Subject to Approval

Town of Southbury
Board of Finance
Regular Meeting Minutes
May 18, 2026
7:00 pm, Room 205, Southbury Town Hall

Present
John Michaels, Chairman
Tom Connor, Vice Chairman
Steve Giacomi, Member
Jack Kelly, Member
Vivian Templeton, Member
Gerry Leventhal, Alternate

Absent
Michael Carrington, Member
John Reilly, Alternate
Liisa Koeper, Alternate

Also Present
Tim O'Neil, First Selectman
Dan Colton, Finance Director
Press
Public

Mr. Michaels called the regular meeting of the Board of Finance to order at 7 pm in room 205 of the Southbury Town Hall.
All joined in reciting the Pledge of Allegiance

Seating of alternates
Mr. Michaels seated Mr. Leventhal.

Minutes

> **Mr. Kelly moved to approve the April 13, 2026 and May 6, 2026 minutes, Mr. Connor seconded, and all were in favor. Motion carried.**

New Business
Suspense letter approval
The Board of Finance reviewed the suspense letter. Mr. Colton explained that State Statutes require one property to be placed on suspense each year. He noted that the properties listed are older but remain collectable. Older properties are referred to a collection agency, which receive a 15% fee.

> **Mr. Giacomi moved to approve the suspense letter, Mr. Kelly seconded and all were in favor. Motion carried.**

Internal audit
The board recommended retaining the Nawrocki Smith LLP to perform internal audit services, citing the firm's qualifications and emphasis on risk assessment. Mr. Giacomi expressed concern of lack of experience in Connecticut; however, Mr. Colton noted that the firm does have experience in the Hartford area.

> **Mr. Giacomi moved to retain the Nawrocki Smith LLP accounting firm to perform internal audit services, Mr. Kelly seconded, and all were in favor. Motion carries.**

Benchmarking
Mr. Colton reported that he is recommending that the town hire Creative Independence to conduct its benchmarking study, referencing the firm's strong proposal and grasp of municipal needs. The project is budgeted for $25,000 and CI's fee is $24,400.

Mr. Giacomi questioned whether the firm had sufficient experience in municipal work. Mr. Colton explained that the firm's experience includes private independent schools, along with some municipal experience. He noted that their work with private schools is comparable to municipal operations and that the firm is capable of performing the services required.

> **Mr. Kelly moved to approve the retention of Creative Independence for the benchmarking study, Mrs. Templeton seconded, and all were in favor. Motion carried.**

Pension Review
The board plans to review the pension audit report and consider the potential separation of the town employee plan and the police plan, which carry differing financial implications. The board is considering splitting the plans to better manage the investment allocations. Further information on the costs associated and a formal recommendation will be presented at the next meeting.

Tax Relief Abatement Group
Mr. O'Neil noted that veterans with a 100% disability rating currently receive a tax exemption on their residence. The town can add an additional exemption on up to two acres of land as permitted by State Statutes, if adopted by the board of selectmen. He added that a tax relief committee is being formed to review tax credit options for veterans, seniors, and other eligible groups. Mr. Connor volunteered to help.

First Selectman's Report
No updates since the previous meeting.

Finance Director's Report
Completion of ERP upgrade
Mr. Colton reported that the Town has completed its transition from NetSuite to Munis. He noted potential audit challenges due to nine months of data on NetSuite and three months on Munis, but stated that staff have worked closely with the auditors and have saved the prior NetSuite data.

Federal grant for the Library
Mr. Colton reported that the Town has been awarded an additional $1.5 million grant for library repairs and infrastructure improvements, with the full details of the grant still pending.

2025-26 Audit
The audit of the Town's 2025-2026 financial statements is currently underway, with fraud interviews taking place. The town anticipates a clean audit this year and expects to issue financial statements in August. The fraud tip line, which costs $2600/year, was discussed. While there have been zero tips since its inception, members agreed that it should be maintained and publicized to ensure visibility. The use of personal email accounts was discussed, with concerns raised regarding potential Freedom of Information implications. This matter will be reviewed further at the September meeting

Review of April 30, 2026, Financial Statements
Governmental Funds Balance Sheet
Statement of Revenues Expenditures and Fund Balance
Components of Fund Balance
Non-Major Governmental Funds
Balance Sheet – two-year comparison
Statements of Revenue, Expenditures – two-year comparison
General Fund Revenue vs. Budget
General Funds Expenditures vs. Budget
Cash Report
Other Capital Funds
Roads Report
Bridge Report
ARPA
Listing of April Payments
Tax Collector's Report

Mr. Colton reported that the town is trending similarly to previous years and he expects a surplus. The tax collection rate currently stands at 99.3%.

Reports from Liaisons
IPOC (Tom)
Mr. Connor reported that the pension fund is up 14.4%, reserve is up 4.6%, and the library is up 13.1%.
Board of Education (Janet)
No report.
Insurance Working Group (John M. & John R)
Mr. Michaels reported that they are reviewing the primary cost drivers but have not identified any effective solutions.
Road / Bridge Study (Jack)
Nothing new to report.
RUPAC (John M.)
Mr. Michaels reported that RUPAC is preparing a recommendation to the Board of Selectman regarding the Shortt property at the corner of Poverty Road and Route 67.

Energy Task Force (Tom C.)
Mr. Connor reported that the Energy Task Force is focusing on the solar project and held a public meeting to discuss site access and potential impacts on Public Works. The proposed solar site is currently used for organic waste so an alternate location will be needed.

SMMR2 (to be included in future agendas)
The SMMR2 advisory committee has been formed and has held meetings to review waste management options.
First Selectman O'Neil noted that he has spoken with Heritage Village residents who feel it is unfair that their commercial haulers are not allowed into the transfer station. He mentioned that losing this access reportedly increased the Heritage Village budget by $150,000. He advocates for allowing them back in and random checks could be done to ensure that waste is not coming from outside of town, especially since HV residents are currently facing rising common charges and assessments.
Future agenda items include discussion of town emails for board members, solid waste study, and the fraud hotline.
Mr. Colton reported that a ribbon cutting at the tennis courts took place today. Members commented that the courts look great.
The next meeting will be held on June 29 to handle the end of year transfers.

There being no further business, and without objection, the meeting adjourned at 8:02 pm.

Betsy Rosa
Devyn Lovelett