

# Town of Willington

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## BOARD OF FINANCE

Meeting Minutes  
Via Public Online Video Conference

October 15, 2020  
7:00 PM

*\*Minutes are not official until approved at the next regular meeting*

### Members Present (a quorum of 4 members is required to conduct business):

Mike Makuch – Chairman  
Geoff Prusak – Vice Chairman  
Christina Mailhos  
Matt Clark  
Stef Summers  
Lisa Woolf - Alternate

### Members Absent:

Pete Tanaka – Secretary  
Mike Perry – Alternate

### Also Present:

First Selectwoman Erika Wiecewski  
Business Manager Donna Latinsics  
Superintendent of Schools Phil Stevens  
Members of the Public

Chairman Mike Makuch called the meeting to order at 7:05pm.

## APPROVAL OF MINUTES

Mike Makuch made a motion to table the minutes to the next meeting.

Matt Clark seconded the motion.

Vote: 5 Yes (M. Clark, C. Mailhos, S. Summers, G. Prusak, M. Makuch), 0 No

## SEATING OF ALTERNATES

Mike Makuch made a motion to seat Lisa Woolf for Peter Tanaka.

Stef Summers seconded the motion.

Vote: 5 Yes (S. Summers, G. Prusak, M. Clark, C. Mailhos, M. Makuch), 0 No

## PRESENT TO SPEAK

No-one present to speak.

## **OLD BUSINESS**

### **1) Public Health Crisis Update-potential effect on municipal budgets**

Chairman Makuch asked Selectwoman Wiecenski for an update.

Selectwoman Wiecenski shared that the August unemployment numbers in Willington dropped to 5.9%, or 215 individuals in the work force, which is down from close to 8%. September numbers should be out soon. Some numbers have gone down in food pantry and food distributions, so that is a good sign. Human Services has seen different families, so there is still some issue there. It remains to be seen what will happen in the winter, especially regarding our restaurant community.

Chairman Makuch responded that that is certainly a concern as dining has to move indoors and capacity is limited. Local restaurants such as Willington Pizza and Hilltop seem to have pretty good activity, but not sure what the balance sheets look like. River and Rail is still not operating with full hours.

Selectwoman Wiecenski shared that River and Rail is the restaurant that is struggling the most to open for dinner, as alcohol sales at the other restaurants are an additional draw for people. She encouraged everyone to add River and Rail Café to their rotation if they're going out for breakfast or lunch.

Stef Summers inquired whether the weather will affect Hilltop's crowds, as their patio has been a large draw. Selectwoman Wiecenski shared that she recently heard from a patron that Hilltop might be planning to close for the winter, but that that may hurt him and his workforce. Restaurants are allowed up to 75% capacity indoors, but it depends whether folks are willing to sit inside at that capacity.

Chairman Makuch shared that the real estate industry is still doing very well, as people want to get out of the cities. The biggest challenge realtors are having right now is that there is not enough inventory and the mortgage brokers are having trouble keeping up, as people are refinancing as well due to low mortgage rates under 3%.

Selectwoman Wiecenski gave an update on tax collection. For the 2019 Grand List, \$13,304,435 and have received \$7,464,469 through the end of September, which was the granted extension. That represents a 56% collection rate. For comparison, there was a 59% collection rate in 2018. Those numbers are much better than anticipated initially.

### **2) CIP/Capital funding process: continued discussion**

Selectwoman Wiecenski shared that the Capital Improvement Committee is looking at pushing the first meeting up a month to November, but there is no information on narrowing down a date.

Chairman Makuch summarized that, continuing on with the Capital funding process discussion, a task letter may be able to be issued to the accounting firm without issuing a Request for Proposal

(RFP), because the firm already works for the Town of Willington, which would expedite the process, but will ultimately be up to the board.

Matt Clark shared five proposed points the Board could include when asking the accounting firm for an analysis on Willington's financial situation and structuring our fund balances:

1. Recommendation or analysis for structuring Willington accounts so that we do not report a large reserve fund balance
2. Recommendations for structuring Willington accounting policies so that we reserve against specific assets that require replacement or maintenance instead of maintaining one large Capital Reserve account
3. If Willington cannot structure accounting policies so that we do not have a large reserve fund balance, recommendations for spending down reserve funds to minimum viable level
4. Estimate of minimum viable reserve fund amount
5. Recommendations for increased town government efficiencies

Chairman Makuch commented that point #5 is broad, which makes it difficult to define and may leave the accounting firm wondering how much we want them to look into. He recommended striking or rewording so it targets the capital process and reserves and not overall government efficiencies. Chairman Makuch suggested adjusting the wordings on points #1-4, as they are worded around minimums and consulting firms can take cues about what you're looking for from the wording used. He suggested changing the language to focus on what is prudent, not minimums, and adding the specific concern that a large reserve has disadvantage in other areas such as negotiating contracts.

Stef Summers asked Matt to articulate his reasoning and philosophy. Matt elaborated that there have been comments from the public that in past years, when entering negotiations, the moderator of the negotiations has indicated with such a large reserve fund balance, Willington can afford to meet or exceed any pay demands or wants that are put up. It's hard to say "we can't meet your needs" when we have multiple millions of dollars sitting dormant in the reserve account.

Stef expressed that she feels the current structure of the fund balance makes it clearer than in the past, even to those on the budgeting boards. She continued that being transparent about our government and what we're doing with taxpayer money is important, not just for citizens but departments and boards and anyone trying to understand what we're working with. People shouldn't have to add up separate sums to get a clear picture. There is a little danger in getting funds too frittered out and earmarked so money is in the wrong funds and can't be used for certain things that come up. As for it being a vulnerability in union negotiations, she believes the unions we work with are well aware we're a small frugal town.

Stef expressed that, in her opinion, if there's ever been a time to consider bringing our teacher and staff pay more in line with surrounding towns, it is now. We have lost talented staff and key educators to other towns after training them here. The teachers have been doing huge amounts of work to tailor their work to the three systems they have to use; virtual, in-person, and hybrid

classroom dynamics, which don't fit into the hours they normally work. The red heart signs around town are a nice gesture of appreciation, but in the next negotiation the town should be willing to go beyond that and make a stronger statement to teachers. She continued that she is really glad we gave the registrars a raise in the last budget year, because they're working their tails off and are dealing with so much that was unforeseen.

Chairman Makuch replied that Stef's comments are well taken but drift off topic, as the value of the teacher contract and the teachers is not the topic here, though it's an example of why we need to determine if we're handling taxpayer funds prudently. The topic is up for discussion to have an expert give us feedback. The feedback so far from the accounting firm is that we're in a better financial situation than most towns because we've been careful, but this is more specific. To present them with the example of union negotiations is to give them the reason why we want to look into this.

Chairman Makuch continued that this inquiry can also help define between Capital expenses versus deferred maintenance. It's a little more focused on what we call our accounts and how we distribute or define the fund balance, but he agreed that we also need to be careful we don't earmark funds too much and trap money.

Stef replied that she doesn't disagree with getting expert feedback, but is just questioning the motivation. She shared that on the CIP Committee, she recommended a couple years ago that the town increase the pool incrementally because we've gotten into lease creep which has kept us from being able to take care of other things in town that need to be handled by the Capital plan. That's a strong trajectory to pick up with the fact that the CIP was upended due to the COVID shutdown. When we get back on track with CIP, it's time to resurrect that idea and that money would come by way of the fund balance. Stef ended by saying that there are other offshoot fund ideas besides Capital if we are going to go down this road; school upkeep, MBR, or overall town maintenance.

Chairman Makuch asked for consensus from the board on the language to be submitted so that a letter could be sent and an estimate sought from the accounting firm. The Board discussed the proposed language.

Stef inquired whether accountants are the correct people to go to for expert feedback on this topic.

Chairman Makuch replied that the accounting firm is already on contract with the town and offer a full suite of municipal services. He believes they are the right type of firm to answer this question, as they are already commenting on our Capital balances compared to other towns; they review a lot of other towns so have that broad experience as to what they've seen that works.

Stef inquired if there is another town oversight group that specializes in financial analysis of municipal spending. Donna Latinsics replied that there is no subcommittee that she works with on financial analysis.

Chairman Makuch asked if there is any resource within the Connecticut Council of Municipalities (CCM) that would provide guidance on how Capital is typically done or recommended practices on reserve or Capital. Donna answered that there is not that she knows of, and that the type of questions being asked is what the accounting firm does.

Christina Mailhos recalled that it was the accountants that told us the recommendation to keep the reserve fund at 8-12%. Towns don't want to have too little, because it's not good if you ever need to go out to bond, but too much is over taxation of citizens, so it falls to the Board of Finance to figure out how to get to that recommended figure. She doesn't know if the firm can tell us exactly what we need to do to get there.

Donna agreed that the accountants helped write our fund balance policy, and they did recommend 8-12%. Her notes showed that the fund balance was at 16.9% at budget time. Board members recalled making choices within the current budget to reduce that number closer to 12%.

Selectwoman Wiecenski inquired how the Board anticipates paying the accounting firm for this work, as there is no Board of Finance budget beyond clerical. Without a budget, this expense requires either taking from a line item which isn't in the Board of Finance's purview or dipping into the general fund. She reminded the Board of Finance that Willington is pretty cautious with the budget and how it's spent, and that is something the Board should keep in mind.

Matt clarified that he doesn't anticipate spending a lot of money; maybe 15 hours of review and some recommendations and suggestions.

Chairman Makuch and Matt will collaborate on the proposed wording and bring it back to the November meeting.

### **3) Monitoring the current FY budget**

Chairman Makuch asked if there is anything unique that the Board needs to be aware of as far as town spending is concerned.

Selectwoman Wiecenski replied that there is a budget freeze, so only necessary spending going on. The only thing outside the norm is that Donna is working hard on reimbursements from FEMA and state Coronavirus Relief Funding (CRF). If we get those reimbursements, they will go into the general fund because they were spent in the last fiscal year.

Stef inquired if there is extra spending on the election.

Selectwoman Wiecenski shared that the state allocated funds for town clerks for absentee balloting and additional poll staff and necessary adjustments. We did receive \$2,500 for Registrar of Voters and approximately \$1,800 for Town Clerks, which went into the General Fund and will be transferred to accounts to shore them up. The Secretary of State's office has made comments that they're going to "make us whole" on those expenses, so they may still have some federal funds that they plan to put up. We are looking at one additional unanticipated expense in the possibility of having law enforcement at the polling place this year; it might be

necessary to have a presence with the tone of things happening currently. As we have neither a police force nor a resident State Trooper, it would be off-duty officers working overtime.

Chairman Makuch asked about the impact on the budget of additional staffing in the Town Clerk's office.

Selectwoman Wiecenski replied that, with staffing changes there, and the fact that Robin stepped in at a very busy time, she and hasn't been able to give that much attention. With the extra funding from the state hitting the General Fund instead of the budget, we may find those two departments overspent well before the end of the fiscal year. There is still a budget referendum and anything else that comes up between now and the end of the fiscal year.

Chairman Makuch asked for an update on the conversation from the last meeting on how to hold a Town Meeting.

Selectwoman Wiecenski shared that the Executive Order from the Governor's office clarifying a virtual or hybrid model hasn't come out yet. We did hold one Town Meeting outside, with 22 individuals present. It was made possible by borrowing a light tower from Mansfield which the fire department put up. They learned some things from that meeting, such as to pass a microphone around. It will become difficult as it gets colder to hold outdoor Town Meetings. The appropriation passed 21-1, LoCIP funds have been applied for, and then the project will move forward. The Governor's office has heard repeatedly from municipal leaders that there has to be guidance on holding Town Meetings, and they keep saying it's forthcoming.

#### **4) Board of Finance manual/policies/etc**

Christina Mailhos shared that she found a Handbook of Connecticut Boards of Finance guide written in the 90s, which is on a couple of town websites, and she needs to scan more of the items she has. The manual is old, but still relevant, as it takes the statutes and boils them down to how they're relevant to a board of finance.

The board discussed uploading it to the website and sharing it, as long as that is allowed. Chairman Makuch commented that a document written in the 90s, while a good resource, doesn't constitute policy.

Chairman Makuch summarized that new members on the board should get a handbook with definitions, terms, how things work, what the board does, town policy references, etc. While it's not a top priority, as there is a lot of other work to do, it would be great to work toward.

Christina shared that she also found a draft document titled "Description of Town of Willington Funds for the Willington Board of Finance's Use in Annual Budget Preparation" created by Chopeta Lyons when she was on the board in 2011. She is not sure if it was ever completed or approved, but it has fund numbers, name of the fund, what type of fund it is, their purpose, and some notes. It comes in handy when doing CIP planning and is easy to understand. She suggested the board could look at it, make sure it's updated, and adopt it.

Donna noted that she also has an electronic copy, and that the board never voted to approve it. She noted that the last fund added was the non-lapsing fund, so that may not be in the dictionary.

Christina will work with Donna to find a version electronically and start to gather these items into a central location.

#### **5) Annual report-previous year**

Chairman Makuch shared that Selectwoman Wiecenski was able to get access to the former Chairman's e-mail to extract some lost reports and he will work with her to gather the last few reports.

He will work on the standard letter to go out to all groups for their fiscal report for the year that just ended.

### **NEW BUSINESS**

#### **1) Willington Public Schools:**

##### **a. CES and HMS Ventilation**

Superintendent Stevens summarized that as part of the reopening plan that was put out by the state Department of Education (DOE), towns have to comply with the Department of Public Health (DPH) requirements for well-ventilated buildings, including to have a ventilation inspection and review, as ventilation in schools relates to health of staff and students. Smaller projects to improve ventilation have already been completed, but there are some bigger issues. At Center School, the last two classrooms added had no ventilation or exhaust extended to them. One of the things the professionals recommended was to mount box fans and to have the fan blowing out the window as an exhaust. It's a simple solution while the weather allows, but as the weather gets colder, the classrooms will be cold if the windows have to be left open. The cost to complete that project would be around \$8,000.

Superintendent Stevens continued that Hall School is more complex. The wing that was built in the 1950s (to the left facing the school), where many of the main classrooms are, have no exhaust, ductwork, or fresh air intake, as it was not required in the 50s. Those classrooms currently have windows open with fans in them to improve ventilation. They are currently closing windows at night on cold nights and can't leave them open because the heating units won't work in those areas and pipes will freeze.

After quite a bit of research, the most cost-efficient way to fix this problem is to install individual energy recovery ventilators in each classroom. It will take significant electric work to be done as well. The company will create a hole in the wall of every classroom, above the ceiling tiles if possible, and put a unit into the wall that vents to the room. You'd see the vents on the outside of the building and it won't be pretty, but it's at least 50% cheaper than putting ductwork in all of those classrooms upstairs and downstairs as well as proper ventilation units, and would solve the problem. The ballpark is \$100,000, which is not in CIP, but one of those things that, in order to stay open, schools must have.

The BOE is requesting that the BOF allow up to \$135,000 to complete both of these projects. Since both numbers given are an estimate, he added 20% on top to be safe. This project will have to go out to RFP and Town Meeting.

Matt inquired when that requirement needs to be met. Superintendent Stevens replied that the question is really around how long we can leave the windows open and what the temperature of the classrooms is going to be when we hit winter. Classrooms need to be an appropriate temperature for students and staff.

Matt inquired as to the timeline for installation. Superintendent Stevens replied that the work at Center School can be done quickly, as it's a rooftop unit that's available and the ductwork running to the other classrooms will just be extended. However, they have to have the right company cut the hole in the roof in order to maintain the rooftop warranty. Because they're individual units, once we clear the process, they can do one room at a time. That allows them to move quicker and not disrupt multiple classrooms at once. He doesn't know what the timeline will be, but as fast as we can. If approved by BOF tonight, Superintendent Stevens will send out the RFP tomorrow.

Stef inquired whether there will be any problems with the HMS Foundation about making changes to the outside appearance of the building.

Superintendent Stevens replied that while he isn't sure, the town has maintained that building for a long time. The other option would be rooftop units, which are significantly more expensive. \$20,000-\$30,000 of this work is to upgrade the electrical in the building to support these units. They can try to beautify where the exhaust comes out, but there are no great options.

Matt inquired whether this is a reimbursable expense.

Superintendent Stevens replied that, while it's not a reimbursable item, we have two grants at the state that are COVID related; the Elementary and Secondary School Emergency Relief Fund (ESSER) is \$60,000 and is flexible, and the Coronavirus Relief Fund (CRF) grant. The CRF grant came from a generic survey that went out asking for reopening estimates. Superintendent Stevens' initial estimate came in at \$140,000, but is now \$200,000. He doesn't know that we're going to get all \$200,000, but he has put this project into those grant funds. The grants will cover costs for reopening and staying open without decimating the budget through December. Additional costs relate to PPE and cleaning supplies as well as smaller ventilation-related projects. Don't know yet if this will be covered.

Superintendent Stevens continued that Willington thought we'd be opening in a hybrid model, but because we are small and had such a large number of students choose remote, we opened full. He put in a \$70,000 estimate for extra funding for busses based on early guidance, but that has not turned out to be necessary, and this is a more pressing issue. An email received today allows those funds to be moved into a different area such as health and safety, so he is hoping that this expense will be covered.

Discussion was held regarding the structure and wording of the motion and location of funds.



Lisa inquired how much of the unit goes outside the building and how much will it weather in a year. She understands that there is guidance from the DPH to start a ventilation project and show that child safety and wellness is a priority, but she's certain the state wouldn't create a further hardship and would leave time for planning. She is familiar with facilities herself and believes we can start the project and have some timeliness and thought to it. It should be done right; the town should not have to come back and fix it, so this seems too rushed. We don't even know what the year will look like and how much students will be in school.

Superintendent Stevens showed an example of the unit and what would be visible outside of the building. He explained that the units will be tied into the system, because in a fire we need to be able to shut down air handlers. He explained that many districts are doing this same work right now. He believes this project should move along as fast as possible due to the weather getting colder.

Lisa expressed that, as a BOF member and a taxpayer in town, the vaccine is right around the corner and, with all the grant money in front of us, we might get to June and realize this wasn't the best use of the money. The ventilation in that building has always been bad, so it seems too fast to be rushing into doing a whole project.

Matt inquired whether there is really an option. Superintendent Stevens replied that the guidelines say "while you can, leave your windows open", but what do we do as it gets colder?

Stef inquired, if we did hold off on this, are we undermining the health of the children during COVID, and is there any other workaround on heat? We are getting close to not being able to have windows open all day for a comfortable learning environment for the kids. We can't plan on having windows open all through the winter.

Lisa inquired if the building is airtight, or whether any air balancing test was done. Superintendent Stevens replied that no test was done. Lisa pointed out that if the building isn't airtight, air is getting in. The children matter, but if we do all this and there are gaping holes and it's not done well because the job is rushed, we now have to fix that again. We couldn't even get a consensus on building a new building, so she's fearful of that.

Chairman Makuch summarized that one advantage to the process is that if the BOF takes action tonight, no funds are being spent tonight, it is just starting a process. In the meantime, we will get into the season that will show whether schools can remain open or have to close. If it comes soon, it'll be during the procurement process and the money won't be spent, or, if schools remain open, we'll know we're doing the right thing.

Superintendent Stevens added that it's not about how airtight the building is, but about the number of air exchanges that occur on an hourly basis. If we can't show that, it's about student and staff safety.

Lisa argued that if there is not adequate air exchange now, there hasn't been, and to put it under the guise of COVID just doesn't sit well. She was all for building a better school building for the town, but doesn't believe this project has to be rushed.

Christina mentioned that construction materials are somewhat limited right now and wondered, if other districts are making similar upgrades to their buildings due to the same requirement, if the units will even be available.

Superintendent Stevens replied that, in order to leave schools open and follow guidelines, he has to have fresh air in classrooms and maintain a certain temperature in those classrooms, or the schools will have to close. We can't just crank the heat and leave the windows open. Staff have been questioning ventilation from day 1 and the district has to respond.

Lisa responded that she understands the town has to start a project in order to appear to be complying with guidelines.

Matt inquired whether they've explored using space in the building differently. Superintendent Stevens explained that students are not currently moving between classrooms, teachers are. The rest of the building has proper ventilation, but doesn't have the necessary number of classrooms.

**Mike Makuch made a motion that the BOF recommend an appropriation of up to \$135,000 from the fund balance for Willington Public Schools to install ventilation relative to COVID-19 at both schools with all available grant funds to be used for reimbursement. Motion failed.**

The wording of the motion, location of funds, and timing and logistics of holding a Town Meeting were discussed.

**Mike Makuch made a motion that the Board of Finance recommend that the Board of Selectmen call a Town Meeting to approve an appropriation of \$135,000 from the Non-Lapsing Education Fund for Willington Public Schools to install ventilation relative to COVID-19 at both schools.**

**Stef Summers seconded the motion.**

**Vote: 6 Yes (L. Woolf, C. Mailhos, M. Clark, G. Prusak, S. Summers, M. Makuch), 0 No**

**b. 2% non-lapsing fund**

Superintendent Stevens explained that a statute allows Boards of Education, if they have unused funds at the end of the previous year, to request up to 2% of their allocated budget go into a non-lapsing fund for contingencies such as special education or unanticipated expenses.

Superintendent Stevens suggested to the BOE that they ask for the full 2%, which is approximately \$173,000, and there is already approximately \$30,000 in that account. Those amounts combined could be used to cover non-budgeted COVID-related expenses. Any expense from the non-lapsing fund that totals under \$20,000, the Board of Finance can approve the use of. Any amount over that has to go to Town Meeting.

Mike Makuch made a motion that the Board of Finance transfer \$173,781 to the Non-Lapsing Education Fund from the approved FY19-20 Board of Education budget appropriation, for the purpose of future Board of Education unexpected expenses. Stef Summers seconded the motion.

Vote: 6 Yes (M. Clark, C. Mailhos, S. Summers, G. Prusak, L. Woolf, M. Makuch), 0 No

## **CORRESPONDENCE**

Distributed to members before the meeting.

## **PRESENT TO SPEAK**

No-one present to speak.

## **GOOD & WELFARE**

Chairman Makuch mentioned regular town e-mail instability and wondered if there is anything that can be done to make it more stable.

Superintendent Stevens replied that he and Selectwoman Wiczenski have been talking about this for a while. All of the Willington students were just added into the system, and can only send and receive within the Willington network. Due to COVID and the changes that have been made, they're looking at using some Title IV grant money to allow for the purchase of a server. The current email server is dated and that is part of the issue right now. On Tuesday he talked to NOVUS, who will be getting quotes for a new server. Communication is critical right now, especially for remote learners. Issues related to phones are related to power outages. The plan right now is to get a new server for the email system which would impact all of willingtonct.org.

Chairman Makuch suggested that Uninterrupted Power Supply (UPS) protection would help.

Superintendent Stevens replied that one of the UPS' got cooked in the last storm. They're old, but not a large cost compared to the server cost.

Selectwoman Wiczenski added that they've discussed moving some of that equipment out of the Town Office Building to Hall Memorial School where there would be a generator backup.

Superintendent Stevens noted that NOVUS is looking at the possibility of a cloud server which has more security and no need for someone to be on site, so they are looking at those options.

Chairman Makuch apologized for a mistake on an early draft of the agenda, but noted that the one that went to the public was correct.

Chairman Makuch commented regarding general health; numbers of positive cases are climbing everywhere so heading into flu season, take care of yourselves. Lisa encouraged everyone to wear their mask.

Stef Summers made a motion to adjourn the meeting at 9:01pm.

Geoff Prusak seconded the motion.

Vote: 6 Yes (G. Prusak, L. Woolf, M. Clark, S. Summers, C. Mailhos, M. Makuch), 0 No

Respectfully submitted,

*Marysa Semprebon*

Recording Secretary