

TOWN OF STONINGTON

BOARD OF FINANCE

Special Meeting

Mystic Middle School Cafe

Wednesday, May 8, 2019

7:15 PM

A meeting of the Board of Finance was held on this date at the Mystic Middle School. Members present were Chairwoman June Strunk, Lynn Young, Blunt White, Tim O'Brien, Michael Fauerbach and Danielle Chesebrough. Mr. Glen Frishman was absent. Director Jim Sullivan was in attendance.

Pledge of Allegiance

Comments from the Public – None

Previous Minutes – Ms. Young made a motion to table the previous minutes, Mr. O'Brien seconded. **Motion carried.**

New Business

The IT Manager requests a transfer of \$1,501 from acct #10135-80314 - "IT Training" to acct 10122-80155 "Internet Hosting". Ms. Young motioned to approve the transfer; Mr. O'Brien seconded. **Motion carried.**

The Tax Collector requests line item transfer of \$785.00 from acct 10135-80140 "Advertising" to \$700.00 to acct #10135-80140 "Postage" and \$85.00 to acct #10135-80150 "Professional Associations and Publications". Mr. Fauerbach motioned to approve the transfer; Ms. Young seconded. **Motion carried.**

The review of year to date additional appropriations shows that there is a remaining \$25,000 in the fund balance before there would be a need to go to Town Meeting for additional appropriation.

A request of \$125,000 from fund balance to "Claims & Damages" acct #10137-80372 for cost of demolition of Stillman Avenue mill property was discussed. This is not an additional appropriation, but assigning that additional appropriation to a specific line. Ms. Young approved the motion, Mr. O'Brien seconded. **Motion carried.**

Ms. Chesebrough motioned to approve an additional appropriation request from the EDC Commission of \$3,000 to "Consulting Services" acct #10106-80139 for architectural services associated with the Campbell Grain building. This is to be funded from a \$3,000 grant from the Washington Trust. Ms. Young seconded. **Motion carried.**

Ms. Chesebrough reported to the Board that the funds will be used to draw up a design of what the property could be and these drawings will assist in marketing the building's potential, hopefully enticing developers.

Appointment of Audit Firm for FY18/19 year end

The Board discussed the FY18/19 year end audit and the appointment of the auditing firm PFK O'Connor-Davies. Ms. Young inquired if the auditing firm will be including the Board of Education schedules, as had been previously discussed, and Director Sullivan confirmed that will be included. Mr. O'Brien made the motion to approve PFK O'Connor-Davies as the auditing firm with Ms. Chesebrough seconding. **Motion carried.**

Review of Board of Ed line item transfers

The Board reviewed the Board of Education line item transfers. Ms. Young questioned what LMC stood for, as noted on the first line item transfer on the April 25th report. The Board agreed that although the Board of Ed was familiar with the acronyms, further explanation would be helpful. Chairwoman Strunk suggested in the future, a footnote at the bottom of the line item transfer page defining the acronyms would be beneficial to the Board and all agreed. Mr. O'Brien had a question on the second line item transfer, where monies were being transferred into account 610 to cover a deficit, but as shown on the Global report, account 610 had a positive balance. Ms. Young concurred. Chairwoman Strunk asked Director Sullivan to invite Mr. Gary Shettle to attend the next regularly scheduled Board of Finance meeting to go over and answer questions the Board has on the line item transfers and the global report.

Possible Bond Issuance

The discussion of possible bond issuance for Education, WPCA and other long-term capital expenditures was tabled. Director Sullivan will provide a breakdown of the items that were contemplated for bond issuance.

Mr. Fauerbach inquired why the discussion of debt policy would be a possible action item. Director Sullivan stated that the public had relayed concern whether actions were being taken by the Board that were not noted on the agenda. Director Sullivan spoke with the Town Clerk who stated that the item does not need to be labeled as an action item in order for the Board to take action, however, because the public has come to expect it, the notation of possible action item remains on many agendas.

Mr. O'Brien would be in favor of removing the verbiage "possible action item" based on the fact it is not required and it could set up a precedent that could limit the Board if it were missed. Mr. O'Brien would also like to get the legal opinion of the Town Attorney and have the First Selectman get that decision and circulate it to all the Boards and Commissions.

Debt Policy

A copy of the Town's Debt Policy that was approved in 2017 was distributed to the Board members. Mr. White points out that the Town is outside of its goal with regards to the debt policy. The benchmark for debt service in FY19 is \$9 million, with a guideline of not to exceed 10% of the budget which is \$70 million. In terms of outstanding debt of \$80 million, the guideline is to not exceed 100% of the budget, therefore the Town is operating outside of its established criteria.

Chairwoman Strunk notes the rating agency had criticized the Town for not having a debt policy, so one was created. These are debt policy goals and if the Board recognizes where they stand in relation to the benchmarks of the policy and acknowledges that additional bonding would show the Town was outside of these goals, it would be acceptable and the Board could work within that.

Mr. O'Brien stated that the Town Debt Policy is written as guidance document. The feedback from the rating agency was not due to a violation or excess of policy it was a lack of approved policy that gave the Town its rating. Mr. O'Brien is supportive of the current document and feels the Board is cognizant of the policy.

In addition to knowing whether the Town is within the benchmarks and guidelines of the policy, Mr. Fauerbach and Ms. Young would like to see the numbers and a forecast of debt as it pertains to the policy and all agreed. It was also the opinion of the Board that the language of the debt policy should not be changed.

Stillman Mill Demolition

Director Sullivan reports that the Town and Tighe & Bond are working with the CT DEEP on the testing of materials at the site to determine the proper procedure for removal and trucking. The CT DEEP has strict rules for contaminants from the building or contamination from spills and a comprehensive report will be provided to the EPA and CT DEEP. Additional quotes have been received by Town Engineer Scot Deledda and provided to the Board in a memo dated May 7th. Director Sullivan notes that there are lower quotes than the original cost estimate and Mr. Deledda is working on quote and project comparison and will have his report shortly. The Board did show concern with the extreme differences in the proposals.

FY19/20 Budget Presentation and Contents of Budget

Mr. White discussed a clarification of the budget to present to the Selectman. Mr. White also shared with the Board the notice that is advertised to the public, outlining the \$73 million budget, and proposed adding additional columns for a comparison to previous years. By providing the citizens this summary, Mr. White felt it would be easier for the public to see the increases and decreases in a snapshot vs. looking thru the budget book for information. Mr. White feels a more informed public will in turn provide a better voter turnout.

Chairwoman Strunk states that the public notice can only say "shall we appropriate", with the exact amount and not provide years of comparison which could be taken out of context if the full story is not there. With regards to getting the word out to vote, Chairwoman Strunk told the Board she is aware that the superintendent of schools provides informative flyers to put in each child's backpacks to bring home.

Ms. Young informed the Board that she was very surprised to find out that her neighborhood did not know there was a budget referendum, adding if the residents are not readers of the local newspaper, chances are they will not see any notice to the referendum. Ms. Young asked if billboards or bulk mailings could better engage our citizenry.

Mr. Fauerbach commented on Mr. White's proposal of comparison years in the public notice saying he was all for transparency, however, providing such comparisons with no context would be confusing. Mr. Fauerbach stated he felt there are very good ideas proposed by Mr. White on improving the budget format which did show comparison to other years.

Mr. O'Brien stated that the legal notice and the public notice is constrained to the figures for that year. Communication to residents is a problem, as it is in surrounding towns. and Mr. O'Brien agrees that the proposed changes to the budget book is a better way to show more context to prior years and more beneficial long term.

Ms. Chesebrough asked whether email would be a good vehicle to engage the public, noting that on the Town website you can subscribe to news and alerts and could the Board do more to encourage people to sign up. This would be useful prior to budget deliberations to promote attendance.

Director of Assessment Marsha Standish, who was in the audience, informed the Board that on every notice that is mailed from the Assessor's office the Town website address is noted on the document. The department makes every attempt to keep the public informed and Director Standish was sure the Tax Collector's office did as well. It was noted that the Town Hall does not have a voice messaging service and all calls are answered by a department or directly by an individual, providing immediate answers or guidance. First Selectman Simmons

has a weekly radio address and many residents are signed up on the Town website notification system, yet the turnout to meetings is less than desirable. Director Standish said there is no simple answer to this but residents do have to have some responsibility in being part of the process.

The Board was in agreement that Mr. White's proposed changes to the budget book were a positive change and focus should be on creating a budget book with context that residents can discuss intelligently.

Proposed State Grant Figures

Mr. O'Brien made a motion to table the discussion on the latest proposed state grant figure. Ms. Chesebrough seconded. **Motion carried.**

Net Grand List of October 2018

Director Standish provided a handout to the Board reflecting an adjusted grand list figure of \$2,790,498,286 with an average rate of collections at 98.84% for a revised net grand list – adjusted for rate of collections of \$2,758,128,505.

Director Standish reported to the Board that there were a couple of neighborhoods that were not all changed during the reevaluations and those properties had to be redone. Unable to produce a neighborhood map, these properties were missed during the reevaluation and this resulted in not so much as individual appeals but more of a broad-based appeal. There are also a lot of projects that are coming on, new construction such as Perkins Farm, where once the roads and such get established, the land values will come up to the full value.

Review of April 17th (Stillman Ave Demo) minutes

Ms. Young made a motion to strike the action taken on the April 17th meeting to approve ChemScope as a hazardous materials firm and remove the action from the minutes as it was not required. Mr. Fauerbach seconded. Mr. O'Brien abstained. **Motion carried.**

Correspondence - None

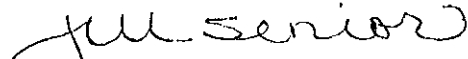
Liaison Reports:

- **K- 12 Building Committee Report** – The projects are on track. It had been inaccurately reported in the local paper that there were problems with the HVAC system. Chairwoman Strunk reports that the system is still in testing and not fully commissioned. Mr. White added that retainage on the project is being held, and the system will be in complete working order before final payment would be paid. The Deans Mill school will be finished by September 30th, and all the landscaping for West Vine should be completed by the 1st or 2nd week in June.
- **Library Subcommittee** – A date for a future meeting will be discussed and Ms. Chesebrough inquired to Mr. Fauerbach if he would be interested in participating and he was agreeable.
- **CIP Liaison Report** – No new report
- **WPCA Liaison Report** - No new report
- **BOE Liaison Report** – With Mr. Frishman absent, no new report
- **Retirement Board** - Mr. O'Brien was please announce that the Retirement Board met on this day and with the addition of two new members from the Board of Ed, the Retirement Board is now a full Board.

This allowed the approval of a document increasing the scope of oversight from just the pension plan to also the 451 and the 401a, so all of the plans are now formalized underneath the retirement.

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

Respectfully submitted,


Jill A Senior
Recording Clerk