

TOWN OF STONINGTON
BOARD OF FINANCE
Stonington Police Department Meeting Room
Wednesday, December 01, 2021
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, Lynn Young, Michael Fauerbach, David Motherway, Chris Johnson, and Deb Norman.

Chairman O'Brien called the meeting to order at 7:17 pm.

Public Comments: None

The Chairman requested a motion to add two items to the agenda, nominations for Board Chair and Secretary, and to add liaison assignments to the agenda directly after correspondence. Lynn Young made the motion, David Motherway seconded. Chairman called for vote; motion passed unanimously. Item was added to the agenda.

The Chairman called for nominations for Chair and Secretary. Mike Fauerbach made a motion to nominate Tim O'Brien for Chairman of the Board, motion was seconded by Deb Norman. No other nominations were made. Chairman called for vote; motion passed unanimously.

Chairman called for nominations for secretary. Deb Norman made a motion to nominate Lynn Young for Secretary. Motion was seconded by Mike Fauerbach. No other nominations were made. Chairman called for vote; motion passed unanimously.

Previous Minutes: Ms. Young motioned, to approve the September 1st regular meeting minutes, the September 15th Public Hearing minutes, and the September 15h Special Meeting minutes, at which funding for proposed ARPA grant fund projects was discussed and voted on, and the November 03, 2021 regular meeting minutes. Ms. Norman seconded. The Chairman asked if any members had any corrections or edits to the minutes. Mike Fauerbach noted that there was an odd paragraph, paragraph 3 on page 5, which appeared to be gibberish and asked that it be stricken from the minutes. The Chairman called for a vote on the motion to approve the minutes subject to correction of the November 03 minutes. Members Tim O'Brien, Lynn Young, Michael Fauerbach, David Motherway, and Deb Norman and voted in favor of the motion. Chris Johnson abstained; motion passed.

Discussion/Approval of 2022 Regular Meeting Schedule: There was discussion of what day and time to set the BOF regular meeting schedule for 2022. Consensus was reached that the meeting day and time would remain the same as 2021, the first Wednesday of every month, at 7:15pm, at the Police Department Community room. Mike Fauerbach made a motion to set the day and time to the first Wednesday of every month, at 7:15pm, at the Police Department Community room, Lynn Young seconded. Mr. O'Brien called for a vote; motion passed unanimously.

Bid Waiver Request from Public Works Department (New Snow Plow): Barbara McKrell, the Public Works Director, asked for a bid waiver to purchase a new dump truck for snowplowing. She presented a quote from Freightliner of Hartford in the amount of \$201,785.00. The Chairman asked for a motion to approve bid waiver request for the purchase, David Motherway made the motion, Deb Norman seconded. The Chairman called for discussion; the members asked several questions of Ms. McKrell, about the need for the vehicle and the state of the existing plow fleet. Ms. McKrell and Tom Curioso gave the Board an overview of the state of the plow fleet noting that repairs and maintenance on the older trucks is becoming burdensome. Ms. McKrell also noted for the members, that there were left over funds in several of her previous CIP equipment line items, sufficient to cover the cost of the new truck so she would not be asking for funding for the purchase.

Mike Fauerbach inquired of the Director of Finance, how there came to be \$201,000 of unspent CIP funds. The Finance Director explained that \$107,000 of the surplus was due to paying of the debt on a previously financed dump truck early, from other non-CIP funds, and that the difference was due to a misunderstanding between the Public Works Director and Finance Director, about the funding of two CIP line items, one to be used for paying off leased equipment, and one used to purchase new equipment.

Ms. Young asked the Finance Director what financing rates were right now for equipment. The Finance Director responded that currently financing/lease rates are about 1.4 to 2.1%.

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

Bid Waiver Request from Public Works Department (Radios for DPW Fleet): Barbara McKrell, the Public Works Director, asked for a bid waiver to purchase new radios for the DPW truck fleet. She presented a quote from Communications Plus, LLC for 39 radios in the amount of \$89,940.86. The Chairman asked for a motion to approve bid waiver request for the purchase, Lynn Young made the motion, David Motherway seconded. The Chairman called for discussion; the members asked several questions of Ms. McKrell, about the need for the radios, in what manner were the existing radios failing, and how good would coverage be with the new radios. Ms. McKrell explained how the new digital radios work and why they are needed immediately. There was an extensive answer and question period where the need and effectiveness for the radios was explored. Ms. Young suggested that the need for new radios is in part triggered by worsening storms due to climate change, and inquired of the Finance Director, as to whether the Town is tracking these types of expenses to better understand how much the Town is spending on mitigation and remediation of the effects of climate change, and if not, should we be doing that. The Finance Director responded that the Town is not currently doing that, as there is no guidance or subjective measure to evaluate such expenditures relative to climate change. The Finance Director suggested that the Climate Change Taskforce may be better suited to instituting a policy or procedure to evaluate such expenditures going forward. There was more discussion about funding the expenditure.

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

Line-Item Transfers for fiscal 21/22:

1) Mr. O'Brien requested a motion to approve the request from the Public Works Director for line-item transfers of \$89,941.00 to DPW radio CIP line-item, from a WPCA CIP account, to purchase the radios approved above. Ms. Young made the motion, Mr. Fauerbach seconded. There was discussion amongst the members as to whether there was another way to fund the purchase, but consensus was reached that it should be funded by the line-item transfer. Mike Fauerbach noted that there is \$6,000.00 sitting in a prior year CIP account for radios and he asked Ms. McKrell if that \$6,000.00 should offset the \$89,941.00 request. She replied that it should, so the request was reduced to \$83,941.00.

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

Additional Appropriation Request: Barbara McKrell, the Public Works Director, asked for an additional appropriation from fund balance of \$125,000.00 to the DPW repairs and maintenance line item in the operating budget. The Chairman called for a motion to consider the request, Ms. Young made the motion, Mr. Motherway seconded the motion. The Chairman called for discussion. Ms. McKrell explained that as of today, the DPW has expended \$126,000 of its \$147,000 repairs and maintenance budget, and that more, high dollar repair bills are in the offing, and that the remaining \$21,000 probably won't get us through December. Ms. McKrell detailed the list of equipment which needed repairs for the Board.

The members inquired of the Ms. McKrell how useful lives for equipment are determined, and her method of preparing her equipment replacement schedule. Ms. McKrell responded that she used the Town's historical record of replacement, in conjunction with repair and maintenance expenses for aging equipment, as well as reaching out to vendors and other Town's DPW departments to see what lives they were using and what their experience has been. Ms. McKrell noted that she is currently studying, a study performed by the Minnesota Department of Transportation, which was done to determine the optimal useful life and replacement cycle for highway equipment. Ms. Young asked Ms. McKrell if they clean the snow plows with an undercarriage wash after plowing. Ms. McKrell responded that after snow plowing operations the following day is spent cleaning salt off the trucks and undercarriages as best they can, given the wash tools they have. Mr. Fauerbach asked if the request for \$125,000.00 will be enough to get through the rest of the year, or is it possible that DPW may be back for additional funds. Tom Curioso, the Highway Superintendent responded that with the repairs they've identified, they should be able to keep the fleet operating through the rest of the fiscal year. Mr. Fauerbach also noted that during the previous discussion of line-item transfers, there were some additional surplus CIP funds identified, so he asked the Director of Finance to review those accounts to see if we could reduce the \$125,000 request down to a more manageable figure. The Finance Director responded that he would do that and would come back at the January 05, 2022 BOF meeting with a refined additional appropriation request.

The Chairman asked Ms. Young to withdraw her motion to approve the additional appropriation, and Ms. Young did so. The motion was tabled until the January 05, 2022 meeting when the

Finance Director will come back with a more refined additional appropriation request. Meanwhile the Chairman instructed the Ms. McKrell and Mr. Curioso not to hold back getting necessary repairs done between now and January, that the funds will be approved at next meeting. The Finance Director interjected that DPW could over expend the repairs and maintenance line-item account in the short term as long as any overages could be covered by transfers from other line items. In closing Ms. Young commented that in her opinion, the current Department of Public works hasn't been this well managed in over 20 years.

Additional Appropriations YTD: It was noted that there are no YTD additional appropriations from the fund balance for fiscal 21/22.

Discussion of fiscal 22/23 budget calendar: The Finance Director had prepared a draft version 6 budget calendar for the BOF's consideration. There was discussion among the members, the only comment/request made by the Chairman was to change the meeting ending times from 10:00pm to 11:00pm. The Finance Director responded that he would make those changes and distribute a revised version 7 budget schedule.

Update on ARPA Grant Funded Programs: The Director of Finance gave a quick update on the ARPA grant funds. The Director noted that to date \$479,128 of ARPA funds have been expended. Most of these were for the Town's internal projects over which the Town has 100% control. Three other requests for drawdown's have been received by Outside Agencies but we're holding off on distributing funds to third parties until the Town's oversight mechanism is finalized.

Correspondence: None

Liaison Assignments: The Chairman explained to the members present that it is time to reassign/renew liaison assignments for the coming term. The Chairman enumerated the various liaison assignments by department or function. As he went down the list, he asked the members present which assignments they might like to take on. After several minutes of discussion, the liaison positions were assigned. The assignments are attached in Exhibit 1 to these minutes.

Liaison Reports:

WPCA Liaison report: Lynn Young shared some good news, because of the Mystic to Borough diversion project, and additional infiltration points found during the I&I study, the Town may be able to lift the moratorium on building, at least in the short term.

Board of Ed liaison report, The Chairman related that he had discussed the BOE's planned hiring process for the new superintendent of schools with the BOE Chairman. The Chairman also noted that at November's BOF meeting he noted that the BOE would be meeting twice a month, that has since been cut back to just once a month.

Retirement Committee Liaison report: The Chairman reported that the retirement committee met the day before to review the performance of the various Town retirement accounts, and noted that the pension plan performed exceptionally well during 20/21, and that the committee approved a COLA for retirees, but that the COLA would still have to go to Town Meeting for approval.

Public Works Liaison report: Ms. Young reported that she had met with Barbara McKrell the Public Works Director to discuss Ms. McKrell's upcoming budget and CIP request. They reviewed the Director's asset replacement schedule and noted that there are a lot of large equipment expenditures coming soon.

Last item of note: The Director of Finance told the BOF that he has been unable to find a new BOF recording secretary internally, so he will advertise for the position in the newspaper.

The Chairman asked for a motion to adjourn, Mr. Fauerbach motioned, Deb Norman seconded, motion passed unanimously at 9:04PM.

Respectfully submitted,



James Sullivan

Board of Finance Recording Secretary.