

October 9, 2013

The Board of Finance held a special meeting on this date at the Town Hall meeting room. Members present were Glenn Frishman, Chairman; John O'Brien; Dudley Wheeler; Bryan Bentz ;June Strunk and Sandy Grimes. Also present Maryanna Stevens, Director of Finance and Stonington Public Schools and Board of Education members along with residents of the Town.

Mr. Frishman called the meeting to order at 7:00 p.m.

Previous Minutes -

Mr. Wheeler made a motion to approve the minutes of the September meeting. Mr. O'Brien seconded the motion and voting was unanimous.

Review Town Debt profile

Mrs. Stevens addressed the Board referencing the memorandum and spreadsheet sent September 11, 2013. This outlines the Town's current debt profile that includes authorized but unissued debt. Also included was an analysis of the impact of additional bonding for potential elementary school (s) renovation project. The financial factors are the impact on taxpayers and the Town's bond rating when proposing projects for bonding. Mrs. Stevens reviewed the spreadsheet using current outstanding principal and interest with an assumed principal and interest rate for two Phases of \$25,000,000. The current outstanding debt as of the end of August will be \$62,179,161. Mrs. Stevens referenced the Moody's bond criteria- the TOS is at about 8%, below the guideline. She had provided this information at a K-12 Building Committee as a guideline. Mr. Bentz asked what else the Town might be facing. Mrs. Stevens replied that this was a good question but at this time she is not aware of any issues. Mr. Frishman thanked Mrs. Stevens reiterating the importance of debt impact to the taxpayers. He added that once the bond issue is approved by the voters, that is top priority; you always have to service debt. He is personally concerned about holding the operating budget hostage.

K-12 Building Committee-Request for Additional Appropriation-

Chairman Rob Marsiglia and Paul Sartor were on hand to address the questions of the Board concerning the proposed elementary school building renovation project. Mr. Sartor stated the proposed projects include renovation of West Vine Street School and Deans Mill School. The addition of instructional space at WVSS is to accommodate the third and fourth grade classes at West Broad Street School. Renovation will provide for additional safety, required handicap access, updated utilities and reconfigured space. He added that this is not a result of projected enrollment increases but to address inadequacies at the sites. The Committee provided a breakdown of actual costs and/or estimated costs,

which came in at \$42,150,285. A key point is State reimbursement if a June 30, 2014 timeline is followed. Mr. Bentz asked why the schools are grouped, why not do two projects staggered. Mr. Sartor replied that it was possible to do the project in Phases but they thought it prudent to show the total costs/master plan. That is why the committee needs the architect. Maybe during the process that will be determined as the best way to go. Mr. Bentz asked Mrs. Stevens if there could be two separate bonding resolutions for each school, she replied yes. Mr. Frishman asked BOE Chair about the plans for WBSS. Mrs. MacDonald stated that this would be addressed as part of the master plan for the school renovations. The previous school committee had touched on needs for the elementary schools. Mr. Marsiglia added that the committee has not totally explored a plan with WBSS or even the Old Mystic Administration building. There will be options, not yet fully explored that the committee can present to the Town in the future. Mrs. Strunk asked for a review of the grant application process and the period needed. Mr. Bentz suggested taking action at this time. Mr. Grimes stated that this was a lot to ingest and he would like to meet with Andrew Maynard and prefer to table to the November meeting, he would prefer more time to review the information provided. Mr. Bentz stated that he supported going ahead to get necessary information and timeframe is important, he sees no gain in delay. In a consensus vote of 5 to 1, the K-12 Additional Appropriation request was tabled to the November meeting.

BOE-Discussion of Payment and Revenue Items -

Van Riley, Superintendent came before the Board addressing the special fund "*Reserve for BOE Accrued Paid Leave Account*" established in November 2011 that allowed for the BOE to deposit funds to cover future liabilities for retiring teacher compensation for accumulated sick leave. The BOE does not have a reserve to deal with unexpected expenses and emergencies that happen during the school year. Mr. Riley was requesting a modification of the Memorandum of Understanding to allow the BOE to use funds in the current budget year only, for unexpected expenses. The balance at the end of the year would be transferred to the Town account per the current practice. He added that if funds are used for an unexpected expense, the District could then make that up in the subsequent budget year using the BOF approved method of a rolling 3-year method of replenishment, thus maintaining a level budgeting process. Members discussed the impact of changing the wording, transfers, etc. The MOU is very specific to protect the integrity of the account and some members were not comfortable making changes. Mr. Grimes made a motion to approve the Memorandum of Understanding adjustment. Mr. O'Brien and Mrs. Strunk were also in favor. Mr. Bentz, Mr. Wheeler and Mr. Frishman were opposed. Motion failed.

Special Account for Revenues

Mr. Riley requested BOF support to develop programs and strategies that enhance revenues. Further, he requested that these revenues be placed in a separate account and that these funds not be considered part of the annual budgeting process and that they be used 100% for educational purposes as determined by the Board of Education. Mrs. Strunk asked that the BOF be kept aware of revenues and their uses. Members were in full support of this endeavor. Mr. Riley stated that he would like to draft an MOU and bring to the November meeting.

Director of Planning and Zoning discussion

Mr. Grimes made a motion to table this item to the November meeting. Mrs. Strunk seconded the motion and voting was unanimous.

Police for use of Town owned vehicles

Mr. Grimes made a motion to table this item to the November meeting. Mrs. Strunk seconded the motion. Mr. Bentz questioned why this item was being tabled. He suggested meeting next week with all parties that use the Town vehicles. Mr. Frishman suggested that he and Mr. O'Brien review the Town owned vehicle policy. The motion passed 5 to 1, as Mr. Bentz was opposed.

Economic impact of Non-Profits

Mrs. Strunk reported that the study was completed in May by the Stonington Nonprofit Roundtable. She added that nonprofits are an essential part of the economy and their importance is often overlooked. These organizations help in attracting new residents and businesses. They also work to improve the quality of life in the community. Members thanked Mrs. Strunk.

Director of Finance-Investment options

Mrs. Stevens stated that due to the horrible interest rates, Morgan Stanley has some Certificate of Deposit options available. Mrs. Stevens wanted to inform the members of these investment options since the maturities range from 18 months to 3 years. She was approached by Morgan Stanley and the program is a good one and she recommends this. Mrs. Strunk, as a Morgan Stanley advisor also supported this program. All members were also in support.

Correspondence

Letter from Scott Bates, Stonington Board of Police Commissioners Chairman.

Subcommittee reports – Establishment of Usage fees for Athletic Fields

Mr. Grimes reported that there is a dedication planned for Friday. The fields are in great shape. His only concern now is usage fees to cover maintenance costs. Mr. Frishman appointed Mr. Grimes to be the subcommittee to work with necessary parties to develop guidelines for the establishment of usage fees for funding of maintenance of the athletic fields. Mr. Frishman asked that the First Selectman be notified of this appointment via letter.

There being no further business to come before the Board, Mr. Grimes made a motion to adjourn. Mr. Wheeler seconded the motion and the meeting was unanimously adjourned at 8:30 p.m.

Respectfully submitted,


John O'Brien
Secretary

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