

TOWN OF STONINGTON
BOARD OF FINANCE SPECIAL MEETING
Stonington Police Department Meeting Room
Wednesday, August 24th, 2022
5:30 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, Lynn Young and Chris Johnson.

Chairman O'Brien called the meeting to order at 5:30 pm.

The Chairman asked for a moment of silence to honor Board of Finance Member David Motherway, who had passed away the previous week.

Public Comments: None.

Bid Waiver Request from the Director of Finance (Town and School District procurement of fuel): The Director of Finance James Sullivan requested a bid waiver to procure fuel for the Town and School District for the remainder of fiscal 2022/2023. Mr. Sullivan explained that due to early 2022 fuel price volatility, the Town and Board of Education opted to wait for a decrease in fuel costs before locking in a contract. The bid waiver would allow procurement of all 87-octane unleaded gasoline, diesel, and #2 heating oil needed for the remainder of fiscal 2022/2023. The Chairman asked for a motion to approve the bid waiver request for the purchase; Michael Fauerbach motioned, and Lynn Young seconded the motion.

Mr. Sullivan and Ms. Alisha Stripling presented the results of a meeting that took place with the Regional Educational Service Centers Alliance (RESC) purchasing consortium with East River Energy. At the meeting, Ms. Stripling, the BOE Finance Director, and Mr. Sullivan assessed ongoing fuel pricing and supply projections, and came to the conclusion that the Town and BOE should act soon to lock in pricing for the remainder of the fiscal year. Ms. Young asked Ms. Stripling several questions regarding the BOE's fuel logistics and previous contracts. Mr. Sullivan noted over the last two years, the Town contracted with East River Energy for gasoline, and the Dime Oil Company for diesel and heating oil, and reassured the Board that both of these vendors have been good partners with the Town. Mr. Sullivan stated that next week the RESC consortium will be holding another meeting after further negotiations with East River Energy, and that he expected to lock in pricing shortly following the meeting.

Mr. Sullivan elaborated on the Town's fuel procurement process and indicated that prices have

just started to increase again. Mr. Sullivan noted that both fuel providers under consideration have long-term relationships with the Town and are reliable. Michael Fauerbach asked Mr. Sullivan about potential gasoline prices, and James said East River had most recently quoted him \$3.46 per gallon.


Mr. Fauerbach asked Mr. Sullivan if he was requesting the Board for authorization to lock in gas prices at a certain price, Mr. O'Brien interjected to clarify that the purpose behind the bid waiver is to secure a contract without needing to consult with the Board within the next week. The Chairman asked Alisha if she had a sense of what this year's projections may be, and Ms. Stripling said she was using 2018/2019 actual usage figures as that was the last normalized year where regular transportation was taking place. Mr. O'Brien concluded that Mr. Sullivan and Ms. Stripling did well by the Town to wait until prices stabilized, and recommended approving the bid waiver.

Mr. O'Brien summarized the waiver request specifics: 47,000 gallons of gasoline per gallon price to be determined, 69,500 gallons of diesel fuel, per gallon price to be determined, and 59,000 gallons of #2 heating oil, price per gallon, to be determined by Mr. Sullivan working with Ms. Stripling and the RESC fuel consortium. Ms. Stripling specified what individual schools need for fuel, oil, and diesel for the Board Members. Mr. Sullivan recommended erring on the side of under-buying (diesel) fuel, as there is no refund offered if all the fuel isn't used by fiscal year-end, and that the Town will be contractually obligated to purchase those volumes whether or not actually delivered. There was further discussion about the differing amounts of fuel each schools' needs, and fuel pricing volatility among Board Members.

Chairman O'Brien asked if there were any other questions from the Board, and there were none. The Chairman called for a vote to approve the bid waiver request; the motion was unanimously passed.

The Chairman requested a motion to adjourn, with Ms. Young making the motion, and Ms. Norman seconding the motion. The meeting was adjourned at 5:50 pm.

Respectfully submitted,



Justin Eckert

Board of Finance Recording Secretary