

MINUTES OF THE 1 DECEMBER 2020
SCCOG EXECUTIVE COMMITTEE MEETING
Via ZOOM

Present: Mark Nickerson, Fred Allyn, III, Tom Sparkman, Keith Hedrick, Mike Urgo
Staff: James Butler, Amanda Kennedy, Kate Rattan

Chairman Nickerson opened the meeting at 8:31 a.m.

1. DEMHS Region 4 Long Term Recovery Steering Committee - Update

The Executive Director reported briefly on the recent meeting of the DEMHS Region 4 Long Term Recovery (LTR) Committee recent meeting with the state's consultants, intended to produce additional names and areas that the consultant should interview in their preparation of baseline data. The Deputy Director reported that the template for work by the three Working Groups should be available in December, and that the state and COGs should hear back from EDA this month about their CARES Act funding request.

2. JLUS Parking Management Plan - Update

The Executive Director reported that the SCCOG's consultant Kimley-Horn was expected to be in the City of Groton tomorrow conducting parking counts, part of the information gathering phase of the study. He said that the consultant is working with the Deputy Director on creation of a project website.

3. FY 2019-2020 Audit

The Executive Director presented the draft Audit, and said the Auditors did a great job in making this document available in time for review at this meeting. He said this is a clean audit, with no findings of deficiencies in internal control that might be material weaknesses. He highlighted as key points the fact that the SCCOG Reserve fund grew by \$91,212 this past year, and the new BF&O rate is now 104.031%, which is more than 3% lower than last year.

MOTION: To recommend to the SCCOG the acceptance of the FY 2019-2020 Audit (Sparkman, Urgo). So voted unanimously.

4. Proposed FY 2022 Operating Budget

The Executive Committee reviewed the proposed budget provided by the Executive Director. The Executive Director presented the following report on the proposed budget to the Executive Committee.

The proposed budget is contained in Table 1 of the packet emailed to you. It is based on revenues known at this time, which as the SCCOG's experience has been is not always what is available 18 months from now at the end of the fiscal year being budgeted for. That being said, it is my best projection of where the SCCOG's finances will be next fiscal year. There may be

revenue sources identified later not included at this time. These revenues and associated expenditures can be included in amended budgets if they were to materialize.

This is the largest, and maybe one of the most difficult budgets I have had to prepare in my 22 years as SCCOG Executive Director. It is made difficult by the uncertainty of several large funding sources including EDA CARES Act funding (\$160,000 in FY 2022) for COVID recovery work and FEMA BRIC Hazard Mitigation Plan funding (\$100,000 in FY 2022), both of which will be multi-year grants if received. In light of the uncertainty, I did not show how we would use the CARES Act funding (i.e. hire additional staff v. consultants) so this funding is part of the Unallocated/Return to Reserve figure, and for the FEMA BRIC funding I showed all of the anticipated first year amount being used for consultant only. That way, if these funds were not received, there would be no impact on existing staff.

The rest of the SCCOG revenue picture should be very stable, although the exact amount of our OPM State Grant-In-Aid (SGIA) could vary as I anticipate more than the \$350,000 I have budgeted, but realize this will be impacted by the State's own fiscal position. However, this grant should remain the second largest source of revenue to the SCCOG behind only our CTDOT Planning Grant (\$545,930). The fourth largest revenue source, which is slightly less than the first year EDA CAREAS Act funding of \$160,000 is the SCCOG members' municipal dues which results in \$157,688 in funding. The SCCOG last increased its dues in FY 2012-13 (which at that time was the first time in six years) and no increase is proposed this year due to the fact that our funding from other sources is so strong. The fifth largest source of revenue is from technical assistance contracts. The proposed budget does show revenue from Technical Assistance contracts (see Table) at \$129,000, less than the \$140,000 proposed in FY 2021, based on our actual experience in the recently completed fiscal year where this source resulted in \$128,131 in revenue , a figure possibly impacted by less municipal assistance needed due to the pandemic.

This proposed budget is again balanced without having to use funds from the SCCOG Reserve Fund for the third year in a row. Depending upon how we use the anticipated CARES funding and how much other unallocated funds are available at the end of the year, it is anticipated that funds will again be added to the SCCOG's Reserve at the end of FY 2022.

Other sources of revenue include smaller grants for specific work programs. We anticipate continuing to receive funds (\$25,000 budgeted) to administer the LOTCIP program. These funds, along with FY 2016 PL Carryover (\$100,000) will be used to continue with the on-call transportation engineering service we began this month. We continue to receive revenue from several federal fiscal year DEMHS Regional Collaboration grants, and as we did beginning in FY 2015, and we are receiving additional funds from this source to serve as the Region 4 Regional Emergency Planning Team (REPT) fiduciary. We will continue the JLUS funded project to prepare a Parking Management Plan in the City of Groton using \$110,000 of the total \$248,000 grant during this fiscal year. As mentioned previously, we hope to receive funding (\$150,000) from FEMA to prepare a Multi-Jurisdictional Hazard Mitigation Plan; work would start in the current fiscal year so \$100,000 would be used in FY 2022 to complete the plan. Finally on the revenue side, as was the case in previous year's budgets, there is a small reimbursement (\$14,000) by SECHA for the cost of providing staff support to SECHA.

As stated above, there is no need in FY 2022 to use SCCOG Reserve Funds to fund operations. Table 4 shows the status of and use of/return to the Reserve Fund over the past twenty-one years. There is now \$754,037 in the Reserve Fund according to the just completed draft of the Annual Audit, and by my calculations we have more than \$300,000 available for discretionary use (after subtracting funds budgeted for this year's operations which is zero this year, plus two months cash flow, a reserve for emergencies, and reserve for accrued vacation, and 25% of sick time accrued).

On the expenditure side, there are only slight increases in most of the line items, many of which we have been holding the line on for a number of years. The largest increase from last year's budget is in Office Maintenance/Utilities, due to increasing utility costs, snow plow expenses, and other work we have done/might have to do to keep the office healthy and safe for our employees. The budget continues under Subcontractors/Consultants in showing funds for part-time planner services to Lisbon. All the cost of this service will be borne by the Town, so it will have no impact on the SCCOG budget. As was shown in our past six budgets, I have again included funding (\$25,500) for the retention of a DEMHS financial consultant (Mark Paquette), which allows us to contract with the former WINCOG Executive Director to manage these grants for the SCCOG which serves as the Region 4 REPT fiscal agent.

This year, SCCOG staff agreed to once again change health insurance plans; we have just started an Anthem BC/BS Balanced Funded Plan. This will result in a savings to the SCCOG of 13.1% from last year's plan, as opposed to a continuation of our previous plan as originally proposed by Anthem at an increase of 19.94% in cost. I commend our staff for always being willing to discuss with me different ways to keep the SCCOG's costs down while maintaining quality health care for the staff and their families. Partly to recognize this and due to several additional factors including our robust financial picture, our employees' hard work and dedication during adverse conditions imposed by COVID-19, and the desire to retain what has gelled into a top-notch staff, I am recommending staff receive a 3% salary increase. Proposed staff salaries are shown in Table 3.

Table 5 presents the proposed Schedule of Municipal Contributions, based on 2010 Census figures, at \$0.55 per capita.

The Executive Committee discussed the budget, and the Executive Director's recommendations for staff salary increases. The Chairman stated that the SCCOG staff's assistance this past year during the current pandemic was invaluable to the towns, and he noted the sound fiscal position of the SCCOG as expressed in the Audit as a tribute to the good work of staff. Members expressed agreement with the Chairman's comments on staff performance this past year.

Mr. Allyn asked about dedicating some of the anticipated unallocated revenue to capital projects. The Executive Director noted the presence of an unfunded continuing line item in the budget titled Capital Fund, explain that it has not been funded lately; rather, the SCCOG Reserve Fund can be tapped for necessary capital projects when they arise.

Mr. Urgo questioned the \$10,000 increase from last year's budget in the Office Maintenance/Utilities line item. The Executive Director explained that due to steps taken to

allow the staff to safely return to the office after it had been closed during the pandemic, and due to heavy snow removal costs and increasing utility cost, the actual expenditure for this line item as reported in the Audit was more than \$34,000. He based his budget estimate on this figure, and assumed there could be another COVID-related office shutdown requiring additional cleanings and related expenditures. Mr. Urgo stated that most of what needed to be done in terms of building changes has been done, and said he thought this figure could be reduced by \$5,000. Mr. Sparkman asked why reduce the figure, since there were sufficient revenues to support it, and the budget required no increase in municipal dues.

The Chairman then asked for a motion.

MOTION: To recommend that the SCCOG approve of a FY 2021 Operating Budget totaling \$1,472,754 in expenditures, which reflects a \$5,000 reduction in the line item Office Maintenance/Utilities from the draft budget presented, and which includes among its revenue sources municipal dues derived from a \$0.55 per capita contribution which is the same as the previous fiscal year (Urgo, Allyn). The motion was voted upon with 2 in favor (Urgo, Allyn) and 3 opposed (Nickerson, Hedrick, Sparkman). The motion did not carry.

MOTION: To recommend that the SCCOG approve of the FY 2021 Operating Budget totaling \$1,477,754 in expenditures as presented in the draft budget, and which includes among its revenue sources municipal dues derived from a \$0.55 per capita contribution which is the same as the previous fiscal year (Hedrick, Sparkman). So voted unanimously.

5. Proposed FY 2022 Work Program

The Executive Director explained that the proposed work program was reflective of the anticipated funding sources. He said continues ongoing work, and includes new work that will commence under various grant sources including COVID-19 recovery work using EDA CARES Act funding and completion of an update to the region's Multi-Jurisdictional Hazard Mitigation Plan using FEMA funds.

MOTION: To recommend that the SCCOG adopt the FY 2022 Work Program (Sparkman, Allyn). So voted unanimously.

6. Proposed 2020 Schedule of SCCOG Meetings

Mr. Allyn suggested moving the November Executive Committee meeting to the following Tuesday to avoid local elections.

MOTION: To recommend to the SCCOG the adoption of the 2021 Schedule of Meetings, with the November Executive Committee meeting changed to the second Tuesday of the month so as not to conflict with municipal elections on November 2nd. (Allyn, Hedrick). So voted unanimously.

7. Bank Authorizing Resolution No. 20-8

MOTION: To recommend to the SCCOG the adoption of Resolution No. 20-8, Bank Authorizing Resolution (Sparkman, Urgo). So voted unanimously.

8. FY 2020 Annual Report

The Executive Director explained that the full SCCOG had previously been presented the Annual Report now required by OPM, and that staff was taking this information and would be presenting it in a shorter summary document that the SCCOG could adopt at the Annual Meeting.

MOTION: To recommend to the SCCOG the adoption of the FY 2020 Annual Report (Sparkman, Hedrick). So voted unanimously.

9. Other

The Executive Director reported on a draft report called Cost Containment Report prepared by a consultant for CCM. He said that while this report contained some recommendations that would strengthen COGs, it was also critical of and contained some inaccurate information about how COGs in Connecticut operate and are managed. He said he was not interviewed for this report but now has a scheduled call with the consultant tomorrow to express his thoughts on the draft report. He said that that CCM has also recently sponsored a report entitled Local Government Revenue Diversification, which contains numerous recommendations for municipal service sharing through COGs. He said he is reporting on these two studies because he anticipates there will be a renewed emphasis on Councils of Governments and their relation to and work for their municipalities in the coming year. Mr. Sparkman, Chair of the Nominating Committee, reported on the slate for the 2021 Executive Committee, which will be voted on by the SCCOG at the December Annual Meeting.

The meeting adjourned at 9:40 a.m.

Respectfully Submitted, James S. Butler, Executive Director