town side it may affect the schools MBR (Minimum Budget Requirement). He explained how it was broken down for what the school, town, police and WPCA paid in the last few years, and he would like to see it broken down like this in the budget too. If the BOE has employees under their wing when they retire it should be their responsibility to take it out of their budget.

Matt Radant suggested that the BOF meet with the BOE early in the budget season to have discussions so there are not last-minute issues or surprises with the school's budget, even if this means starting the budget process in January to accommodate these meetings.

Tom Sinkewicz agreed and suggested at a minimum that the BOE be invited to the first budget meeting in February.

e. Review current FY 2021/22 Town Budget Statement

Kelly Vachon reviewed the budget statement and noted the following.

- 2 Pilot Revenues – hospital pilot came in \$10,000 less
- Local Revenues – building permits are above budget
- Property Tax Revenue – currently \$15,000,000 budgeted at \$28,000,000
- WPCA Bond – payment of \$205,571 came in
- Debt Payments – paid and second payment due in January
- Pension Payment - payment of \$250,000 was made and she just sent another \$250,000 out
- ECS payment is usually in November
- Record Disposal Credit – she will research and let the Board know what it was for

Kevin Cunningham reported on the Railroad Avenue lights, they should be in this week, and they are waiting for posts and poles. He also mentioned they are watching the tax refunds because due to COVID and the issue with car inventories the leased vehicles are now being purchased.

f. Review current FY 2021/22 Board of Education Financial Statement.

Ted Dumaine asked why the BOF is reviewing the schools financial statement seeing it has already been approved by the BOE and Superintendent.

Tom Sinkewicz stated that these statements are reviewed monthly by the BOE, and it is in the best interest of the BOF to review in the event there are any questions they can be addressed publicly with the BOE to get clarification instead of waiting for the budget season to address.

Matt Radant asked Superintendent Brenton about the cost overruns in the certified teachers salary account and how cost is reclassified to some of the grants charge codes and how it will be displayed going forward. Superintendent Brenton stated that these are special education certified staff when students are going to outside services, the offset will be seen in special education tuition which is down this year and should see adjustment made as they look at November budget.

Citizens Participation

Dan Real presented a CD from Northeast Transit to the Board regarding the bus and who is riding on it. The bus picked up one passenger on the 140-mile trip; we might as well pay for an Uber ride. Also, sometimes it is best to say no and find a better way to do things. In 2013 the ECS was pulled out from under us and due to COVID it could happen again.

Naomi Smith stated that she researched the pension plan and questioned why the fund balance was used for pensions. In 2004 there were questions back then who was going to handle the pension, the town, or the school. The labor department and Union got involved and therefore the town attorney doesn't have a lot of input on this. She is unclear why there was an \$800,000 deficit and how the Pension Board is unaware of this history of the pension line item. In 2014-15 that line item had over a million dollars. These costs need to be covered even if it increases the mill rate, not taken out of the fund balance. She doesn't feel it was underfunded; the transfer was used to balance the budget. There was no mill increase so the budget is not voted on, this is not how it should be done.

Kelly Vachon stated that pension funds go to pension and nothing else.

Tom Sinkewicz stated he will follow up with Ms. Smith with her questions.

Sean Peterson stated that this year \$300,000 from school budget is going into the pension fund but if there are no pensions and it is not put in next year, then can it be spent on other items in budget will the town side see a tax increase? It is not helping the taxpayers if this is how it works.

Kevin Cunningham stated that if the pension goes to the town side, then what should he cut in the budget? If the unions negotiate the pension, then the funds should stay with the school and police budgets. This needs much further discussion.

Robert Smith stated that the school didn't contribute funds towards the \$800,000 and it came out of town side.

Kelly Vachon stated that there are still active employees that will collect a pension in the next 20 years, others are on a 457 or 401a plan.

Tom Sinkewicz thanked the citizens for their feedback. He also thanked the current members on the Board of Finance for their time. It may not be the same board members next month and thanked them for their time and commitment.

Adjournment

Virginia Sampietro motioned to adjourn the meeting at 7:38 pm. Gary Stalaboin seconded. All in favor, motion carried.

Respectfully submitted by,

Suzanne Krodel

Suzanne Krodel
Recording Secretary