

Town of Willington

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BOARD OF FINANCE

Meeting Minutes
Lower Level Conference Room

October 17, 2019
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):

Jim Bulick – Chairman
Mike Makuch – Vice Chairman
Peter Tanaka
Laurie Semprebon
Bill Rankin - Alternate

Members Absent:

Randy Belair
Barry Walleth
Fred Schoen - Alternate

Also Present:

Erika Wiecenski, First Selectwoman
Troy Sposato, Director of Public Works
Phil Stevens, Superintendent
Donna Latincsics, Business Manager
Diane Bulick, Treasurer
Chiara Bambara, Resident
Members of the Public

Chairman Jim Bulick called the meeting to order at 7:02pm.

SEATING OF ALTERNATES

Peter Tanaka made a motion to seat Bill Rankin for Randy Belair.

Laurie Semprebon seconded the motion.

Vote: 4 Yes (J. Bulick, P. Tanaka, L. Semprebon, M. Makuch), 0 No

APPROVAL OF MINUTES

Peter Tanaka moved to accept the regular meeting minutes of September 19, 2019.

Mike Makuch seconded the motion.

Vote: 4 Yes (J. Bulick, P. Tanaka, L. Semprebon, M. Makuch), 0 No, 1 Abstain (B. Rankin)

Mike Makuch moved to accept the regular meeting minutes of August 15, 2019.

Peter Tanaka seconded the motion.

Vote: 4 Yes (J. Bulick, P. Tanaka, M. Makuch, B. Rankin), 0 No, 1 Abstain (L. Semprebon)

Peter Tanaka moved to accept the regular meeting minutes of June 20, 2019.

Bill Rankin seconded the motion.

Vote: 3 Yes (J. Bulick, L. Semprebon, B. Rankin), 0 No, 2 Abstain (M. Makuch, P. Tanaka)

PRESENT TO SPEAK

Chiara Bambara, from Clover Springs Drive and also a member of the Willington Board of Education, identified herself and asked a question about the posted agenda. She said that the agenda mentions the formation of a building committee, but calls it a “feasibility committee”, which was not what was approved by the Boards of Selectmen or Education. Chairman Bulick agreed that he made a typographical error on the agenda and that the wording should be “School Building Committee Membership”.

Laurie Semprebon moved to add to the agenda a Memo regarding EMCOR findings from Selectwoman Wicewski.

Mike Makuch seconded the motion.

Vote: 5 Yes (J. Bulick, M. Makuch, P. Tanaka, L. Semprebon, B. Rankin.), 0 No

NEW BUSINESS

1) Education Non-Lapsing Fund Transfer

Superintendent Phil Stevens summarized that the Board of Education voted to return \$5,559 to the Non-Lapsing Fund this year. He clarified that the new law states that a Board of Education can return up to 2% of unspent funds. Superintendent Stevens reminded the Board of Finance that there was a freeze last year from about December. The Board of Education voted to have that money go into the non-lapsing account. Superintendent Stevens met with the Board of Education finance sub-committee and they will be requesting money from the non-lapsing fund.

Superintendent Stevens explained the following: The costs for special education have gone up not just in Willington, but across the state, and it makes up a huge part of the school budget. One of the things that has come up over the last few years and with Dr. Jacoby is a special education audit. An audit would provide an opportunity for someone from the outside to look at IEPs, caseload size, number of paraprofessionals, and all the student information, and detail whether the town has not enough, adequate, or too much support, and to make recommendations. Public discussion of Program 3, which is the special education budget, can be difficult due to the legalities of what information can be shared. The audit would be able to drive that discussion. When the new special education director was hired, it was agreed upon that an audit would be done eventually.

If the Board of Finance agrees to move \$5,559 to the non-lapsing fund, Superintendent Stevens will be asking the Board of Education at their next meeting to request that amount back in order to fund that audit, as it is not in the budget currently.

Superintendent Stevens detailed that they have asked for and received a couple of quotes for this audit to be done. The first quote from CREC was \$17,000. The second quote was from a retired special education director from the town of Woodstock, who freelances this work with other districts, including District 19 last year. She was interviewed and would be within this dollar amount.

Laurie Semprebon clarified that the audit would possibly make some recommendations for efficiencies, but at the very least it would clarify for the Board of Finance and people in town that these are legitimate expenses and that the school system is within what they legally have to be doing.

Superintendent Stevens agreed and expanded that he believes that everything being done right now is what is legitimate and what is needed, but it would be great to have someone with an outside lens make suggestions on saving money. With the special education budget as large as it is, it is worth it to have an audit done.

Laurie inquired whether Superintendent Stevens has talked to Region 19 about their experience with this person. Superintendent Stevens replied that Region 19 actually reached out to him with nothing but praises for the work this person did. Her work there was a slightly different but equally as important task and was helpful to them.

Chairman Jim Bulick reminded the board that a non-lapsing fund transfer is something that's considered every year. A non-lapsing fund is a container. We appropriate funds for the Board of Education; unspent funds can be returned to the non-lapsing fund and then be used in another fiscal year. The Board of Finance has the option to put all, a portion, or none of the money into that fund. The idea behind the non-lapsing fund is that it's money that's already appropriated to the Board of Education and is a tool to be able to have flexibility to manage the minimum budget requirement (MBR) formula. If it is appropriated back to the non-lapsing fund, you are not penalized for not using it, and it doesn't add to appropriation when you do use it because it was already accounted for earlier. It can be a useful tool to be able to lower the MBR calculation.

Superintendent Stevens clarified that there is \$30,000 in that account right now, which is not a lot, that they were intending to use for special education anyway, and that their policy says that it is to be used for nonrecurring or unanticipated expenditures, e.g. paying for emergency capital or maintenance needs, unanticipated outside student placements, and associated costs. The audit falls under 'associated costs' because someone might be able to identify that the town could find savings in one place or another.

Peter Tanaka inquired what the probability of finding savings is, and whether those savings would be likely to be more than the \$5500 spent on the audit. He acknowledged that this is a complicated system and that any savings found would add up over time after this one-time

expense, but reasoned that the town doesn't want to spend money just to find out they're already using money the right way.

Laurie replied that she assumes the Board of Education feel like they're doing what they're supposed to be doing, but that the audit will help to validate and provide understanding to the public that the special education budget is all necessary expense.

Superintendent Stevens replied that he looks at it from a couple of ways in regards to special education. If you're going to send a student out for an outside evaluation for neuropsychology, that's \$2,500 - \$2,700, so the audit is the cost of two of those, which isn't a lot of money in the grand scheme of things. Additionally, an outside placement with transportation is \$125,000 – \$150,000 for one student. If the audit comes back saying that although the town has a lot of paraprofessionals, they're really efficient in the way that they use them based on the needs in IEPs, then that would be good information for the town to know. If it comes back saying that they could be more efficient in their use of paraprofessionals by using larger groups and shifting schedules while still meeting IEP needs and eliminate the need for one paraprofessional, for example, then that's an entire salary saved.

Mike Makuch inquired how much the special education budget is, to which Superintendent Stevens replied that the cost of special education is around \$2 million, or 25% of the entire education budget. Chairman Bulick stated that he thought an outside opinion would be very helpful.

Laurie Semprebon made a motion to put \$5,559 into the non-lapsing fund from the Board of Education.

Peter Tanaka seconded the motion.

Vote: 5 Yes (J. Bulick, M. Makuch, P. Tanaka, L. Semprebon, B. Rankin.), 0 No

2) School Bonding Costs

Chairman Bulick stated that there has been a lot of discussion surrounding school building plans, and that the idea of bonding costs is starting to come into the conversation, so he asked Donna to make up a schedule for the board to start looking at.

Laurie asked to express her opinion that obviously this is a topic that has to go to the citizens on whether the town will move forward with this; she knows it's important to understand what the costs are, and she's been crunching numbers herself, but that she feels discussing the financing at this time is putting the cart before the horse. First they would have to fund a school building committee, because there are costs involved there, but that part of the committee's job is to estimate the timetable, costs of construction, etc. for the townspeople to decide on. She feels that the Board of Finance will make a decision based on some of that information later, but isn't sure how the conversation can be accurate at this point.

Chairman Bulick replied that first the Board of Education has to determine what they need in a building, but that bonding and costs have already come up as part of the conversation with the numbers that are on the table, so this conversation is just about rough financing.

Superintendent Stevens explained that from the rough estimates provided to the Board of Education for a new PreK-8 school building on an offsite location, they chose two different options; one without an auditorium (\$21 million¹) and one with an auditorium (\$23 million¹). He said that last week, Donna asked the bond company that the town works with to give estimates based on the estimates for those two options, and they came up with the table provided in hard copy to the Board. He stated that his intention is to be very clear in regards to the conversation around the numbers so that it's not left open to speculation with incorrect information, because not everyone has access to the actual numbers that are being provided to the Board of Education.

Superintendent Stevens directed the Board's attention to the tables provided. In order to understand the large-print chart, he explained that the first thing one has to do is take the net to be raised by taxes this year, which is \$13,152,396, and subtract \$500,000, which would be the minimum savings on staffing by moving into one building, which leaves you with the first number in the "2019-2020" lines; \$12,652,396. On the next lines down, the net to be raised by taxes would be \$12,968,706, which shows that the board is estimating a 2.5% increase in taxes each year, which is about the average that taxes have increased in Willington each year over the last 5 years. The same 2.5% increase was added to the third lines in each section of the chart. Those numbers stay consistent whether the building includes an auditorium or not.

The number after the plus sign in each line is the cost of the bond in that year, which comes directly from the small-print chart provided by the bond company. In year 1, under the \$21 million project option, the bond would cost \$1,662,675. The second year, the bond would cost \$1,626,425, and the third year, \$1,590,175, so on and so forth. In order to calculate mill rate by the town's formula, the cost to be raised by taxes and cost of the bond must be added together, divided by the Grand list (assuming that the grand list remains level at \$441,541,020), and divided again by a 99% payment rate. That is the formula used to determine the mill rate included on the large-print chart.

The chart includes a line detailing the current mill rate, which is 30.09, which means for every \$100,000 someone's property is assessed, they are paying \$3,009 in taxes. Without moving forward on this school project, it's estimated that in 2021 the mill rate would go to 30.84, or \$3,084 per \$100,000, and in 2022 to 31.61, or \$3,161 per \$100,000. The calculations included in the table with the addition of the school building project without auditorium show a mill rate of 32.75 in the first year, which is a \$266 increase for each \$100,000 a property is assessed. For the project including auditorium, the mill rate is estimated at 33.06, for an increase of \$297 per \$100,000 of property. The first year of the bond is where taxpayers will notice the biggest jump in mill rate, but beyond that, the additional increase per \$100,000 of property to the second year is just \$63 for the option with auditorium, and \$66 the third year.

Superintendent Stevens recognized that there are assumptions made within those calculations that can't be guaranteed, but that they feel these are good estimates based on what they know today and are estimating the cost of the project to be based on quotes received from professionals. All these numbers are based off of estimates as if construction were beginning today.

¹ These figures are an estimate of the town's portion after the state's reimbursement has been paid.

Mike made the point that these numbers assume that the town would be entering into a commitment fast, because it's quoting current budget years. Assuming the process of building a committee, agreeing on a school design, getting a project in place, etc., takes a while but moves along, the bonding could be 2 or 3 years out. He stated that there can be an escalation every year in construction and design costs. He inquired whether Superintendent Stevens had a timeline for when he thinks we would be looking to take action and his thoughts on what those increases in cost would be.

Superintendent Stevens replied that they were told construction costs can increase as much as 20%, but depends on a number of factors including the style of construction and how much building is going on in the state. Selectwoman Erika Wiecenski added that it also depends how quickly a piece of property can be found, which could be what takes the longest in this whole process. She said that the committee has to prioritize what has to be done, and that she thought it was very generous when Superintendent Stevens had professionals come in to speak at a Board of Education meeting who said towns should expect to spend at least a year finding an adequate piece of land.

Mike added that certain aspects of the design depend on the complexities and features of the piece of land. Selectwoman Wiecenski stated that this was why the original recommendation to build a new building on an existing school property was rejected, because neither property is large enough by state standards, and that the town only has decided use of one of the buildings to use as a school, so there is no option to tear it down and build something new, even if the property were big enough.

Chairman Bulick inquired whether the town has to finance the entire cost of a new building and then get reimbursement from the state. Superintendent Stevens replied that he doesn't believe so, but doesn't know for sure. The analysis by the bonding company shows we could have a worst case +7.8 mil increase if we had to finance everything up front. He said that what they've learned about asking for reimbursement is that once the plan is approved, the dollar amount is approved, and once some piece is done and the bill comes in, you can ask for money. The town wouldn't necessarily be spending that all up front. The figures provided in the charts (\$21 million and \$23 million) are based on Willington's portion, and the state funds the other portion.

Peter inquired what portion the state pays for and whether that number will change. Superintendent Stevens didn't have the figure in front of him, but said it's been steady where it is, around 54% or 64%. Selectwoman Wiecenski added that it hasn't changed, but it's always possible it could change when we get to that point. The most recent "debt diet" plan that was rolled out by the state didn't include school projects.

Bill Rankin clarified that \$45 million is the total actual cost of the project, plus or minus building costs, with the state picking up a portion, and expressed the need to really get under the numbers, because there are still a lot of variables and things that could cause the cost to fluctuate dramatically in two or more years. Superintendent Stevens replied that we really can't get clearer numbers until the process gets further along, and that costs have gone up even since the first time they got quotes from architects in 2017 to when they updated the numbers in July of 2019. He

added that that's the job of the committee and why it's important to form a balanced building committee, to decide what gets into the project for public input, drill down to the important numbers, and stay within what the town is looking for in costs.

Laurie clarified that the town would have to pay 100% of the auditorium cost because it's considered by the state to be an "extra" rather than necessary inclusion once the school building is over a certain square footage, but that the auditorium is on there because many people in town for many years have complained that we don't have any kind of auditorium anywhere in town. She said that the auditorium is an example of something that the building committee and the town will have to decide if it's a big enough priority to include or if they're going to go with just what's needed, etc.

Chairman Bulick added that it's possible you could get some clever designers who could figure out multiple good uses for space. Superintendent Stevens agreed that a huge part of school design is how well you use your square footage, because Hall School is a 60,000 square foot building but has a lot of wasted space.

Superintendent Stevens clarified that the state requirement for new construction for a town with Willington's population is 15 acres plus one acre for every hundred students, and that the student population has held steady for the last five years around 430 - 440. Mike inquired whether there is wiggle room on the acreage formula. Superintendent Stevens replied that he doesn't think so, especially due to the fact that we are in a rural setting, but that the state is very strict. We need a 19 acre property based on the state's formula, and 15 of those acres are just about what is needed for middle school sports fields themselves.

Peter clarified that a realistic timeline means the Board of Finance is not voting on moving this to town meeting in the next 6 months. Superintendent Stevens responded that the absolute fastest this could happen, assuming finding land, holding a town referendum, and completing all documentation with no problems, is to apply to state in June 2020, meaning you find out if you've been approved in February 2021, and the earliest you can put a shovel in the ground is July 2021, and construction would be 2 years minimum from that point on. Mike referenced the earlier topic that that timeline could mean adding 10% - 40% in construction costs, and all those in attendance agreed that there are still a lot of unknowns on this topic.

3) EMCOR Findings Memo

Selectwoman Wicewski referenced a Memo that was provided to the board, regarding the findings by EMCOR Services. She reminded the Board that EMCOR came on board on July 1, to maintain and evaluate all the town's electrical systems and equipment in municipal buildings. They took inventory and are now starting to go through and begin annual or semi-annual maintenance. It was not a surprise that EMCOR is finding things that, in their estimation, need to be replaced. The first is one of the boilers in the town office building. She stated that there have been several issues with it in her 2 years in office, and it often requires someone to come kick start it to have any heat in the lower level. EMCOR said it should be replaced. Selectwoman Wicewski said that she was hoping to bring it to the Capital Improvement Program (CIP) as a request, but as it's currently having issues as the colder weather begins, she believes it should be

taken care of sooner rather than later. The memo includes an estimate from EMCOR for \$13,970 for all work to remove and replace it.

Selectwoman Wiecenski continued that the second replacement EMCOR recommends are the two oil tanks at the Old Town Hall, as they have outlasted their life expectancy. The quote included in the memo for \$4,970 is EMCOR's price to remove and replace with a single larger tank. Selectwoman Wiecenski mentioned that she would begin work on looking for alternate bids for both projects.

Director of Public Works Troy Sposato provided more detail about the town office boiler issue. He said that the bearings or bushings keep failing inside the burner, which is why someone has to come kick start it every time. The price for a new motor is \$2,200, and replacing the entire furnace with a brand new one is around \$14,000. Troy continued that there is rust, rot, and corrosion in the existing boiler, and that the flue was damaged, causing water to come inside the furnace when it rains. He said that the boiler was serviced today, but that the service professional doesn't know how long it will last and that it could fail at any point. He continued that he's been here since March and has had numerous calls to come down and start. It is 21 years old and yes, furnaces can last a long time, but he's not sure how well it's been maintained. The replacement quote includes the cost of fixing the flue damage.

Mike inquired whether the problematic tanks at old town hall are in the basement. Troy confirmed, and said that they are leaking and that there is a small puddle on the floor. The EMCOR employee is nervous that if they do fill the oil tank, it'll blow out. It's (2) 275 gallon tanks hooked in series and if it does end up on the floor, that's a big cleanup. He would replace the two tanks with one 330 gallon tank.

Laurie inquired how old the tanks are, and Troy responded that he isn't sure, as there is no date stamped on them, but that one looks slightly newer, and the other one looks like it's been there for a very long time. Mike recalled a project a long time ago that had something to do with putting bases underneath them and speculated that that might've been when one was replaced or one was added.

Troy added that there is a sump pump in the basement, so if the tanks do leak, it's going into the ground rather than into a contained area, and it'll be a huge environmental cleanup if they fail. He calculates that replacing those tanks is a larger priority than the boiler at the town office.

Laurie inquired what action was being sought. Selectwoman Wiecenski explained that first, they wanted to bring them to the Board of Finance's attention. Second, she said that fixing these items is not in the budget because maintenance was cut from the budget years ago. She said in general, ongoing maintenance items like this would go in as CIP requests, and she would like to put them in as year 1 requests so they get done sooner rather than later. However, she said she isn't sure there is any confidence that they will last with the issues that are happening.

Laurie clarified with Troy that if the tanks at the Old Town Hall are left as they are and they spill, wouldn't that cost more to clean up than the replacement cost of \$5,000? She and Mike expressed an interest in getting this project done soon, and the cost of an environmental cleanup

of that size was discussed. Troy confirmed and said the figure included in the memo is a price from EMCOR and that he is looking into other pricing as well. Peter inquired whether it would help to put small dams around the tanks so oil doesn't go directly into the ground, but it was agreed that the bigger potential issue is the pressure of oil going into the tanks to fill them up could potentially blow the entire bottom out.

Mike inquired where the Board would be looking for funding during the current budget season to come from. Selectwoman Wiecenski replied that they haven't identified a funding source, that there's a small possibility they could find the dollars for the oil tank replacement within the current budget with some savings this year, but most likely not the money for the boiler replacement. No matter where the money came from, action will be needed from the Board of Finance to move money for these projects, as there is no maintenance line item that is large enough, so they would need to return to the Board of Finance to ask for a transfer of dollars. Chairman Bulick reminded the Board that this is a great example of a kind of reason why towns have a general fund.

Selectwoman Wiecenski said that the Board of Selectmen would start moving forward with requests for both projects and would come back to the Board of Finance with a motion for transferring funds. Bill recalled that in June there was a savings within the town health care costs. Selectwoman Wiecenski confirmed and reminded the board that they did use some of those funds for some Accounting Services needs, but it's possible the smaller number could come from those savings.

OLD BUSINESS

1) Accounting software update

Business Manager Donna Latincics summarized; the current software system used by the town, which has been in place since before 1996, is sunsetting on June 30, 2020 and will no longer be functioning or available. Upon the recommendation of the auditor, the town employees looked at two accounting software programs – EfinancePLUS by PowerSchool and Infinite Visions by Tyler Technology. In August they had an opportunity to do a side-by-side comparison of the two products, because they were given a demo from EfinancePLUS and later the same week three employees from the finance office went to Ansonia for a demo of Infinite Visions. All employees liked the Infinite Visions product. Donna continued that she put out a Request for Proposal (RFP) to both companies and invited Infinite Visions to come do a demo in Willington so the other users in the town office building could see it. Everyone liked the modules, it is a good product, and Donna feels it would be a good investment for the town of Willington.

Donna continued that the RFPs were due back on Oct 1, so they opened the bids, and the prices were summarized in a handout she provided to the Board. The price for Infinite Visions is \$180,000 for the first year while EfinancePLUS is \$123,000. The main difference between EfinancePLUS and Infinite Visions is with Infinite Visions, the town would be buying the software licenses forever included in the first year fee, and EfinancePLUS is just a subscription which does not include updates, which would incur additional costs. She acknowledged that the recurring yearly fees for maintenance and support are comparable, with Infinite Visions at

\$24,476/year and EfinancePLUS at \$20,111/year. She detailed that the maintenance fee for the current software that is going away is about \$10,000.

Superintendent Stevens added that towns around us including Stafford, Tolland, and Coventry are using Infinite Visions. Selectwoman Wiecenski continued that EfinancePLUS is geared more toward schools, but that it could work for the town with some additional tweaks. Infinite Visions offers everything that EfinancePLUS offers but is really geared toward municipalities and Boards of Ed, including a cash management piece that EfinancePLUS does not include. She detailed that a new software will undoubtedly increase efficiency in all town offices, as the current software is so limited that employees are doing double work, like using excel spreadsheets, to get information into and out of it.

Bill inquired how much efficiency can be expected and whether that will mean fewer administrative efforts or if those costs will remain flat. Selectwoman Wiecenski detailed that there may be labor savings, although the town office staff is already pretty small. She reiterated from previous Board of Finance meetings that new responsibilities and a plan for a part-time employee have been added to the finance office recently and that it may no longer be necessary to add that employee to that staff once the new software is rolled in, but they won't know for certain until they've been using it for some time. She believes that all the town employees agree that Infinite Visions is worth \$60,000 more than EfinancePLUS to the town because of how smoothly it will work between all departments and save on labor. Superintendent Stevens agreed and added that Infinite Visions is the middle-of-the-road program and that Tyler Technologies offers an even greater product costing over \$250,000 that the town determined it did not need.

Mike referenced the RFP Results handout and inquired where the \$40,000 in the current year's budget for the software upgrade was allocated, and whether the Board of Education would be sharing the cost. Donna replied that that number is in Selectwoman Wiecenski's budget in the Finance line item, and Superintendent Stevens said that this is not an item in the Board of Education budget. Selectwoman Wiecenski reminded the board that when they requested funds for a new finance software during budget season, they had quickly acquired a quote from EfinancePLUS, which turned out to be for only one piece of the Board of Education side of the software, so they originally thought that \$40,000 might cover it. She expressed concern about the reliability of EfinancePLUS if they would give us an incorrect quote when they were approaching the board in the first place, and then later update that quote to be \$80,000 more.

Bill inquired about the town's capabilities to run and support Infinite Visions. Selectwoman Wiecenski replied that it is web-based, so it runs on the cloud, eliminating the need for the town to purchase a new server to replace the existing antiquated one to run a new software, which would have been a \$60,000 expense.

Mike inquired about any additional costs incurred, or whether the number in the quote for Infinite Visions included everything to get the software up and running. Selectwoman Wiecenski confirmed and said that Infinite Visions offers significantly more support in the implementation of their software.

Bill wondered whether there were any concerns with the securities of a cloud-based software from an audit standpoint, and Mike inquired about the legalities or best practice involved in running this for a municipality; whether a shadow copy under our control needs to be running in case something happens to the parent company, and what additional costs that would incur. Superintendent Stevens replied that he recently met with NOVUS, which is the technology firm that the town contracts out with for cyber security, and that they could review this program and the security protocols and can make recommendations for us, but that they also have space where they would be able to back all of the information up. He said that it's possible that could cost extra, if the town chooses to do something like that, but it's not a requirement. Selectwoman Wiecenski added that they haven't specifically talked about these programs with NOVUS because no decision had been made, but due to the fact that they work with many municipalities, they are most likely familiar with these and will already have answers to these questions.

Bill wondered if both vendors who are bidding on the job would come on site and see how the town office staff do what they do in order to highlight expected efficiencies and make recommendations about portions of the software that won't be necessary to purchase. He made a comment that if the town is willing to spend \$5,500 on a self-audit for special education, it would be time well spent to have the bidding companies come in and sit down with the town office staff to see exactly where efficiencies can be made. Selectwoman Wiecenski replied that she thinks most of what our town staff do is pretty standard, and that another difference between Infinite Visions and EfinancePLUS is that a purchase of Infinite Visions is a purchase of the entire non-modular software, where EfinancePLUS is a modular software for which our quote is the base of what the town would need, with potential for needing to spend money on upgrades and extra modules, with which they have not had good experiences regarding PowerSchool itself. She also outlined that many town departments would have viewing access to their budgets within Infinite Visions that will in turn help the finance department to run more efficiently. Treasurer Diane Bulick added that there will undoubtedly be efficiencies because of how many steps everything takes with the current archaic system.

Chairman Bulick mentioned that the auditor said that the state is demanding that towns put state codes on their accounts so they can upload all the town financial statistics and map out what everyone is spending on different line items. Donna confirmed that town staff have been manually entering and coding to match the state Uniform Chart, but the new software will do it for them.

The timeline for a software switch was discussed. The current software goes offline on June 30, 2020 and a switch of this magnitude is estimated to take 6 to 9 months of side-by-side work to move data over and get the new system up and running, so action needs to be taken fairly quickly.

The necessary funds were discussed. Already budgeted was \$40,000, so the difference to make up is \$140,340. Selectwoman Wiecenski acknowledged that typically we wouldn't actually have that amount extra in an operating budget, but she and Superintendent Stevens believe they might have found a possible source this year if some money is moved around. She made sure to mention that of course, that would need to go to a town meeting for residents to approve.

Superintendent Stevens summarized that the town approved redoing the Center School and Hall School roofs. The town would put forward the full \$1 million, and then apply for 64%, or around \$600,000 back, which means the town budgeted for around \$400,000 to be put toward the roofing project. However, the town cannot apply for any part of the 64% reimbursement if the building isn't going to be used as a school for the next 20 years. The Board of Education approved Superintendent Stevens to come to the Board of Finance and ask for up to \$100,000 to patch both Hall and Center School roofs well enough to get through the school building committee exploration. He wondered if the Board of Finance might consider holding off on the permanent roof project and transferring that \$400,000, which was taken from capital reserve originally but is already in the budget, to invest toward other things that the town needs. He suggested that part of it can go toward funds to start the building committee part toward this software investment, and potentially other projects that have been discussed by the Board of Finance, like the Old Town Hall oil tank replacement.

Superintendent Stevens continued that he doesn't have specific numbers on the cost of roof patching, but that what they have found is that roof companies won't guarantee their work for leaks if they are just doing patches, only if they do a full roof redo. The first quote they received for both school roofs was \$150,000, but they are still doing research from the state bid list and developing their options. He reasoned that it doesn't make sense to apply for funding assistance with roofs right now, because we don't know if we will be using those as school buildings for 20 years and would have to pay the full \$600,000 back to the state if a new building was built. Superintendent Stevens expressed that it would take the Board of Education and the Board of Selectmen to come together to make a plan for that \$400,000 without digging into coffers. He said that he hasn't specifically talked to the Board of Education about this, but that the software project is important to the town as well. NOVUS could recommend some

Mike inquired when the Board of Selectmen would like to have a town meeting, and expressed the need for due diligence, as this is a new conversation. Selectwoman Wiecenski replied that if everything lines up, they could call a town meeting on Monday, October 21, and hold it the week after Election Day. Ideally, it would cut costs to hold one town meeting regarding several issues, but there could be more than one town meeting if more time is needed.

Selectwoman Wiecenski expressed that regardless of any other issues on the table, the town knows it needs to make a software purchase, the question is just which software. She said that if it weren't for this money found due to the school roof situation, they would be in front of the board asking them to move money from the general fund for this project, but that the taxpayers have already approved this money be used toward projects in the town budget in this fiscal year. She clarified that the amount budgeted from the town for the school roof project was \$378,000, that patching the school roofs and purchasing new town software both fit within that number, and that those are the two most pressing projects facing the town.

Mike asked if NOVUS recommends certain cybersecurity that comes with a cost, will that be within this budget year as well, or the next budget year. Selectwoman Wiecenski replied potentially, they won't know until they have that conversation with NOVUS and the software doesn't officially implement until July 1, but there are other cyber security measures not related to the software that NOVUS has recommended that will be built into next year's budget anyway.

Mike expressed a desire for the board to be thoughtful about spending money on these projects, as just at tonight's meeting over \$200,000 worth of unbudgeted projects were discussed. Selectwoman Wiecenski agreed and said that some of these projects will go into CIP so their lifecycles are tracked and replacements won't be surprises, but if, for example, the boiler fails soon, it will come back to the board to fund a replacement before the next budget year.

Laurie contributed that the town did budget for the software, just with incomplete information, so it has been and is a priority, and the roof project was budgeted for as well. She thought it was wise to reason that it doesn't make sense to fix the roofs completely and then pay the state back \$600,000 a couple years down the road if there's a temporary short-term fix to buy a little time.

The issue of the need for another snow plow truck in town was raised. Selectwoman Wiecenski explained that the town contracts out 2 snow plow routes, as Public Works doesn't have the ability to cover them with the existing vehicles. For the second time in a row, only 1 person bid on 1 of the routes. Last time, the town was able to convince someone to take the remaining route on, but despite Troy's efforts to contact others, we were unsuccessful at finding someone for this winter. Troy looked into renting a truck, and the cost is about the same as the lease payment would be on the purchase of a truck. Selectwoman Wiecenski detailed that there is an existing public works employee who can drive, there just isn't another vehicle, and we can't borrow from another town like we do with some large equipment, because everyone needs their snow plows at the same time. A large truck rather than a pickup really is needed for snow plowing because of the sand it needs to carry and the fact that it needs to have enough weight to push the snow. Troy shared some information on the cost of a new truck in next year's CIP, which was originally to replace the town's oldest truck, which is being worked on but needs a lot to get up and running.

Selectwoman Wiecenski detailed that one option is to go with the existing number of plow routes in town, less the 1 uncontracted route, and divide its 16 miles up over the other routes, but that would mean extending current routes; more than 3 hours between passes at any one point creates another conversation regarding safety of plow drivers and residents. Mike expressed being very much against extending the routes; Selectwoman Wiecenski and Troy agree. The second option is to fix up the old truck and use it as a road plow, but that is the truck previously used to plow school and other town parking lots, so its use on the roads would slow down snow removal in parking lots. Additionally, if one of the trucks breaks down, the town has no extra trucks and it is a public safety issue as well as an issue with enabling the schools to function. Public Works feels neither option is a good solution.

Selectwoman Wiecenski said that Troy went to the Board of Selectmen to ask to push the CIP truck purchase up to this year. She clarified that he is not asking for the entire cost of a new truck, but that the lease on a new truck would be \$29,000/year. Without additional funds allocated to purchase a new truck, the town will hang on to the old truck and do what they can to get through the winter with the equipment they have currently.

The need to evaluate all CIP projects in light of the unanticipated expense topics at this meeting and other developing town needs was discussed. Chairman Bulick added that one of the reasons why towns have a general reserve is for unanticipated things like those discussed at this meeting

that come up every once in a while. When we hired a company to come in and look at our assets, we suspected there might be items that needed some help. Yes, the Board of Finance should do its best to find this money in the budget, but if they have to dip into the general reserve, that's what it's for. Selectwoman Wiczenski agreed and said that that's the place they'd normally be asking the Board of Finance to take from, but that they thought of this possibility.

The Board discussed that this money should be taken from the general reserve now, and later down the line once the unused roof money topic has been discussed more, that money can be 'reimbursed' to the general reserve, if that's the direction they decide to go. Donna explained that it should go to the Capital Projects Fund for 3 reasons: it is a high enough cost to be considered a capital project, placing it there would avoid swinging the general fund budget for a one-time purchase, and the capital project fund provides the ability to pay it out over 2 fiscal years.

Mike Makuch made a motion to recommend the Board of Selectmen call a town meeting to appropriate \$140,000 from the General Reserve to Capital Projects Fund for the purpose of purchasing Infinite Visions general accounting software and payroll/HR software by Tyler Technologies for the town and schools.

Peter Tanaka seconded the motion.

Vote: 5 Yes (J. Bulick, M. Makuch, P. Tanaka, L. Semprebon, B. Rankin.), 0 No

2) Encumbrance Policy

No new news.

3) Annual Report for the period July 1, 2018 to June 30, 2019

Reports received as of October 17, 2019:

- Animal Control
- Board of Finance
- Board of Selectmen
- Building Official
- Fire Marshal
- Human Services
- Land Use
- Public Works Department
- Registrar of Voters
- Revenue Collector
- Town Clerk

CORRESPONDENCE

1) First Selectwoman Wiczenski Re: School Building Committee Membership

Selectwoman Wiczenski explained that the Board of Selectmen met and voted to establish an 11-member school building committee to explore the building of a new Pre-K through 8 school on a

new site. The motion came as recommendation from the Board of Education after a 6-year study on the issue. She said that to some it may seem like an issue that came up quickly or out of nowhere, but it has been in discussion for years. The committee will include: 1 member of the Board of Education, 1 member of the Board of Education staff, 1 member with construction industry experience (state requirement), First Selectman or his/her designee, the superintendent, 5 members at large from the community, and 1 member from the Board of Finance. She asks that this board send forth a name to be appointed. Discussion ensued regarding individual members' ending or remaining terms on the board.

Laurie Semprebon moved to nominate Mike Makuch to represent the Board of Finance on the school building committee.

Peter Tanaka seconded the motion.

Vote: 5 Yes (J. Bulick, M. Makuch, P. Tanaka, L. Semprebon, B. Rankin.), 0 No

GOOD & WELFARE

Chairman Bulick recognized that November 19th will be his, Laurie's, and Bill's last day on the board, although Chairman Bulick is running again. Laurie expressed that she has enjoyed her time on the Board of Finance and would've considered running again, but the timing doesn't work. Bill explained that he will be moving to economic development commission and will be focusing his energy on starting up a new business in January.

Bill inquired whether the town is taking into consideration possible regionalization talks with Ashford in their consideration of a new school building, because he heard that the economic match for school building funds from the state will go away. Superintendent Stevens and Selectwoman Wiecewski replied that Ashford isn't interested in regionalizing. Surrounding towns have their needs met and might be willing to take and educate our kids, but it wouldn't be true regionalization. The people of Willington wouldn't get a say in how the kids were educated or the associated costs, an option which received very negative feedback from townspeople. Although it is a topic that comes up frequently, the challenges and costs associated with regionalization keep the state from ever actually forcing towns to do it, and the conversation has changed to encouraging regional efficiencies.

Selectwoman wrapped up the meeting by thanking the Board of Finance for having thoughtful discussion on consistent unidentified needs of the town and where they come from, even when it's overwhelming at some points. She continued that none of the projects are "wants", they're all "needs".

Peter Tanaka moved to adjourn the meeting at 9:09pm.

Mike Makuch seconded the motion.

Vote: 5 Yes (J. Bulick, M. Makuch, P. Tanaka, L. Semprebon, B. Rankin.), 0 No

Respectfully submitted,
Marysa Semprebon

Recording Secretary, Board of Finance

Cost Estimate for Taxpayers First 3 Years

Budget Year	Budget (net to be raised) + Bond Payment for 30 Years NEW BUILDING (\$21,720,000)	+	Mill Rate
2019-2020	\$12,652,396 + \$1,662,675 = \$14,315,071	by grand list	32.75
2020-2021	\$12,968,706 + \$1,626,425 = \$14,595,131		33.39
2021-2022	\$13,292,924 + \$1,590,175 = \$14,883,099		34.05
Budget Year	Budget (net to be raised) + Bond Payment for 30 Years NEW BUILDING WITH AUDITORIUM (\$23,490,000)	+	
2019-2020	\$12,652,396 + \$1,799,175 = \$14,451,571	99% payment rate	33.06
2020-2021	\$12,968,706 + \$1,759,925 = \$14,728,631		33.69
2021-2022	\$13,292,924 + \$1,720,675 = \$15,031,599		34.35

Assumptions: 2.5% annual increase to Budget (net to be raised); Grand list remains level (\$441,541,020); \$500,000 savings year one (off net to be raised of \$13,152,396)

Mill Rate w/out any projects and 2.5% increase in net to be raised each year: 2019-2020: 30.09; 2020-2021: 30.84; 2021-2022: 31.61

From Superintendent Phil Stevens

Town of Willington, Connecticut

30-Year Bonds in September 2020

Par Amount Comparison

October 16, 2019

Bonds Details	Scenario One 2020 - Level Principal Amortization Without Auditorium		Scenario Two 2020 - Level Debt Service Amortization Without Auditorium		Scenario Three 2020 - Level Principal Amortization With Auditorium		Scenario Four 2020 - Level Principal Amortization With Auditorium	
	GO Bonds ^{(2) (3) (4)}		GO Bonds ^{(2) (3) (4)}		GO Bonds ^{(2) (3) (4)}		GO Bonds ^{(2) (3) (4)}	
Par Amount	\$	45,165,000	\$	21,720,000	\$	45,355,000	\$	23,490,000
Dated Date		9/16/2020		9/16/2020		9/16/2020		9/16/2020
Final Maturity		9/15/2050		9/15/2050		9/15/2050		9/15/2050
Projected Rate ⁽⁵⁾		2.6013% ⁽¹⁾		2.6012% ⁽¹⁾		2.6011% ⁽¹⁾		2.6011% ⁽¹⁾
Projected Premium		8,652,775		4,159,976		8,689,242		4,498,332
Average Life		15.493		15.481		15.486		15.474
Total Interest	\$	29,162,880	\$	14,014,845	\$	29,274,756	\$	15,151,628
Total Debt Service	\$	74,327,880	\$	35,734,845	\$	74,629,756	\$	38,641,628

Debt Service - As of 6/30/2020

Fiscal Year	Existing Debt	Proposed Total		Proposed Total		Proposed Total		Proposed Total	
		Proposed Debt	New Debt Service						
6/30/2020	\$ 195,000	\$ -	\$ 195,000	\$ -	\$ 195,000	\$ -	\$ 195,000	\$ -	\$ 195,000
6/30/2021	189,000	988,155	1,177,155	475,245	664,245	992,431	1,181,431	514,028	703,028
6/30/2022	183,000	3,459,600	3,642,600	1,662,675	1,845,675	3,473,075	3,656,075	1,799,175	1,982,175
6/30/2023	177,000	3,384,100	3,561,100	1,626,425	1,803,425	3,397,325	3,574,325	1,759,925	1,936,925
6/30/2024	171,000	3,308,600	3,479,600	1,590,175	1,761,175	3,321,575	3,492,575	1,720,675	1,891,675
6/30/2025	165,000	3,228,225	3,393,225	1,553,925	1,718,925	3,245,825	3,410,825	1,681,425	1,846,425
6/30/2026	159,000	3,152,975	3,311,975	1,517,675	1,676,675	3,170,075	3,329,075	1,642,175	1,801,175
6/30/2027	153,000	3,077,725	3,230,725	1,481,425	1,634,425	3,094,325	3,247,325	1,602,925	1,755,925
6/30/2028		3,002,475	3,002,475	1,445,175	1,445,175	3,018,575	3,018,575	1,563,675	1,563,675
6/30/2029		2,927,225	2,927,225	1,408,925	1,408,925	2,942,825	2,942,825	1,524,425	1,524,425
6/30/2030		2,851,975	2,851,975	1,372,675	1,372,675	2,867,075	2,867,075	1,485,175	1,485,175
6/30/2031		2,776,725	2,776,725	1,336,425	1,336,425	2,791,325	2,791,325	1,445,925	1,445,925
6/30/2032		2,701,475	2,701,475	1,300,175	1,300,175	2,715,575	2,715,575	1,406,675	1,406,675
6/30/2033		2,626,225	2,626,225	1,263,925	1,263,925	2,634,950	2,634,950	1,367,425	1,367,425
6/30/2034		2,558,500	2,558,500	1,231,300	1,231,300	2,567,000	2,567,000	1,332,100	1,332,100
6/30/2035		2,498,300	2,498,300	1,202,300	1,202,300	2,506,600	2,506,600	1,300,700	1,300,700
6/30/2036		2,438,100	2,438,100	1,173,300	1,173,300	2,446,200	2,446,200	1,269,300	1,269,300
6/30/2037		2,377,900	2,377,900	1,144,300	1,144,300	2,385,800	2,385,800	1,237,900	1,237,900
6/30/2038		2,317,700	2,317,700	1,115,300	1,115,300	2,325,400	2,325,400	1,206,500	1,206,500
6/30/2039		2,257,500	2,257,500	1,086,300	1,086,300	2,265,000	2,265,000	1,175,100	1,175,100
6/30/2040		2,197,300	2,197,300	1,057,300	1,057,300	2,204,600	2,204,600	1,138,800	1,138,800
6/30/2041		2,137,100	2,137,100	1,028,300	1,028,300	2,144,200	2,144,200	1,107,600	1,107,600
6/30/2042		2,076,900	2,076,900	999,300	999,300	2,083,800	2,083,800	1,076,400	1,076,400
6/30/2043		2,016,700	2,016,700	970,300	970,300	2,023,400	2,023,400	1,045,200	1,045,200
6/30/2044		1,956,500	1,956,500	941,300	941,300	1,963,000	1,963,000	1,014,000	1,014,000
6/30/2045		1,896,300	1,896,300	912,300	912,300	1,902,600	1,902,600	982,800	982,800
6/30/2046		1,836,100	1,836,100	878,400	878,400	1,842,200	1,842,200	951,600	951,600
6/30/2047		1,775,900	1,775,900	849,600	849,600	1,781,800	1,781,800	920,400	920,400
6/30/2048		1,715,700	1,715,700	820,800	820,800	1,721,400	1,721,400	889,200	889,200
6/30/2049		1,655,500	1,655,500	792,000	792,000	1,661,000	1,661,000	858,000	858,000
6/30/2050		1,595,300	1,595,300	763,200	763,200	1,600,600	1,600,600	826,800	826,800
6/30/2051		1,535,100	1,535,100	734,400	734,400	1,540,200	1,540,200	795,600	795,600
	\$ 1,392,000	\$ 74,327,880	\$ 75,719,880	\$ 35,734,845	\$ 37,126,845	\$ 74,629,756	\$ 76,021,756	\$ 38,641,628	\$ 40,033,628

¹ Projected true interest cost

² Estimated cost of issuance of \$65,000-\$70,000 will need to be included in Town's budget in year of issuance

³ Projected rate plus 50 bps

⁴ Assumes first interest payment 3/15/2021, and first principal and interest payment 9/15/2021

⁵ Rates are preliminary and subject to change with market movement

**** Preliminary, Subject to Change. For discussion purposes only. ****

Disclosure: Hilltop Securities Inc. is providing the information contained in this document for discussion purposes as municipal advisor to the Town of Willington. Future interest rates are dependent upon many factors such as, but not limited to, interest rate trends, tax rates, supply, changes in laws, rules and regulations, as well as changes in credit quality and rating agency considerations. The effect of such changes in such assumptions may be material and could affect the projected results. These results should be viewed with these potential changes in mind as well as the understanding that there may be interruptions in the market or no market may exist at all.



Mill Rate Impact Comparison

*Not Cumulative, by individual year

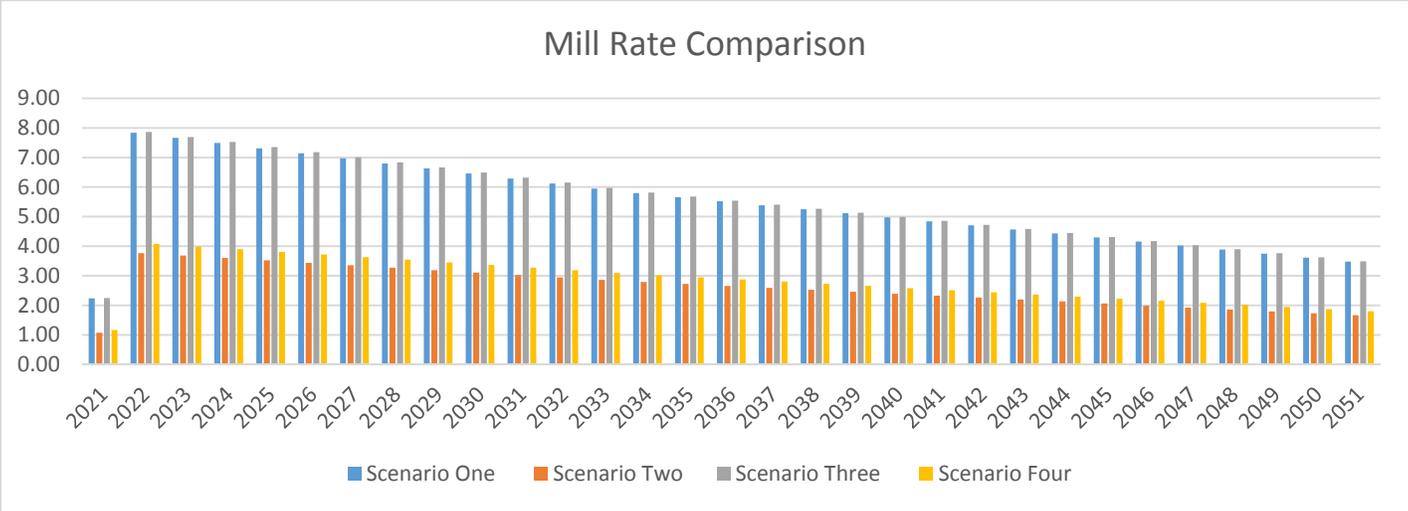
Based on 2018 Net Grand List of \$441,512,168

Fiscal Year	Scenario One	Scenario Two	Scenario Three	Scenario Four
2021	2.24	1.08	2.25	1.16
2022	7.84	3.77	7.87	4.08
2023	7.66	3.68	7.69	3.99
2024	7.49	3.60	7.52	3.90
2025	7.31	3.52	7.35	3.81
2026	7.14	3.44	7.18	3.72
2027	6.97	3.36	7.01	3.63
2028	6.80	3.27	6.84	3.54
2029	6.63	3.19	6.67	3.45
2030	6.46	3.11	6.49	3.36
2031	6.29	3.03	6.32	3.27
2032	6.12	2.94	6.15	3.19
2033	5.95	2.86	5.97	3.10
2034	5.79	2.79	5.81	3.02
2035	5.66	2.72	5.68	2.95
2036	5.52	2.66	5.54	2.87
2037	5.39	2.59	5.40	2.80
2038	5.25	2.53	5.27	2.73
2039	5.11	2.46	5.13	2.66
2040	4.98	2.39	4.99	2.58
2041	4.84	2.33	4.86	2.51
2042	4.70	2.26	4.72	2.44
2043	4.57	2.20	4.58	2.37
2044	4.43	2.13	4.45	2.30
2045	4.30	2.07	4.31	2.23
2046	4.16	1.99	4.17	2.16
2047	4.02	1.92	4.04	2.08
2048	3.89	1.86	3.90	2.01
2049	3.75	1.79	3.76	1.94
2050	3.61	1.73	3.63	1.87
2051	3.48	1.66	3.49	1.80

Mill Rate Impact Comparison

*Not Cumulative, by individual year

Based on 2018 Net Grand List of \$441,512,168



Mill rate impact does not include cost of issuance

**** Preliminary, Subject to Change. For discussion purposes only. ****

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From: Susan Caron (HTS)

susan.caron@hilltopsecurities.com

Subject: Willington, CT - Proposed Debt Information

Date: Oct 16, 2019 at 5:18:49 PM

To: Donna Latincsics dlatincsics@willingtonct.org

Cc: Jim Bulick JBulick@willingtonct.org

Donna,

Attached are the projections based on the schedules you outlined. We have included information regarding mill rate impact also. Let us know if you need anything further or have any questions regarding the information.

Susan -

Susan Caron

Vice President

Hilltop Securities Inc.

129 Samson Rock Drive, Suite A, Madison, CT 06443

Direct: 860.290.3000 | Mobile: 860.372.1887

Susan.Caron@hilltopsecurities.com

PLEASE NOTE NEW ADDRESS

From: Donna Latincsics [mailto:dlatincsics@willingtonct.org]

Sent: Tuesday, October 15, 2019 3:07 PM

To: Susan Caron (HTS) <susan.caron@hilltopsecurities.com>

Cc: Jim Bulick <JBulick@willingtonct.org>

Subject: RE: Willington, CT - Proposed Debt Information

**EXTERNAL
SENDER**

Thank you, Susan.

From: Susan Caron (HTS) [mailto:susan.caron@hilltopsecurities.com]

Sent: Tuesday, October 15, 2019 3:05 PM

To: Donna Latincsics

Cc: Jim Bulick

Subject: RE: Willington, CT - Proposed Debt Information

We will get to work on this –

Susan

Susan Caron
Vice President
Hilltop Securities Inc.
129 Samson Rock Drive, Suite A, Madison, CT 06443
Direct: 860.290.3000 | Mobile: 860.372.1887
Susan.Caron@hilltopsecurities.com

PLEASE NOTE NEW ADDRESS

From: Donna Latincsics [<mailto:dlatincsics@willingtonct.org>]
Sent: Tuesday, October 15, 2019 2:43 PM
To: Susan Caron (HTS) <susan.caron@hilltopsecurities.com>
Cc: Jim Bulick <JBulick@willingtonct.org>
Subject: FW: Willington, CT - Proposed Debt Information

**EXTERNAL
SENDER**

Dear Susan,

The Willington Board of Education put forth their final recommendation of

1. construction of a new school on a new site (without auditorium)

\$45,162,501	total cost
\$21,719,550	net cost with shool construction grant reimbursement

2. construction of a new school on a new site (with auditorium)

\$45,352,301	total cost
\$23,486,091	net cost with school construction grant reimbursement

The Board of Finance would like to see 30-Year Amortization schedules for these 4

situations.

May I please ask you to use the same time frame and structure (level principal) and run updated schedules?

School bonding cost is an agenda item for the Board meeting this Thursday, the 17th, so if you could please run this for us for Thursday, we would appreciate that.

Also, if you could give us an estimate of the issuance costs, that would really be helpful.

Thank you kindly,
Donna
