

**WOODSTOCK BOARD OF FINANCE
REGULAR MONTHLY MEETING
WOODSTOCK TOWN HALL, MEETING ROOM 1
TUESDAY DECEMBER 11, 2018 AT 7:00 PM**

Meeting 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)
Glenn Lessig (Present)
Michael Bernardi, (Alternate) (Present)
Jeffery Kelleher, (Alternate) (Present)
David Richardson, (Alternate) (Present)

Others Present: First Selectman M. Alberts, K. Fitzpatrick, M. Morse, V. Toth, J. Thurlow, Mr. & Mrs. Durst, M. VanDeventer & L. Messina of MahoneySabol, WINY Reporter, R. Roberts, T. Lasota, and 4 others.

3. Seat Alternate if Necessary: None

4. Approve Minutes from November 13, 2018 Regular Meeting and November 27, 2018 Special Tri-Board Meeting:

F. Chmura **MOTIONED** to **APPROVE** the meeting minutes of 11/13/2018 as corrected;

D. Fortin **SECONDED**;

Board members agreed on the following corrections:

agenda item #2 **F. Chmura** was Present;

agenda item #4 motion to move to discussion was seconded by **G. Lessig**;

agenda item #8.c page 3, paragraph 3, **J. Kelleher** inquired about the project;

agenda item #7 second sentence, **The amount expected is \$5,151,842.00**

MOTION CARRIED UNANIMOUSLY

D. Fortin **MOTIONED** to **APPROVE** the meeting minutes of 11/27/2018; **G. Lessig** **SECONDED**;

MOTION CARRIED 4 members voted to approve Fortin, Dougherty, Chmura, and Lessig. R. Cabana and R. Bradrick **ABSTAINED**.

5. Public Comment:

M. Alberts welcomed Attorney R. Roberts of Halloran & Sage as the new town attorney.

6. Audit Presentation:

Mike VanDeventer of Mohoney Sabol talked about their scope of work, standards, and procedures followed, and presented the 2018 Audit Results prepared for the Town of Woodstock. The summary showed the following Significant Audit Findings:

Qualitative Aspects of Accounting Practices.

No difficulties in performing the audit.

Uncorrected misstatements consisted of an understatement of General Fund accrued payroll (\$7,976).

No disagreements with Management.

Management Representations – No unique representations will be obtained.

Not aware of any management consultations with other independent accountants.

Other matters for discussion: Determine the appropriate process for maintaining and utilizing the remaining fund balance within the Town's and Board of Education's Health Insurance Reserve Funds.

M. VanDeventer reviewed the details of the report summary.

D. Richardson had a question regarding the internal service account on page 22 of the report (Board of Education Employees Benefits) commenting \$1.167 million appears to have been used for operating expenses, asking if the balance of \$595,000 would have been used for stipends for life insurance and HSA; M. VanDeventer said it would have also been used for premiums and administrative charges, but doesn't include some premiums, and explained further.

D. Richardson also had a question regarding \$74,000 deficit from the reserve fund; M. VanDeventer replied the health insurance fund is maintained by the Town and there was no change in balance from prior year. D. Richardson and M. VanDeventer discussed.

D. Fortin commented about the remaining fund balance in Board of Education's Health and reserve fund and asked if those funds can be used to pay hangover costs from the previous self-insured fund, and monies left can be used to pay health insurance costs or returned to the account. M. VanDeventer replied that was how he viewed it.

D. Richardson said he had no issue with using those funds, but the issue is whether those funds can be used in addition to authorized spending; he referred to a 10-2-22 violation noting you can't use more than what is authorized regardless of the source. D. Richardson, D. Fortin, and M. VanDeventer discussed.

J. Thurlow asked if pending claims would have been considered as of the time of the audit in regard to the \$74,000 deficit; M. VanDeventer and J. Thurlow discussed and confirmed those claims or monies may not have been considered at that time, M. VanDeventer said in order to determine an overspend all the subsequent data would need to be reviewed.

7. Old Business

A. Update on State Budget:

M. Alberts and K. Fitzpatrick said no updates have been received, nor has any additional funding been received. F. Chmura asked if the first payment for Education funding was received; K. Fitzpatrick replied that it was received in October and added the next payment should come from ECS in January and other grants in the spring.

B. Fund Balance Policy:

D. Fortin asked K. Fitzpatrick about the 8%-15% unassigned fund balances and the policy which has been in suspension since approximately a year ago in September, questioning if they were still over the 15.22% or if the 14.49% was being used; K. Fitzpatrick said the 15.22% was based on the 2019 projection and referred to page 9 in the financial statement, explaining there is an unassigned fund balance of \$3,587,000.00 which can be used for anything, but \$712,000.00 of the total fund balance of \$4,299,000 is what is committed to this fiscal year so it cannot be touched and she would go by the 14.8% represented in the last paragraph.

D. Fortin asked the Board of Finance members if there was any reason to keep policy in suspension, noting the policies are reviewed in July and December; D. Fortin and K. Fitzpatrick briefly discussed the cap and suspension.

D. Fortin **MOTIONED** to **REMOVE** the suspension on the Unassigned Fund Balance Policy and cap; F. Chmura **SECONDED**; **MOTION CARRIED UNANIMOUSLY.**

C. Update BOF 2019 Meeting Calendar:

M. Dougherty noted the 2019 meeting calendar was agreed on during the last meeting; K. Fitzpatrick said Sept. 10th 2019 is a primary can't hold meeting on that date and suggested the 3rd Tuesday of that month.

G. Lessig **MOTIONED** to move the meeting date from 09/10/2019 to 09/17/2019;
D. Fortin **SECONDED.**

D. Richardson, K. Fitzpatrick, and the Board members discussed the timing of the meeting and financial reports.

MOTION CARRIED UNANIMOUSLY

D. Update on Local Bridge Project:

M. Alberts talked about the policy regarding CME Engineering services which provides for an exception if approved by a majority vote of the Board of Selectmen to use a firm without the need to re-bid for services; M. Alberts added CME has been involved with Woodstock's bridge work for many years and felt it would be prudent for the Board to continue to use CME, but does need to be voted on at a Board of Selectmen meeting to assure compliance and not violating policies. He also noted adding several other bridges to the bridge program, but for expediency would like to go forward with the currently identified bridges (Pete Brook, Hopkin, Butts, and lower County Road).

D. Fortin asked about the current bridge engineering costs estimate and K. Fitzpatrick replied it was approximately \$320,000.00. M. Alberts, K. Fitzpatrick and the board members discussed the total amount of funds needed and cost increases over the several years for the work to be complete.

K. Fitzpatrick said an actual "up to" figure was needed to present to the Board of Selectmen to get approval to move forward and get to a referendum. M. Alberts said the engineering firm is looking for funding sooner than later, and would like to combine this, the open space CNR request, and the Witches Woods ordinance into one town meeting to be efficient. M. Alberts added Butts Bridge Road is estimated at \$778,000.00 but is not in the local bridge program, and it has a 48% reimbursement, so getting the funding and committing to CME allows us to have CME continue their efforts and perhaps include this in the local bridge program, which could help to secure the reimbursement potential for approximately \$350,000.00.

K. Fitzpatrick noted the \$320,000.00 does not have to be paid to CME upfront and a deposit will suffice for the fiscal year. She recommended not using money from the general fund at this time and instead waiting to see what is left at the end of this fiscal year, and start a bridge project phase 2 account to place money into for that purpose.

Board members discussed 2 phases; M. Dougherty suggested to approve a capped amount of \$2.5 million for BOS to go forward, and noted it is a set cap but does not have to be spent.

M. Dougherty **MOTIONED** for the Board of Finance to recommend the Board of Selectmen seek the approval of the Towns people to spend an amount not to exceed \$2.5 million to cover the cost of the local bridge project phase 1; D. Fortin **SECONDED**.
MOTION CARRIED UNANIMOUSLY.

E. BOE Quarterly Report (July-Sept 2018) & FY 17-18 Transfers:

D. Richardson thanked J. Thurlow for providing written answers to the questions they had.

D. Richardson and J. Thurlow discussed the 06/12/2018 meeting and the \$169,000.00 deficit to \$64,000.00 surplus, and said communications need to be better between the BOE and the BOF, and the importance of being able to depend on the information being provided. V. Toth, D. Richardson and J. Thurlow discussed.

R. Bradrick said the response to question number 4 in J. Thurlow's letter raises an issue as it mentions a salary market survey, and as result a salary adjustment was made; he asked if the adjustment was made prior to Mrs. Monroe's retirement. V. Toth said he had decided to make an adjustment to the business manager salary and add it to the budget in the spring, and added the work J. Thurlow is doing was worth that amount.

There were no further comments on the quarterly report and M. Dougherty thanked J. Thurlow.

8. New Business

A. Open Space CNR Request

D. Adiletta (Chair of the Open Space Land Acquisition and Farm Land Preservation Committee) explained the State recently asked if the Committee would pay for 2 appraisals on an upcoming project in lieu of the Town's 25%. This would mean \$175,000 to \$195,000 for the Town's share, but a way to pay for the appraisals needs to be determined. D. Adiletta noted the Board of Selectmen recommended she approach the Board of Finance for guidance and assistance.

D. Adiletta noted a rough estimate of \$800,000 PDR cost, based on past prices DoAg has paid for development rights of local land.

D. Adiletta said the issue comes from the way the ordinance is written and the money can only be used for direct land purchase of land or easements, and not for associated costs.

M. Dougherty said there are time constraints because they have to get this done before we are through with our next fiscal year and need to be sure there are funds available. D. Adiletta added the State wants to be able to wrap this up by December 2019 so they can leverage State funds against Federal funds.

M. Dougherty suggested supporting the idea and bringing it to the Selectmen to add to their agenda for a Town meeting, and then decide where the money will come from. K. Fitzpatrick and the Board members discussed. K. Fitzpatrick suggested using the CNR fund because of some already known deficits such as the transfer station, adding that open space is capitol projects so it would make sense to take the funds from the CNR and save the contingency money for now.

G. Lessig **MOTIONED** to use \$11,000.00 from the CNR account for the 2 appraisals If approved at the town meeting;

R. Cabana **SECONDED; MOTION CARRIED UNANIMOUSLY.**

B. Audit Service Agreement:

M. Dougherty said this is the last year of contract for Mahoney Sabol, and they have provided a proposal to renew contract for another 2 years. K. Fitzpatrick said the proposal was an additional \$500.00 per fiscal year. G. Lessig thought they did a good job and reports were easy to follow. M. Dougherty suggested continuing their services until the bridge project funding is set up and other issues were addressed, then a request for proposals could be sent out; in the meantime their contract should be renewed for another 2 years.

R. Bradrick **MOTIONED to APPROVE** the proposal of Mahoney Sabol to renew their contract for 2 years;
G. Lessig **SECONDED; MOTION CARRIED UNANIMOUSLY**

9. Public Comment:

M. Alberts talked about the hiring of Rich Roberts of Halloran & Sage as the Town attorney, and discussions at the Tri-Board meeting regarding possible opportunities regarding expanding the roll of Woodstock educational facilities; he felt it was prudent to discuss what is and is not permissible under PROP-46 with the new town council, and some of the new expenses the Town will be dealing with. M. Dougherty was in favor and noted a budget presentation due in March; D. Fortin suggested a Tri-Board meeting. Board members discussed. M. Morse Bard said the BOE would be happy to be part of the discussion.

10. Other From Board:

M. Bernardi commented on the clean audit; G. Lessig passed out a spreadsheet regarding the incurring costs between the Pre-K students and Woodstock Academy students to discuss at the next meeting.

11. Correspondence & Announcements:

M. Dougherty reminded the Board members of the next meeting on January 8th 2019, and thanked everyone for a good job and outcome on the audit, and wished everyone a Merry Christmas and Happy New Year.

12. Adjournment:

F. Chmura **MOTIONED to ADJOURN**; D. Fortin **SECONDED; MOTION CARRIED UNANIMOUSLY**
The meeting was **ADJOURNED** at 8:54pm

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. Please note that the audio record is the legal record of the meeting.