

**TOWN OF CROMWELL
TOWN COUNCIL REGULAR MEETING
WEDNESDAY JANUARY 8, 2020
7:00 P.M. TOWN HALL COUNCIL CHAMBERS**

RECEIVED FOR RECORD
Jan 15, 2020 03:32P
JoAnn Doyle
TOWN CLERK
CROMWELL, CT



MINUTES

Present: Mayor E. Faienza, Deputy Mayor J. Donohue, S. Fortenbach, J. Henehan,
P. Ahlquist, A. Waters, J. Demetriades

Absent:

Also Present: Town Manager A. Salvatore, Director of Finance M. Sylvester, Chief of
Police D. Lamontagne, Director Public Works L. Spina

A. CALL TO ORDER

Mayor Faienza called the Regular Meeting to order at 7:02 p.m.

B. PLEDGE OF ALLEGIANCE

P. Ahlquist led the Pledge of Allegiance.

C. APPROVAL OF AGENDA

Motion made by J. Henehan seconded by P. Ahlquist to approve the agenda.

Town Manager Salvatore requested that Financial #5. Discussion and action to add
Capital Account.

Motion made by P. Ahlquist seconded by J. Donohue and *unanimously carried* to
approve amending the agenda adding #5. Financial, Discussion and action to add
Capital Account.

Main Motion to approve the agenda unanimously carried as amended.

D. COMMISSION CHAIRMAN REPORTS/LIASON REPORT/STAFF REPORTS

None

E. CITIZEN COMMENTS

1. R. Waters, South Street - Spoke regarding the Transfer Station and trees on
town property.
2. G. Bironi, Timber Hill Road -Spoke regarding New Business #1 and #2.

F. MAYOR'S UPDATE

Mayor Faienza reported:

- Attended a Long-Range Capital Meeting; A new Senior Center and schools were
discussed.
- The next business visit will be to the TPC.
- Carrier Group is having a Grand Opening for Arbor Meadows on January 16th at
3:00 p.m.
- The Cromwell Division will be meeting at the Courtyard at Marriott on January
16th

- The Town Meeting to decrease the membership on the Committee to Support People will be held before the February 12th Council Meeting

G. TOWN MANAGER'S UPDATE

Town Manager Salvatore reported:

- Scannell should be announcing who their tenant will be very soon.
- The road will be extended along the east side of the parking lot for the tenant to have a complete circle for trucks only.
- Gave an update on Cromwell Landing. We should have all permits in time for Spring
- River Road project is under review by town attorney.
- Working with EDC Coordinator S. Popper on Sustainable Connecticut.
- The Library Renovation is nearly complete; a ceremony will be planned for the very near future.
- Time Clocks are being implemented; we won't go live until all the 'bugs' are worked out.
- Requested direction from the Council whether the Water District Garage, that was turned over to the town, should be leased out or demolished. His recommendation is renovating the facility and then lease it out.

H. FINANCIAL/FINANCE DIRECTOR'S UPDATE

1. Budget Reports -thru December 26th.

- The expenses are on target and the revenue is coming in strong.

2. Tax Refunds

Motion made by A. Waters seconded by J. Henahan and *unanimously carried* to approve tax refunds 1-14.

3. Discussion regarding General Fund Fund Balance Policy.

Finance Director M. Sylvester presented the item. After discussing the item: **Motion** made by J. Henahan seconded by S. Fortenbach and *unanimously carried* approve the General Fund Fund Balance Policy as discussed tonight (copy attached to minutes)

4. Schedule Budget Workshops for 20/21 Budget.

Motion made by P. Ahlquist seconded by J. Henahan and *unanimously carried* to schedule the 20/21 Budget Hearings, March 2nd and March 3rd beginning at 4:00 p.m.

5. Discussion and action to establish a Capital Account.

Motion made by P. Ahlquist seconded by J. Henahan and *unanimously carried* to approve investigating adding a Capital Account.

I. CHIEF OF POLICE'S UPDATE

Chief Lamontagne reported:

- Monthly incident report was distributed for the month of December.
- Officer Jespersen is doing well at the academy and is expected to graduate in April.
- Still attempting to hire three officers.
- Went to the Committee to Support People with disabilities last evening. It was an informative meeting with good information shared.
- Detective Jones did an exceptionally good job with a drug tampering case that occurred in a local pharmaceutical company. It was a difficult case and she did a fantastic job.

Mayor Faienza asked that the council's appreciation is passed on to Detective Jones.

J. PUBLIC WORK'S DIRECTOR UPDATE

Public Works Director Spina reported:

- Answered the concern expressed during citizen comments regarding trees on town property.
- Christmas Tree pickup is done.
- Town wide Leaf Collection is done.
- Started work on the 20/21 Budget.
- Spoke regarding the transfer station construction and design it is completely adequate. By doing work inside, Jon Harriman, Town Engineer saved probably in-between 600,000 to 700,000 dollars.

K. NEW BUSINESS

1. Grievance - IUOE Local 30
 - a. P. Bironi, Retroactive Wage Compensation.

Union Representative Steve Broderick presented the grievance on behalf of the Union.

Town Manager A. Salvatore presented the grievance on behalf of the Town.

The Councilors were given the opportunity to ask questions and discuss the grievance.

Motion made by J. Demetriades, with deep regret, seconded by P. Ahlquist, with regret, and *carried* to deny the grievance.

Aye: J. Demetriades, S. Fortenbach, E. Faienza, J. Donohue, J. Henahan,
P. Ahlquist

Nay: A. Waters

Motion carries

2. Grievance -IUOE Local 30, Sick Time Compensation
 - a. P. Bironi

Union Representative Steve Broderick presented the grievance on behalf of the Union.

Town Manager A. Salvatore presented the grievance on behalf of the Town.

The Councilors were given the opportunity to ask questions and discuss the grievance.

Motion made by P. Ahlquist, with regret, seconded by J. Donohue and *carried* to deny the grievance.

Aye: J. Demetriades, S. Fortenbach, E. Faienza, J. Donohue, J. Henahan,

P. Ahlquist

Nay: A. Waters

Motion carries

3. Discussion and action to amend Ordinance 221-2 All night parking.

a. Authorize the Mayor to set time and date of public hearing.

Councilor Ahlquist and Chief of Police Lamontagne presented the request.

Motion made by J. Donohue seconded by J. Henahan and *unanimously carried* to approve as amended by Chief of Police.

Motion made by P. Ahlquist seconded by S. Henahan and *unanimously carried* to authorize the Mayor to set time and date of Public Hearing.

4. Presentation of Town Manager's 2020 Goals and Objectives.

J. Demetriades

- Continue to attract younger residents to live and work in town.
- Keep an internal catalog of vacant businesses in town and come up with a strategic plan.
- Work on a Sustainability Plan.
- A lot of the goals and objectives were met from last year; good job.

A. Waters

- Commended Town Manager for doing an outstanding job. Very happy with the way things are going.

S. Fortenbach

- Continue to retain and attract strong new businesses to town.
- Continue to keep roads safe with Road Improvements throughout town.
- From what he can see Town Manager Salvatore is doing a great job.

E. Faienza

- Thanked Town Manager Salvatore for his hard work and stated it is a pleasure working with him for the past five and a half years.

- Will continue working with him to keep the town moving forward.
- Continue working on the Capital Improvement Plan.

J. Donohue

- Continue to work for a project plan for a new Senior and Community Center; by obtaining grants or starting a fund that people can contribute to. Start now so when the project starts we will be ready.

J. Henahan

- EDC is doing a great job over the past five years and would like to see that continue.
- Continue to prep for a new Senior and Community Center.
- Keep running a tight look at where the money is spent.
- Keep the mill rate low.

P. Ahlquist

- Work with contracts and put out to bid
- Work with Personnel Director to make sure that all employees job descriptions are updated.
- Work out issues with Union to prevent union grievances.

L. APPROVAL OF MINUTES

1. December 11, 2019, Special Meeting

Motion made by P. Ahlquist seconded by S. Fortenbach and *unanimously carried* to approve the minutes of December 11, 2019.

2. December 11, 2019, Regular Meeting

Motion made by J. Donohue seconded by J. Demetriades and *unanimously carried* to approve the minutes of December 11, 2019.

M. EXECUTIVE SESSION

1. Negotiation Strategy, fines 2 Edgewood Road
2. Action if necessary

Motion made by J. Henahan seconded by S. Fortenbach and *unanimously carried* to adjourn to Executive Session at 9:25 p.m. for the purpose of Negotiation Strategy, 2 Edgewood Road.

Town Manager A. Salvatore was invited into Executive Session.

Motion made by J. Donohue seconded by J. Demetriades and *unanimously carried* to come out of Executive Session at 9:48 p.m.

Motion made by P. Ahlquist seconded by J. Henehan and *carried* to approve accepting \$20,050 in fines for 2 Edgewood Road.

Aye: J. Demetriades, A. Waters, S. Fortenbach, J. Donohue, J. Henehan,
P. Ahlquist

Abstained: E. Faienza

N. COUNCIL LIAISON REPORTS

None

O. ADJOURN

Motion made by J. Donohue seconded by S. Fortenbach and *unanimously carried* to adjourn at 9:49 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Re Matus". The signature is written in dark ink and is positioned above a horizontal line.

Re Matus
Secretary

TOWN OF CROMWELL FUND BALANCE POLICY

Purpose:

The purpose of establishing a policy on the fund balance in the General Fund is to provide a guideline for budgeting decisions and to ensure that adequate reserves are established to fund operations by providing sufficient working capital and a margin of safety to address local and regional emergencies without borrowing. The General Fund is the primary operating fund of the Town for its non-utility related operations. The Town's Unassigned General Fund Balance is a surplus of funds which have accrued from unexpended operating budgets and unanticipated excess revenues.

Unassigned Fund Balance may be "committed" for a specific purpose by formal action of the Board of Finance. An example of Committed Fund Balance would be an appropriation for the future year's budget as determined when setting the mill rate. Amendments and modifications to the committed fund balance must also be approved by formal action of these boards. Authority to "assign" fund balance for specific purposes is delegated to the Finance Director. Assigned fund balance is an expression of intent, such as encumbrances.

For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly, unassigned fund balance. The Finance Director has the authority to deviate from this policy if it is in the best interest of the Town.

In addition, the Town of Cromwell desires to maintain its current credit rating. Rating agencies are concerned about a government's creditworthiness and the level of the General Fund fund balance is part of their evaluation. The Unassigned Fund Balance provides a measure of financial stability to bond holders and credit rating agencies, which offers the potential for lower interest costs on long-term financings.

There is no formula for determining an appropriate fund balance, however items to consider include the timing of revenue collections, the local and national economic environment, the volatility of the major revenue sources, and the degree of protection desired to mitigate current and future financial risks. It is considered a "best practice" by the Government Finance Officers Association (GFOA) to maintain an amount equal to a minimum of 60 days of operating expenses.

The Town of Cromwell recognizes the importance of maintaining an appropriate level of Fund Balance to provide the required resources to meet operating needs, to allow for unforeseen needs of an emergency nature, and to be able to respond to unanticipated opportunities. After evaluating the Town's operating characteristics, diversity of tax base, reliability on non-tax revenue sources, working capital needs, impact on bond rating, local and economic outlooks, emergency and disaster risk and other contingent issues, the Town establishes the following goals regarding the Fund Balance of the General Fund for the Town of Cromwell, Connecticut.

Policy:

The level of unassigned fund balance that the Town strives to maintain is an amount no less than 15% of the Town's general fund budget and no greater than 17%, with the intent of the Town to aim for an amount equal to 60 days of operating expenses from the current operating budget.

Any excess funds may be utilized for other municipal fiscal purposes, such as capital improvement needs or to take advantage of opportunities that would have a positive impact for the Town of Cromwell, including but not limited to land acquisition or land development rights.

If Unassigned Fund Balance falls below the targeted minimum level, it should be replenished by way of a plan developed through the budget process.

Exception to this policy may be considered for an unassigned fund balance between 12% and 15% if funds are used to support grant opportunities with the expectation of full reimbursement of the Town's appropriation within a specified period of time.

In accordance with prudent budgeting practices, the Unassigned Fund Balance will not be used on a routine basis to lower taxes or to offset normal operating expenditures.

Fund Balance Components:

- a) Nonspendable – Resources not in spendable form or are legally required to remain intact.
- b) Restricted – Constraint imposed or legally enforceable by external parties. For example, non-reimbursable state and federal grants, unspent bond proceeds.
- c) Committed – Represent internal constraints and can only be used for specific purposes pursuant to formal action of the government's highest level of formal action. Once committed, amounts cannot be used for any other purpose unless the same decision-making authority lifts constraint. For example, appropriations to offset future year budget.
- d) Assigned – Constraint is expression of intent by governing body or authorized official. For example, amounts reserved through encumbrances.
- e) Unassigned – No constraints.

Approved by Town Council 1/08/2020