

**MINUTES OF MEETING
FINANCE COMMITTEE
March 7, 2023**

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A meeting of the Finance Committee was held on Tuesday, March 7, 2023 electronically via Zoom. The meeting was called to order at 6:44 P.M. by the Chair, Jeron Alston.

MEMBERS PRESENT: Jeron Alston, Chair; Sarah Gallagher, Vice-Chair; Lesley DeNardis; Cory O'Brien

MEMBERS ABSENT: Betty Wetmore; Justin Farmer; Bob Anthony

PUBLIC INPUT: None

ALSO IN ATTENDANCE: Curtis Eatman, Finance Director; David Cappelletti, CPA; David Panico, Bond Counsel; Sue Gruen, Town Attorney; Rick Galarza, Deputy Finance Director

The following item was addressed:

1. Resolution adopting Fiscal Structure and Policy Manual

-- Moved by Ms. Gallagher, seconded by Mr. O'Brien.

Mr. Eatman went over some of the revisions already done. There was some discussion on section 9.7 and the revisions that were discussed that day.

Mr. Panico went over Debt Management and gave an explanation of what he's provided. He said all provisions follow current rules and best practices followed in the industry. There was then some discussion on bonding. Mr. O'Brien said he sincerely thanks Mr. Panico and Mr. Eatman for this document.

Mr. Panico stated he thinks they should add to section 2.6 (page 9) "after discussion with bond counsel". There was then some discussion on the process being in another section and discussion on the CNR account.

Mr. Alston asked about section 2.7 and the purpose of adding it. Mr. Eatman said they added 2.7 per the Charter and thought it would be applicable.

Ms. Gallagher referenced 10-11 of the Charter which talks about debt service limitation for capital and non-capital projects and wonders if this should be in the fiscal policy as well. There was then some discussion on whether or not to reference the Charter. Ms. Gallagher suggested maybe it's upfront in the document that mentions Charter and that the laws and Charter trump this document. Mr. Alston stated he likes referencing the Charter. Mr. Eatman mentioned the clause they put in that the Charter supersedes this. Ms. Gruen said she'd keep it even simpler and take out all the legal stuff saying it's a policy not the law. Mr. Eatman suggested they can put a more expansive introduction in the beginning about the Charter and eliminate Charter provisions. Mr. Alston stated he doesn't want them all taken

out. Ms. Gruen said she'll review it again. She thinks they should leave it as is now but reference the Charter in the beginning.

Ms. DeNardis suggested a footnote at the bottom of sections, but not extensively. Ms. Gallagher said she thinks they should go through the Charter noting sections without the language. Mr. O'Brien said he thinks it's okay to put references in areas which may be appropriate. Ms. Gruen said she thinks they'll have a harder time if they add more and that it will get lost in the weeds. Mr. Panico stated he doesn't think they should cite the Charter because it would be unusually long and hard to read. Ms. DeNardis said she agrees with an upfront statement. Ms. Gallagher mentioned upfront references of documents to refer to but then thinks things should come out because it'd be confusing to have some references and some not. Mr. Eatman said he can do an introduction and a disclaimer.

Mr. Alston said to do a preface page and cite some of the source documents and doesn't think there needs to be sub-sections. He then said to Mr. Eatman that he does like the reference in areas where we do have clear specificity like the 5 Year budget and everything else, those things that we do want to call out, you have the ability to do that in certain instances, saying we don't want to re-write the Charter, but they'll give the latitude to offer some specificity.

The committee then went to section 5: Expenditure Policy. There was some discussion on 5.4 of Purchase Orders. Ms. Gruen mentioned the purchasing ordinance and said they may be duplication things. She said the purchase ordinance lays out the purchasing policy and thinks they may want to review it and put it in there. Ms. Gruen then referenced 12.2 of the policy and said this is the ordinance. There was then some discussion on referencing the ordinance here. Mr. O'Brien said he would feel a little more comfortable if there was a little more time for the Administration to look at this and look at what an outdated policy we may have and see if we have to revise something. He said so he would like them to look and maybe figure out how to how to combine them and see if there are any other policies that need to be documented instead of them trying to work on such an important section on the fly.

After some discussion Mr. Eatman asked if he should remove 12 and further develop 5.4 Ms. Gallagher said yes, you have your policy statements and what you follow so keep that in and just streamline it to reference the ordinance and have your policies in there. Mr. O'Brien agreed and said take out whatever the ordinance is as there's some uncertainty on what the ordinance is and what policy is and he'd rather have them do that due diligence offline.

Ms. Gallagher said last time in section 5.3.2 they talked about having to approve contracts because some of the purchases may be outside of the adoptive budget and she doesn't see that. Mr. Eatman said okay. Mr. Alston said he thinks the addition that was added started to say that but it stopped at "described by Town Charter, no purchase shall be made on account of the Town, except as prescribed by a Town charter" and that's where we're supposed to have that additional language Ms. Gallagher is talking about. He said if you look at the redline page 29, section 5.1...Mr. Eatman stated he sees it and is on it. Ms. Gallagher said they did talk about it in section 5.3 #2 if they want to take that out. Mr. Alston suggested maybe they take it from there and put it in 5.3. Mr. Eatman asked if they want it towards the bottom or towards the top. Mr. Alston said he sees the effort that you put it there, just take it from there and add in everything else that the Councilwoman is talking about and just put it in section 5.3. Mr. Eatman said okay, he'll place it there.

Section 7: Fixed/Capital Asset Policy. Mr. Eatman said this is a new section added at the Chairs request. Here Mr. Cappelletti said his only concern is the numbers may be low. Is it possible for dept. heads to track everything over \$1,000? Is it too much? Plus you'd need a new system in place. Mr. Alston asked if we are doing this now. Mr. Cappelletti said you have a system in place, but never below \$5,000. Mr. Alston stated he would leave out all "to be improvements" out. Mr. Cappelletti said his only other concern is you have to mark if anything is marked by a federal grant or state grant. Mr. Eatman said he put that under the grant section. Mr. Alston stated we would revise 7.5 to speak to the current situation of tracking of capitalized assets. Mr. Eatman said okay.

There was then some discussion on IT and laptops. Mr. Cappelletti mentioned new GASB standards coming out next year. Mr. Alston said they should consult Brian on this. There was then a lengthy discussion on the depreciation section. Mr. Cappelletti stated there's differences in how to treat operating leases going forward and that he'll provide language for that.

Section 8: Fund Balance. Mr. Eatman explained this policy was adopted by Council in 2022 and nothing has been added. Ms. Gallagher mentioned the 7%, 10% and 12% was confusing, what is it they're striving for? Mr. Alston explained their thought process. Ms. Gallagher thinks the language should be clearer. After more discussion it was decided to let it go. Ms. Gruen recommends being consistent.

Section 9: Grants & Financial Award policy. Ms. Gallagher said in 9.7 she wants to revise the language to **apply, accepting "and management"** of grant funds. (Adds the words "and management" after apply, accepting)

Section 10: Operating Budget. Mr. Alston stated he doesn't think they need dates in here, just the general flow of the process with a due date because it's always a fixed date. Ms. Gruen stated if you're putting the budget process from the Charter into a policy you better make sure it's word for word. She said what you do to adopt a budget is law, not policy. Ms. Gallagher asked if it should be taken out. Ms. Gruen said she's confused as to the purpose to have it there. Mr. Eatman explained this body wanted it in an easier format. Ms. Gruen said one word that is different could have us challenged and she's worried about any change of any wording. Her strong recommendation is if you keep it in use the exact language from the Charter. Ms. Gallagher recommends removing this and referring to the budget. Mr. Alston said they did that in section 10.1. Mr. Eatman said he'll remove section 10.2.

Mr. Panico then went over the recommendation of how to treat police private duty.

Section 13: Special Revenue. Mr. Alston said on page 62 in the second to last paragraph he would add "special revenue". Mr. Cappelletti expressed concern saying we may not even need that paragraph at all. Mr. Panico said his recommendation would be to remove enterprise fund. Mr. Alston said take out enterprise fund and add "special revenue."

Mr. Alston thanked Mr. Eatman and all others who offered input. Mr. O'Brien said this is the most detailed work he's seen a committee do his time on the council.

There being no further business Mr. Alston adjourned the meeting at 9:50 P.M.

Respectfully submitted,

Kim Renta, Clerk
for Jeron Alston, Chair