

TOWN OF STONINGTON
BOARD OF FINANCE
Stonington Police Department Meeting Room
Wednesday, November 6, 2019
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 Chairwoman June Strunk, Glenn Frishman, Lynn Young, Blunt White, Tim O'Brien and Michael Fauerbach. Danielle Chesebrough was absent. Director Jim Sullivan was in attendance.

Chairwoman June Strunk called the meeting to order at 7:15 pm.

Pledge of Allegiance

Chairwoman Strunk notified the Board members that the agenda mailed to the members would need to be corrected as it referenced the nomination of the new Chair. Following the Charter, Chairwoman Strunk will hold the position until the 18th of November.

Comments from the public: None

Previous Minutes: On a motion by Mr. Frishman and seconded by Mr. O'Brien, the minutes dated October 2, 2019 were approved after a correction was noted. Voting was unanimous, **Motion carried.**

New Business: Chairwoman Strunk noted there would be five (5) late adds to the agenda as provided in a list to the members. The late adds are as listed:

- Bid waiver request for sealing tennis courts
- Bid waiver for Kompan playground equipment
- Police budget line item transfers
- Board of Ed request to officially earmark funds in prior CIP budget to be designated for SMS roof project
- Notify the Board of Finance that HazMat testing for FY19/20 and FY20/21 will be \$28,000 per year

Mr. Fauerbach motioned to add the five items to the agenda, Mr. O'Brien seconded. Voting was unanimous, **Motion carried.**

Bid Waiver Requests:

Director of Human Services, Leanne Theodore requests a bid waiver in the amount of \$17,842 to seal the tennis courts located behind Human Services. Constantine Paving & Sealing, the same contractor her department has been

using for the court repair for a number of years, has submitted the proposal. Two other contractor proposals were \$25,000 and \$28,000. Director Theodore spoke to the Board noting that she had presented the same bid waiver two years ago but the colder weather has allowed the cracks to appear again and is presenting a huge safety issue. The cracks bevel out and create a certain tripping hazard. The crack sealing will last a couple years. If the cracks are not sealed this season, Director Theodore advised the board that the court will not be in usable condition going into next season and may possibly disrupt the High School teams as well as their own recreational league play and open tennis play to the community. Director Theodore is looking for a bid waiver for the crack sealing of the court, but in the near future will need to address the full restructuring of the courts.

Director Theodore said she is in the discussion stages of examining how to redo the courts, talking with regional partners, obtaining estimates, and looking to partner with the Board of Education on the cost of the repair. In total over the past 10 years, close to \$70,000 has been spent on repairs. The original courts are practically 40 years old and the last major resurfacing was completed in 2012. In talking with the Town Engineer, it does appear there is an issue under the courts that is causing the cracks to appear much quicker than they have in the past. Installing a new court would provide a 20-year crack free guarantee.

Ms. Young motioned to approve the bid waiver for Constantine Paving in the amount of \$17,842. Mr. Fauerbach seconded. All were in favor. **Motion carried.**

Director of Human Services Leanne Theodore requests a bid waiver in the amount of \$13,912.54 to Kompan Products for playground equipment at the Town Dock playground. The major install at the playground this past spring has had great success. Director Theodore noted that this project did not require an appropriation of funds through the Board of Finance but utilized program revenue and a partnership with Stonington Borough and the Stonington Village Improvement Association (SVIA). The SVIA had contacted Director Theodore wanting to purchase the wooden play ship outside of Fleming's Feed store on Route 1 noting that it would be a great addition to the playground. Recreation Administrator Richard Ward determined that it was not a commercial piece of equipment and from a town insurance perspective, a sturdy piece of equipment installed by a commercial vendor would be required. Kompan has a comparable piece that will fill the space remaining. The piece is black locust wood which will sustain the salt water and harsh weather and have a life expectancy of at least 15 years. Director Theodore stated that this will complete the major purchase pieces. SVIA will be making a \$2,500 contribution to the project and the Public Works Department will be assisting with preparing for the installation.

Mr. Frishman motioned to approve the bid waiver for Kompan Products in the amount of \$13,912.54, Ms. Young seconded. All were in favor. **Motion carried.**

Ms. Young motioned to approve various FY18/19 year end line item transfers in the Police Department budget totaling \$1,336.75. The transfers were from accounts with surpluses to accounts with deficits. Mr. O'Brien seconded the motion. All were in favor. **Motion carried.**

Mr. Gary Shettle, Director of Finance, Stonington Public Schools, requests the Board of Finance to officially earmark certain funds in prior Board of Education CIP budget to be recognized for the Stonington Middle School roof project. The total transfer request is \$1,186,000.

Chairwoman Strunk noted that line item transfers cannot be done until January 2020 but in order to be eligible for State reimbursement on the cost of the roof, monies are supposed to be designated or placed in a fund for the project. During previous Board meetings, the numbers had been tallied up where the funds could come from for the roofing project, this would be a formal earmark which will allow the State reimbursement request to move forward. Come January 1, these presented line item transfers would be completed.

Finance Director James Sullivan noted one caveat; that Gary Shettle hopes that the State will accept the funds only being earmarked as being acceptable when considering eligibility for reimbursement, which is at a rate of 31.42.

Mr. O'Brien asked for clarification from Mr. Sullivan asking if the funds are earmarked will the State start the process of reimbursement or is it just hoped they will? Mr. Sullivan confirmed it is hoped they will. If they don't accept it, the State may require that the Town wait until January 1, 2020, when the funds can be formally transferred into the roof replacement line item. Director Sullivan stated it is an attempt to get the reimbursement request in earlier. Once the application is submitted and accepted, then the Town's reimbursement rate will be formally determined.

Mr. O'Brien asked if the transfer amount requested, \$1,186,000 is the total cost of the project. Director Sullivan stated this is not a firm number. An initial rough estimate of \$1.1 million was received from one Architect and the BOE is currently working with a second Architect to nail down a detailed cost of the roof project. Director Sullivan stated the transfer amount requested is the sum of all accounts with available transferable funds but through conversation with Director Shettle and Mr. Peter Anderson, the figure is in the ballpark of the expected cost.

Ms. Young motioned to approve the earmarking of certain prior CIP funds totaling \$1.186 million that will be transferred to the Stonington Middle School roof project come January 1, 2020. Mr. Fauerbach seconded. Chairwoman Strunk, Mr. Frishman, Ms. Young, Mr. Fauerbach, and Mr. White voted to approve the request. Noting the lack of a proposal for the project, Mr. O'Brien opposed. **Motion carried.**

Board of Finance members were provided a Proposal for PCB Consulting Services from Langan Engineering Environmental Services notifying the Board that Hazmat testing for FY19/20 and FY20/21 will be \$28,000 per year for both schools. The money is in the Board of Finance budget and had been estimated to be \$30,000 per test. Four tests are scheduled, Winter 2020, Summer 2020, Winter 2021 and Summer 2021. The total cost of the testing is \$56,000 over two years.

Mr. O'Brien asked for clarification on the Winter 2020 schedule asking if that was January - March 2020. Chairwoman Strunk stated that the testing would probably take place in December 2019 during Christmas break.

Ms. Young inquired why the testing would be required in a new school. Chairwoman Strunk stated that the testing is taking place in the renovated portion of the school and not the new addition.

It is hoped that after three tests with zero PCBs in the air, the Board of Ed will submit a request that no future testing be required. No action was required by the Board.

Stonington Public School Director of Operations and Facilities, Mr. Pete Anderson had shared with Chairwoman Strunk that there is an Eversource project for Southeastern Connecticut that assists with energy efficiency and provides a 0% loan to upgrade services. Chairwoman Strunk invited Mr. Anderson to come before the Board and share the proposal with the Board. Mr. Anderson was joined by representatives from EMCOR Services, the contractor which would perform the upgrades should the project be approved.

A handout was provided to the Board members outlining the 3-tier program and a presentation was made outlining the qualifications and upgrades available through the program. The school qualifies for the program as there are rooftop units that need to be replaced, boilers that need to be upgraded and lighting that needs to be improved. Based on the 3-tier program, Eversource refunds 25, 45, or 65 cents to the dollar depending on the specifics and extent of the project.

Lynn Young inquired if the program was only intended for the school system or could it be utilized for the Human Services building and outdoor field lighting as well. Mr. Anderson said the Human Services building may be qualified for the program and yielded the floor to Mr. Matt Mullen, VP of Design Engineering for EMCOR Services. Mr. Mullen discussed possible financing available to fund some of the improvements that are necessary. It was pointed out that the rebate is not provided by Eversource itself, rather the program is funded from an excise tax on utility bills mandated by the State, which goes into a state-controlled fund for energy efficiency initiatives. There are different levels of reimbursement based on how much energy savings a project produces. Mr. Mullen displayed a chart outlining the options and savings through the program.

Chairwoman Strunk noted that she had asked for a general overview of how the program works. As a way of paying for these larger projects, the financing and rebate options will be discussed at a future date. Lynn Young asked for clarification that EMCOR would complete all the energy modeling required for the project to move forward and it was implied that as long as EMCOR would be the contractor, they would complete all the necessary aspects of the project.

The Board of Finance members agreed that such a project would be complicated but were in agreement that more discussion and consideration of the program was warranted.

Additional appropriations: None

Town Dock Tank Project Update: The tank has been removed, and the hole backfilled. Those in attendance during the removal remarked on how good they thought the tank looked. Soil samples were taken and sent out for analysis. Results should be provided in a week.

75 Stillman Avenue Update: The building is down and the debris piles removed. Additional signage has been put up to keep people out of the area. Grass seed was sown to help stabilize the soil. With some of the remaining funds left in the consulting budget, it has been requested that a report be provided summarizing know and unknow conditions of the property itself, to help inform a path forward with the property; how best to handle the liens, possible remediation costs, and options for the property. A total \$725,000 had been allocated for the project, \$125,000 for the demolition of the building and \$600,000 for debris removal. To date \$619,000 has been spent, \$106,000 under budget.

Budget increase guidelines for FY20/21 budget: The Board of Finance proposed a departmental operating guideline for budget increases for Town Departments and the Board of Education. It was recommended that Town Departments have an increase of no more than 2.0%. This guideline is based

on a 1.6% cost of living increase for Social Security and a 0.4% increase in the grand list. Contractual salary increases for FY20/21 are 2.6%. Peak debt service has just been realized and the Town will see debt expense start to decrease.

It was proposed that the Board of Education have a 0.0% increase. This is based on declining enrollment, a decrease in costly out of district student placement, operating savings due to buildings turned over to the Town, a question of revenue gained from programs at the new District Office, and a repeated lack of attendance by school administrators to address concerns and questions presented by the Board of Finance.

The budget guidelines do not take CIP (Capital Improvement Program) into consideration nor does it include Board of Finance contingency accounts.

Possible increase to threshold of items requiring bids and/or bid waivers from \$10,000 to \$20,000:

Chairwoman Strunk acknowledged that in the past, the Board of Finance had increased the threshold for a bid waiver from \$5,000 to \$10,000 and would like to discuss possibly increasing the bid waiver threshold to requests over \$20,000. Any bid waiver request over \$20,000 would need to come before the Board of Finance. Chairwoman Strunk would like to have the departments have the flexibility to move on a project without having to wait for a Board of Finance meeting for approval.

Mr. O'Brien inquired as to the number of past bid waivers and the dollar range of those requests. Director Sullivan acknowledged that the bid waivers range is great. Mr. O'Brien stated he would like to see a report that breaks down bid waiver requests over the last year, in \$5,000 increments between \$10,000 and \$20,000, before making a decision on increasing the threshold for a bid waiver request. Director Sullivan will provide a breakdown to the Board for next meeting. Chairwoman Strunk tabled the discussion until more information is provided.

Ms. Young started a conversation regarding the Town Treasurer, Mr. Sandy Grimes, and the possibility of requesting and receiving monthly reports on concerns he may have regarding departmental expenditures that might warrant further inquiry and discussion. The Treasurer reviews all the purchase orders and accounts payable on a weekly basis and has brought some purchases to the attention of certain Board of Finance members. Ms. Young feels that a report generated on a quarterly or monthly basis, summarizing the Treasurer's concerns or findings would be beneficial. Mr. Frishman suggested that the Board members could request a motion of vote that the Town Treasurer provide the Board of Finance with a report noting questions and/or concerns he may have. All members were in favor of such

an idea. Director Sullivan suggested a trial balance could be provided however; the members were more interested in detailed report. Mr. O'Brien suggested that Ms. Young work with Director Sullivan and Mr. Grimes to determine what information is factual and not opinion, a format to present it in, and a reporting time frame.

Mr. Frishman made a motion to add to the agenda a discussion on Mr. White's presented OPEB memo, Budget Worksheets and School Enrollment data. Mr. Young seconded. All were in favor. **Motion carried.**

Mr. White advised the Board that the School Enrollment data and Budget Worksheets were presented to the members to aid in the budget increase guidelines discussed earlier by the Board. Mr. White provided an OPEB memo to the Board with reference to the Board of Ed payments into the Health Insurance plan. Included with the memo were two reports from the actuary Hooker & Holcombe dated July 2017 and July 2018. Mr. White had some questions and concerns with the OPEB Plan and the smoothing method used by Hooker & Holcombe to calculate contributions by the General Government and BOE. Director Sullivan noted that there is only one OPEB Plan which covers both Town and BOE employees. A discussion took place on managing the OPEB liability and Mr. White suggested further review of the plans and contributions.

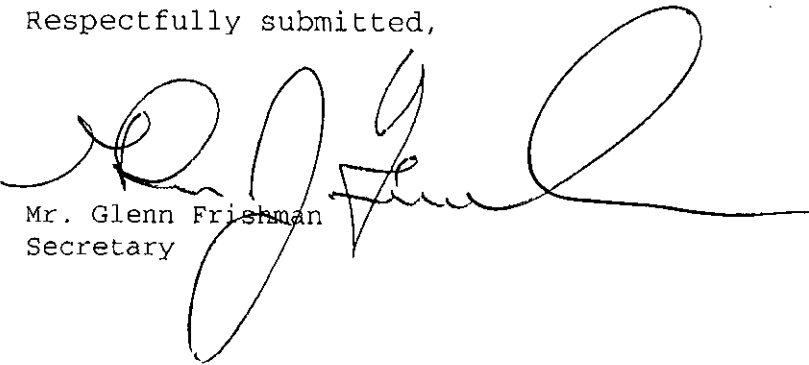
Liaison Reports: None

Board of Education monthly line item transfers:

The Board agreed that the Director of Finance for the BOE needs to attend a Board of Finance meeting to address questions and concerns the Board has. A year to date report has been requested by the BOF. It was noted that the annual audit for 2018-2019 will present the BOE's budget in greater detail.

With no further business Mr. Frishman made a motion to adjourn the meeting at 9:20 p.m, Mr. O'Brien seconded. **Motion carried.**

Respectfully submitted,


Mr. Glenn Frishman
Secretary