

# **TOWN OF STONINGTON**

## **BOARD OF FINANCE**

**Stonington Police Department Meeting Room**

**Wednesday, February 2, 2022**

**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 Chairman Tim O'Brien, Michael Fauerbach, Deborah Norman, Bob Statchen, and Chris Johnson.

Chairman O'Brien called the meeting to order at 7:16 pm.

Public Comments: The Chairman opened with a request for public comment. June Strunk, the Board of Selectmen Representative for the K-12 School Building Committee, commented on the latest CIP budget meeting, and suggested that the BOF should consider appropriating fund balance in excess of the two months operating reserve, by applying some of the funds to the 22/23 CIP budget. She also stated that as a Board of Selectmen Representative, she regularly attends various department meetings and can accommodate questions and provide perspective regarding the Police Department, Planning Department and the Climate Change Task Force, to the BOF is so desired. The Board of Selectmen Representative and Education Liaison, Deborah Downie, and Board of Selectmen First Selectman, Danielle Chesebrough, are also available to provide insight and answer questions about department meetings and requests.

Previous Minutes: Chairman O'Brien requested a motion to approve the minutes from the December 1, 2021 Board of Finance meeting. Mr. Fauerbach motioned to approve and Ms. Norman seconded. The Chairman then called for discussion, Bob Statchen indicated that two Board of Education Liaisons may be necessary, especially with a newly appointed school Superintendent and Principal to on-board. Mr. O'Brien explained that the previous schedule for the Board of Education meetings were three to four per month, but have since been consolidated to one monthly meeting, so the second Liaison shouldn't be necessary. The Chairman also stated that the Board of Education meetings have recently been virtual, so if BOE Liaison Lynn Young could not attend, Mr. Statchen can take her place.

Ms. Norman then inquired if future BOE meetings would continue to be virtual, to which Mr. O'Brien stated he didn't know.

The Chairman called for a vote on the motion to approve the minutes as submitted, the motion passed unanimously.

Bid Waiver Request from Stonington Police Department (Police Vehicle Upfits): Stonington Police Lieutenant, Bryan Schneider, requested a bid waiver to purchase the police vehicle upfits from Strobes N' More for \$39,112.05. The Chairman asked for a motion to approve the bid waiver request, Deb Norman made the motion, Mike Fauerbach seconded. Lt. Schneider provided a quote from Strobes N' More of Westerly, RI for the amount of \$39,112.05, to be outfitted on three marked patrol cars and one F-150 First Responder vehicle. Lt. Schneider provided an overview of their history with Strobes N' More, stating that Strobes N' More's

locked-in labor rates and close Westerly location provide a cost-effective and convenient option compared to other vendors. Lt. Schneider indicated that when a cruiser malfunctions, the central vehicle computer can cause a chain-effect of issues resulting in the vehicle's emergency equipment shutting down, and it is efficient to have a repair option near Stonington (rather than Hamden or Meriden, for instance). Lt. Schneider continued, stating Strobes N' More provides professional, quality work, and is priced on par with what state contractors offer. The Chairman called for discussion; Mr. Fauerbach expressed concern with recent equipment price increases, and Lt. Schneider explained that because equipment costs have gone up, the vehicle purchase line-item was depleted, so not every vehicle planned for was able to get planned equipment upgrades this year. Lt. Schneider continued, saying the department will make do by repurposing some equipment, and use funds from their Parts and Labor budget to help offset the shortfall. Lt. Schneider also mentioned the department overestimated the value of this year's trade-in vehicles, adding to the shortfall.

Bob Statchen asked if Strobes N' More is a state approved contractor, and Lt. Schneider stated that they were not an approved contractor, but that Strobes N' More offers many of the same services that state contractors do, but at a better cost, quality and location. Mr. Statchen recommended that in the future, Strobes N' More should consider becoming a State approved contractor to make future Bid Waivers easier to deal with. Lt. Schneider assured the Board he will follow up with Strobes N' More, and suggest they become a state approved contractor in the future.

The Chairman called for a vote on the motion, it passed unanimously.

#### Line-Item Transfers:

The Chairman requested a motion to add an agenda item for an additional line-item transfer – a request from BOE Director of Technology, Chris Williston, to transfer \$6,722.20 to account #4022021-88167 "District Computers and Peripherals" from account #4022022-88167 "District Computers and Peripherals". Bob Statchen motioned; Chris Johnson seconded the motion.

The Chairman called for a vote, it passed unanimously, and the line-item transfer item was added to the agenda.

1) Chairman O'Brien requested a motion to approve the request from the Public Works Director, Barbara McKrell, for a line-item transfer of \$81,883.74 to Highway Department Repairs and Maintenance account #10151-80205 from several defunct CIP accounts. Deb Norman made the motion, Michael Fauerbach seconded. Mr. O'Brien used this opportunity to remind the Board Members that they couldn't facilitate line-item transfers before January 1<sup>st</sup> according to the charter, so this is a continuation of the earlier request made at December's meeting. Director of Public Works Barbara McKrell stated that the original Repairs and Maintenance budget was funded at \$147,000, and year to date, they have expended \$176,000, leaving the Public Works Department budget about \$29,000 over budget. Ms. McKrell stated the original request was for an additional \$125,000, and that they have been averaging about \$25,000 of repairs & maintenance expense per month. Director McKrell stated that after the \$125,000 transfer, they

will be left with \$96,000 to fund repairs at a rate of \$19,000 per month. Ms. McKrell concluded with the comment that historically, later in the fiscal year they've expended about \$15,000 for repairs and maintenance per month, so the DPW should be able to get by with the \$125,000 being requested.

The Chairman called for a vote and the motion passed unanimously.

2) The Chairman called for a motion to approve a request from Board of Education IT Director Chris Williston for a line-item transfer of \$58,000.00 to CIP a/c#4022022-88167 "District Computers and Peripherals" from CIP account a/c#4022022-88265 "One to One Computers", to cover unanticipated technology expenditures as a result of the ransomware event. Mr. Fauerbach made the motion, Mr. Statchen seconded. Chris Williston explained that there was \$58,000.00 surplus remaining in the "One to One Computers" CIP account for several reasons – first, the BOE was able to purchase computers for the 21/22 fiscal year with surplus funds from the fiscal 20/21 BOE operating budget. Furthermore, there was additional funds left due to a reduction in the number of Chromebooks being distributed to elementary schools. Mr. Williston elaborated, stating that throughout the Covid-19 pandemic, each individual student had a Chromebook device; now Chromebooks are just assigned to classrooms for the 1<sup>st</sup> through 4th grades, rather than individual students.

The BOE IT Director explained further the need for the additional funds in account #4022022-88265 "One to One Computers". He explained that he had to incur costly remediation services, resulting from the ransomware event, which required high-level technical engineers to assist him with the remediation process. Mr. Williston also noted that due to the Intel chip shortage, he was forced to purchase other devices, at a higher-than-usual cost, and with expedited shipping costs to meet tight deadlines. There was further explanation from the BOE IT Director, where he provided other examples of technical measures that compounded the budget shortfall. However, Mr. Williston concluded by reiterating that the line-item transfer being voted on should cover everything necessary for the remainder of the fiscal year, and should provide the BOE IT Department with a small surplus when they present their next CIP budget request in March. Mr. Williston and Mr. Sullivan both answered some questions from Board Members pertaining to the remediation services rendered.

Chairman O'Brien called for a vote and the motion was unanimously passed.

3) The Chairman requested a motion to approve a request from the Town Engineer Chris Greenlaw for line-item transfer of \$13,494.75 to Human Services HVAC CIP account #4022021-88255 from Town Hall HAVC CIP account #4022021-88343, to bifurcate the funding and expenditures of the two projects for better project tracking. Ms. Norman made the motion, Mr. Fauerbach seconded. Chris Greenlaw wasn't in attendance, so the Director of Finance spoke on his behalf. Mr. Sullivan discussed simply needing to bifurcate the funding and expenditures in order to better track projects. The funds for two projects were originally approved in one CIP account, the Director of Finance stated he wanted to simplify things by moving funds allocated for one of the projects into its own account.

Chairman O'Brien asked the members if they had any questions about the transfer request, and there was discussion about the account's relationship to the ARPA Grant Funding of the same projects, and what the total project costs will be. The Chairman stated that there wasn't a precise estimate yet, but once the engineering team had time to review the specs, there would be a firm price to report back with.

The Chairman called for a vote and the motion passed unanimously.

4) Chairman O'Brien requested a motion for a line-item transfer request from BOE Director of Technology, Chris Williston, to transfer \$6,722.20 to account #4022021-88167 "District Computers and Peripherals" from account #4022022-88167 "District Computers and Peripherals" to cover a deficit in the 2021 account. Bob Statchen motioned; Chris Johnson seconded the motion. Mr. Sullivan explained that both of these BOE Technology accounts are essentially the same, but #4022021-88167 is from 2021 and #4022022-88167 for 2022. Last year, the "District Computers and Peripherals" account went over budget by \$6,722.20, and the line-item transfer from the current "District Computers and Peripherals" account will offset last year's deficit. The Director of Finance noted that the "District Computers and Peripherals" account is the same account receiving the \$58,000 referenced in line-item transfer #2.

The Chairman called for a vote and the motion was unanimously passed.

Additional Appropriation Requests from fund balance: The Chairman called for a motion to approve a request from Barbara McKrell, the Public Works Director, who asked for an additional appropriation of \$43,116.26, from fund balance to the Highway Department Repairs and Maintenance account #10151-80205. Mr. Statchen motioned; Ms. Norman seconded the motion. Chairman O'Brien explained that this covers DPW repairs and maintenance account in the general fund. The Chairman called for discussion.

Mike Fauerbach asked Mr. Sullivan for some clarification about WPCA CIP funding, to which Mr. Sullivan stated the WPCA CIP funding from 20/21, with this transfer, will have been exhausted. Mr. Statchen requested clarification from Mr. Fauerbach, asking what WPCA had to do with this appropriation, to which Mr. Fauerbach responded that the WPCA CIP account was one of the accounts where funds were transferred from, as part of the line-item transfer #1 above, and that he wanted to ensure there weren't any residual funds in that account that could be drawn on, instead of using the general fund balance.

The Chairman called for a vote and the motion passed unanimously.

Update on ARPA Grant Funded Programs: The Director of Finance gave a quick update on the ARPA grant funds, stating that \$521,000 has been expended year to date. The Director of Finance also noted a change in the lost revenue calculation guidance, that now the first \$10,000,000 of funding to any Town is presumed to be from lost revenue, so the Town can spend the \$5.2 million it received on any governmental service, and is no longer limited to the specific allowable program expenses under the Treasury Interim Rule governing ARPA expenditures. The Chairman confirmed that this initiative will be most helpful, alleviating some financial burden of the capital expenditures the Town has to undertake.

Mr. Fauerbach asked the Public Works Director, Ms. McKrell, if the current strategy was to expend *general fund* and CIP fund road repair and paving accounts down first before drawing on ARPA funds for paving. Ms. McKrell stated that the road work she used the ARPA money for weren't roads in part of her long-term plan, so she is expending all sources of road funding simultaneously and expects to use all of it. Ms. McKrell continued, stating there are roads in critical condition, but they didn't meet the five-year plan, that is what she is using ARPA funds for. Whereas Al Harvey Road required maintenance due to a lack of proper drainage, and could be done at a minimal inconvenience since the road doesn't have sidewalks to complicate the maintenance process. Ms. McKrell elaborated that Al Harvey Road also received a number of complaints, so she opted to expend money on this less expensive, less complicated project. Ms. McKrell further stated that she intends to put money delegated to her CIP and capital budgets towards her long-term, five-year plan going forward. Mr. Fauerbach inquired if the remaining \$363,000 ARPA funds would be spent on additional DPW "projects", and Ms. McKrell indicated that they wouldn't be, that all that funding would be used to fund road repairs and maintenance.

Ms. Norman asked Ms. McKrell if planning for the salt dome project had been completed, and Ms. McKrell explained that the DPW spent some time scouting a suitable location for the salt dome, where it wouldn't be in the way, and that they are considering placing it past the highway garage, where the location is marked off with four orange traffic cones. The proposed location once had a gas station on premises, so additional studies will need to take place to determine if there are any hazmat issues, before the project moves forward. Some additional discussion was had about various salt dome foundations, the pros and cons affiliated with the different designs, and the challenges associated with acquiring salt and the storage of it.

Correspondence: Michael Fauerbach reported on an email from Linda Camelio, the town Tax Collector, stating tax collections are going reasonably well, with a total of \$64,607,101 collected through January, in addition to \$1.5 million being collected in the first two days of February. \$68,260,306 is expected to be collected in total tax revenue, so in summary, collections are going well this year. Mr. Fauerbach indicated that he'll have a better idea where the taxes are in time for the next BOF meeting.

Comment from Director of Finance: The Director explained that he issued an RFP to retain an audit firm for this year's annual financial statement audit, and that he anticipates a 7-15% increase in the audit fee, over current. Mr. Statchen inquired if the audit included the BOE, and the Director explained that the BOE was included in the audit. Chairman O'Brien explained that this is the required audit, for all segments of the Town, and that if the board wanted the firm to perform a more "in-depth audit" audit, the fee for that could be as much as \$60,000-80,000 of additional cost. Mr. Statchen expressed that he recommends the in-depth audit, for the sake of clarifying where certain funds are being used, so that the BOF can be more comfortable making financial decisions. Mr. O'Brien stated that there's many new transitive processes taking place this year, including new school Principal and Superintendent being hired this year -- so taking a hardline stance on an audit could be disruptive to new staff. The Director of Finance also commented that more than half of the BOE budget is payroll, which is a low-risk expenditure item, because of the policies and procedures that are necessarily in place. Ms. Norman asked the

Director if he knew what percentage Payroll accounted for, and Mr. Sullivan said he wasn't sure, but he estimates it's over 50%. Ms. Norman suggested perhaps considering a more in-depth audit next year as a compromise, while Mr. Fauerbach recommended having Lynn Young involved in any audit discussions involving the BOE, going forward. There was additional discussion about the upcoming audit among the Members; ultimately the Chairman recommended postponing an "in-depth" audit until a later, more appropriate date, particularly after the new BOE administrative staff is familiarized with BOE oversight processes.

Liaison Reports :

CIP Liaison Report: Without Lynn Young in attendance, the Chairman spoke on her behalf, stating there wasn't anything particularly new or noteworthy to report on.

WPCA Liaison Report: The Chairman indicated that Ms. Young informed him that there is good information regarding the WPCA Liaison Report. The I&I study has identified areas of concern that can be remedied to improve operations, but the full I&I study is incomplete due to a few incomplete items.

BOE Liaison Report: Chairman O'Brien said that as part of the new BOE Superintendent interviewing process, he will participate in the interviews, as the BOE is trying to include representatives from other departments across the Town, to assist with the new Superintendent onboarding process. The BOE is narrowing down a list of interview candidates, and will have recommendations soon.

Last item of note: Michael Fauerbach inquired if the budget schedule was still current, and the Chairman responded that it is except that the Board of Education CIP meeting may get changed, because the Board of Education Director of Operations and Facilities Manager, will be out of town the week of the BOE CIP presentation. The Chairman and Mr. Sullivan will reschedule things to accommodate Mr. Anderson (and the administration) in a future meeting that utilizes the currently scheduled days.

Chairman O'Brien called for a motion to adjourn, Mr. Statchen motioned, Ms. Norman seconded. Motion passed unanimously at 8:16 pm.

Respectfully submitted,



Justin Eckert

Board of Finance Recording Secretary