

TOWN OF STONINGTON

BOARD OF FINANCE MEETING

Virtual Meeting

Wednesday, February 3, 2021

7:15 PM

The Stonington Board of Finance held a virtual/hybrid meeting on this date at 7:15 p.m. The meeting was also streamed on Facebook live and was available via audio on a conference line. Chairman Tim O'Brien, Mr. Glen Frishman, and Mr. David Motherway Jr were present at the Police Department meeting room while Ms. Lynn Young, Mr. Bob Statchen, and Mr. Michael Fauerbach, were remotely in attendance. Ms. Deb Norman was unable to attend. Finance Director Jim Sullivan was present remotely, as well as First Selectman Danielle Chesebrough. Chairman O'Brien called the meeting to order at 7:19 p.m.

Chairman O'Brien announced instructions to those watching or listening on how to call in with comments.

Comments from the Public: Finance Director Jim Sullivan had forwarded Board members a letter he had received from the Lantern Hill Valley Association, Inc dated January 18, 2021. The letter is in regards to the Whitford Brook-Lantern Hill Road bridge on the shared Town line of Ledyard and Stonington. In the letter, the association urges the Town of Stonington to work with the Town of Ledyard toward a goal of finding a long-term solution to the issues with the bridge and the proposed repair. The letter also mentions that Senator Osten is including funding for the bridge as part of an infrastructure package she is presenting to CT State to apply for funds available via the Federal CARES Act. The letter in its entirety can be read as an attachment to the minutes.

Previous Minutes:

A motion was made by Mr. Frishman and seconded by Ms. Young to approve the minutes dated January 6, 2021. All were in favor, motion carried.

New Business:

Additional appropriations: Year to date additional appropriations show no change from last meeting

Line-Item Transfers:

Request from Town Engineer to transfer \$71,266.95 from Coogan Blvd and North Stonington Bridge CIP Project accounts to new CIP account for Bridge Engineering and Design Work. Mr. Motherway motioned to approve; Mr. Frishman seconded. The request would move previously appropriated funds to higher priority bridge projects.

Ms. Young had questions about the available funds currently in the North Stonington Bridge project. Town Engineer Chris Greenlaw stated that currently there is approximately \$64,000 in the North Stonington Bridge Project account and if the line transfer is approved, the remaining \$30,000 would be retained to facilitate design and construction to install a fire service line assembly across the brook. Mr. Greenlaw states that he will come before the Board to give a detailed proposal on the fire service line at that time. All members were in favor. **Motion carried.**

Request from Director of Finance to transfer \$10,000 from Coastal Resiliency CIP account to Climate Adaptation & Mitigation CIP account. Mr. Fauerbach motioned to approve, Mr. Statchen seconded. Director Sullivan advised the Board that the request moves the funds to one account to cover climate change, coastal resiliency and such requests to one fund, Climate Adaptation & Mitigation. All members were in favor. **Motion carried.**

Chairman O'Brien requested a motion to change the order of the agenda. Mr. Frishman motioned, Mr. Motherway seconded. Chairman O'Brien requested to reverse the order of the presentation discussions, discussing the Lantern Hill Bridge first and the Selectman's presentation second. All members were in favor. **Motion carried.**

Lantern Hill Bridge Discussion

Chairman O'Brien stated that he had positive conversations with First Selectman Danielle Chesebrough and Ledyard Mayor Mr. Fred Allen regarding allocating \$50,000 from each Town to share in the temporary repair of the Lantern Hill Bridge. The Towns would then look at a longer-term solution in the future. Mayor Allen has worked with Senator Osten to request funds from the Federal CARES Act as part of an infrastructure package to obtain funding for a total bridge repair.

Stonington Town Engineer Mr. Chris Greenlaw addressed the Board, updating them with a revised cost of the temporary repair. Mr. Greenlaw acknowledged that the estimated cost presented by WMC consultant engineers of \$100,000 for structural interim repairs did not include engineering costs. The consultants have developed an engineering cost which would bring the estimated total to \$137,450 which would mean \$68,725 for each Town. This cost would include design and engineering, construction admin and inspection.

Mr. Greenlaw advised the Board that the Lantern Hill Bridge is recommended for closure if no action is taken, therefore, if the funding and MOU come to fruition, a bid waiver may be proposed at the next BOF meeting to accelerate the schedule to meet the six month deadline.

Ms. Young inquired to Mr. Greenlaw how a cost could be determined if the project scope was unclear. Mr. Greenlaw stated that nearly 80% of the projects completed by the consulting engineers are bridges and bridge related work. An analysis of the project based on guides and estimates from similar work are developed and presented. Additionally, Mr. Greenlaw stated it is the same engineers who proposed the construction interim structural repairs so depending on the structural costs, they will then provide their design services as far as a planned preparation and a bid package.

Ms. Young expressed concern that the project could balloon into an expensive proposition that the Town could be bound to with the proposed commitment. Asking if it were a GMP (guaranteed maximum price) project, Mr. Greenlaw responded it was not. Ms. Young inquired the life expectancy of the repairs and Mr. Greenlaw stated they estimated five to ten years.

Mr. Fauerbach brought up the issue of the interim fix vs. the long-term solution sought by Senator Osten and how the two options play out in parallel, and if there would be a point in time when a decision would have to be made on how to proceed given the timeframes. Chairman O'Brien stated that during conversations between Mayor Allen, First Selectwoman Chesebrough and himself, that question was brought up and all agreed the decision would be time critical, especially if it appears that the larger project will be delayed in the legislature, and it was nearing the six-month mark where the bridge is going to be shut down.

Mr. Fauerbach asked if there was any optimism on receiving the CARES funding from the State for the project and Chairman O'Brien stated that the environmental concerns coupled with the obligation to provide larger emergency vehicle access to residents does provide some optimism but the reality of the State is such where it wouldn't pay to be overly optimistic.

First Selectman Presentation: Coastal Resiliency Fund

First Selectwoman Danielle Chesebrough addressed the Board to discuss Stonington's coastal resiliency. Selectwoman Chesebrough pointed out there are 4057 properties currently at risk and 4246 properties at risk by 2050. Indicating that \$1 invested in resilience saves \$4-\$7 in response and \$5-\$10 in avoided economic losses, the Selectwoman suggested Stonington should establish a fund and invest the assets similar to a pension plan to provide an additional funding source to combat its future liabilities associated with climate change. The Selectwoman stated that a community that is more informed and prepared will have a greater opportunity to rebound quickly from weather and climate related events.

Selectwoman Chesebrough told the Board that Senate Bill 1062 authorizes municipalities to establish a climate change and cultural fund and suggested that she would return to the Board in May or June to discuss what potentially could be put aside from the General Fund to provide the first funding of the account and then annually contribute to the fund. The Selectwoman noted that the fund would allow the Board of Selectman and the Board of Finance authority over the funds, so if another catastrophe should happen through a joint decision those funds would be available.

Mr. Motherway asked the Selectwoman if she was looking at this as an additive for the FY20/21 budget and beyond or in essence looking at the different departments and expecting they're going to reduce their budgets and find the funding from within the existing budget. Selectwoman Chesebrough clarified that this new fund would be separate from the budget process and would only be looking at what the Town had in excess of two months operating.

Ms. Young pointed out that in effect that is what the funds over two months operating are doing, without investing them, which is being available in case of catastrophe. The Town has a top-rated bond rating and excess funds because they have been carefully managed and it was Ms. Young's opinion that by transferring these excess funds into a market fund the Town would lose control over that money. Ms. Young stated that in order to sensibly delve into an equities market you would need a 20 year time horizon and you would be taking a lot of market risk.

Selectwoman Chesebrough indicated that a more detailed conversation would be welcomed and suggested a conference call with the Director of Finance from Branford, CT, a town that has established a coastal resiliency fund. Selectwoman Chesebrough stated the reason this proposal resonated with her is if you think 20 - 30 years down the line when you anticipate serious infrastructure needs that will need addressing, then why shouldn't the Town allocate money to the side to ensure future generations have available funding. While it may be appealing to spend excess funding presently, those projects may appear to be important now, but aren't critical to the long term.

Mr. Statchen advised there is an amendment to this statute in the current legislature which would permit the state treasurer to invest municipal funds that are put aside for this into more investment opportunities and the last section of the statute states it can be discontinued at any time. Mr. Statchen did express concern that the statute read any recommendation for using the funds would be by the Chief Elected Office, the budget making authority of the municipality and the approval of the legislative body of such municipality. Mr. Statchen asked if money was put into such a fund would there be the need for a referendum or vote every time the Town wished to use it and did Branford, CT have any experience with that. Selectwoman Chesebrough did not feel that Branford had used any of their funding to date but did believe there would need to be a vote if funds were to be expended.

Mr. Fauerbach brought up that there have been prior fiscal cycles where the State has looked at the size of undesignated fund balances across the municipalities and used that as a criteria for assessing State aid. Mr. Fauerbach suggested this could be a strategy to reduce the undesignated fund balance by putting the money into a separate account which may be beneficial.

All members felt a more in depth conversation with a look at the pros and cons of investing the money would be necessary.

Correspondence: None

Liaison Reports:

CIP - Selectwoman Chesebrough noted that the Board of Selectman had their CIP meeting and did cut approximately \$850,000 out of the budget and regraded a few items.

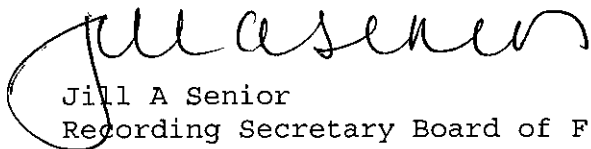
Board of Ed - Mr. Frishman reports he had a conversation with Chairman Todisco regarding his proposed budget increase and advised him a 9% increase was not acceptable. Chairman Todisco will go back to the Board and advise.

General Gov't - Mr. Fauerbach reports an update from Linda Camelio, Tax Collector, noting the department is slightly behind on a percentage basis vs this point in time last year. This year they are around 96% collection whereas last year it was closer to 97%. However, as Mr. Fauerbach noted, Ms. Camelio is expecting payments this week from two of the top twenty tax payers which would then put them in a similar position as last year. Ms. Camelio informed Mr. Fauerbach that 39 applications have applied for the tax deferral.

With no further business, Mr. Frishman motioned to adjourn, Mr. Motherway second. All were in favor. Motion carried.

The meeting was adjourned at 8:18 p.m.

Respectfully submitted, .



Jill A Senior
Recording Secretary Board of Finance