

MINUTES

1. **Call To Order:** M. Dougherty called the meeting to order at 7:02 pm.
2. **Roll Call:**
Michael Dougherty (Present)
Fred Chmura (Present)
David Fortin (Present)
Ronald Cabana (Present)
Roy Bradrick, Jr. (Present)
Glen Lessig (Present)
Michael Bernardi, (Alternate) (Present)
Jeffery Kelleher, (Alternate) (Present)
David Richardson, (Alternate) (Present)
Noted for the Record: Quorum
Others Present: M. Alberts, F. Olah, K. Fitzpatrick, M. Bard Morse, J. Thurlow, C. Sanford, V. Toth, J. Woodland, A. Favreau, L. Bernardi, and 2 others.
3. **Seat Alternate if Necessary:** None
4. **Approve Minutes from May 14, 2019 Regular Meeting:**
R. Bradrick **MOTIONED** to **APPROVE** the May 14, 2019 minutes amended as noted;
G. Lessig **SECONDED**;

M. Bard Morse requested the following corrections:
1) Agenda item #5 Public Comment: correction of her name "M. Morse" to "M. Bard Morse";
The first sentence should be replaced with: "M. Bard Morse cautioned against using money from the undesignated reserve fund to fully cover the cost of the mil rate increase in 19-20."

2) Agenda item #9 Other from Board, paragraph 2: clarified the motion was to have BOE set up a meeting between the BOF and Woodstock Academy rather than a joint meeting between the BOE, BOF, and Woodstock Academy; also noted a BOE quorum would not be necessary as this would be a BOF meeting to which Woodstock Academy representatives would be invited.

3) Agenda item #9 Other From Board, paragraph 3, second sentence: corrected to read "M. Bard Morse said based on meetings held between BOE and BOF chairmen, First Selectmen, with the superintendent, BOE business manager and town treasurer they have followed the attorney's guidance."

4) Agenda item #9 Other from Board, paragraph 4, third sentence: corrected to read "M. Dougherty noted the funds would come out of the BOE budget as approved this evening, if not approved to come from CNR by special town meeting and referendum."

MOTION CARRIED UNANIMOUSLY

5. Public Comment:

M. Bard Morse thanked the BOF for considering her clarifications for the 05/14/2019 BOF minutes.

6. Old Business

A. Update on State Budget:

M. Dougherty noted the State has passed their budget, adding that it appears Woodstock would be receiving the same amount as last year for ECS funds as last year less \$90,455.00.

Regarding the Connecticut Conference of Municipalities, M. Alberts said there would be at least one special session which should be focused on tolls, but other items could come up which have not yet been identified. He also noted a bullet was dodged in that the pension expense has so far not been shifted.

B. Update on Local Bridge Project-Phase I:

K. Fitzpatrick provided an email from CME which contained a breakdown of items that would be transpiring over approximately the next 8 months. She added that hopefully by late July they will have information and input for the Selectmen, by mid-August there would be input from the DOT, and by January 2020 have the bids in, and construction could possibly begin in the Spring of 2020. K. Fitzpatrick also noted getting in touch with the financial advisor regarding the timing of bonding or band and felt a \$2.5 million band would provide the money needed to get started in what could be a multiple year project. She also noted there would be a meeting with DOT and CME to discuss the standing of reimbursements from the State of those programs with the Local Bridge group.

M. Alberts said they were still they were still focused on trying to secure grant for one of the bridges.

C. Approve Tax Abatements Recommended by Board of Selectmen:

M. Dougherty said a request was received from L. Bernardi to approve the value on the tax abatements which were previously approved with an unknown amount;

G. Lessig **MOTIONED** to **APPROVE** the abatement in the amount of \$9, 761.76;

R. Bradrick **SECONDED**;

M. Bernardi questioned how the amounts were calculated; M. Alberts said they were calculated based on the actual values and briefly explained the ordinance for Dairy Farms and Fruit Orchards, which provides an abatement of 50% of the property taxes noting the amount was taken from what had been submitted. He added they are working with the attorney to consider expanding this ordinance making it broader, but there are potential tax implications, and any new expanded language of the ordinance would have to go to Town meeting and be voted on.

M. Dougherty noted the BOF did previously vote to approve the abatements even though they did not have the final amount, and it is down considerably from the approximate \$13,000.00 originally expected.

R. Bradrick commented that he had the same concerns as he did previously in that the abatement makes sense, but since the ordinance was not followed, he is not satisfied that the BOS had the authority to make the abatements, nor does the BOF.

MOTION CARRIED UNANIMOUSLY; R. Bradrick OPPOSED

D. Solar Update:

D. Richardson said the report of the first 9 months shows a profit margin of \$31,000.00, this should put Woodstock on target for \$42,000.00 by the end of July. He noted the rates would be dropping starting July 1st but there is no way to know what will happen thereafter since energy projections were sliding down. He added if it stays at the 8.8 cents level next year should be approximately \$30,000.00, but if that slips by a penny in January, that will drop to \$23,000 or \$24,000. The break-even point is approximately \$6.5k-\$6.6k and if it gets to that point, they will be paying solar more than received in credits.

E. Woodstock Academy Capital Project:

M. Dougherty was hopeful that Chris Sanford, Head of School, would provide a presentation regarding what the additional assessment will cover so it could be determined how to proceed. C. Sanford said he did not have a presentation but would answer any questions the BOF may have.

D. Fortin verified with C. Sanford this is a 2-year capitol plan, from July 2019 to June 2021. C. Sanford confirmed and said there are currently 2 groups of projects, several roofs on the north campus and removal of the underground tanks, which totals approximately \$500,000.00. This was divided over 2 years. He added this was part of the tuition but was separated out at the request of the Woodstock BOS. The Board of Trustees voted this as part of the tuition and not a separate charge. D. Fortin asked if the tuition would go down by this amount after the two years; C. Sanford said he did not know what the tuition would be in two years, but the project would be complete.

D. Fortin noted to this point they felt capital non-reoccurring funds could be used, however if this were to be a permanent charge labeled as tuition then capitol assessment going forward would just be a subcomponent of the tuition, so this would need to be rethought. D. Fortin asked if \$212,000.00 per year would be added to the tuition in perpetuity. C. Sanford said they have 2 projects they need to undertake and know the cost of it. He added the academy has made a mistake by not adding to the tuition each year and saving the money for new roofing and tank removals but these projects now need to get done. D. Fortin asked if there were charges built into the tuition already that cover maintenance; C. Sanford confirmed. D. Fortin also asked, as this is a new charge being put into the tuition covering items not previously covered, if this money would be removed from the tuition in the future. C. Sanford replied they were covering the cost then billing the BOE over a 2 year period; he also noted that Woodstock is the only town that asks for maintenance as a separate charge from tuition, but is presented as one bill.

D. Fortin noted that in the fall at the Tri-Board meeting they received a projection of a tuition increase and an additional assessment charge for capital improvement plan, noting if the previous maintenance costs stay in the budget they stay in the budget forever, and therefore are compounded. G. Lessig added the invoice from the academy to the BOE has this listed as construction costs.

J. Thurlow said in previous conversations between Joe Campbell and Karen Monroe, construction costs were pulled out, and tuition costs were never broken down, but this was something separate that K. Monroe did and called it construction costs; she added this was strictly a calculation between Joe Campbell and Karen Monroe. F. Chmura said from his understanding this was because the academy was located in Woodstock and needed to report this to the Department of Education as a separate construction cost and was done for just State reporting purposes rather than actual accounting costs. J. Thurlow noted it was never separated from tuition.

M. Dougherty said everyone understands maintenance is a part of your budget and therefore is paid for by the tuition from sending towns, but there is an additional fee this year and next year due to the capitol projects being undertaken. C. Sanford commented they do not see this as an additional fee, it is in the tuition for 2 years. He added the Academy's budget was voted on with that one number included in that packet.

M. Dougherty said in 2 years when this is completed should see the number we are paying, less \$213,000.00 as the overall tuition, and if there is any increased costs for maintenance at that time it would be added to that number (less the \$213,000.00). M. Dougherty went on to say that once something is included in the BOE budget, it changes the minimum budget requirement for the following year and therefore stays there forever, and this is where the concern is. C. Sanford said they have had this conversation within the academy, and the system being referred to already exists in other towns in the region.

R. Bradrick asked C. Sanford if it was his position that this capitol assessment is a component of the tuition charged by Woodstock Academy to sending towns; C. Sanford replied yes. R. Bradrick also asked if this is simply tuition for 2 years, why was it proposed to the Boards of Selectmen of the sending towns rather than the Board of Education of the sending towns.

M. Alberts said there was a round table discussion at a NECCOG meeting about these anticipated expenditures; he added some Selectmen had different perspectives and different knowledge and he took it upon himself to coordinate so all Selectmen could have common knowledge as to what this was about. M. Alberts went on to say that he contacted the Head of School who met with the First Selectmen to make them aware, and they also questioned if this expense was likely to be recurring and what the dollar amount might be. Some did not want to contemplate having this included as a tuition expense because of the impact on MBR, and others thought of this as a capitol expenditure that should be separated from it. The Head of School didn't care what it was calculated under as long as the expense was paid.

M. Bard Morse said this was received by the BOE after V. Toth and K. Fitzpatrick attended a BOS meeting, adding they were informed in November at the Tri-Board meeting of the potential increase in tuition.

R. Bradrick said he was disappointed and annoyed, aside from the fact that this should have been handled internally with the academy, the information was provided to the BOS and it was not in their budget, provided to the BOE and was not in their budget; while everyone assumed it as a capitol expense, C. Sanford has assured that it is in fact a tuition expense. A periodic expense that falls under Prop46. He added the budget is maxed to Prop46 and there is no more money in the budget for a Prop46 expense and a period recurring tuition cost.

G. Lessig commented they did learn of a tuition increase of \$218,000.00 at the November 27th Tri-Board meeting which was a normal rate of increase which typically included maintenance items, and then learned at that meeting there would be an additional \$212,000.00 assessment for capitol improvements; that meant there was \$430,000.00 increase of expenditures to the academy. G. Lessig added that in this town there is a severe budget limitation which, this year allowed \$454,000.00, so the academy's increase would be almost all of our allowable increase. He added that it was learned on November 27th that the representation of the BOE of Woodstock went from two representatives to one, while 25% of the Town of Woodstock's budget and goes to the academy, and 40% of the academy students (approximately 455 students) are from Woodstock.

C. Sanford said Woodstock Academy is the only academy in the country that has sending town representatives on the Board of Trustees; he added there were 2 towns that did not have representatives (Canterbury and Union) and as they are capped at 30 members, and they felt it was important to have representatives for all of the sending towns, so they modified the sending town representation to accommodate and add representatives for the other 2 towns.

G. Lessig asked what the annual academy budget was for 19-20 – budget? C. Sanford replied \$20 million. G. Lessig asked how many students were from the sending town of Union and Canterbury; C. Sanford replied 55 from Union and 75-80 from Canterbury.

G. Lessig and C. Sanford discussed the \$430,000.00, or 8% increase which was in previous years typically 3.5%, the cutting of programs to prevent tuition increases, and Prop46. G. Lessig noted there should be excellent cooperation between the academy the Town of Woodstock it would be beneficial of the academy and the Town would communicate and try to work together, making sure this is a better environment for the students.

C. Sanford commented the academy's budget has gone up only \$280,000.00 in 9 years; M. Bard Morse said while it is understood the academy has to look at its own budget and bottom line, from the Woodstock BOE perspective, in the past 10 years the tuition to Woodstock Academy has gone up more than \$960,000.00, and the student limit is only a 5 student difference from 10 years ago.

D. Richardson said Woodstock Academy has tremendous support from the Town of Woodstock and it is well thought of; he also noted the academy tuition increases have been reasonable over the last 10-12 years in comparison to the increases seen for WPS, and talked about the shifting student numbers in relation to the tuition increases and budget. D. Richardson said this year's tuition increase is 6.9% and is much higher than it had been in the past, and asked if future tuition increases would be the 2-3% increases as they has been in previous years.

V. Toth said he was offended by implication that he provided incorrect numbers at the November 27th Tri-Board meeting, and they were the exact numbers as those being provided by C. Sanford, and never proposed a 5% increase in student tuition. D. Richardson replied that he said a 5% per student increase in spending.

J. Kelleher asked if the academy had a 5 or 10 year capitol plan; C. Sanford said they are doing a facilities study which should be done by August and they should have a dollar amount for their facilities; the goal is to have a realistic number, keeping the budget as flat as possible. The academy buildings are in good shape. J. Kelleher reiterated this year's tuition is going up approximately 7% and asked what the BOF and BOE could expect for future increases. C. Sanford noted a \$90.00 per student increase for water pollution control but could not guarantee what factors for other fees would be.

F. Chmura said he was pleased that a long term capital improvement plan, and asked if it was the intent to bill the items to the sending towns during the years the improvements were being done, or if additional amount would be built into the tuitions for a reserve for replacements and improvements rather than billing actuals that fluctuate from year to year. C. Sanford said option two, adding that previously that had not been done.

R. Bradrick said he still doesn't know who is asking the BOF for this money as there has not been a

request from the BOE or BOS, but there is a vendor to the Town requesting money; before having a referendum, we should have a request to approve this from a board of elected officials.

D. Richardson – handed out letter from C. Sanford, with copies of various years budgets with varying construction costs and budgets which vary from \$30,000.00-\$40,000.

K. Fitzpatrick (in response to R. Bradrick) commented the BOS did get letter from the academy asking how they would like their tuition billed, and a copy was emailed to all of the board members who were encouraged to attend the BOS meeting where this letter would be discussed; she added the advice from the auditor was that the BOE should get billed, and they should approve it and bring it forward to the BOF to ask for CNR funding. K. Fitzpatrick said someone needs to make the decision of who the bill should be sent to so we can move forward, but to the best of her knowledge this has not yet been done. R. Bradrick said he reviewed the BOS and BOE minutes and it did not appear that any motions were made to come to the BOF to ask for money.

K. Fitzpatrick said in May she had provided the auditors with information including the letter for the two year capital plan, the attorney's opinions regarding Prop46 and CNR, and the letter from the academy asking how they would like to be billed, and was told this was definitely a capital project and therefore did not see any violation of Prop46. D. Richardson said the BOF can't do anything without a request for a capital expense.

M. Dougherty said a request from the BOE; M. Bard Morse noted the BOE does not meet again until June 17th and had not met since the referendum, but this was on their 5 year capital plan which was approved at Town Meeting. M. Dougherty noted no request has been made for the funds, and a request must be made any time there is an expenditure. He added the next BOF meeting was not scheduled until September but a meeting could be scheduled for July if they receive the request. M. Dougherty also noted money could not be requested from a budget that is not yet in effect.

D. Fortin said if on June 17th at their meeting the BOE can vote to request the funds V. Toth could send a letter requesting the funds from CNR and asked if the BOF could hold a special meeting in a reasonable amount of time thereafter; BOF members discussed a date for the meeting. D. Richardson noted it would then have to go to a special town meeting and then to a referendum which both must occur after July 1st.

M. Bard Morse noted for the record, for clarification purposes, the total tuition for Woodstock Academy increased by \$558,357.00, which includes \$345,874.00 for tuition, \$212,483.00 for the capital assessment fee; the total BOE budget increase for next year is \$446,148.00. She added there is a possibility of 15 more students from the current year to next year, while the assessment fee stays the same, what will be owed to the academy will be more.

R. Bradrick noted the donation from Loos family, and the focus of this restricted endowment was for improvements to what is now The Loos Center for Arts ; he asked if any funds allocated prior for maintenance were now freed up to offset any requests for tanks and roofs? C. Sanford replied they were not.

The BOF members agreed to schedule the Special Meeting for July 16, 2019 at 7:00 pm.

7. New Business

A. FY 18-19 General Government Budget Update:

M. Alberts said the fiscal year will end favorably with a surplus, but there are several line items that need to be brought to attention, such as legal expenses, which will be overspent by less than \$5,000.00 for this year. K. Fitzpatrick said the last bill for the transfer station was close to \$13,000.00 for May 2019 and it unsure what the bill for June might be but suggested paying the last hauling fee out of contingency. She also noted the budget changes weekly depending on the end of year expenses that come in, but overall there should be an approximate \$200,000.00 surplus from other budgets that could help fund the transfer station. Approximately \$477,000.00 more in ECS has been received than was budgeted. K. Fitzpatrick added the Board of Finance's permission was needed to over extend the budget as the transfer station will be over budget; she also noted the hauling fees had been increased after they were already budgeted.

F. Chmura **MOTIONED** to allow the BOS to over expend the Legal line item up to \$5,000.00, and to over expend up to \$12,000.00 for the transfer station's bill in July 2019; R. Cabana **SECONDED**;
MOTION CARRIED UNANIMOUSLY

B. FY 18-19 BOE Budget Update:

J. Thurlow said despite line items for medical insurance and tuition are overspent, there is a surplus in salaries; the overall preliminary numbers look good and should result in a positive bottom line.

8. Public Comment:

M/ Alberts briefly talked about the status of NECCOG and investigations, and the report shared with NECCOG executive staff regarding claims of abuse of animals; in general, he sensed the final report would be favorable in continuing to participate in NECCOG for animal services. He also felt in the near future NECCOG would be able to purchase its own facility in Killingly (the whole parcel which includes the building), and they have been looking for alternative facilities as a backup plan.

P. Shultz provided a report on the utilization of capital equipment.

9. Other From Board:

D. Richardson talked about the \$74,195.00 which he felt has been missing since December 11, 2018, and explained the chronology handout of the questions and series of communications regarding this issue. He noted an email from M. Alberts stating an impasse was reached and further discussion of this issue was not financially justified, but could be pursued by the BOF or on his own, adding none of the options would be less expensive than finding out what happened to this money.

M. Alberts said they have seen a significant increase in legal expenses; in this case a response was received from the auditor and shared with M. Dougherty on behalf of the BOF and by forwarding it to the BOF Chairman they believed the inquiry was satisfied.

D. Richardson formally requested the information; M. Alberts said he could formally request this of the BOF Chairman, and added per the auditors, continuous repetitive questions that have been previously answered would likely result in raised expenses to the community.

M. Dougherty said the auditors claimed this all resulted from accounting transfers. D. Richardson said this money supposed to be in a reserve for healthcare use only and asked to have the information.

J. Thurlow noted if there were missing amounts the auditors would have written a management letter,

but there was no management letter in last year's auditor report, and both the auditors and attorneys said it was timing of transfers. D. Richardson referred to the December 11, 2018 video.

M. Dougherty said this would be discussed further at a future regular meeting.

10. Correspondence & Announcements:

M. Dougherty noted the next meeting will be a Special meeting held on July 16, 2019 at 7:00 pm, followed by a Regular meeting on September 17, 2019.

11. Adjournment:

R. Bradrick **MOTIONED** to **ADJOURN**; G. Lessig **SECONDED**; **MOTION CARRIED UNANIMOUSLY**

The meeting was **ADJOURNED** at 9:01 pm

Respectfully submitted by Terri Lasota (Recording Secretary)

DISCLAIMER: These minutes have not yet been approved by the Board of Finance.

Please refer to next month's minutes for approval/amendments.