

TOWN OF STONINGTON
BOARD OF FINANCE MEETING
Stonington Police Department Meeting Room
Wednesday, February 1st, 2023
7:15 PM

A meeting of the Board of Finance was held on this date at the Stonington Police Department Meeting Room. Members present were Lynn Young, Michael Fauerbach, Deborah Norman, Bob Statchen and Chris Johnson. Lynn Young filled in as Chairman, and Tim O'Brien and Brian Bentz were not in attendance.

Ms. Young called the meeting to order at 7:15 pm.

Public Comments: David Brown, from 358 River Road, Pawcatuck, CT, cited difficulty reading the previous BOF meeting minutes draft, noting the document's DRAFT watermark had obscured much of the text. Board Members proposed the Recording Secretary could adjust the DRAFT watermark's color or transparency to make the text more legible.

Previous Minutes: Ms. Young requested a motion to approve the January 4th, 2023, meeting minutes. Mr. Fauerbach motioned, and Mr. Johnson seconded it. Ms. Young asked members for any discussion or corrections pertaining to the minutes, there were none. Ms. Young called for a vote to approve the minutes, and the motion was unanimously approved.

Ms. Young advised the Board that a request was made to add a new item to the agenda. The BOE Director of Finance advised the Board that one of the Special Ed vans died, and that the department needed to purchase a new one immediately to avoid interruption of services to those Special needs students. Ms. Young requested a vote to amend the addenda to add the Stonington Public Schools bid waiver request for a new Special Education van for \$47,403.67. It was also noted that the requested van had been previously bid, but that the awarded firm was unable to deliver the van due to lack of inventory. The previous bid was for \$54,995.00. Mr. Johnson motioned, and Ms. Norman seconded the motion.

The Finance Director, James Sullivan, clarified for the Board that when the initial \$54,995.00 was contracted for the van, the van was never delivered after it went out to bid. Alisha Stripling, the BOE Finance Director, outlined for Board Members the previous six months of correspondence with the awarded vendor, Gengras Ford, LLC, while attempting to purchase the specialized 2022/2023 Ford Transit Wagon XL at the quoted cost of \$54,995.00. Ms. Stripling explained that Upper Valley Honda had found a 2023 Honda Odyssey, and the Odyssey would make a suitable replacement for the Ford Transit. Ms. Stripling noted an in-house transportation specialist had confirmed the Odyssey meets all the Special Education vehicle criteria.

Ms. Young called for a vote to amend the meeting agenda, incorporating the revised BOE bid

waiver request for the 2023 Honda Odyssey. The motion was unanimously carried.

Bid Waiver Request from the BOE Finance Director (purchase of Special Education van from Upper Valley Honda): Ms. Stripling requested a bid waiver to purchase a Honda Odyssey from Upper Valley Honda, at the proposed cost of \$47,403.67, for the Special Education Department. Ms. Young called for a motion to approve the bid waiver request. Mr. Statchen motioned, with Mr. Johnson seconding the motion.

Mr. Fauerbach questioned why the Odyssey was being sourced from Upper Valley Honda, a vendor in White River Junction, VT. Ms. Stripling clarified that Gengras Ford will facilitate the sale of the Odyssey from Upper Valley Honda, and the Odyssey was currently on the premises of Gengras. There was further discussion between Ms. Stripling and Board Members about the Special Education vehicle inventory and the procuring process for the Odyssey.

Ms. Young asked for additional questions from Members and there were none. Ms. Young requested a vote to approve the bid waiver request. The vote was passed unanimously.

Bid Waiver Request from the Finance Director (fuel procurement for the Town/School District for fiscal 2023/2024): The Director of Finance, requested a bid waiver to purchase 87 octane unleaded gasoline, diesel, and #2 heating oil, with quantities and per gallon price to be determined, on behalf of the Town and School District. Ms. Young requested a motion to approve the bid waiver request. Ms. Norman made the motion, and Mr. Fauerbach seconded the motion. Mr. Sullivan described challenges associated with procuring fuel from the only two vendors who respond to bids over the last few years, East River Energy and Dime Oil Company. Mr. Sullivan reported that currently, Dime Oil provides heating oil and diesel, while East River provides gasoline for the Town and School District. Mr. Sullivan stated that fuel cost volatility had encouraged him to request a bid waiver, that would allow him to lock in the best possible rate, once reasonable fuel costs were observed. Mr. Sullivan noted the current contract had locked in heating oil costs at \$3.82/gallon, but was now available for \$3.08/gallon; the diesel was currently contracted at \$3.85/gallon, but was now available for \$3.12/gallon, and gasoline costs also seemed to be trending downward. There was further discussion between Mr. Sullivan and the Board about fuel price volatility and the fuel procurement process.

Mr. Fauerbach asked Mr. Sullivan how confident he was when estimating fuel quantities needed throughout the year. Mr. Sullivan outlined for Board Members the estimation process he uses to anticipate annual fuel needs, citing fuel delivery reports from the DPW and other metrics. Mr. Statchen stated that as an estimate, the contracts could be over a half-million-dollar expenditure, before the Board discussed with Mr. Sullivan the idea of contacting additional vendors for quotes while still ideally keeping the contracts local. Ms. Young added that Mr. Sullivan can contact herself or Chairman O'Brien for an additional perspective regarding fuel forecasts and analysis. The Board and Mr. Sullivan continued to discuss the challenges associated with fuel planning and price volatility in detail.

Ms. Young proposed amending the motion to be more specific. The original motion was withdrawn by Ms. Norman and Mr. Fauerbach, and the vote passed unanimously. Ms. Young called for a motion to approve a revised bid waiver request from the Director of Finance, to

purchase an *estimated* 65,000 gallons of diesel, 47,000 gallons of gasoline, and 62,000 gallons of #2 heating oil, for a price yet to be determined. Mr. Fauerbach motioned; Ms. Norman seconded the motion. The vote was unanimously passed.

Bid Waiver Request from the Acting Public Works Director (purchase of electrical panel/sewage pump): The Acting Public Works Director requested a bid waiver to purchase an electrical panel and sewage pump for the Public Works Building sewage system, for a total cost of \$23,170.00, from Ed Tomaszek Plumbing, LLC. Ms. Young called for a motion to approve the bid waiver request. Mr. Statchen made the motion, and Mr. Fauerbach seconded it. Ms. Young called for discussion from Members.

Ms. Fauerbach stated to the Board that as a financial prudence exercise, he will occasionally review equipment costs provided by vendor quotes online, to get a sense of what the wholesale cost may be for like equipment. Mr. Fauerbach reported that in some instances, the wholesale equipment rates appear to cost less than what is quoted by the vendor, while still recognizing that some degree of vendor markup is acceptable.

The Town Engineer, Chris Greenlaw, presented a detailed overview for Board Members on the importance and mechanics of the wet well sewage pump system. Mr. Greenlaw noted that Ed Tomaszek has experience and is familiar with this specific sewage pump system, and had fabricated the electrical panel and pump package to work in tandem with its functional, counterpart pump, which requires a like pump for the originally installed pump. The Highway Supervisor, Tom Curioso, provided Members with additional insight on the technical and safety aspects of the electrical panel, why a new one is crucial for the pump system's functionality, and offered reasons as to why panel's cost is justified. Mr. Curioso distributed a printout of the pump and panel schematics to Board Members, to help demonstrate the system's complexity. Mr. Curioso concluded by answering Mr. Fauerbach's question, stating he consulted with a second vendor about the pump system, and was quoted a higher estimate than what Ed Tomaszek's quote came to.

Mr. Statchen asked Mr. Greenlaw and Mr. Curioso if there are any other considerations as to why Ed Tomaszek was chosen for the project, and if there were other competitive vendors, particularly any vendors from Stonington. Mr. Curioso described for Members a previous pump system project undertaken by another vendor, who was initially responsive, but eventually didn't complete the project. Mr. Curioso elaborated for the Board, stating he contacted the current contractor for the Town's sewage wastewater plants, and had confirmed the quote from Ed Tomaszek was reasonably priced. There was further discussion on pumping procedures and vendor alternatives, with Board Members asking questions to Mr. Greenlaw and Mr. Curioso. Ms. Young asked if they were on the State bid list, and Mr. Greenlaw indicated they were not.

Ms. Young proposed making the bid waiver request approval contingent on the Acting Public Works Director contacting Ed Tomaszek and inquiring about the disparity of cost quoted and what member Fauerbach was able to find. Ms. Young also suggested potentially splitting the request, by first approving the electrical panel bid waiver, and operating the existing pump for another month while paying for septic removal. Board Members discussed this splitting of the bid waiver, and other potential financing considerations. Ultimately, Ms. Young advised Mr. Greenlaw to contact other colleagues and vendors, to ensure the quoted cost is reasonable before

commitment. Other Board Members discussed and concurred with Ms. Young's caveat before the final vote.

Ms. Young called for a vote to approve the bid waiver request, and the vote was unanimously carried.

Ms. Young proposed an amendment to the agenda. Ms. Young explained that as the dollar amount of additional appropriation requests that the BOF may approve for fiscal 2022/2023 is limited, the Board should consider using a line-item transfer rather than an additional appropriation to fund the purchase of the aforesaid electrical panel and sewage pump, which was requested further down in the agenda. Ms. Young explained that prior to the start of this evening's meeting, the Acting DPW Director noted that DPW had funds available to fund the purchases, by using funds remaining in the West Broad Street School maintenance account and requested the necessary funds be transferred to the Highway Garage Maintenance account. Ms. Young asked for a motion to approve the amendment. The motion was made by Ms. Norman and seconded by Mr. Fauerbach. The motion unanimously passed.

Line-item Transfer Requests

Ms. Young called for a motion to approve a line-item transfer request from the Acting Public Works Director to transfer \$8,750.00 from the West Broad Street School maintenance account to the Highway Garage Maintenance account #10154-80295, to purchase a new electrical panel for the Public Works Building sewage pump hookup. Mr. Statchen motioned, and Mr. Fauerbach seconded the motion. Ms. Young requested a vote, and the line-item transfer was passed unanimously.

Ms. Young asked for a motion to approve a line-item transfer from the Acting Public Works Director to transfer \$14,420.00 from the West Broad Street School maintenance account to the Highway Garage Maintenance account #10154-80295, to purchase a second sewage pump for the Public Works Building. Mr. Johnson motioned, and Mr. Statchen seconded the motion. Ms. Young called for a vote, and the motion unanimously carried.

Ms. Young requested a motion to approve a line-item transfer request from the Police Department to transfer \$4,000.00 from the Highway Street Signs account #10151-80223 to the SPD Traffic Signs and Signals account #10161-80524, to cover a \$4,000.00 deficit in the account. Mr. Fauerbach motioned, Mr. Statchen seconded. Ms. Young called for discussion. Mr. Sullivan explained that this was for sign painting, traffic controls, etc., and noted the line-item budget is regularly spent and it hadn't been increased in some time which is why it went over budget. Therefore, Mr. Sullivan recommended increasing the Traffic Signs and Signals budget to the Board. Ms. Young called for a vote, and the line-item transfer request was unanimously passed.

Ms. Young called for a motion to approve a request from Leanne Theodore, the Human Services Director, for a line-item transfer of \$1,869.00 from the Youth Services Program Salaries account #10171-80035 to Human Services Specialist account #10171-80397, to fund a merit raise to the position. Ms. Norman motioned; Ms. Young seconded the motion. Ms. Young requested a vote, and the vote was passed unanimously.

Additional Appropriation Requests and Summary for fiscal 2022/2023

Ms. Young called for a motion to approve a request from the Director of Finance for additional appropriation of \$111,000.00, to fully fund various departmental fuel line-items, to accommodate the market increase of fuel in fiscal 2022/2023. Mr. Sullivan noted for Members this will leave approximately \$220,000.00 remaining of the amount that the BOF may approve as additional appropriations in fiscal 22/23 before having to go to Town Meeting for approval. Mr. Fauerbach motioned, and Mr. Statchen seconded. Ms. Young called for discussion. Mr. Johnson inquired about the Forth District Hall Heating Oil line-item, and why it required heating fuel. Mr. Sullivan explained to the Board that there is storage utilized in the hall, as well as bathrooms (with plumbing) which require heat. Ms. Young called for a vote, and the appropriation request was unanimously passed.

Liaison Reports

BOE Liaison Report: Ms. Young noted the BOE approved a modified budget from the administration 7.89%, which passed unanimously with one exception. Ms. Young noted that the BOE budget presentation will take place on March 2nd, this will clarify further details pertaining to the BOE budget request.

WPCA Liaison Report: Ms. Young expressed her thought that the WPCA fund is supposed to be treated as an Enterprise Fund, which carries a legal meaning and is supposed to be self-sufficient from an operating perspective, although, over the last 20 years, it hasn't been. Ms. Young continued, noting Town general fund subsidy for the WPCA remains at \$20,000.00. Ms. Young expressed a thought that user rates should perhaps be increased to make the WPCA more self-reliant, while noting that Stonington has the second lowest rate structure in the surrounding areas. There was discussion among Board Members pertaining to the rate increases, before Ms. Young noted there will be a hearing to address these concerns.

Ms. Young also reported on the sewer reconstruction project at the RT's 27/1 interchange, which is being funded with the WPCA bond. She also noted that the facilities plan will need to be started soon, which is a State mandated plan/project.

Other Liaison Reports: Mr. Fauerbach announced Linda Camelio, the Tax Collector, reported today was the last day to pay taxes on time, and demand notices will be mailed out by next week. Mr. Fauerbach continued, noting that compared to prior years, the tax revenue is doing well.

Ms. Young also noted that Ms. Camelio will be retiring this April.

Ms. Young called for a motion to adjourn the meeting. Mr. Fauerbach motioned, and Ms. Norman seconded it. The motion passed unanimously, and the meeting was adjourned at 8:27 pm.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Justin Eckert', written in a cursive style.

Justin Eckert

Board of Finance Recording Secretary