

TOWN OF STONINGTON
BOARD OF FINANCE MEETING
Stonington Police Department
Wednesday, December 5, 2018

A meeting of the Board of Finance was held on this date in the meeting room of the Stonington Police Department. Members present were Chairwoman June D. Strunk, Secretary Glenn Frishman, Lynn Young, Tim O'Brien, Blunt White, and Danielle Chesebrough. Michael Fauerbach was absent. Also present were Chief Darren Stewart and Captain Todd Olson.

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

Pledge of Allegiance

Comments from the Public - None

Previous Minutes – Mr. Frishman motioned to approve the November 13th minutes, Ms. Young seconded. A few corrections and clarifications were brought to attention and noted. Based on these corrections and the minutes amended, the November 13th minutes will be approved. Voting was unanimous with Tim O'Brien abstaining. **Motion carried.**

New business

The Board discussed the possible need to reschedule the January 2019 meeting. All Board members concurred that January 2nd is available and no change in meeting date would be required.

Moving on to further discuss the Board of Education (BOE) administrative and reporting requirements to the Board of Finance (BOF), it was brought to attention that Alexa Garvey, BOE Chair, had forwarded to Ms. Strunk the most recent BOE monthly financial reports and copies were distributed to the Board members. Ms. Strunk asked the Board to review the documents between now and the January meeting and determine if any changes or additions to the presentation of the financial reports would be beneficial. Proposals on how the information should be provided to the Board along with questions and recommendations will be discussed during the January meeting. Ms. Strunk reminded all that the Town Charter states that although the BOF cannot approve nor disapprove BOE line item transfers, they must be reported to the BOF in the month that they occur. A few of the Board members pointed out that there were no year to date line item transfers in the financial reports that were provided. It was also noted that the presentation of monthly financial reports was grouped differently than the approved budget presentation, such that sub-groupings in the monthly financial reports did not tie to the budget. Alexa Garvey informed the Board that by going to the BOE website they can access these reports directly. Mr. Jim Sullivan, Finance Director, noted that in the

adopted budget expenditures are broken out by school, but in the monthly financial reports expenditures are presented by type of expenditure with all schools combined.

The Board of Finance members advised that they would like the monthly financial report presentation to match the structure in the budget book. The Board recognized that the BOE is only required to present monthly line item transfers to the BOF, but added any financial information provided by the BOE supporting these transfers would be welcomed.

Ms. Garvey will speak with Gary Shettle and Dr. Riley regarding the reporting information requested by the Board of Finance. Ms. Garvey will also speak with Mr. Shettle about the process of the line item transfers and how to present them to the Board.

Ms. Strunk would like something to appear in the Board of Finance minutes reporting on the Board of Education and line item transfers, referring people to the Board of Education minutes for full financial information. Ms. Strunk would like this information on a monthly basis, as an update or note provided to the Board. This would be added as correspondence on the Board of Finance agenda.

The consensus of the Board of Finance is to receive reporting from the Board of Education on a monthly basis noting any line item transfers. If there are none, a statement that there are no line item transfers and reference to the global financial reports available on the BOE website and reference to the Board of Ed minutes.

Additional Appropriations:

- No additional appropriations

The Board discussed budget guidance for the 2019/20 fiscal year budget. Ms. Strunk mentioned that omitted from November's minutes were the figures for budget guidelines for the Government side is 2% and the Board of Education at 0.2% taking into consideration the savings from the school consolidations. Mr. White had created a worksheet which will be included in the finalized November minutes to aid in the discussion. The spreadsheet is an excerpt from the budget book regarding expenses. The result is managing more to a number and not to a percentage. After discussion, Mr. White will make adjustments to the spreadsheet and it will be added as an addendum to the minutes.

The General Operations budget increase guidance is \$417,562.00

For Town General Operations the guidance for FYE 6/30/20 is based on FYE 6/30/19 budget of \$21,578,105 less the \$700,000 contingency for loss of State aid which equals \$20,878,105 plus 2% of that figure which equals FYE 6/2020 guidance of \$21,295,667

Per the Board of Education its budget will include a credit for savings associated with the consolidation of the middle schools. For Board of Education the guidance for FYE 6/30/20 is therefore based on the Education FYE 6/30/19 budget of \$38,016,336 less the \$700,000 savings which equals \$37,316,336 plus BOF guidance of 2.1% increase over that figure equals \$38,099,979

The Board then moved to Executive Session with Mr. Frishman making the motion to adjourn the regular meeting at 8:18 pm. Mr. White seconded. **Motion carried.**

At 8:20 p.m. Mr. O'Brien motioned to reconvene in Executive Session, seconded by Ms. Young. **Motion carried.**

At 9:14 p.m. Ms. Chesebrough motioned to end the Executive Session, seconded by Ms. Young. **Motion carried.**

At 9:15 p.m. Ms. Young motioned to reconvene in Open Session, seconded by Mr. O'Brien. **Motion carried.**

Correspondence: None

Liaison Reports – Mr. White presented to Board members a handout from a tour that he, Ms. Strunk and Mr. Frishman took at the Pawcatuck Middle School. They attended the tour as citizens not part of the Board of Finance. The hand out sheet details the proposed use of the Pawcatuck Middle School. It is projected that the Board of Ed new Alt Ed program will use 31% of the building, the Town 14%, the Community 18% and Stonington Public Schools 37%. Mr. White noted that the new Alt Ed program is moving forward and it should be presented to the Board of Ed that the Alt Ed proposal should be considered a stand-alone business. The policy of accepting children from other districts and collecting revenue from such should have its own P&L and shouldn't be a part of the Board of Ed budget. Still run by the Board of Ed, the revenues they received from the program should not go into their general account. Ms. Young agreed, stating any surplus could revert back to the Board of Ed while any deficit would be taken out of their budget. Mr. Frishman, Liaison to the Board of Ed will relay this suggestion to the Superintendent of Schools and the Chairman.

Tim O'Brien gave an update on the Retirement Board and their recent meeting. Mr. O'Brien thanked Danielle Chesebrough for recommending Elliot Clark as a new board member, providing the Board with enough members to meet. Mr. O'Brien stated that things are running rather well. The current assumption for rate of return is 6.75% for the pension plan. However, the financial advisors recommended lowering the rate of return assumption due to market conditions to 6.5%. It was agreed to take a longer look and the current rate assumption will be lowered to 6.625%. There was no commitment that next year they will make the 6.5% as they have to see if that number still looks good. The median of the average rate of return currently is 6.92% in the 191 towns the rating

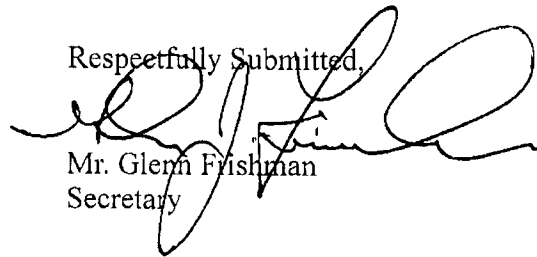
agency's currently monitor. The estimated pension contributions for FY19/20 are in the range of \$990,000.00

Mr. O'Brien also briefed the Board on the status of the Mystic Boat House. A recent Day article and social media comments have been misleading, however a good turnout at the recent public meeting provided correct information and support was positive. It was noted that the structures on property are not historic. While the area is a Historic area, the structures are not. There was a planned multi group meeting to be held on this day, December 5th, involving the State Historical Group, CT DEEP, Federal Historical Group and the Economic Development Group. The master plan was approved as of Monday night to submit to P&Z.

K-12 Building Committee – No new updates.

With no further business to come before the Board, Ms. Young made a motion to adjourn, Mr. Frishman seconded and voting was unanimous. Motion carried. The meeting was adjourned at 9:40 p.m.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Glenn Frishman', is written over the typed name and title.

Mr. Glenn Frishman
Secretary

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