

**BOARD OF FINANCE
MEETING MINUTES
MONDAY, DECEMBER 17, 2018
7:30 P.M. – GREENE COMMUNITY CENTER**

Chairman Michael Ayles called the meeting to order at 7:35 p.m.

Present: Board Members: Meghan Scanlon, Veronica Wallace,
Michael Ayles, Jeffrey Beatty, Jonathan
Trotta and Kenneth MacKenzie

Town Officials: First Selectman Matthew Hoey, Finance
Director Maryjane Malavasi, Pension
Committee Chair Robert Hartmann and
Clerk Traci Brinkman

BOE Officials: Accounting Manager Linda Trudeau
and BOE Member Amy Sullivan

1. Public Forum (limited to 3 minutes on agenda items)

None

2. Approve minutes of:

2.1 Regular Meeting Minutes of November 19, 2018

Mr. Ayles noted a correction on Page 6, it should state that the date should be March 5th not March 4th as listed for the Budget Public Hearing.

Mr. Ayles noted a correction to Page 7 under item 8 it should read the average salary from the information provided by Mr. Goldblatt is \$21,546 and the current salary for our Registrars is \$22,067.

Mr. Ayles noted that there is a duplicate motion before the final vote taken by the board that should be eliminated.

Mr. Ayles noted a clarification under Item 9 where he was talking about the Standing building Committee liaison. It should include the following comments: “Mr. Ayles indicated he would provide the Board of Finance’s recommendation to have Standing Building Committee members rotate attendance at future Board of Finance meetings.” He added that he did discuss it with them.

Motion: Upon a motion made by Ms. Wallace and seconded by Mr. Beatty, the board voted to approve the minutes of the November 19, 2018 Meeting

as amended.

Vote: In Favor: Scanlon, Wallace, Ayles, Beatty and Trotta
 Opposed: None
 Abstaining: MacKenzie

3. Correspondence:

3.1 Standing Building Committee Minutes

Mr. Ayles noted that under old business the SBC talked about the liaison role to the Board of Finance. They have had issues with keeping their numbers up and they do need members to fulfill their quorum, but they will be attending finance meetings starting on January 22 and at that meeting Chairman Scott Orenstein will attend.

Ms. Wallace noted in the minutes that there were issues at Melissa Jones getting the boilers to work correctly.

Ms. Trudeau said they were having trouble keeping the Pilot lit. She believes the issue has been resolved since they replaced some faulty parts. She can get more of an update for the board tomorrow.

Mr. Trotta asked about tracking the Energy Performance Contracting.

Mr. Hoey said the project is not complete so evaluating anything at this point does not make sense. Once it is complete they will generate the reports related to energy savings.

3.2 Pension Committee Minutes

There was discussion regarding the new Pension Investment Consultant that was recently chosen.

4. Review and accept report of expenditures for the Board of Education for November 2018.

Ms. Sullivan noted that expenditures for November totaled \$5,151,887.54. They are slightly under where they were last year at this time. She noted that Tuition is trending higher. They had been projecting an overage of \$583,000, but now it is up to \$630,000.

Ms. Trudeau said a student recently moved out of the district so that might help some. Another issue, however, is the state denied an excess cost claim that the BOE submitted. The state is still reviewing it and the BOE is hoping they cover it. She added that the state did pay it for last year. Ms. Trudeau said this totals \$76,000 of reimbursement that they would not be getting if it is denied.

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Mr. Beatty said electricity is a bright spot. He wondered if it is a reflection of the Energy Performance Contracting or a more efficient Guilford High School.

Ms. Trudeau said GHS does seem to be trending lower so it seems efficiencies are making a difference. In addition, they do have a good locked in rate and are just hoping the trend continues.

Mr. MacKenzie said he recently saw that there is going to be a rate hike in electric so it may affect them at some point.

There was discussion about the upper Cox fields potentially being turned over to the town. Ms. Sullivan explained that those fields are not used by the BOE and if they were turned over to the town, the town could manage them in a different way to keep them in better condition. Even though it is not for school use, they are still uphill of a school so they would need more discussion on it.

Mr. Ayles noted in the BOE Operations Committee minutes some discussion about OLM transportation costs possibly falling to the town.

Mr. Hoey stated that there is a contention that other municipalities are billed directly by these schools. He added that if billed directly then the town would have the authority to dictate who provides the service. Dr. Freeman said he would continue to pay for it. Because it is an unanticipated expense, he may come back to the Board of Finance for a special appropriation.

Ms. Sullivan noted that the school is going back to Madison next year.

Ms. Trudeau said the cost for a small bus will be \$70,000.

Ms. Wallace noted all the numerous repairs to HVAC systems in all the schools except GHS. She is aware that at the times of the incidences they were experiencing extreme temperatures.

Ms. Trudeau said they considered bringing an additional person on staff to handle these issues, but one person couldn't handle multiple failures at separate locations at the same time. It is also difficult to find someone with expertise in all the systems. They still believe an outside contractor is the way to handle this.

Mr. Ayles asked if this is going to be a continual issue and how any of this could be affected by the EPC.

Mr. Hoey said he would get them a copy of the projects included in the EPC.

There was a discussion on the ERASE program and how many Guilford residents use it. Ms. Trudeau said she would get that information for the board.

There was discussion on the Sandy Hook Promise "Say Something" anonymous

reporting system that will be going live in January. It is an app that allows anyone to make anonymous comments or concerns about unsafe behavior or bullying, etc. and there will be a professional triage that will review the level of seriousness of the submissions and follow through to the appropriate authority. It is no cost to the district.

Motion: Upon a motion made by Mr. Trotta and seconded by Ms. Wallace, the board voted unanimously to accept the report of expenditures for the Board of Education for November 2018 in the amount of \$5,151,887.54.

*Vote: In Favor: Scanlon, Wallace, Ayles, Beatty, Trotta and MacKenzie
Opposed: None
Abstaining: None*

5. Review and approve report of expenditures for Town Government for November 2018.

Ms. Malavasi said with regard to the electricity discussion previously, there would be no change in the generation, since that is locked in. Eversource is proposing a delivery increase based on kilowatt hours, but ours is based on demand. She has a call into Eversource and they put in a modest increase in the rate a for budget planning, but as she gets more information she will work on that.

Revenues

Malavasi said they have collected 55.2% of tax revenues which is where they were last year at this time. The executive assistant's hours at the fire department were increased from 35 to 40 so the revenues have caught up and they are at 42%. Parks and Recreation is a little lower. The room rental fees are down more this November than last year, but the town has been spending a lot of time in the building since the Town Hall elevator is down so that could account for some of it. Overall, revenues are slightly higher than last year and they are on track with state revenues at this point.

Expenses

Ms. Malavasi said the expenses are slightly higher than last year at this point, but that really is due to timing. She noted the selectmen's expenses include the full cost of the land use audit. Ms. Malavasi said she would be looking for a transfer from fund balance committed for this unbudgeted expense.

There was discussion about some of the fire lines trending higher. It was also noted that they are starting to see savings in the replacement salaries due to the additional eight firefighters.

Ms. Malavasi said she spoke with Mr. Shove and he will have a report on the SAFER Grant and its effect on the budget during the budget workshops.

Mr. Ayles noted that the payment for Kaestle Boos consulting on the synthetic turf was coming from the GHS new construction funding.

Mr. Hoey noted that they were over \$1 million under budget on the project so they are funding the consulting out of the bond.

There was discussion about the DEEP consent order payments.

Mr. Hoey said they had their first session with DEEP on the consent order and it couldn't have gone much better. The scope and size of the remediation projects were significant yet the violations were less significant than DEEP sited, therefore the remediation projects dropped significantly. He added that it was a very positive first step.

There was discussion about the new Parks and Recreation bus. A state grant will reimburse the town \$54,000 for the bus and the town's cost is only \$14,548.

Medical

Ms. Malavasi explained that there have been significant adjustments to the numbers going back to July. Anthem revamped its website and reporting. She added that they can now see how the fees are broken out in the invoices and they also received training on how to find the new information so they are catching up on that. In the past a lot of the fees came through as claims instead of fees. Ms. Malavasi said the bottom line is the expenses are the same; just the way of categorizing them is different.

Motion: Upon a motion made by Ms. Wallace and seconded by Mr. Beatty, the board voted unanimously to approve the report of expenditures for Town Government for November in the amount of \$2,222,515.

*Vote: In Favor: Scanlon, Wallace, Ayles, Beatty, Trotta and MacKenzie
Opposed: None
Abstaining: None*

6. Consider and take possible action on transfer from Reserve for Personnel to the Fire Department salary accounts as a result of settled labor contract.

Ms. Malavasi said at the end of the last fiscal year they settled the Firefighters Contract. They need to transfer \$113,340 from Reserve for Personnel and transfer \$110,000 of it to the Fire Department full-time salaries and \$3,340 into overtime.

Mr. Ayles asked what the remaining amount would be in Reserve for Personnel

after the transfer. Ms. Malavasi said she would get back to him with that information.

Motion: Upon a motion made by Mr. Trotta and seconded by Mr. Beatty, the board voted unanimously to transfer \$113,340 from Reserve for Personnel into the Fire Department full-time salary line and overtime line as outlined by the Finance Director.

*Vote: In Favor: Scanlon, Wallace, Ayles, Beatty, Trotta and MacKenzie
Opposed: None
Abstaining: None*

7. Discuss and take possible action on recommendation from the Board of Selectmen to use the \$150,000 previously set aside by the Board of Finance in Fund Balance Committed to Technology to contract with Connecticut Computer Service for a series of technology upgrades.

Ms. Malavasi stated that at the Board of Selectmen meeting on Monday, the board approved the contract that will provide a comprehensive upgrade of town technology systems. A few of the items included in this had been in the five-year capital plan for additional work at Town Hall South and the IT Systems. By combining this and having one company perform the work, it will save the town money. The total contract is a little over \$160,000. They have some money in reserve and in the current budget for this, the remaining amount would come from the \$150,000 the board transferred from the undesignated fund balance to General Fund-Committed to Technology.

Mr. Hoey said this is taking us from 2003 to 2016 technology. He added that they no longer have support for the exchange server, which is running on a 2007 version. This project will also allow them to create availability and redundancy so if they lose a component, the network will not go down. Of the \$160,000, \$50,000 is for over 300 hours of professional services. Mr. Hoey said this company is on the state contract, they have checked references and will bring the town to a place where it should have been a while ago. There will also eliminate certain items in the operating budget.

Mr. Ayles asked what the plan is to maintain all of this so they don't find themselves in a similar position.

Mr. Hoey said in a perfect world they would have liked to have staggered this, but they have systems that are out of support. He added that they don't need to be on the leading edge, but do need to be functional.

Ms. Malavasi said they will see items in the capital plan going forward to replace things overtime, but not for a few years. She added that they took out over \$85,000 worth of purchases out of the capital plan for the next two years since they are doing this project.

Mr. Trotta said when this first came up he did not think it was appropriate to be spending rainy day funds on this, because it circumvents the process. The worthiness isn't a question, but he feels it should flow through the normal budget process.

Mr. MacKenzie said he voted against this initially for similar reasons Mr. Trotta mentioned.

Motion: Upon a motion made by Ms. Wallace and seconded by Ms. Scanlon, the board voted to transfer up to \$150,000 from Fund Balance Committed to Technology to contract with Connecticut Computer Service for a series of technology upgrades.

*Vote: In Favor: Scanlon, Wallace, Ayles and Beatty
Opposed: Trotta
Abstaining: MacKenzie*

Ms. Malavasi said she checked Reserve for Personnel and there is \$243,000 in it so after the \$113,000 transfer they will have \$130,000 remaining.

8. Committee Reports

There was a brief discussion about building permits.

9. Old Business

Mr. Ayles noted that the Board of Selectmen Capital Plan Workshop took place on November 29th and it was very informative.

Mr. Hoey said on December 12 they had a mediation meeting for the GHS turf. He added that there is a level of confidentiality they need to adhere to so he cannot reveal too much, but they can have an executive session at some point. He said it started at 9 a.m. with all six parties in the room, including the engineering firm, general contractor, turf field installer, pad manufacturer and infill manufacturer. By 8 p.m. there was a deal in place, but the town is not a party to it and is not a signatory on the document.

He added that the town would not be expending anything further than the expenses for Kaestle Boos. Part of the mediation is that the town forgoes the right to legal fees and professional services. Mr. Hoey said at some point he can share more details in executive session. They will deconstruct the turf once the agreement is signed and the field should be up and operating by late spring or the beginning of summer.

There was a brief discussion regarding Simon the dog.

10. New Business

Mr. Ayles said they had their first joint BOE/BOF budget meeting prior to this meeting. The BOE is looking at no major initiatives and there are a number of cost factors that will possibly become issues. They will not get budget books until early January.

11. Public Forum (limited to 2 minutes on any item)

None

Motion: Upon a motion made by Ms. Wallace and seconded by Mr. Beatty, the board voted unanimously to adjourn the meeting at 9:10 p.m.

*Vote: In Favor: Scanlon, Wallace, Ayles, Beatty, Trotta and MacKenzie
Opposed: None
Abstaining: None*

Respectfully submitted,

Traci K. Brinkman
Clerk
Board of Finance