

Agenda
Town Council Regular Meeting
Wednesday, May 05, 2021 at 8:00 AM
Via GoToMeeting Teleconference

Please join the meeting from your computer, tablet or smartphone.

<https://global.gotomeeting.com/join/669696277>

You can also dial in using your phone: [+1 \(224\) 501-3412](tel:+12245013412) Access Code: 669-696-277

New to GoToMeeting? Get the app now and be ready when your first meeting starts:

<https://global.gotomeeting.com/install/669696277>

1. Pledge
2. Visitors
3. Approval of Minutes – April 21, 2021
4. Appointments/Reappointments
CRAHD Board of Directors
5. Report from the Water Pollution Control Commission
6. Authorizing Resolution for the Small Town Economic Assistance Program (STEAP)
7. Anti-Fraud Policy
8. Fund Balance Policy
9. Council Discussion on Future Projects
10. Chairman's Report
11. Town Manager's Report
12. Town Council Committee Liaison Reports
13. Executive Session - Real Estate, pursuant to CGS 1-200 (6)(D)
14. Town Beach Concession Stand Lease Agreement
15. Adjourn

RESOLUTION

AUTHORIZING AND DIRECTING THE TOWN MANAGER TO EXECUTE AN ASSISTANCE AGREEMENT BY AND BETWEEN THE STATE OF CONNECTICUT ACTING BY THE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT

WHEREAS, the Town of Clinton applied for, and received, an award under the Small Town Economic Assistance Program (STEAP); and

WHEREAS, the Town's project, entitled the Clinton Business Improvement Initiative, has a scope of work to support construction work associated with commercial façade improvements as well as selected way finding signage; and

WHEREAS, the Town of Clinton wishes to enter into an Assistance Agreement with the State of Connecticut to secure the STEAP grant.

NOW THEREFORE, BE IT RESOLVED that, the Clinton Town Council hereby authorizes and directs Karl Kilduff, Town Manager to execute an Assistance Agreement by and between the State of Connecticut Acting by the Department of Economic and Community Development for a Small Town Economic Assistance Program grant.

BE IT FURTHER RESOLVED that the Town Manager is further authorized and directed to execute necessary form, documents and budgets that will be required to implement the agreement and administer the grant.

TOWN OF CLINTON ANTI-FRAUD POLICY

Purpose:

This Anti-Fraud Policy outlines the principles to which the Town of Clinton is committed to preventing, reporting and managing fraud, theft, waste, abuse, or other dishonest conduct. The Town of Clinton is committed to protecting its assets against the risk of loss or misuse. Accordingly, it is the policy of the Town to identify and promptly investigate any possibility of fraudulent or related dishonest activities against the Town and, when appropriate, to pursue legal remedies available under the law.

Background:

The Town is adopting an Anti-Fraud Policy to:

- Establish policy and procedures for clarifying acts that are considered to be fraudulent, describing the steps to be taken when fraud or other related dishonest activities are suspected, and providing procedures to follow in accounting for missing funds, restitution and recoveries;
- Strengthen the public's confidence in the integrity of municipal government employees by establishing a formal process for reporting investigating, and resolving cases of **fraud and abuse**;
- Raise the awareness of municipal officials/employees to integrity-related issues by initiating integrity-related programs and policies throughout Town Departments; and
- Provide guidance and assistance to Town Department heads concerning recommendations for specific integrity related issues that emphasize prevention, detection and correction of fraud, corruption, and abuse within their organizations.

I. GENERAL

A. DEFINITIONS

1. **Fraud** - Fraud includes, but is not limited to:
 - a. Claim for reimbursement of expenses that are not job-related or authorized.
 - b. Forgery or unauthorized alteration of documents (checks, promissory notes, time sheets, independent contractor agreements, purchase orders, budgets, etc.).
 - c. Workers' Compensation fraud.

- d. Misappropriation of Town assets (funds, securities, supplies; furniture, equipment, etc.).
 - e. Payroll falsification (theft of time).
 - f. Intentional misrepresentation of the Town's or other governmental policies.
 - g. Improprieties in the handling or reporting of money transactions.
 - h. Authorizing or receiving payment for goods not received or services not performed.
 - i. Computer-related activity involving unauthorized alteration, destruction, forgery, or manipulation of data or misappropriation of Town-owned software.
 - j. Misrepresentation of information on documents.
 - k. Any apparent violation of Federal, State, or Local laws related to dishonest activities or fraud.
2. Abuse – Abuse entails the exploitation of "loopholes" to the limits of the law, primarily for personal advantage.
 3. Employee - In this context, employee refers to any individual or group of individuals who receive compensation, either full- or part-time, from the Town of Clinton. The term also includes any volunteer who provides services to the Town through an arrangement with the Town or a Town organization.
 4. Management - In this context, management refers to any administrator, manager, director, supervisor, or other individual who manages or supervises funds or other resources. Also referred to as a Department Head.
 5. Police Department and Town Manager - In this context, Clinton Police Department and Town Manager refers to the persons who shall investigate credible claims of fraud.
 6. External Auditor - In this context, External Auditor refers to independent audit professionals who perform annual audits of the Town's financial statements.
- B.** It is the Town's intent to fully investigate any suspected acts of fraud, misappropriation, or other similar irregularity. An objective and impartial investigation will be conducted regardless of the position, title, and length of service or relationship with the Town of any party who might be or become involved in or becomes the subject of such investigation.
- C.** Each department of the Town is responsible for instituting and maintaining a system of internal control to provide reasonable assurance for the prevention and detection of fraud, misappropriations, and other irregularities. Management should be familiar with the types of improprieties that might occur within their area of responsibility and be alert for any indications of such conduct.

- D. The Town Manager, in conjunction with the Town Attorney, the Clinton Police Department and, if needed, the Director of Finance, have the primary responsibility for the investigation of all activity as defined in this policy.
- E. Throughout the investigation, the Town Manager will inform the Town Council and Director of Finance of pertinent investigative findings.
- F. Employees will be granted whistle-blower protection when acting in accordance with this policy. When informed of a suspected impropriety, neither the Town nor any person acting on behalf of the Town shall:
 - 1. Dismiss or threaten to dismiss the employee,
 - 2. Discipline, suspend, or threaten to discipline or suspend the employee,
 - 3. Impose any penalty upon the employee, or
 - 4. Intimidate or coerce the employee.

Violations of the whistle-blower protection will result in discipline up to and including dismissal.
- G. Upon conclusion of the investigation, the results will be reported to the Town Manager and Town Council.
- H. Following a review of investigation results, the Town Manager shall take appropriate action regarding employee misconduct. Disciplinary action can include termination, and referral of the case to the State's Attorney for possible prosecution.
- I. The Town will pursue every reasonable effort, including court ordered restitution, to obtain recovery of Town losses from the offender, or other appropriate sources.

II. PROCEDURES

A. Town Manager Responsibilities:

- 1. If the Town Manager has reason to suspect that a fraud has occurred, he or she shall immediately contact the Town Attorney, Clinton Police Department, and/or the Director of Finance.
- 2. The alleged fraud or audit investigation shall not be discussed with the media by any person other than the Town Manager, Clinton Police Department or his designee, or the Town Attorney.

B. Management Responsibilities:

- 1. Management is responsible for being alert to, and reporting fraudulent or related dishonest activities in their areas of responsibility.

2. Each manager should be familiar with the types of improprieties that might occur in his or her area and be alert for any indication that improper activity, misappropriation, or dishonest activity is or was in existence in his or her area.
3. When an improper activity is detected or suspected, management should determine whether an error or mistake has occurred or if there may be dishonest or fraudulent activity.
4. If management determines a suspected activity may involve fraud or related dishonest activity, they should contact their immediate supervisor (or contact the Town Attorney or Town Manager if the supervisor is involved).
5. Management should inform the Town Manager immediately upon learning of a credible allegation of fraud (or contact the Town Attorney or Clinton Police Department if the Town Manager is implicated).
6. Management should not attempt to conduct individual investigations, interviews, or interrogations. However, management is responsible for taking appropriate corrective actions to ensure adequate controls exist to prevent reoccurrence of improper actions.
7. Management should support the Town's responsibilities and cooperate fully with the Town Manager, other involved departments, and law enforcement agencies in the detection, reporting, and investigation of criminal acts, including the prosecution of offenders.
8. Management must give full and unrestricted access to all necessary records and personnel. All Town furniture and contents, including desks and computers, are open to inspection at any time. There is no assumption of privacy.
9. In dealing with suspected dishonest or fraudulent activities, great care must be taken. Therefore, management should not:
 - a. Make unfounded accusations.
 - b. Alert suspected individuals that an investigation is underway.
 - c. Treat employees unfairly.
 - d. Make statements that could lead to claims of false accusations or other offenses.
10. In handling dishonest or fraudulent activities, management has the responsibility to:
 - a. Make no contact (unless requested) with the suspected individual to determine facts or demand restitution. Under no circumstances should there be any reference to "what you did", "the fraud", "the misappropriation", etc.
 - b. Avoid discussing the case, facts, suspicions, or allegations with anyone outside the Town, unless specifically directed to do so by the Town Attorney.

- c. Avoid discussing the case with anyone inside the Town other than employees who have a need to know such as the Town Manager, Director of Finance or Town Attorney or law enforcement personnel.
- d. Direct all inquiries from the suspected individual, or his or her representative, to the Town Attorney. All inquiries by an attorney of the suspected individual should be directed to the Town Attorney. The alleged fraud or audit investigation shall not be discussed with the media by any person other than the Town Manager, Police Chief or his designee, and the Town Attorney.
- e. Take appropriate corrective and disciplinary action, up to and including dismissal, after consulting with the Town Manager and the Town Attorney, in conformance with the Town's Personnel Policies and Procedures or the appropriate bargaining document.

C. Employee Responsibilities:

- 1. A suspected fraudulent incident or practice observed by, or made known to, an employee must be reported to the employee's supervisor for reporting to the proper management official.
- 2. When the employee believes the supervisor may be involved in the inappropriate activity, the employee shall make the report directly to the next higher level of management or contact the Town Manager, Town Attorney or the Director of Finance.
- 3. The reporting employees shall refrain from further investigation of the incident, confrontation with the alleged violator, or further discussion of the incident with anyone, unless requested by the Town Manager or law enforcement personnel.

III. EXCEPTIONS

There are no exceptions to this policy unless provided and approved by the Town Manager and the Town Attorney.

Approval Date: _____, 2021

TOWN OF CLINTON FUND BALANCE POLICY

Purpose:

This policy will insure the Town maintains a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unanticipated one-time expenditures.

Background:

Establishing a policy on the fund balance in the General Fund provides a guideline for budgeting decisions and to ensure that adequate reserves are maintained to fund operations by providing sufficient working capital and a margin of safety.

In addition, the Town of Clinton desires to maintain its current credit rating. Rating agencies are concerned about a government's creditworthiness and the level of the General Fund fund balance is part of their evaluation. The Unassigned Fund Balance provides a measure of financial stability to bond holders and credit rating agencies, which offers the potential for lower interest costs on long-term financings.

The General Fund is the primary operating fund of the Town. The Town's Unassigned Fund Balance is a surplus of funds which have accrued from unexpended operating budgets and unanticipated excess revenues. Unassigned Fund Balance may be "committed" for a specific purpose by formal action of the Town Council. An example of Committed Fund Balance would be an appropriation for the future year's budget as determined when setting the mill rate. Amendments and modifications to the committed fund balance must also be approved by the Town Council.

Fund Balance Definitions:

Fund balance is the difference between the Town's assets (cash, short-term investments, and receivables) expected to be available to finance operations in the immediate future and its liabilities.

Fund balance is initially characterized as being restricted and unrestricted. Unrestricted Fund Balance is calculated as follows:

$$\begin{array}{rcl} & \text{Total Fund Balance} & \\ \text{Less:} & \text{Non-spendable Fund Balance} & \\ \text{Less:} & \text{Restricted Fund Balance} & \\ & \hline = & \text{Unrestricted Fund Balance} & \end{array}$$

Non-spendable Fund Balance – Resources not in spendable form (such as inventory, prepaid items) or are legally required to remain intact (an endowment fund).

Restricted Fund Balance – This category presents amounts that can be spent only for specific purposes because of enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors or the laws or regulations of other governments.

Committed Fund Balance – Represent internal constraints and can only be used for specific purposes determined by a formal action by the Town Council. Commitments may be established, modified or rescinded only through resolutions approved by the Town Council.

Assigned Fund Balance – This category presents amounts that do not meet the criteria to be classified as restricted or committed but are intended to be used for specific purposes.

Unassigned Fund Balance – No constraints.

Policy:

The Town of Clinton recognizes the importance of maintaining an appropriate level of Fund Balance to provide the required resources to meet operating needs, to allow for unforeseen needs of an emergency nature, and to be able to respond to unanticipated opportunities. After evaluating the Town's operating characteristics, diversity of tax base, reliability on non-tax revenue sources, working capital needs, impact on bond rating, local and economic outlooks, emergency and disaster risk and other contingent issues, the Town establishes the following goals regarding the Fund Balance:

- The level of unassigned fund balance that the Town strives to maintain is an amount no less than 15% of the Town's general fund budget with the intent of the Town to aim for an amount equal to two months of general fund operating expenses from the current operating budget.
- Any excess funds may be utilized for municipal fiscal purposes, such as capital improvement needs or to take advantage of opportunities that would have a positive impact for the Town of Clinton.
- If Unassigned Fund Balance falls below the targeted minimum level, it should be replenished by way of a plan developed through the budget process.
- Exception to this policy may be considered for an unassigned fund balance less than 15% if funds are used to support grant opportunities with the expectation of full reimbursement of the Town's appropriation within a specified period of time (such as the end of a fiscal year).
- In accordance with prudent budgeting practices, the Unassigned Fund Balance will not be used to offset normal operating expenditures.

Approval Date: _____, 2021

TOWN MANAGER'S REPORT

TO: Honorable Town Council Members

FROM: Karl F. Kilduff, Town Manager

DATE: May 5, 2021

Please find my report concerning various items of interest to the Town Council and community.

1. Council Business:

- a) FY21-22 Budget: As noted previously, the budget referendum will be an in-person vote as it was in prior years. The Governor's recent Executive Order does allow for the expanded use of absentee ballots to vote in local budget decisions up to May 20. We also have permission to use the State ballot box that was provided as part of the November election process. Originally, we were being told that the box could not be used for any local-only elections.

2. CCM:

CCM will hold its next Legislative Committee meeting on May 11, 2021.

3. River COG:

The Council of Governments met on April 28, 2021. Highlights of the meeting included:

- Regional Use of Federal Stimulus Funds – As a continuation to the last meeting, the COG briefly discussed the possibility to towns setting aside a portion of the American Rescue Plan funding to support a regional project. Guidance from the Treasury Department is still pending which would help clarify concepts further. Nevertheless, a regional approach to tourism or arts promotion could be a project that could accomplish more than individual municipal efforts. Regional economic development support was also discussed.
- Regional Plan of Conservation and Development – I know that Clinton did have some attendees to the most recent meeting on the Regional POCD. A public hearing on the plan will be held on June 30, 2021 and registration can be made through this link:

https://us02web.zoom.us/meeting/register/tZakceuvqzopHN1_WUQ6yrNOWUeJllyW7ODA

The draft plan is also available on the River COG website. It is anticipated that the Plan would be voted on by the entire COG during its September meeting.

- Natural Hazards Mitigation Plan – Feedback has been received by FEMA for the region's plan. Some minor edits and back-up information was required. In the exit conference, FEMA staff wanted to see the future orientation of the plan to be focused on mitigation of disaster risk instead of emergency management. Ultimately, the Clinton Annex to the plan will have to be adopted by the Town Council when it is ready.

- Municipal Solid Waste – A brief discussion was held regarding the direction of municipal solid waste and the lack of state policy/direction on the matter. Most of the policy orientation seems to be on recycling concepts but leaves unaddressed management of the remaining waste stream.