

Woodstock Board of Finance Minutes

Monday July 12, 2022

7:00 pm

Town Hall Room 1

Special Meeting

1. **Call to order:** Chairman Michael Dougherty called meeting to order at 7:00 pm

2. **Roll Call**

- a. **Members Present:** Michael Dougherty (Chairman)
Michael Bernardi
David Fortin
Fred Chmura
Michele Woz
Jeffery Kelleher
Asa Scranton, Alternate
Philip Parizeau, Alternate
Julie Marcotte
- b. **Others Present:** Finance Director Karen Fitzpatrick, First Selectman Jay Swan, Selectwoman Charlene Perkins Cutler, Superintendent of Schools Victor Toth, Woodstock Public Schools Business Manager Janice Thurlow
- c. **Noted for the Record:** Quorum

3. **Seat Alternate if Necessary:**

- a. No alternate needed.

4. **Discuss and Approve BOE Increased Fuel Expenditures**

- a. Victor Toth thanked the Board for their time to hold this meeting in July. He gave a general statement about additional expenses and mitigation strategies used to try to minimize the total expenditures.
- b. Janice Thurlow shared the budgeted prices for heating oil and fuel. At the time the budget was prepared, fuel oil was budgeted at \$1.98 per gallon and bus fuel at \$2.40 per gallon. Due to the unforeseen price increases, the Board of Education is underfunded in the amount of \$92,000 for heating oil and \$20,000 for bus fuel for the current FY budget. Janice also shared that the Excess Cost Revenue funds from the State were \$22,130 less than expected. This puts the total current Board of Education budget deficit at \$130,000 for the current fiscal year.
- c. Karen Fitzpatrick share that there is currently \$63,666.73 available in the BOE Non Lapsing Account and \$59,230.20 in the BOF Contingency Fund which totals \$122,896.93 available to apply to this fuel expenditure without effect on the General Government Budget.
- d. Dave Fortin clarified that this expenditure is for transportation and heating fuel costs. It was also clarified that the 21-22 school year was budgeted to the maximum under Prop 46 (leaving only \$15). Karen Fitzpatrick stated that there was also \$300,000 taken from the General Fund Surplus to help with Woodstock Academy Assessment funding in the 21-22 FY as well.
 - i. The only way to appropriate additional funds is to use available remaining funds within the FY 21-22 budget year as the Town Ordinance limits the amount to be increased under Prop 46.
 - ii. Karen explained that there is currently \$279,323 available in the General Government Surplus. Although there are still remaining bills to be paid from this fund, there should be enough to cover the \$8,000 difference needed for BOE fuel expenditures.

Woodstock Board of Finance Minutes

1. Dave Fortin noted that the fuel expenditures are operating costs and not emergency/capital expenses. He recommended checking with the auditors to see if an inter-governmental transfer is allowed for operating cost items and what accounts are specified for operating expenses and/or capital expenses (specifically what is allowed to be paid with non-lapsing account).
2. Dave Fortin noted that Board of Finance Policy does not allow for appropriations to be made same meeting. It can be done by vote as a request per policy.
 - a. Karen noted that without appropriation made at this meeting, bills would not be able to be paid after August 15th. Waiting until next meeting for appropriations would only allow for BOE to pay bills within the 45 day period after end of FY and no additional FY 21-22 bills would be able to be paid after the 45 days.
3. It was clarified that transfer of funds discussed would not violate Prop 46 as non-lapsing funds outlined in State Statute.
- e. It was clarified that the increase being asked for was caused by unforeseen fuel cost increases.
 - i. Dave Fortin noted concern with the timing of dealing with the expenditure. He feels that it should have been better addressed before the end of FY.
 - ii. It was noted that this concern was previously mentioned in budget meetings.
- f. Michael Dougherty summarized that there is a shortfall in the BOE budget that needs to be addressed. He reviewed the information presented by the Finance Director and suggested that this matter be voted on tonight in order to close out the FY 21-22 budget. He recommends use of the non-lapsing account first and then limit the expenses from the contingency fund to \$50,000 and then address the remainder as needed through the excess in General Budget.
- g. Michele Woz made a ***Motion** to allow the Board of Education to use \$63,666.73 in the Non-Lapsing Account for overages in the FY 21-22 budget caused by fuel expenditures. ***Seconded** by Michael Bernardi. ***The motion passed unanimously.**
- h. Michele Woz made a ***Motion** that the Board of Finance allow the Board of Education to spend \$50,000 in Contingency Funds for overages in the FY 21-22 budget caused by fuel expenditures. ***Seconded** by Jeffery Kelleher. ***The motion passed with one opposed.**
- i. Michele Woz made a ***Motion** to make a transfer in the amount necessary up to \$17,000 from the General Budget Surplus to the Board of Education to cover remaining balance of FY 22 Fuel Expenditures. ***Seconded** by Michael Bernardi. ***The motion passed with one opposed.**

5. Discuss Woodstock Academy Capital Assessment

- a. Janice Thurlow shared that the Capital Assessment discussion is two-fold. Typically, the assessment amount is billed as one amount. The bill issued from The Woodstock Academy for this year is \$215,441. The Board of Education is in the process of negotiating a contract with The Woodstock Academy in order to avoid any interest fees. The Woodstock Academy has requested that tuition payments, which include the capital assessment, be made quarterly. This would require the assessment amount be broken up and paid in 4 installments. There has been discussion by the Board of Education to have tuition and capital assessment billed separately but requires certain process to be followed. The Board of Education has been paying Woodstock Academy monthly as there currently is no contract in place.
- b. Michael Dougherty asked if there was any information as to what would be done with the currently billed amount of \$215,441 and Janice Thurlow stated that concern is the basis of this conversation. She would like to know what information the Board of Finance would like from Woodstock Academy in terms of the Capital Assessment. The Woodstock Academy does not have a Capital Assessment Depreciation plan but does have a Feasibility Study.
 - i. Michael Dougherty state that the Board Finance needs the following-

Woodstock Board of Finance Minutes

1. The exact amount that would be billed for the year to be taken from the Capital Non Reoccurring Account and need to go to referendum
2. Scope of project and intended accomplishments
3. Time frame for project completion
 - a. It was noted that a document like the letter received for FY 23 budget approval which included the above information would be sufficient.
 - b. An update of last year's projects is requested by the Board of Finance with the information for upcoming year.
- c. If all required information is brought to the September Board of Finance meeting, the Woodstock Academy funding can be completed by December.
 - i. Victor Toth shared that the contract with Woodstock Academy will most likely be signed in August. He greatly appreciates the willingness of the Board of Finance to fund capital assessment separately from tuition payments as it greatly helps the Board of Education

6. Public Comment

- a. Karen Fitzpatrick updated that RFP's for bonding of bridge projects in the amount of \$2.5 million have been sent out. The financial advisor and bond officer are seeking options for 15 year and 10 year bonds with no prepay penalties. Anticipated interest rates are between 3.5% and 3.75%.

7. Other From Board

- a. None

8. Correspondence & Announcements

- a. The next Board of Finance meeting is scheduled for September 13, 2022.

9. Adjournment

- a. Michele Woz made a ***Motion to Adjourn. *Seconded** by David Fortin. ***The Motion Passed Unanimously.** Meeting Adjourned at 7:52 pm.

Respectfully submitted by Amy Monahan, Recording Secretary. DISCLAIMER: These minutes have not yet been approved by the Board of Finance. Please refer to next month's meeting for approval/amendments.