

MINUTES OF THE 2 DECEMBER 2019  
SCCOG EXECUTIVE COMMITTEE MEETING  
SCCOG Office, Norwich, CT

Present: Tom Sparkman, Mark Nickerson, Michael Passero, Jim Rivers, Fred Allyn, III  
Staff: James Butler  
Also Attending: Jason Cote, Sue Jones, Hoyt, Filippetti, & Malaghan, LLC

Chairman Sparkman opened the meeting at 8:30 a.m.

The Chairman stated he would move Agenda item #4 up to allow the Auditors to address the Committee first.

1. FY 2018 – 2019 Audit

Jason Cote presented the Audit, which he said consists of three audits: an audit of the Council's Financial Statements; a State Single Audit; and a Federal Single Statement. He described the Audit as a clean opinion, with no findings of deficiencies or material weaknesses in internal control over compliance.

The Executive Director stated that the Audit did include the Council's new Burden, Fringe, and Overhead Rate of 107.881%, which he said will still be one of the lowest COG BF&O rates in the state. He also said the Audit reported the status of the SCCOG Reserve at \$662,825. Finally, he noted that last year's Audit contained several recommendations concerning the SCCOG's financial procedures, all of which have been implemented; this year's Audit has no such recommendations.

MOTION: To recommend SCCOG acceptance of the FY 2018- 2019 SCCOG Audit (Nickerson, Allyn). So voted unanimously.

2. Eastern Pequot Tribal Nation Request to Participate in SCCOG

The Executive Committee discussed the November 11<sup>th</sup> letter sent by Eastern Pequot Tribal Chairwoman Katherine Sebastian Dring. The Executive Director stated that the Eastern Pequots had requested SCCOG membership at least once before, and he said the SCCOG Bylaws currently limits Tribal participation in the SCCOG to federally recognized Tribes, which the Eastern Pequots are not. Discussion ensued. The Executive Committee said they would like to hear how the two federally recognized Tribes view this request. It was noted that if the Eastern Pequots were not able to be recognized as Affiliate Members of the SCCOG like the Mohegan Tribe and Mashantucket Pequot Tribal Nation, they would still be welcome to attend SCCOG meetings as a member of the audience.

### 3. Request to Address SCCOG by CT Port Authority

The Executive Director stated that he had met with Paul Whitescarver and Andrew Lavigne of the CT Port Authority at their request, so that they could update him on the Port Authorities' recent activities. He said they have requested the opportunity to brief the SCCOG. The Executive Committee scheduled the CT Port Authority to brief the SCCOG at the February meeting.

### 4. Possible RPIP Grant Applications

The Executive Director explained that OPM issued their solicitation for Regional Performance Incentive Program (RPIP) grant applications last week, and these applications are due to OPM by December 31. He said the grant program required a 20% match, which could be provided by SCCOG staff time and/or SCCOG Reserve Funds. He presented the Executive Committee with three possible application ideas, all of which would fund one-year pilot programs for shared regional staff for the positions of: Regional Code Enforcement Official; Regional Human Resources Staff/Consultant; Regional Grant Writer Staff/Consultant. If the pilot proved successful, the SCCOG towns interested would contract with the SCCOG to fund these positions in ensuing years, similar to how SCCOG towns contract with the SCCOG for Technical Planning assistance. The Executive Committee discussed the merits of all three, and agreed that staff should submit all three individually as stand-alone applications.

### 5. Proposed FY 2021 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. 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. Potential sources of revenue not included at this time are any grants we choose to apply for during the year but after the budget is adopted, and possible future DEMHS grants. These revenues and associated expenditures can be included in amended budgets if they were to materialize.

The SCCOG revenue picture this year continues to be unpredictable, due in large part to uncertainty regarding the OPM Regional Services Grant (RSG), which OPM increased to \$341,421 this past fiscal year, and this year OPM announced another statewide increase in funding but gave merged COGs their previously received bonus due to existing statutory language. OPM has previously announced they are working to correct this inequity, but as of now formula has not yet been selected for this coming year. However, this grant remains the second largest source of revenue to the SCCOG. Because of the uncertainty in what the formula will be, I have budgeted for a \$387,500 grant in FY 2021, which is proportional to the statewide increase in RSG funding.

The largest source of SCCOG revenue is our CTDOT Planning grant. In FY 2020 the SCCOG received \$406,312 in federal and state transportation planning funds; our two-year agreement with CTDOT schedules us to receive an amount of \$506,000 for FY 2021. In addition, SCCOG is eligible to use FY 2016 Carryover, totaling a little over \$234,000, and while I have not shown this as a revenue source in the budget, I intend to bring back to the Executive Committee ideas as to how these funds could be applied and if the Committee and the SCCOG Board agrees, the budget can be amended to reflect this.

The third largest revenue source is the SCCOG members' municipal dues which results in \$157,688 in funding. The SCCOG last increased its dues in FY 2012-13 (which 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 sufficient.

The fourth largest source of revenue last budget year was from Technical Assistance contracts, totaling a little more than \$141,000. The proposed budget does show revenue from Technical Assistance contracts (see Table 2) holding at \$140,000, lower than what was budgeted for in FY 2020, but reflective of what we received in FY 2019. This figure might increase again in FY 2021, a Franklin has recently contracted with the SCCOG for Inland Wetlands enforcement technical assistance, and due to increased construction activity in the region requiring additional planning assistance.

The FY 2021 budget is again balanced without proposing to use funds from the SCCOG Reserve Fund for the seventh year in a row, though last fiscal year, while not budgeted, we did elect to use approximately \$88,000 in Reserve funding to conduct the Fiscal Impact Analysis and to perform the Regional Waste Management Study. This was offset with an excess of funding from other sources, resulting in the Reserve Fund only decreasing by a little over \$35,000 this past FY. For FY 2021, I propose a return to the Reserve Fund of \$130,170, which is a high figure, and one that probably will not be realized. However, as stated above, at this time of year our revenue picture for the following fiscal year is always uncertain, and rather than propose hiring new staff or contracting with more consultants at this time, I would rather suggest we take a conservative approach, and use the unbudgeted revenues from all sources to cover operating costs in the event we incur further reductions in State aid. Table 4 shows the status of and use of/return to the Reserve Fund over the past nineteen years. There is now \$662,825 in the Reserve Fund according to the just completed draft of the Annual Audit, and by my calculations we have approximately \$200,000 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 no or only slight increases in most of the line items, many of which we have been holding the line on the last few years. The budget continues under Subcontractors/Consultants in showing funds for part-time planner services to Lisbon, and for the second year, a contracted planner to provide planning services to Sprague. All the cost of these services will be borne by the respective Town, so it will have no impact on the SCCOG budget. As was shown in the last five budgets, I have again included funding (\$25,500) for the retention of a DEMHS financial consultant, which allows us to contract with the former

WINCOG Executive Director to manage these grants now that SCCOG serves as the Region 4 REPT fiscal agent. Last year, staff received a 3.0% salary increase, in FY 2018 a 2.5% increase, and for the three years prior to that a 2.5% increase. This year I again recommend that staff receive a 3% salary increase, due to several factors including sufficient anticipated funds, the fact that we have assembled and wish to retain a team of top-notch staff, which applied for, received, and successfully managed consultants working on numerous grants, as well as completing the rest of the adopted work program and resultant clean audits. In addition, I am recommending that Assistant Director Amanda Kennedy be awarded an additional 2% for a total of 5% increase, and that her title be changed to Deputy Director/Director of Special Projects. I think her work which is consistently high value, especially this past year in managing the JLUS project, has earned her this increase and change in title, and is important toward the SCCOG's leadership succession plan. Proposed staff salaries are shown in Table 3. Table 6 presents the proposed Schedule of Municipal Contributions, based on 2010 Census figures, at \$0.55 per capita. As mentioned above, this is the same per capita contribution which has been requested of SCCOG member municipalities since FY 2013.

The Executive Committee discussed the budget, and the Executive Director's recommendations or staff salary increases. Members expressed agreement with his recommendations, and stated that it is important to keep a good staff/team together.

MOTION: To recommend that the SCCOG approve of the FY 2021 Operating Budget totaling \$1,148,948 in expenditures, 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 (Allyn, Rivers). So voted unanimously.

#### 6. Proposed FY 2021 Work Program

The Executive Director explained that the proposed work program was reflective of the anticipated funding sources.

MOTION: To recommend that the SCCOG adopt the FY 2021 Work Program (Nickerson, Rivers). So voted unanimously.

#### 7. Proposed 2020 Schedule of SCCOG Meetings

The Executive Committee discussed changing the Executive Committee meeting dates from the first Monday to the first Tuesday of the month. All present agreed to this change.

MOTION: To recommend to the SCCOG the adoption of the 2020 Schedule of Meetings, with Executive Committee meetings changed to the first Tuesday of each month. (Nickerson, Rivers). So voted unanimously.

#### 8. Bank Authorizing Resolution No. 19-5

MOTION: To recommend to the SCCOG the adoption of Resolution No. 19-5, Bank Authorizing Resolution (Allyn, Rivers). So voted unanimously.

## 9. FY 2019 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 2019 Annual Report (Nickerson, Rivers). So voted unanimously.

## 10. Other

The Executive Committee received a request by the Public Purchasing Association of Connecticut to address the SCCOG on the benefits of the purchasing professionals in SCCOG member towns joining this professional association. The Executive Committee felt it best that individual purchasing staff approach their CEO to discuss the benefits of this, as opposed to having a presentation at a SCCOG meeting.

The Executive Committee was informed by the Executive Director had been asked by the CT Construction Industry Association to have the SCCOG agree to sign on to a letter to legislative leadership urging them to fund transportation improvements in Connecticut. He said he explained to Mr. Shubert of CCIA that he could not do so without discussing this with SCCOG leadership, and the deadline for this letter being sent had passed.

The Executive Director reported to the Executive Committee that all COGs in the state had received an email from Tom Maziarz and Mark Rolfe of CTDOT that the publication of the State's Capital Plan for transportation improvements was on hold pending legislative funding.

The Executive Director informed the Executive Committee that he would be stepping down from the seCTer Board of Directors after 20 years when his term expired at the end of December.

Mr. Sparkman, chair of the Nominating Committee, reported on the slate for the 2020 Executive Committee, which will be voted on by the SCCOG at the December Annual Meeting.

Mr. Allyn raised the issue of the Eastern CT Tourism District and their inability to hold a meeting due to lack of quorum. He said he had email a question to the District's Chair but had received no response. The Executive Director said he would provide Mr. Allyn with the District's staff contact information.

The meeting adjourned at 9:40 a.m.

Respectfully Submitted,  
James S. Butler, Executive Director