

MINUTES

1. **Call to Order:** Chairman M. Dougherty called the meeting to order at 7 pm.
2. **Roll Call:**
Michael Dougherty (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
Excused: Frederick Chmura
Others Present: M. Alberts, F. Olah, K. Fitzpatrick, M. Bard Morse, and one other.

Prior to the meeting, Frederick Chmura appointed Jeffery Kelleher to be seated in his absence.

3. **Seat Alternate if Necessary:** N/A
4. **Approve Minutes from July 16, 2019 Special Meeting:**

R. Bradrick **MOVED** to **APPROVE** the July 16, 2019 Special Meeting minutes as amended below; R. Cabana **SECONDED**;

R. Bradrick requested the following revision:

Page 2, 2nd sentence: Replace "...and exigent..." with "...an exigent..."

MOTION CARRIED UNANIMOUSLY.

5. **Public Comment:**

Megan Bard Morse, chair of the BOE, has been attending Woodstock Academy meetings and provided an update on the Woodstock Academy Capital Plan. The WA Buildings & Grounds Committee has received their facilities plan. It is still under review. The plans will eventually be approved and move to the WA Finance Committee and Executive Committee, with final approval by the Board of Trustees. She stated that there is no indication relative to their budgeting process versus the sending towns or tuition, but they are aware of extensive work needed to the historic Academy building. It is unclear how this project will be financed at this time. The tanks have been removed and replaced and most of the roofing projects completed. Work on the Academy building has been placed on hold to assess project scope on the chimney and bell tower.

Ms. Bard Morse stated that there are 14 new students to WA this year. The BOE has not received official numbers from WA and will have a better understanding by October 1 when the count comes in. Last, she noted that a large eighth grade class moved over to WA this year, which she believes was larger than the senior class that graduated this June.

David Fortin asked Ms. Bard Morse to forward any progress reports on WA capital projects that she might receive to the BOF. Ms. Bard Morse confirmed that the tanks and roofing projects were completed, and she will forward anything she receives to the BOF.

Mr. Dougherty thanked Megan Bard Morse for her report.

6. Old Business

a) Update on State Budget:

Treasurer Karen Fitzpatrick stated that she has yet to receive town aid from the state.

The first payment is typically received in August and the second payment in February. For this current budget, the state proposed July and December as the payment schedule. She should be receiving ECS funds October 1 and will notify the BOF once received. First Selectman Mike Alberts commented that there seems to be little to no movement right now from state government, and he updates Ms. Fitzpatrick when he learns of anything new.

b) Fund Balance Policy:

Chairman Dougherty reported that they are in flux with the fund balance due to the previous year's budget not having been audited yet. Once the audit takes place, they will be in a better position to share the amount of funds to be transferred. Mr. Dougherty requested that this item be suspended at this time and revisited in the future.

D. Fortin **MOVED** to leave the fund balance policy intact at this time and revisit this agenda item after the town audit is complete. This will go before the BOF at the December meeting. G. Lessig **SECONDED**;

J. Kelleher asked if a motion was required. Chairman Dougherty stated that it was best to table this agenda item for the record and action would take place in December.

MOTION CARRIED UNANIMOUSLY.

c) Solar Project Update:

David Richardson referenced the Solar Project Report, which was distributed to the BOF members prior to the meeting and stated that this will be his last report on the solar project.

The margin for the year was \$45,379. He noted that in July there was a significant drop in the reimbursement rate of \$3,495 or ~40% because it is the highest production rate the town has had in a year. It is at a point where the town has about 2½ cents of margin. Thus, any further drop in the generation rate at Eversource will come right out of the margin. At the level that it's at, next year the town should see about \$25,000 in margin. He further noted that the BGE measurement vs. the Eversource measurement are off by about 2%. It's been two years showing this discrepancy, and he believes this indicates a systematic issue. He suggested that the Selectmen's Office may want to research this.

Mr. Richardson noted the purchase of 100% green energy the Town of Woodstock approved a few years ago. The penalty to not be 100% green is approximately 2½ or 3 cents per kilowatt. The cost to Woodstock for doing this is in excess of \$40,000 per year. He stated that this has been offset over the last couple of years by the margin of the solar project but feels this may not be the case moving forward.

First Selectman Alberts stated that this was addressed, and the BOS pursued a different direction. Karen Fitzpatrick stated that the town currently holds a multi-year contract and is paying less than 9 cents per kilowatt and she believes the town is no longer 100% green. Mr. Richardson suggested the BOS review the contract with Constellation to negotiate a potentially better rate.

Mr. Richardson further stated that the BOS and BOF may want to have the town attorney review the contract with Baltimore Gas and Electric Company (BGE), as he believes the basis of the contract is questionable. Back in July of 2017, BOF members discussed this and Mr. Richardson was asked to review the contract at that time. More recently, he asked for all email communications between town officials and other parties associated with this contract, which total 229 emails. After reviewing a dozen emails, it became clear to him that the BOS, at the time of negotiating the contract, were not experienced in this area. He read an excerpt from one of the emails he found from Alan Walker to Paul Michaud on March 16, 2016, which reinforced his earlier statements mentioned above. He recommended the current attorney for the town review the contract and the emails.

d) Local Bridge Update:

Mike Alberts reported that the Butts Road bridge application has been submitted for consideration for the local bridge program. This brings three bridges in this mix. The local bridge program covers almost half of the cost of the two bridges already submitted, with the Butts Road bridge being the third, should it be approved. Mr. Alberts recently learned that there is no money for the local bridge program at this time. Separate from that, Mr. Alberts has received confirmation from the local state representative that the Butts Road bridge project has been submitted for consideration for reimbursement as well, which totals approximately \$600,000.

7. New Business:

a) Quarterly Reports Ending June 30, 2019:

Chairman Dougherty referenced the quarterly reports ending 6/30/19, a copy of which were distributed to the BOF members prior to the meeting. Mr. Richardson referenced the BOE Report, specifically Woodstock Academy deferring \$100,000 in tuition for the 2019 fiscal year to July of 2019, which effectively moved \$100,000 out of the 2019 budget. He has since learned that the \$100,000 was paid and the decision to pay it was before the year began. Mr. Richardson further asked if the variance between the check register and the expense report was resolved, as he found a discrepancy in the amount of \$204,000. Ms. Fitzpatrick stated she didn't want to speak for the BOE because Janice Thurlow was not present at the meeting. However, she and Ms. Thurlow, along with the auditors, have been reviewing the BOE expenditures. The \$110,000 surplus noted on page 10 of the BOE Report may change, as they found a couple of journal entry discrepancies. She ended by stating that the auditors will be on site in October and will also present the audited financial statements at the BOF meeting scheduled for December.

Mr. Richardson also questioned a transfer to a non-lapsing account last year totaling \$30,336. After further discussion, Chairman Dougherty stated that these questions will be addressed when the auditors present the audited financial statements to the BOF in December.

David Fortin thanked Linda Bernardi for her work on tax collections, which came in higher than anticipated at 98.6% vs. 97.5%. He also acknowledged the work of Ms. Fitzpatrick relative to securing higher interest rates at banking institutions to increase investments, which averaged over \$12,000/month due to this strategy.

After further discussion, Mr. Alberts reported that many general accounts ended the year with a modest surplus. There was no need to access the contingency fund and overtime funds due to the mild winter. This added more than \$100,000 to the bottom line and \$100,000 in health insurance savings due to personnel turnover and breaks in coverage.

Dave Richardson advised those in the room to be cognizant of these excesses when setting the General Fund Balance Policy and mill rate.

Ms. Fitzpatrick stated from the revenue side, the excess revenue is moved and committed to the next fiscal year budget. She felt the surpluses help the taxpayer. The FY 2019-20 budget would have increased by 1 mill if the town didn't see the surplus. She believes that they take a conservative approach, and the surpluses help offset a future budget year.

b) Approve End of Year Transfers:

David Fortin directed a question to Mike Alberts regarding the emergency tree removal line item of \$75,000. Mr. Alberts stated that a number of dead trees have been identified for removal—more than anticipated—which exceeds the normal budget. The BOS is hoping the CNR fund could be given consideration for this purpose. The town does not have equipment in the highway department for tree removal. Discussions with the Town of Pomfret are underway to determine if resources of this nature could be reciprocated since the Town of Pomfret is requesting road grading services from the Town of Woodstock. Trees will be prioritized for removal.

Mr. Alberts also mentioned the \$50,000 earmarked for the Town Hall roof replacement, which was discussed at the September 5th BOS meeting. The \$50,000 serves as a placeholder until the scope of work is determined. He shared some of the areas inside the town hall that are affected by the leaking roof.

Jeff Kelleher asked what the total CNR fund balance is. Ms. Fitzpatrick stated there is an under designated balance of \$149,000.

Roy Bradrick would like to see a quote, rather than a placeholder figure, for the roof replacement to the Town Hall. However, his main concern was with the cost of the tree removal. Although he understands the importance of this project, he questioned why this was not anticipated in the highway department budget when it was presented for approval. He feels it effectively ignores Prop 46.

Mr. Alberts responded by stating that when the BOS first presents to the BOF, they are typically directed to return with a level budget. This requires thoughtful prioritization, and a level budget has been accomplished for the last two years. It was noted that the fund transfers presented cannot be spent without a town referendum.

David Fortin shared that over last two years, he believes Mr. Alberts and the BOS have cut the budget by about \$210,000. This last year, they held the budget flat. He contended that the BOS has been very responsive to the wishes of the BOF. Mr. Richardson agreed that the BOS has done a good job with the budget.

D. Fortin **MOVED** to **APPROVE** End of Year Transfers in the BOS budget in the amount of \$387,277.49 as presented; G. Lessig **SECONDED**; R. Bradrick **OPPOSED**; **THE MOTION CARRIED.**

c) Approve Non-Lapsing Expenditure Request:

This item was for review with no action required at this time.

Ms. Fitzpatrick reported that the BOE originally requested \$50,000 for 2018-19. All projects are complete for a total expense of \$36,896, leaving a balance in the NonRecurring Fund of \$155,023. The BOE's NonRecurring Estimated Expenditures request for 2019-20 is \$115,768. A list of these expenditures was distributed to the BOF members prior to the meeting.

Mr. Bernardi asked where the drainage problems were in the elementary school. Megan Bard Morse stated there was pooling near an entry to an elevator. The gym floor work is anticipated to begin over the Christmas break.

Mr. Kelleher asked if the quotes listed are estimates or final figures. Ms. Bard Morse stated that the air conditioning line items are no longer accurate, and a new quote was received in the amount of approximately \$21,000. She further noted that some of the work within this list was completed over the summer. Items completed were listed on the handout.

According to BOF Policy, the BOF has received this information and a vote will occur at the next meeting. Any updates to figures should be provided prior to the next meeting.

d) Selectmen's Request:

First Selectman Alberts recalled the ZEO and Wetlands Agent vacancy. The town contracted with CME to provide these services on a stop gap basis to meet the needs of the town. The charges were \$100/hour. Recently, he met with Tina Lajoie who had previously worked for the town. She is eligible to work limited hours, and the BOS and Ms. Lajoie came to an arrangement on a contractual basis, which will save the town money. She will be hired as an independent contractor and will not serve as an employee of the Town of Woodstock. Ms. Lajoie will be providing proof of independent liability insurance. The contract and the insurance coverage will be reviewed by the town's legal counsel. Mr. Alberts stated that this year's line will be overspent by no more than \$20,000 as a result of this transition. The goal is to recoup these funds in other areas of the general budget. The BOS is seeking BOF approval to move forward with hiring Tina Lajoie on a contractual basis.

D. Fortin **MOVED** to **APPROVE** the over-expenditure in the Selectmen's overall budget not to exceed \$20,000 for contractual services; J. Kelleher **SECONDED; MOTION CARRIED UNANIMOUSLY.**

8. Public Comments:

Megan Bard Morse stated she was under the impression that the capital budget was to be approved at tonight's meeting at which point the funds would be released for the Woodstock Academy Capital Assessment as approved at the 8/6/19 Referendum. Mr. Dougherty clarified the process by stating that 7(b) of the agenda—Approve End of Year Transfers—required approval prior to releasing the funds. Ms. Fitzpatrick stated that she anticipates releasing the funds by the end of this week.

9. Other from Board:

Mr. Dougherty asked about the status of the BOF video recordings. Mr. Alberts stated that they have been challenged with finding a qualified staff member to download the material and edit the videos. He estimates this process would take 2-4 hours once per month. He is having discussions on

alternative ways in which to record BOF meetings, with the understanding that the meeting minutes serve as the official record. Audio recordings are also available for each meeting.

Mr. Alberts since learned that there is an additional requirement in which the minutes are closed-captioned for the hearing impaired. Dave Richardson mentioned a free service on Google which provides an audio translation feature.

Chairman Dougherty suggested this be researched to determine whether or not the closed captioning is required as long as both sources (minutes and audio) are available to the public. On average, there are about 35 video views per meeting.

10. Correspondence & Announcements:

Chairman Dougherty noted the next meeting of the Board of Finance is scheduled for Tuesday, November 12, 2019, at 7 pm.

11. Adjournment:

G. Lessig **MOVED** to **ADJOURN**; R. Cabana **SECONDED**; **MOTION CARRIED UNANIMOUSLY**.
The meeting adjourned at 8:42 pm.

Respectfully submitted by Cynthia Brown, 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.