

**Board of Finance
Regular Meeting
Tuesday, September 8, 2015**

1. Call to Order: Chairman Michael Dougherty called the meeting to order at 7:00pm.

2. Roll Call: Michael Dougherty, Frederick Chmura, David Hosmer, Glen Lessig, George McCoy, David Fortin, David Richardson and Mark Shamber were present.

Excused Absence: Ronald Cabana

Others: Deputy Treasurer Karen Fitzpatrick, Acting Superintendent Viktor Toth, First Selectman Allan Walker, Highway Foreman John Navarro, Assessor Richard Kryzak, Wayne Durst, Tina Lajoie, Clerk Christine French and WINY reporter.

3. Seat Alternate if Necessary: David Hosmer, seconded by George McCoy, made a motion to seat Alternate Member David Fortin for tonight's meeting. **Motion passed unanimously.**

4. Approve Minutes from July 14, 2015 Regular Meeting: David Hosmer felt that under agenda item #5 in regards to reimbursing the Conservation Commission the funds used for the forest management study was not clear. After some discussion it was decided to watch the video of the meeting to clarify the matter.

David Fortin would like to amend the last sentence of the first paragraph on page 4 to read " the Board members were also concerned that if the stipend is deemed **not in accordance with laws and regulations**" instead of "Board members were concerned that if the stipend is deemed illegal that fees and penalties could be accruing rapidly".

Motion to accept the minutes as amended passed, with Glen Lessig and Fred Chmura abstaining.

5. Approve Year End Board of Selectman Transfer: David Fortin asked First Selectman Allan Walker about the \$20,000.00 going into a CNR Account for renovations at Quasset School. Mr. Walker explained that the windows, the casings and the shutters at the school need to be replaced, and since the school is a historic building it needs to be done in a historically accurate way. The Quasset School has gotten a quote of \$20,000.00 for this project, but they hope to receive some grant money to help offset the cost.

Glen Lessig asked if this project would qualify for a Steap grant. Mr. Walker thought that perhaps it would qualify, but that there were other grants available for the Committee to apply for.

Mr. Fortin also asked for an explanation about the County Rd Phase I Drainage Project. John Navarro explained that the first 1 ¼ mile of County Road from the Route 171 end was paved. He would like to repair the road from where it was last completed to Phelps Road. A great deal of drainage needs to be done, and this can be done with the Town Highway department staff. He hopes to use Cold In Place Recycling which will be done by an outside firm. He said that the Cold In Place Recycling is more economical, lasts for approximately 25 years, and helps prevent frost heaves.

David Fortin asked about the underground storage tanks that need to be replaced. Allan Walker and John Navarro told the Board that there are two underground storage tanks at the Town Hall. One contains heating oil and the other diesel oil for the generator. These tanks are original to the Town Hall and need to be replaced under new DEEP regulations by 2019. These storage tanks need to have a special insurance rider that costs around \$1400.00 a year. They also need to undergo a tightness test every year that costs approximately \$1000.00 a year.

The new tanks would be above ground and placed behind the Town Hall. The new tanks will be steel, encased in concrete, and has a life expectancy of 30 years. The new tanks will not need to be insured and it will be easier to monitor.

The Board members thought it was a good idea to be proactive on this project.

David Fortin asked about the \$15,000.00 going into an existing CNR account for upgrades of the Town Hall's HVAC System. Mr. Walker and Mr. Navarro explained that like the underground storage tanks the HVAC System is original to the Town Hall, and that it needs to be replaced. David Richardson asked if the Selectmen were going to look into a cheaper system. Mr. Walker said that they would be doing so.

David Richardson inquired about the \$25,000.00 that is going towards the drainage and expansion of the Town Hall parking lot. Mr. Walker explained that there is \$63,727.00 set aside for this project at this time. Mr. Navarro said that the old asphalt would be removed and replaced with 4 inches of hot asphalt. Gravel would be brought in for drainage and the parking lot would be re-graded. There would be no expansion of the parking lot. Fred Chmura and David Fortin wanted to go on the record as wishing to have the word expansion removed from the title of the project which is currently called the expansion and the drainage of the Town Hall parking lot.

At the end of the Fiscal Year 2014-2015 there was \$196,386.42 left over in the budget. The Board of Selectmen has requested \$149,363.33 of this amount to be placed into the above mentioned CNR accounts. This leaves a balance of \$47,023.09 of the contingency fund to be placed back into the general fund.

Some members of the Board of Finance had specific questions in regards to the Board of Finance contingency fund, and it was decided to wait until Treasurer Donna Stefanik returned from her sick leave to get those questions answered.

David Fortin, seconded by Fred Chmura moved to approve the Year End Board of Selectmen transfers as presented with the word "expansion" removed from the Expansion and drainage of the Town Hall parking lot project. **Motion passed unanimously.**

6. Review Board of Education Year End Expenditures and Non-Lapsing Memo: David Richardson asked acting Superintendent Viktor Toth about the Technology equipment. Mr. Toth explained that this was for computer purchases. The State of Connecticut originally offered a matching grant to pay for this project, but that the State has now pulled back on that agreement. This amount will replace that money.

David Richardson pointed out that \$810,000.00 was spent during the last few weeks of the school year, and he asked Mr. Toth about this. Mr. Toth explained that \$310,000.00 went to Diversified Brokerage Group into a health account escrow to cover any medical claims that were received after July 1st. Mark Shamber asked how this number was arrived at. Mr. Toth felt that this number was probably provided for by the insurance company.

Mr. Shamber also pointed out that some of the spending may have been caused by receipts being turned in at the end of the school year.

Mr. Lessig believed spending may be curtailed during the school year in case of an increase in special education students, or in case of an unforeseen expenditure that may occur during the school year. At the end of the year, when that has not happened, the money can be used to for things that the school has put off purchasing. Viktor Toth agrees that this is often the case, however he invited Mr. Richardson to feel free to visit the office with any questions he may have.

David Richardson also pointed out that in last year's audit review it was brought to the attention of the Board of Finance that the language for the non-lapsing account was not in compliance with State Statute 10-222a. He thought it would be a good idea to review this issue with Treasurer Donna Stefanik.

Glen Lessig asked Mr. Toth about the gym floor replacement. Mr. Toth explained that new rubber floor replaces the 1996 floor. It will be ready to be used on September 16th. The floor's life expectancy is 15-16 years. Mr. Lessig suggested that when this floor needs to be replaced that perhaps longer lasting options could be investigated.

Mr. Toth also informed the Board that over the summer that the inside of both buildings have been painted, and that there was enough money left over in the painting budget that more painting could be done over the Christmas and

April breaks. He also said that new security upgrades were also done. He said that Brian Musumeci did a great job coordinating the projects and that this was all done by the staff.

Mr. Fortin was wondering if the air conditioning issues could be added to the priority list and if some of the \$47,023.09 could be used towards an engineer study into this issue.. He feels that by updating this system that it would be of great value to the kids. However, other Board members felt that the Board of Finance could not tell the Board of Education what they should put on their priority list.

David Richardson would like to commend the Board of Education and the Superintendent's Office on the great job that they have done in accomplishing a great many of the projects on the priority list. Viktor Toth also thanked John Navarro and the Highway Department staff for putting down a driveway apron at the Middle School.

7. Review Year End Revenues: Due to the unavoidable absence of the Treasurer, David Fortin, seconded by Glen Lessig motioned to table this item until the next regular meeting. **Motion passed unanimously.**

If any of the Board members had any questions on the Year End Revenues report Deputy Treasurer Karen Fitzpatrick offered to email them to Ms. Stefanik for the Board members.

8. Old Business:

a. Follow up on Attorney Response: Chairman Dougherty received the following communication from Town Attorney Robert DeCrescenzo, Esq:



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(T) 860.548.2625
(F) 860.548.2680
rdcrescenzo@uks.com

September 4, 2015

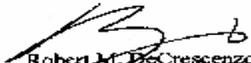
Michael E. Dougherty
Chairman
Board of Finance
415 Route 169
Woodstock, CT 06281

Re: Town Health Insurance Stipend Program
Dear Mr. Dougherty:

You have asked for our advice concerning the legality of the stipend if Town pays to employees who choose to decline insurance coverage. During this year's budgeting process the Board of Finance learned that full-time employees assigned to Town Hall, including four elected officials, are being offered incentives in the form of "stipends" for declining insurance coverage under the health insurance plan offered by the town.

This is an update on our review of the stipend program. I have interviewed the Town's insurance consultant, consulted with our firm's insurance advisors and reviewed the collective bargaining agreement. I have also researched the requirements of the Affordable Care Act as it may apply to these matters. I am in the process of additional research and collecting further facts concerning the program. I expect to complete my review and forward my completed review letter by September 18.

Very truly yours,


Robert M. DeCrescenzo, Esq.
Town Attorney

RMDe/dln

Mr. Dougherty pointed out to the Board members and the audience that the attorney is still researching this matter, and that the attorney expects to have a final opinion by September 18th. Since there is no regular meeting in October Mr. Dougherty would like to hold a special meeting sometime in October if an opinion is received from the attorney. The Board members agreed to this.

David Richardson is concerned that the health insurance stipend is a violation of the ACA, and that there may be liability issues under retirement rules and unfair labor practices.

Mr. Lessig wondered why this issue has not been discussed at Board of Selectmen meetings. Mr. Dougherty said that the Board of Selectmen has been informally informed that the Board of Finance has brought this matter before the Town Attorney for review. Once there is a decision received it will be forwarded to the Board of Selectmen, with a recommendation from the Board of Finance.

Fred Chmura would prefer a concrete and somewhat clear answer from the Town Attorney to give to the Board of Selectmen.

Michael Dougherty expressed his disappointment in promised deadlines for an opinions not being met. David Hosmer suggested that all of the correspondence between the Board of Finance and the Town Attorney be forwarded to the Board of Selectmen so that they are aware that this issue is still being actively pursued, and also so the Board of Selectmen will be aware of how unresponsive the Town Attorney has been to their request.

There was discussion on whether or not the Board of Finance minutes were being distributed to the Board of Education or the Board of Finance. Being unsure if they were, David Fortin, seconded by Glen Lessig made a motion to have the Board of Finance minutes emailed to the Board of Selectmen and to the Board of Education. **Motion passed unanimously.**

Tuition Issue: Acting Superintendent Viktor Toth explained that this program has been done in the past, but at full tuition. It was recently changed to half of the tuition cost, which is \$4500.00. It is seen as an employee benefit. Mr. Toth feels that this is good for staff retention and a pat on the back for the school system. This year only one student is taking advantage of the program.

David Fortin asked if having tuition students affects the MBR. Other Board members explained that it did not. An example was given that if a family moves into the school district in the middle of the school year it did not affect the MBR for that year.

David Richardson asked how the tuition money is accounted for. Viktor Toth explained that it was handled in the same manner as summer school tuition was, but he was not sure how it was dispersed. Mark Shamber suggested that there should be a special line item in the budget for the tuition payments.

David Richardson is also concerned about whether or not that the money in the special revenue accounts is being appropriately used, and not in violation of State Statute 10-222.

David Fortin, seconded by Fred Chmura, made a motion to review all Board of Education Special Revenue accounts including the newly created Tuition Reduction for Children of Non-Resident Staff for compliance with State Statute 10-222. **Motion passed unanimously.**

David Hosmer wondered if this was a taxable employee benefit. He was also concerned that this policy could be considered unfair to other non-resident Town employees who would like to take advantage of this policy, but were not allowed to because they did not work in the school system.

Acting Superintendent Viktor Toth explained to the Board that this is not an uncommon practice. Other school districts offer this program. It was carefully researched by the Board of Education and discussed with the Board of Education's attorney.

It was the consensus of the Board to send a letter to the chairman of the Board of Education and ask for a member of the Board of Education to be present at the November meeting to answer the questions that the Board of Finance has.

9. New Business: None.

10. Citizens Participation: None.

11. Correspondence & Announcements: Chairman Dougherty reminded the members that there was no meeting in October, unless an opinion has been received by the Town Attorney. The next regularly scheduled meeting is on November 10, 2015.

12. Adjournment: David Hosmer, seconded by George McCoy, motioned to adjourn at 9:00pm. **Motion approved unanimously.**

Respectfully submitted,
Christine G. French
Clerk