



77 Main Street North, Suite 205  
Southbury, CT 06488  
**BOARD OF DIRECTORS SPECIAL MEETING**  
Wednesday 3/22/23, 5:30 PM

Voting Members in Attendance

Dean Sarjent(Washington) *via google meet*  
Larry Ellis Vice Chairperson (Oxford)  
Fred D'Amico (Oxford) Board Chairperson  
Michael Crespan (New Milford)  
Chris Cosgrove (New Milford) *via google meet*  
John Michaels (Southbury)  
Deb Fuller (Woodbury)  
Jack Kelly (Southbury)

Non Voting Members in Attendance

Amy Bethge (Director of Health)

Staff in Attendance

Jennifer Luis (Recording)  
Joe Kmetz (Chief Sanitarian)

Voting Members not in Attendance

Dr. Jeremy Levin (New Milford)

**SPECIAL MEETING MINUTES**

Meeting called to order- Fred D'Amico Board Chairperson 5:31pm

**Executive session started 5:31pm**

Discussion and debriefing with Attorney Tony Minchella regarding the strategy and status of the Lustig vs. Health District case.  
Executive session ended 6:26pm

*Motion: Authorize council for the District, Tony Minchella, to obtain necessary documentation pertinent to further claims against Neil Lustig and/or other parties.*

*Made a motion: Jack Kelly*

*Second: Deb Fuller*

*All in favor*

*Motion Carries*

## Budget Amendment Discussion

Amy Bethge stated the version of the budget in front of the board members was amended to add additional line items from the previous budget. Ms. Bethge went over revenue. Mr. Michaels had a question on revenue. He stated the district has \$400,000.00 in the bank and the district is going to collect \$800,000.00 from the towns July 1st so we will have \$1,000,000.00 in the bank on July 15th and it will be used evenly throughout the year. He also stated we will have \$500,00.00 in the Stiff account at 4% which is \$20,000.00 and he believes we should have income interest for revenue for \$20,000.00 in line items. Mr. Michaels asked if any of the revenue accounts have changed from the last budget that was given and Ms. Bethge stated no they were not changed.

Mr. D'Amico asked if there were any grants in the revenue and Ms. Bethge stated no there was not. She also stated that there is less than \$400,000.00 in the bank account right now and anticipating in the next 30 days or so we should receive funding from the ELC 2 grant and clarified we are settled up with the other grants so we will not be receiving funding from other grants.

Ms. Bethge went over the items for the expenses. Mr. Michaels requested the \$60,000.00 in the other previous liabilities line item not be in the budget as it is in the audit as a liability and already exists. He said it should come out as an expense since the district shows it twice. Ms. Bethge asked if Mr. Michaels could please clarify that. Mr. Michaels stated he is very sure and Ms. Bethge asked if he could clarify. Mr. D'Amico and Mr. Ellis also asked Mr. Michaels to clarify about the \$60,000.00 removal from expenses. Mr. Michaels stated if you look in the balance sheet from the accountant it shows \$195,000.00 under liabilities and included in that is the \$60,000.00. Mr. Kelly stated it was charged to past Profit and Loss's. Mr. Crespan asked what was that called in the previous budget. Mr. Michaels said he does not know as he was not there so it needs to come out.

Mr. Michaels said he had another issue on the vaccines. He said the last couple of times we talked about vaccines, he remembers with the old district, the vaccines came out plus or minus relative to the fees cause we do try to collect fees from everyone if we can't we eat them. He said Lisa Morrissey stated months ago on average some years you are ahead and some years you are behind. He stated we need to do something about that as he does not see any revenues for vaccines. Mr. Crespan wanted to clarify if the revenue for vaccines is not in the budget. Mr. Michaels does not believe they are as they were not there before and he does not know if next year we will be ahead or behind. He said let's say we assume we are behind and we collect 75%. He thinks we should add \$66,000.00 for revenue of vaccines.

Mr. Crespan asked Ms. Bethge where we stand on collecting insurance reimbursements. Ms. Bethge stated the district is in the process right now and we have week to week totals so she would have to do a summation for where we are to date. It also depends on the insurer so it is hard to estimate. Mr. Kelly said we can look at historical numbers and Mr. Crespan said Lisa Morrissey was starting to collect those so they are a fairly new history. Mr. Michaels stated there is a history of 20 years with the old district and it should not be significantly different. Mr. D'Amico stated that it probably has changed in the past few years. Mr. Ellis said it is probably on the decline. Mr. Michaels said if we take out the \$60,000.00 and add the \$66,000.00 which is 75% of the vaccines and there will be a net gain of \$146,000.00 in the budget. Mr. Michaels proposes based on the investigations that the district authorized that the district increases legal expenses by \$46,000.00. He then stated let's make it \$45,000.00 for legal expenses. He also requested we reduce the per capita by \$100 and then that gets spread around and it is about \$1.25 per Town. Mr. D'Amico asked what he means reduce the per Capita and Mr. Michaels said because when you take the revenues less the expenses you are going to need \$150,000.00 less than in per capita.

Mr. Crespan stated that he is uncomfortable with that number of  $\frac{3}{4}$  revenue on the vaccines and we should be more conservative until we have little history. He stated we are at \$10.71 in the per capita and we would be reducing the number to \$9.71. Mr. Ellis agreed with Mr. Crespan he does not want to

cut the district short. Mr. D'Amico agreed he would keep the per capita the same for now. Mr. Michaels said he thinks it is a mistake and we are not being fair to the towns and we are taking money that the district does not really need. Mr. Crespan stated Mr. Michaels is making assumptions and that we do not have the history and Mr. Michaels stated we do. Mr. Crespan stated again he is uncomfortable with that vaccine revenue in particular. Mr. Michaels said the old district has the history and said Lisa Morrissey said sometimes it's more and sometimes it's less. We get revenues because everyone we give a shot to we collect insurance he knows Southbury always has collected the insurance.

Mr. Cosgrove said we need to see the actual history in writing so we can see confirmation that none of that is in the revenue. Mr. Michaels said Lisa Morrissey told us there was nothing there. Mr. Cosgrove said Lisa is not here so he wants to see from the current people that are here now to confirm that. Mr. Crespan asked Ms. Bethge if there is some way for us to get some history from Pomperaug records but also the landscape has changed so much with reimbursements and different factors going on he does not know how reliable that past history is. Mr. Cosgrove said it is something to go by as right now we are just pulling figures out of the air. He would rather have some basis of history to go by. Mr. Crespan stated he is still uncomfortable with  $\frac{2}{3}$  of the vaccine revenue. Mr. Kelly asked if Mr. Crespan would be more comfortable scaling back to \$20,000.00 and then scaling the per capita to a \$1.00 rather than a \$1.25. Mr. Cosgrove said he is not comfortable doing anything until he sees numbers. Mr. Cosgrove stated he does not know if that is a good assumption or not until he sees some historical numbers. Mr. Michaels agreed with Mr. Cosgrove. Mr. Crespan stated with economic pressures on salaries, the attorney costs and other pressures he would be more comfortable going back to the previous per Capita \$10.10 but he thinks \$9.71 is a little aggressive and does not feel the board is being responsible if they cut it back. Mr. Ellis agreed with Mr. Crespan. Mr. D'Amico agrees he does not want to go lower because we might have a problem later. Ms. Fuller asked if all the towns have approved their allocations expenses and Mr. Michaels said no not yet and that is their problem not ours. She also stated the \$10.71 per capita is in Woodbury's budget and Mr. Cosgrove agreed that it is also in New Milford's budget as well.

Mr. Crespan is looking at what perceives to be economic pressures, in particular salaries. The district right now is short on people and there is going to be some hiring going on and said it is in the budget but salary rates that are low. He said Lisa Morrissey talked about it and he sees that for salaries we are going to need to compete. Mr. Michaels said then we need to construct the budget with the salaries we think we are going to have to pay. Mr. Kelly said we should give Ms. Bethge a couple of weeks to revise the budget. Mr. Crespan said we have to keep in mind that we have a statute to have the budget approved by April 30th. Mr. D'Amico said we will have Ms. Bethge revise the budget. Mr. Crespan stated even if there is a surplus at the end of the fiscal year you do not give that back to the towns and Mr. Michaels said yes you do. Mr. Crespan said there are plenty of nonprofits that have an endowment, there is a capital reserve and other reserves. Mr. Michaels said there is a contingency reserve for unknowns in the budget and money in the bank that protects you against cash flow timing differences. Mr. Sarjant stated he believes most municipalities have a 3 to 6 month surplus for operating and beyond that we do give it back as we do not want to build a fund out of taxpayers money. He said there is a guideline from the state we should look at. The board asked Ms. Bethge to have a revised budget by the next meeting of April 5th and Mr. Crespan said if she needs more time we will give it. The board agreed.

### **Director's Report**

**Digitization Update** - Ms. Bethge said she spoke with several other CEO's about it and she feels we do not have an adequate plan in place in the budget for this fiscal year. Her proposition is to delay the process until next fiscal year. The board agreed.

**Staffing update** - ELC2 grant funds have been expended. The staff will be comprised of six full time people. Mr. Michaels asked if we can get another grant for positions. Ms. Bethge said perhaps but we have to write up the grant and wait for funding which could be six months to a year.

### **Town of Sharon Health Department Discussion**

Ms. Bethge said Sharon voted the previous night to join our district and there are just a couple of items they need to take care of on their end and then we would vote to allow them to join or not. Mr. Michaels asked if Ms. Bethge is extremely confident that this will not impact the quality level of service the district now provides to the existing towns. Ms. Bethge stated the quote she said was she believes the financial income we would gain from Sharon would offset any potential burden we would have when it comes to service. Currently Sharon has 15 food establishments which our current sanitarian inspects and the financial income would offset that. Mr. Sarjent asked Ms. Bethge if she sees it as a positive for the district to be growing. Ms. Bethge said she does see it as a positive for several reasons. It will allow the district to expand our resources and in addition the way the state has been trending in terms of funding structure, it seems they are favoring districts with larger populations. Mr. Cosgrove asked what does this do to our existing sanitarian problem: does it help us or hurt us. Ms. Bethge said we will be able to manage with our current sanitarian staff and the new sanitarian that will be hired. The new income from Sharon coming in will help set up a pipeline to help staff sanitarian positions going forward. Mr. Michaels wants to know the number of units of inspections of Sharon so we can put it in the budget. Mr. D'Amico said he agrees and Sharon should be in the budget.

### **Meeting Adjournment - 7:11pm**

*Motion: Larry Ellis*

*Second: Deb Fuller*

*All in Favor*

*Motion Carries*

Minutes recorded by:

  
Jennifer Luis