

Beacon Falls Board of Finance
Regular Meeting Minutes
March 10, 2020

Members Present: Tom Pratt, Steven Leeper, Kyle Brennan, James Carroll, Larry Hutvagner, Dalton Fennell

Members Absent: None.

Others Present: Finance Manager Natasha Nau, Selectman Mike Krenesky, First Selectman Gerard Smith (7:05 PM)

1. Call to Order: Tom Pratt called the regular Board of Finance meeting to order at 7:00 PM and led the assembled in the Pledge of Allegiance.
2. Public Comment: No public present.
3. Approval of Minutes from Previous Meetings:
L. Hutvagner made a motion to approve the February regular meeting minutes as presented. S. Leeper seconded the motion. T. Pratt and J. Carroll abstained. All ayes.
4. Correspondence/Payment of Bills:
Correspondence to be addressed under new business; no invoices to pay.
5. Reports
 - a. Ambulance Service: T. Pratt stated the board should have received the Ambulance Service Report. He noted that they will be closing books in a week or so, to determine where they stand for the end of 2019. S. Leeper asked if T. Pratt could simplify the report. T. Pratt noted that he had developed history in the original format, and it can now be simplified. N. Nau asked about amounts over 180 days past due and when does Beacon Hose begin to write off this debt. T. Pratt noted that with the VA and Medicare/Medicaid issues, some of these long outstanding will be collectible.
 - b. Town Treasurer's Report – Report was submitted by email by W. Rodorigo. The report this month shows the various interest percentages on the accounts which were restructured in February.
 - c. Town Clerk Report – Submitted by email and the board had no questions upon review.
 - d. Tax Collector Report – Report has been tabled until the next meeting.
6. Finance Manager Report
 - a. In reviewing items on this report, N. Nau noted our high school interns are wrapping up and Finance will be trying for a college intern this summer. Finance will continue to work with Region 16 in the fall for high school interns.
 - b. Audit was presented last month and needs to be accepted.
 - c. Remote clocking is in the works for certain employees but there are glitches with IT addresses and a security snafu. Remote clocking will allow some employees, such as the Police and Deputy Fire Marshal, to clock from their phones.

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- d. Finance is working with the Fire Chief on assembling the information needed by the State DOT regarding the acquisition of Station 2.
- e. Vehicle disposal: Police Ford Expedition has been sold for \$1050.
- f. The Fire Department and the Town have a memo of understanding on the usage of the new Fire Department van, which was purchased this month.
- g. Budget workshop dates are set up and a few meetings in April are to be scheduled. The budget is a work in progress, and we hope to have the next draft for the March 17th meeting.
- h. Regarding Expenditure Lines to monitor, there is not a lot of significant change. A couple lines came off the list and a couple of new lines were added to this list. Building Maintenance for Town Hall will be overbudget. Nitrogen Credits line under WWTP is a number based on flow and the forecast from the Superintendent is that it will most likely go over budget.
- i. We have developed a more open communication plan with Region 16 and their hope is to minimize spending; they will update the towns in April.
- j. N. Nau is working on an updated draft of 10-year capital plan and she is cross walking the capital requests from departments with a 3- and 5-year plan to be sure that they are in line.
- k. Later in the meeting we will be discussing a \$6M BAN with \$5M for roads and \$1M for WWTP for electrical upgrade and generator. The road projects are for roads, sidewalks, stormwater drainage and sewer lines and N. Nau has been working with bond counsel on the bond resolution language.
- l. First Selectman Smith has been speaking with Aquarion regarding a small credit that the Town is due to receive for Skokorat Road paving.
- m. We are wrapping up loose ends with Nafis & Young and they owe us engineering documentation which was completed on the Burton Road Wall Repair and annual MS4 reporting. The town will obtain this engineering before settling accounts with Nafis.
- n. FEMA Reimbursement on tornado debris: N. Nau noted that we heard from FEMA about our outstanding Category A project, and they reached out and let us know that it has moved to the final phase of review. We also checked in with Supreme Industries. We hope to have a determination memo next month. A reminder that we will need to schedule a town meeting to appropriate funds owed to Supreme.
- o. Grant Writing: N. Nau noted that the 2019 EMPG and AFG grant are in the works and AFG is taking the bulk of her time recently. There are a lot of components to the AFG grant and she has made a compelling argument for funding an SCBA Air Compressor for the Fire Department. There is a tight turnaround for the grant, and we could have a decision by May 1st. K. Matthies Foundation final reports are the next task. Park signs are to be installed and Public Works is working with the Park Ranger on the project. They hope to reveal the results by the end of April. The WCAAA application for minibus riders was submitted last week.
- p. Other Grant information: DOT Build grant was announced again, and we plan to apply for this year. Engineering support will strengthen the application this year. There is also a Stream crossing grant through Housatonic Valley Association and N. Nau is discussing this with Dave Keating and Inland Wetlands.
- q. T. Pratt asked if Planning & Zoning has implemented higher fees for permits. N. Nau and First Selectman Smith noted that the P&Z fees are in the ordinances and many fees require ordinance changes. Police

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speeding ticket fees and pistol permit fee are legislated by State Statute; however, the town should be amending the parking ticket fees. Private Duty fees are set separately each year by the Police Department in response to Private Duty rates charged by the Police Officers.

- r. New ordinances have been proposed and the Town has been looking at the Ordinances for awhile as part of a larger project through General Code and the Town Clerk's Office.
- s. N. Nau had the interns composing a comprehensive fee summary. The Town should be looking at each department and board that charges fees and see which can change through ordinance versus those that can change with board and BOS meeting vote.
- t. The goal is to look at all the fees and complete the Codification projects for Town Clerk with General Code. The General Code project was held up with the attorney and G. Smith will now be moving it forward.

7. First Selectman Report

- a. Budget Transfer – Fire Department is requesting one transfer to Software and IT from Service Award program. They are transferring all the remaining funds in the Service Award line \$2711.18 (10.90.44.1500) to Software & IT (10.90.44.1060). **L. Hutvagner made a motion to approve the transfer as requested. K. Brennan seconded the motions. All ayes.**
- b. First Selectman Smith stated that work sessions are going well, and we will continue to roll through the departments and then begin making changes at the end of that process.
- c. First Selectman Smith noted that the Finance Manager had covered several of these points. He was comfortable with N. Nau's update on Region 16.
- d. Regarding Beacon Valley Road, G. Smith noted that because two engineers were involved, he will continue to work with the engineers on the work they have done. Right now, Milone & MacBroom is doing the first half of the road and DeCarlo & Doll is doing the second half and he is making sure that we are not paying for duplicate work. Milone & MacBroom is the lead engineer. We have \$500,000 in STEAP funds for the road and we are applying for LOTCIP monies for the road. We may get the balance of what is needed for Beacon Valley Road from LOTCIP.
- e. Part of project is the Beacon Valley Road Bridge –The Beacon Valley Bridge project would be split with Naugatuck 50/50. We have a Local Bridge Grant approved for Beacon Valley Bridge which pays \$1M. The Town's portion would be \$500,000 plus half of soft costs and half of engineering. Naugatuck was operating under the assumption that between the Bridge Grant and a LOTCIP grant this would pay for everything, except for engineering. Naugatuck is not on board to pay for ½ of the grant if LOTCIP is not involved. The LOTCIP pre-application is approved for our half of the bridge, however G. Smith noted that the Bridge is not as high a priority for Beacon Falls as other roads. He does not want to use all our LOTCIP funds for the Bridge. It is still under consideration and he is moving full steam ahead on the road, and exploring options on the bridge.
- f. The Local Bridge program was for replacing the bridge, rather than repairing the bridge. Milone and MacBroom is studying solutions for the bridge which may be cost effective and speak to reconstructing versus realigning the bridge.
- g. G. Smith is pursuing all the documentation from Nafis & Young and we will not pay them the balance of what is owed until they give us items such as the MS4 study, flash drives with stormwater

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management and sewer inspections. Jim Galligan came himself to deliver paperwork and we will get this information from them.

- h. Aquarion Water – Fire hydrant issue for ones that are not working and are we still paying for them and will we receive a credit for hydrants that don't work. L. Hutvagner noted that at the October 23rd capital projects meeting this issue was brought up and no one has a list of the hydrants that don't work. We should be able to get this resolved. K. Brennan noted that Aquarion must test the hydrants to determine if they are working. The Fire Chief needs to compose a list of hydrants and advise Aquarion of the hydrants that are not working.
- i. G. Smith noted that regarding Station 2, the DOT was impressed with the building and condition. K. Brennan noted that the plan is to tank the old tank out in one piece and use it as a confined space rescue tank for training.

- 8. Other: Wolfe Ave Project – N. Nau is seeking an update from the environmental vendor on the sample testing and lab work. Eagle Environmental is completing the specifications and a section on a fee schedule and BOS can discuss their plans to demolish the building. Eagle can provide the option to demolish or to burn the structure. We just found out the Town would need to develop demolition specs. S. Leeper noted the proposition of this environmental company was to find hazards in the building and write abatement specifications. When demolishing a building, there are less requirements for lead remediation. If you are burning, there is a need to remove all the lead because lead goes into vapor. N.Nau noted that overhaul debris removal will also be a part of the specification, so we do not have to do a separate procurement process whenever that time arises. G. Smith noted that he is inclined from a budget standpoint to move forward with a burn scenario. K. Brennan added that the Fire Chief would need 30 days to assemble a crew. M. Krenesky noted that the location of the carriage house, with its proximity to the hill, may not be a burn opportunity and may need to be demolished but he is not entirely sure.
- 9. Finance Policy Manual – The manual is an ongoing project which can be tackled at the end of the budget season. J. Carroll and N. Nau continue to lead the effort.

10. Old Business

- a. Vote to accept 2019 Audit Report – **L. Hutvagner made a motion to accept the June 30, 2019 audit report as presented by Mahoney Sabol at the February 2020 regular meeting. K. Brennan seconded the motion. All ayes.**
- b. T. Pratt confirmed the members are aware of upcoming budget Work Sessions which will begin at 6:00 PM.

11. New Business

- a. Bond Resolution-WPCA: The WPCA will be holding a Public Hearing on the BAN resolution and this hearing advertisement will be published shortly. Planning & Zoning will also need to approve their resolution. The BOS met last night to complete their approval of the resolution G. Smith noted – however, due to a paperwork error, they will need to re-do this review and vote at a special meeting to be scheduled shortly.

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- b. Service Award Board: This board for the Fire Department volunteers meets 3-4 times a year and needs a representative from the Board of Finance. Jim Carroll volunteered to be the representative. **S. Leeper made a motion for Jim Carroll to serve on the Service Award Board. L. Hutvagner seconded the motion. All ayes.** T. Pratt noted that any change to the ordinance for the Service Award must be done at a Town Meeting. The committee is working with the Board of Selectman to propose changes and clean up the ordinance language.
- c. **Resolved, that the agenda of this meeting be revised to include consideration and action on a resolution recommending an appropriation and borrowing authorization for costs in connection with various road and related storm water drainage and sanitary sewer improvements. L. Hutvagner made a motion to revise the agenda as noted in 11c. K. Brennan seconded the motion. All ayes.**
- d. **Resolved, that the agenda of this meeting be revised to include consideration and action on a resolution recommending an appropriation and borrowing authorization for costs in connection with upgrades to the Town's Wastewater Treatment Plant. L. Hutvagner made a motion to revise the agenda as noted in 11d. K. Brennan seconded the motion. All ayes.**

The clerk read the following resolutions aloud:

RESOLUTIONS OF BOARD OF FINANCE

Item 11c (2020 Road and Related Storm Water Drainage and Sanitary Sewer Improvements Program).

RESOLVED, That the Board of Finance recommends that the Town of Beacon Falls appropriate \$5,000,000 for costs in connection with various road and related storm water drainage and sanitary sewer improvements, contemplated to include improvements to such roads listed in the pavement management study dated March 27, 2019 and prepared for the Town by Street Scan, as the same may be updated from time-to-time, as are determined by the Board of Selectmen following receipt of recommendations from the project engineers, including, but not limited to, reconstruction, reclaiming and repaving of roadway systems, replacement of catch basin tops, installation of new catch basins, curbing, sidewalks, guide rails and driveway aprons, inspection and cleaning, repair or replacement of storm water drainage pipes and sanitary sewer lines, and landscaping and restoration; and related easement acquisitions, work, improvements, equipment and appurtenances; and that the Town issue bonds or notes and temporary notes in an amount not to exceed \$5,000,000 to finance the appropriation. The appropriation may be spent for design, acquisition, installation and construction, appurtenances, equipment, materials, engineering and inspection fees and costs, landscaping restoration, legal fees, net temporary interest and other financing costs, and other costs related to the project.

Item 11d (2020 Wastewater Treatment Plant Upgrades Project).

RESOLVED, That the Board of Finance recommends that the Town of Beacon Falls appropriate \$1,000,000 for costs in connection with upgrades to the Town's Wastewater Treatment Plant, and related work, improvements, equipment and appurtenances, as to be determined by the Water Pollution Control Authority following receipt of recommendations from the project engineers, contemplated to include, but not be limited to, electrical upgrades and acquisition and installation of a new generator; and that the Town issue bonds or notes and temporary notes in an amount not to exceed \$1,000,000 to finance the appropriation. The appropriation

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may be spent for design, installation and construction costs, appurtenances, equipment, materials, inspection costs, engineering fees, legal fees, net temporary interest and other financing costs, and other expenses related to the project.

DISCUSSION:

- First Selectman G. Smith is looking to move forward with \$6M BAN at this time. At a recent meeting with the Financial Advisor, Barry Bernabe of Phoenix Advisors, he had a discussion of whether to BAN out of the box where we get the funds within 30 days, or to Bond the funds. He determined in December 2020, 9 months from now, the BAN will roll into a Bond, and this allows time for one of the older Bonds to mature to the point where it can be refinanced. Refinancing both notes in December has the potential to save substantial amounts in interest.
- BAN issuance costs are approximately \$15,000, and when we roll the BAN to issue a Bond it will cost the Town approximately \$60,000. Also, waiting until December 2020 to bond will allow the Town time to apply for LOTCIP and other grants to pinpoint the amounts needed for roads.
- First Selectman Smith noted that he has stopped the WWTP renovations in favor of the regional WWTP study, but he does not want to ignore the plant, so he is proposing \$1M to upgrade the power, electricity and generator at the plant. Dave Prickett Consulting has provided a \$960,000 budget for these upgrades and they would be engineering and general contractor on this project.
- G. Smith and N. Nau noted that the language in the resolutions is intentionally broad to allow for flexibility as the projects develop. Roads are not specified, and the scope of the work is wide, which allows that Town to use funds on several projects as they are prioritized.
- Regarding roads, G. Smith plans to use LOTCIP Grant money for as much as possible. He has been identifying roads which are LOTCIP eligible because they are arterial roads, and those that tie in sidewalks are also a priority. He plans to fully engineer the LOTCIP eligible projects, so they are shovel ready and stand a better chance for approval. He plans to apply for LOTCIP for Beacon Valley Road, which is the first road project. The Town also needs to fix Rimmon Hill and Burton Road wall and sidewalks. He will apply for LOTCIP first and continue to identify specific roads and move forward.
- N. Nau noted that the current estimated bond interest rate is 2.75% but could be as low as 2.5%.
- G. Smith stated the term of the anticipated bond package is 20 years, versus 15 years, which is a term the boards have looked at frequently in the past. This term is in line with the lifespan on the electrical upgrades at the plant and all municipal roads are built to 20-year specifications. The 20-year term allows us to manage our debt service and make it more palatable for the public.
- First Selectman Smith also noted that reclaiming the road for a 20-year term includes drainage projects. Many of the roads have drainage issues that require full reclamation rather than reconstruction. With water being a challenge, if the Town does not construct the roads properly, then they will continue to fall apart.
- K. Brennan asked why the town is not considering a \$7-\$8 M package, based on the needs he has seen in the capital plan. G. Smith noted that the Town needs to be able to spend the funds quickly after they are bonded; within two years is recommended. N. Nau noted – we could not spend \$8M in two years if we wanted to – we don't have the bandwidth. G. Smith wants to keep debt service as level as possible. We currently spend \$966,000 in debt service each year and this will go up to \$1M with this package. His

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plan is to get a track record established with road repair before devoting another \$2-\$3M for fire apparatus.

- N. Nau noted that the Town has some older bonded debt that is meant for road projects, which will be spent on engineering; this lightens the load for engineering costs on the newer projects. Engineering estimates for these projects amount to 10-15% of the overall project costs.
- K. Brennan noted the timing with the 2021 budget in process; we will need to build in an interest payment for the BAN in FY2021 budget. The BAN will allow the town to get funds sooner to get Beacon Valley Road project moving and we are being proactive with this plan.
- G. Smith currently has a Special Town Meeting scheduled for April 8th, 7:00 PM at Woodland High School to vote on the BAN.
- The resolution language is written so the Town does this approval once, whether this moves forward as a BAN or Bond. The WPCA and Planning and Zoning will need to approve the resolution as well, prior to the Special Town Meeting.
- No further discussion.

D. Farrell made a motion to approve Resolution Item11c (2020 Road and Related Storm Water Drainage and Sanitary Sewer Improvements Program). S. Leeper seconded the motion. All ayes. The vote was unanimous in favor of approving Item11c - Resolution (2020 Road and Related Storm Water Drainage and Sanitary Sewer Improvements Program).

L. Hutvagner made a motion to approve Resolution Item 11d (2020 Wastewater Treatment Plant Upgrades Project). J. Carroll seconded the motion. All ayes. The vote was unanimously in favor of approving 11d - Resolution (2020 Wastewater Treatment Plant Upgrades Project).

12. Public Comment – None at this time.

13. Executive Session – None needed at this time.

14. Adjournment: **L. Hutvagner made a motion to adjourn the meeting at 8:14 PM. S Leeper seconded the motion. All ayes.**

Respectfully Submitted,

Erin A. Schwarz