

Filed subject to approval.

**Town of Redding
Board of Finance Regular Meeting Minutes
Monday, 4/3/2023
7:30PM via Zoom**

Present:

- Dr. Kimberly Yonkers, Chair
- Ward Mazzucco, Vice Chair
- Jamie Barickman
- Robert Dean
- Jenifer Wyss
- Karen Gifford

Also Present:

- Jim Sanders, Finance Director
- First Selectwoman Julia Pemberton
- Peg O'Donnell, Selectwoman
- Michael Thompson, Selectman
- Chris Parkin, Redding Board of Education (BOE) Chair
- Dr. Jason McKinnon, Superintendent of Easton-Redding-Region 9 (ER9)
- Amy Atamian, Water Pollution Control Committee (WPCC) Chair
- Mike D'Agostino, Region 9 BOE Chair
- Members of the Public

Chair Yonkers called the meeting to order at **7:30PM**.

- 1. To Approve the Minutes of the Board of Finance (BOF) Meeting held on Monday, 3/27/2023.**

Motion: Vice Chair Mazzucco made a motion to approve the minutes of the BOF meeting held on Monday, 3/27/2023. Mr. Barickman seconded the motion. The vote was unanimous, and the motion carried.

- 2. Public Comment.**

Chair Yonkers opened the floor to Public Comment. There was no Public Comment.

- 3. Capital Budget Discussion.**
 - a. Board of Selectmen**

First Selectwoman Julia Pemberton and Jim Sanders presented the Board of Selectmen (BOS) capital items.

They are as follows:

- Community Center Parking Lot Paving Project, \$529,239.74
- Sherman Turnpike Paving Part 1, \$258,170.37
- Sherman Turnpike Paving Part 2, \$73,553.24
- Umpawaug Road Paving, \$677,598.32

The grand total for these four items is \$1,538,561.67.

Discussion followed concerning the timing of these various projects and why they are being proposed.

Ms. Wyss asked First Selectwoman Pemberton about the other capital projects totaling \$930,000. First Selectwoman Pemberton stated that those Capital Items are being slated for possible American Rescue Plan Act (ARPA) funding.

Mr. Barickman asked First Selectwoman Pemberton about delaying the paving projects and what would happen if they were postponed. First Selectwoman Pemberton stated that each item has a different time frame and urgency.

Mr. Dean asked First Selectwoman Pemberton about the two sets of Capital Projects and how they will be decided on. First Selectwoman Pemberton stated that the paving projects, totaling \$1,538,561.67, will be subject to BOF approval and then voter approval via the budget referendum.

The other capital projects, totaling \$930,000, will be funded by ARPA. This will be decided at a Special Town Meeting.

Ms. Wyss asked First Selectwoman Pemberton how the proposed paving projects totaling \$1,538,561.67 fit into the Road Repair Alternative Funding strategies that Wes Higgins presented to the BOF. First Selectwoman Pemberton explained several funding strategies for road repair.

- Bonding/Borrowing
- Budget Surplus/Unassigned Fund Balance
- Pay-As-You-Go (funding through operating budget/taxes)

Ms. Gifford asked First Selectwoman Pemberton if the BOS will recommend that the entire \$930,000 of projects that the ARPA Working Group reviewed be funded by ARPA funds. First Selectwoman Pemberton stated that the BOS has not decided on this yet. She stated that she has no intention of bringing the capital items presented to the ARPA Working Group to the BOF for funding.

Ms. Gifford asked First Selectwoman Pemberton about the establishment of a Road Repair Fund and the proposed paving projects. First Selectwoman Pemberton stated that the Community Center paving and Umpawaug Road could be delayed but Sherman Turnpike is urgent. Discussion followed concerning the long-term capital plan and funding mechanisms.

Vice Chair Mazzucco stated that a consensus is building to defer the Community Center Paving and Umpawaug Road Paving and to fund the Sherman Turnpike Paving. He asked what the recommended funding source for Sherman Turnpike Paving would be. Discussion followed concerning current options for funding.

Ms. Gifford asked Mr. Sanders how fungible the Capital accounts are. Mr. Sanders stated that the Town Aid Road (TAR) fund is limited to road maintenance work, tree work, etc. The Capital Projects Town fund, Capital Non-Recurring Expense (CNRE) fund, and the Debt Service Fund are fungible. Discussion followed.

Chair Yonkers asked Mr. Sanders to record the total amount of funds available other than the Unassigned Fund Balance and the estimate of how much the unassigned fund balance is over the targeted amount. She asked the BOF to listen to the BOS and WPCC presentations on Capital Projects before deciding on funding any Capital Projects.

b. Board of Education

Chris Parkin presented the Redding BOE FY 2024 Capital Requests.

They are as follows:

- JRMS Alarm Panel, \$65,000
- Educational Spaces Modernization Project. \$485,000

The total amount for these two items is \$550,000.

The Educational Spaces Modernization Project breaks down further:

- Redding Elementary School (RES) Modernization, \$304,000
- John Read Middle School (JRMS) Modernization, \$176,000

Chair Yonkers asked Chair Parkin how layering the modernization over several years would affect the project. Chair Parkin stated that construction could only happen during the summertime and that it would best function as a single phase.

Vice Chair Mazzucco asked Chair Parkin which building takes priority. Chair Parkin stated that the RES Kindergarten wing has not had any modifications for decades but the other locations (1st and 2nd Grade wing of RES, JRMS Library) also need updates. Discussion followed concerning educational outcomes related to modernization.

Mr. Barickman asked Chair Parkin about safety and security concerns and why the modernization project was not brought to the ARPA Working Group. Chair Parkin stated that the Redding BOE wanted to bring this to the ARPA Working Group but the bid process prevented a timely presentation. Discussion followed concerning the possibility for ARPA funding for this project.

c. WPCC

Amy Atamian presented the WPCC Capital Request for FY 2024 to the BOF.

Here are the details:

Estimated Costs for Layne Membrane Replacement

Layne: Membrane Equipment/Installation

Layne (Quote Dated 4/3/2023)	Qty	Unit	Total
Membrane Cartridges	240	1149	\$ 275,760
Estimated Freight	1	1065	\$ 1,065
Onsite labor for 2-man Layne crew to assist with rack removal, changeout of membranes and reinstallation of racks into basin.	5	3210	\$ 16,050
Travel expenses	1	6500	\$ 6,500
2021 Subtotal with installation labor			\$ 299,375
10% Veolia Markup			\$ 29,938
Total Membrane Escalated Cost with Installation			\$ 329,313

No frame

Additional Costs

Sludge Hauling (6 days x 8 loads/day)	48	880	\$ 42,240
NIC, SCADA Support (per day est)	3	1450	\$ 4,350
10% Veolia Markup			\$ 4,659
Membrane Disposal	1	1000	\$ 1,000
Subtotal, Additional Costs			\$ 52,249

Assume Hi Stone with disposal at Veolia Naugatuck

Total With Non-Layne Additional Costs			\$ 381,562
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Ms. Gifford asked Chair Atamian if there is an implication for operating cost if the plant stopped working due to membrane issues. Chair Atamian stated that there was an incident where approximately \$80,000 of sludge had to be hauled due to membrane failures. Discussion followed concerning costs to the Town due to a plant failure.

Mr. Dean asked Chair Atamian about the prior capital improvement to the WPCC plant. Chair Atamian stated that project was to upgrade the Supervisory Control and Data Acquisition (SCADA) system. This is a separate piece of the plant that works with the membranes but is not the actual membrane component.

Ms. Wyss asked Chair Atamian about the \$150,000 engineering study that had been proposed for FY 2023-2024. Chair Atamian stated that the Western Connecticut Council of Governments (WESTCOG) commissioned a study on sewer usage in Georgetown and Branchville. The WPCC is waiting to see the scope of this project before moving forward with their own study.

Ms. Wyss asked Chair Atamian about this membrane request and why it is being requested earlier than previously scheduled. Chair Atamian stated the condition and anticipated useful life of the membranes currently expedited this request.

Ms. Gifford asked Chair Atamian if this project can be done piecemeal. Chair Atamian stated that Veolia Water recommended doing both membranes at the same time because if not, one of the membranes will be deteriorated faster by the increase flow of water during the replacement process.

Mr. Dean asked about the timetable for this project. Chair Atamian stated that Fall 2023 or Spring 2024 would be the earliest completion dates for the project. Discussion followed

concerning the future sewer usage in Georgetown once the Gilbert & Bennett site is ready for development.

Mr. Sanders stated that the proposed capital project should be broken down into two buckets:

- \$329,313 Membrane Replacement (Capital)
- \$52,249 Additional Costs (Operating Budget/FY 2023-2024 budget).

Discussion followed concerning this breakdown.

Mr. Dean asked Chair Atamian to clarify the scheduled replacement date for the membranes. Chair Atamian stated that the membranes are now 10 years old and should be replaced based on manufacturer's guidelines.

Vice Chair Mazzucco asked the BOF to consider these proposals:

- Sherman Turnpike Paving, \$331,723.61
- Alarm Panel, \$65,000
- JRMS Modernization, \$176,000
- Membrane Replacement, \$329,313

Discussion followed concerning the BOE Capital Projects and what should be funded.

4. Capital Budget Approval.

Motion: Vice Chair Mazzucco made a motion to fund:

- **Sherman Turnpike Re-pavement, \$332,000**
- **JRMS Alarm Panel Replacement, \$65,000**
- **RES Educational Spaces Modernization Project, \$304,000**
- **Georgetown Sewer Plant Membrane Replacement, \$330,000**

Ms. Gifford seconded the motion. The vote was unanimous, and the motion carried.

Motion: Vice Chair Mazzucco made a motion to fund the JRMS Alarm Panel Replacement, \$65,000, out of the Capital Projects Town fund. Ms. Gifford seconded the motion. The vote was unanimous, and the motion carried.

Motion: Vice Chair Mazzucco made a motion to fund the Georgetown Sewer Plant Membrane Replacement, \$330,000, out of the Debt Service Fund. Mr. Dean seconded the motion. The vote was unanimous, and the motion carried.

Motion: Vice Chair Mazzucco made a motion to fund the RES Educational Spaces Modernization Project, \$304,000, out of the Capital Non-Recurring Fund. Ms. Gifford seconded the motion. The vote was unanimous, and the motion carried.

Motion: Vice Chair Mazzucco made a motion to fund the Sherman Turnpike Re-pavement, \$332,000, out of the Unassigned Fund Balance. Ms. Gifford seconded the motion. The vote was unanimous, and the motion carried.

Ms. Gifford asked the BOF about the interest income lost by spending the various capital accounts. Discussion followed concerning how this affects the FY 2023-2024 budget.

Motion: Vice Chair Mazzucco made a motion to increase the WPCC expenditure by \$52,000 to account for the non-capital aspects of the Membrane Replacement. Ms. Wyss seconded the motion. The vote was unanimous, and the motion carried.

5. Next Meeting Date.

Chair Yonkers asked Mr. Sanders about the next BOF meeting date. Mr. Sanders stated that an additional date was scheduled for Monday, 4/10/2023 in case the BOF needed more time to discuss the FY 2023-2024 budget.

Mr. Sanders stated that there is a regularly scheduled BOF meeting on Monday, 4/24/2023. There will be an OPEB Trust Board meeting prior to this meeting on the same day.

Mr. Sanders suggested cancelling the Monday, 4/10/2023 BOF meeting. The BOF agreed.

6. Other Business.

Chair Yonkers announced that she is resigning from the chair position of the BOF.

Motion: Chair Yonkers made a motion to nominate Ward Mazzucco as the new Chair of the BOF. Mr. Barickman seconded the motion. There were five yes votes (Yonkers, Barickman, Dean, Wyss, and Gifford) and one abstention (Mazzucco). The motion carried.

Motion: Chair Yonkers made a motion to nominate Karen Gifford as the new Vice Chair of the BOF. Mr. Barickman seconded the motion. There were five yes votes (Yonkers, Mazzucco, Barickman, Dean, and Wyss) and one abstention (Gifford). The motion carried.

7. Public Comment.

Chair Yonkers opened the floor to Public Comment.

Mike D'Agostino, 18 Glen Hill Road, thanked former Chair Yonkers for her service. He also asked if the BOF can suggest that the BOS consider the JRMS Modernization Project as an ARPA funded project. Discussion followed concerning the process for recommendation to the BOS.

Sarah O'Dell, 214 Black Rock Turnpike, encouraged the BOF to consider funding the JRMS Modernization Project.

Motion: Ms. Gifford made a motion to adjourn. Chair Mazzucco seconded the motion. The vote was unanimous, and the motion carried.

The meeting was adjourned at 9:46PM.

Submitted by,

Zachary Smith