

**BOARD OF FINANCE
REGULAR MEETING MINUTES
December 10, 2019**

Members Present: L. Hutvagner, S. Leeper, T. Pratt, K. Brennan, J. Carroll (7:04 PM)

Members Absent: M. Bronn

Others Present: Wastewater Treatment Plant Superintendent Tom Carey, Dave Prickett from DPC Consulting and Anthony from DPC Consulting, First Selectman G. Smith (7:06 PM)

1. Call to Order / Pledge of Allegiance
T. Pratt called the regular Board of Finance meeting to order at 7:03 PM and led the assembled in the Pledge of Allegiance.
2. Public Comment – No public comment.
3. Approval of Minutes from the Previous Meetings – **L. Hutvagner motioned that minutes from the November 2019 be tabled. S. Leeper seconded the motion. All ayes.** N. Nau provided suggested revisions to the submitted November 2019 minutes and the members will review these revisions.
4. Election of Chairman, Vice Chairman and Secretary:
T. Pratt read a text message from M. Bronn thanking the Board and stating that he will be submitting his formal resignation from the Board of Finance, effective immediately. T. Pratt read this message so that all members would be aware, prior to the election of officers.

K. Brennan nominated T. Pratt for Chairman. L. Hutvagner seconded the motion. There were no other nominations. All ayes.
J. Carroll nominated S. Leeper for Vice Chair. K. Brennan seconded the motion. There were no other nominations. All ayes.
L. Hutvagner nominated K. Brennan for Secretary. T. Pratt seconded the motion. There were no other nominations. All ayes.
5. First Selectman's Report
First Selectman G. Smith stated he had to leave the meeting and asked the members if they had anything for him at this time. None of the Selectmen would be present this evening due to schedule conflicts. The Selectmen will hold a special meeting to ratify the Town Hall Union contract.

L. Hutvagner attended the Board of Selectman's meeting last night and noted that the BOS do not review the Finance Report at their meeting, but instead refer it to the BOF. G. Smith noted that in the past the BOS reports stayed with the BOS for review, but since the Finance Report is discussed by both boards at the BOF meeting the following night, the practice has been to discuss the Finance Report collaboratively. Therefore, the BOS does not act upon the report until it is discussed together by both boards.

**BOARD OF FINANCE
REGULAR MEETING MINUTES
December 10, 2019**

K. Brennan asked how G. Smith's first month has been and G. Smith noted that it has been busy and eye opening and he is rolling up the sleeves and getting moving. T. Pratt noted that tonight's meeting with Wastewater was called because all parties need to understand the plan for the WWTP.

L. Hutvagner asked about the budget process and G. Smith noted that budget requests will come from his office to the departments and boards early next year. While the process will be collaborative, all departments answer to the BOS, so direction should come from the First Selectman. He also anticipates sitting with all the Boards & Commissions over the coming months. G. Smith left the meeting at 7:15 PM

There are no Proposed Budget Transfers at this time.

6. Correspondence / Payment of Bills

Board of Finance Clerk's Invoices – There was correspondence from Angela Moffat thanking the board for her time as clerk. Invoice from Angela Moffat for November regular BOF meeting in the amount of \$185.00. **L. Hutvagner made a motion to approve the invoice. J. Carroll seconded the motion. All ayes.** There were no other invoices or correspondence.

7. Water & Pollution Control presentation and discussion of proposed upgrade.

Pratt asked Tom Carey and Dave Prickett to bring the Board up to speed on where the Wastewater Treatment plant is and where it needs to be? Where are we with the plan? The BOF needs to be able to present this to the town and the more understanding they have, the better.

T Carey noted that the plant is not in great shape and one of the biggest issues is that the plant is not designed to take care of nitrogen. We participate in the State's Nitrogen Credit Exchange program and we have rising costs associated with nitrogen in the budget each year. The effluent from the plant borders on not meeting the permitted standards and the plant cannot expand its footprint due to the solar arrays. Phosphorus is another item which the plant cannot process properly. Nothing at the plant is automated. There are only 3 people running everything and it is difficult to run the operation this way.

T. Pratt asked D Prickett to talk about the design. D. Prickett has been working with Beacon Falls for almost 10 years and building on what Tom Carey said; the plant is 45 years old, with equipment and machinery that is old and tired and most of which is original, with a life cycle of 20 years. When he started the process 10 years ago the original \$17MM plan for a new plant would now cost \$22M.

Looking at the process in pieces, the plan he devised which was the simplest, and least costly had a first phase of \$5M. The least costly process where the town acts as general contractor and deals directly with the contracts and vendors has proven to be challenging and over the last 18-24 months little progress has been made. With each year that goes by, there is approximately 4 ½% increase in construction costs.

**BOARD OF FINANCE
REGULAR MEETING MINUTES
December 10, 2019**

Looking at the project in phases, the first phase is now \$5.1M and it set up the plant for future improvements. Phase 1 solves some of the immediate needs of the plant by putting in clarifiers and suspenders so that everything stays where it needs to stay. Clarifiers will be 8 times the size of the current ones and would have a massive impact to manage the flow and keep solids in the plant. Electrical and generators are deficits right now, so the electrical would be upgraded. This work comprises the entire \$5.1M.

When asked, T Carey noted that backup generators exist at the plant and all the pump stations. The generators are operational. D. Prickett noted that the staff is doing what they can with what we have, and they do an excellent job. The plant is not designed to process nitrogen. The plant's permit with the State is at a much higher level than the plant can generate, because the plant cannot process the flow. We haul sludge offsite as a result.

D. Prickett continued that phase 1 of the project would take 3 ½ years and the design of the plant is 50% complete. It would take 6-9 months to complete 100% of the engineering design for phase 1.

L. Hutvagner asked if the plant is at capacity. D. Prickett believes that plant is pretty close to capacity and any commercial addition could put the plant at capacity. Small residential hookups do not have significant impact, but a larger commercial hookup will. After 3 ½ years they would look at where the town is with new connections. As the town is tailing out of the first phase, there are decisions that need to be made, based on connectivity. The market for this work is steadily inflating, so costs will rise each year.

L. Hutvagner asked about the federal reimbursement available through USRDA. D. Prickett continued that the original \$22M was for rebuilding a new plant. \$14-\$15M would allow for fixing the old plant and accommodating new connections. This amount would support 500 new connections over the next 10-15 years.

S. Leeper asked how many gallons the plant can process per day. At present: \$300,000 gallons per day. D. Prickett noted the new plant would be designed for \$450,000 gal per day, increase capacity by half. For estimates they use 100 gal per day per household.

L. Hutvagner asked about completing phase 1 vs phase 2 using USRDA. D. Prickett noted that this is a 40 year note which allows that town to stretch out their payments and it is the only grant left for community like Beacon Falls. His recommendation would be to submit the entire \$15M plan and estimate 20-45% grant reimbursement. \$5.4M is the minimum threshold for the job and submitting the full plan allows the town more flexibility in implementing the plan. T. Pratt appreciated all the work that DPC has put into the plan and asked for the time frame to complete phase 2. D. Prickett confirmed that phase 2 is a 4-5-year cycle.

K Brennan asked if both phases increase capacity and D. Prickett explained that both phases expand the plant's ability catch solids. The plan is designed so that the initial phase builds on the second

BOARD OF FINANCE
REGULAR MEETING MINUTES
December 10, 2019

phase and no investment is lost in a partial investment in the plan. The town's waste stream is constant and is typical domestic sewerage.

L. Hutvagner asked if we can apply for USRDA for phase 1 only? D. Prickett recommends having a road map in place for the whole project. Depending on the year, USRDA has different amounts of funds available, so having the entire project laid out would be beneficial for flexibility.

T Pratt asked if the town must be ready to expend the monies once the grant is approved, and D. Prickett explained the Loan commitment from USRDA does not come until town's appropriation is in place. The grant application is time consuming and thorough and would be drafted by DPC. The Boards would be able to go to voters with the grant commitment in hand. D. Prickett noted that moving forward with USRDA is a 10-15-year commitment and the grantors have approximately \$3-4M per community per year. The town would need to keep on a projection that residents can handle. L. Hutvagner noted that interest rates are the lowest they have been, and the town would need input from Phoenix Advisors on bonding estimates.

N. Nau asked for a clarification on the \$9.1 M for phase 2 asking if the application to USRDA is submitted with inflation? D. Prickett confirmed the application is submitted with scale for time and includes all the capital costs: bond counsel, interest, fees from financial advisors. N. Nau asked if the total \$14.1M project is with the town as general contractor and D. Prickett confirmed that the full plan hires an engineering firm full time during construction. L. Hutvagner noted that the town could hire a project manager as an option.

N. Nau asked about the \$350,000 estimate to finalize the design for phase 1. Is the \$350,000 for the design of the overall plan or is this for the design of phase 1 only? D. Prickett explained that he broke up the design of the plan for financial reasons. His next task order is \$290,000 for finishing engineering on phase 1 and \$59,000 for setting up the next piece from phase 1 to phase 2. The town has spent \$125,000 on the plan to date and \$250,000 with DPC since we started the process.

N. Nau noted that DPC itemizes each phase of the project and confirmed that the USDA grant application fee is included in this estimate. D. Prickett confirmed that his firm was only under contract through 50% engineering of the plan, which has been completed, and Beacon Falls can choose any engineering firm moving forward. The chosen engineering firm would complete the bid process, and contract administration and engineer the project. N. Nau noted that the town does not have the capability or expertise, so the engineer would need to control the bid process.

She asked if the town would be spending more on engineering if we do not move forward. D. Prickett confirmed that the engineering will build on what has already been accomplished and the full engineering costs should be estimated at 10% of the full project cost of \$14-\$15M. Major mechanical and electrical upgrades would not be a lost investment. The town has lost more from time standpoint than money standpoint.

**BOARD OF FINANCE
REGULAR MEETING MINUTES
December 10, 2019**

S. Leeper added that if the town doesn't do anything, we will see systems failure and the town will not be meeting benchmark limits, while nitrogen costs continue to go up. L. Hutvagner noted that phase 1 will save money on electricity with an upgrade from 208 to 480 service, amperage will come down and T. Carey will be able to stop buying mechanical parts on eBay.

N. Nau asked if we can recoup engineering as part of the USDA grant and D. Prickett confirmed that the town can. D. Prickett made sure to clarify this up front, the town has decisions to make over the next months. The first question is does the town want to finish the design? If the town moves forward with the design, does the town want to begin the process of the USDA grant application? If so, how does the town want to structure the USDA application?

K Brennan noted that it would be important to be able to go to the public with the USRDA grant in hand. D. Prickett noted that advancing the design of the plant is the next step to being shovel ready. D. Prickett would estimate engineering costs at \$350,000 to finish phase 1. If the town proceeds with USDA and the town is in their pipeline, USRDA will come back to town to see if we are ready to proceed with the next project phase.

L. Hutvagner confirmed that the town will see electrical upgrades and savings in the first step of the process. S. Leeper asked if DPC sees any changes coming in state regulations for the plant. D. Prickett noted that the Nitrogen credit trading program will eventually go away and the State will implement a permit limit and more testing requirements on phosphorus and nitrogen limits. K. Brennan asked about the life span of the upgraded plant and Anthony noted the building would be 50 years, equipment and machinery 20-30 years, and electrical would be 15 years.

T. Pratt asked if construction would be year-round and D. Prickett confirmed that the plant would run continuously with nothing offline. The Board thanked Tom Carey and Dave Prickett and associate for their input and gave kudos to Tom for his hard work and his time. T Carey expressed his thanks to the board for hearing this and noted that as pieces of the plant have broken down and were not repaired, the plant was not designed for how it is being used today.

L. Hutvagner asked if the new sludge hauling company is working out and T. Carey noted that the first haul will happen tomorrow. T. Carey, D. Prickett and Anthony left the meeting at 8:00 PM.

8. Reports

- a. Ambulance Service Report – T. Pratt noted that the ambulance report was not generated this month.
- b. The members were having trouble with their town emails, so they will need additional time to review the Town Treasurer's Report, Town Clerk's Report and Tax Collector's Report.
- c. K. Brennan noted the best thing they receive month is the EDC report, which is very informative and provides excellent insight into what is happening with business in town.
- d. T. Pratt was made aware of a situation with Barlow Pump and an addition they were planning on the Ace Auto building. The town may lose the project to a neighboring town due to complications

**BOARD OF FINANCE
REGULAR MEETING MINUTES
December 10, 2019**

with the process. K. Brennan added that it is disappointing when the town loses opportunities like this which would bring in tax dollars.

9. Finance Manager's Report

RFPs: N. Nau noted that the active RFPs have been time consuming and are in process. The SCADA was rebid and in the second round several bidders did not follow directions. The submissions are being carefully reviewed and she hopes to move forward and select one of the bids. There were several addendums to the bid and a prebid meeting was held onsite where T. Carey walked the potential bidders through the plant. L. Hutvagner asked if we should make the prebid meeting mandatory, so we know who the bidders are. N. Nau noted that the town doesn't send addendums to anyone. It is the bidders' responsibility to read the addendums and they can sign up on the website to get notice when addendums post. L. Hutvagner wanted to be sure the town was not missing opportunities to get to know who the bidders are, and N. Nau noted that most prebid meetings are not mandatory. The SCADA contract is a 3-year contract and the technology is ever changing.

The second open bid is the Engineering bid for On Call Engineering Services and the quoted numbers are good for 90 days. N. Nau hopes to meet with G. Smith on this bid soon. T. Pratt asked if the bid allows the town to use more than 1 engineer with different engineers for different types of projects and N. Nau confirmed this is how the bid was structured. It is on call and the town can contract services by project.

Road Projects: N. Nau received an invoice from the engineer on Beacon Valley Road, with a revised budget of \$660,000 for the entire project. To date, we have been billed \$17,000 for a survey of the road. T. Pratt asked if there is documentation to support the invoicing and asked that the town has the survey/engineering in hand before making payment.

Budget: L. Hutvagner asked about the budget lines which are being watched that are highlighted in the Finance report. Discussion of these lines is one reason the Selectmen should be present to go over the Finance report and hold the departments accountable to their budgets. T. Pratt noted that the details on these lines and explanation behind the expenditures are important for the boards to understand.

Outstanding Projects: L. Hutvagner asked about the proposed meeting with Aquarion concerning the list of hydrants which are not functioning. T. Pratt reached out to N. Nau about pending projects which have funds allocated, such as the ambulance purchase for explanation on why the order for the new ambulance order has not been placed. Details of the original ambulance proposal are still being worked out and projects are moving forward.

L. Hutvagner asked if we are still waiting for the credit for Skokorat Road and the FEMA reimbursement and we are waiting on both these issues. N. Nau noted that the town will need to pay Supreme Industries an additional \$58,000 for tipping fees and a town meeting needs to take place to appropriate that money. L. Hutvagner noted it may be time to get State reps involved and we also need to meet with Aquarion.

**BOARD OF FINANCE
REGULAR MEETING MINUTES
December 10, 2019**

Grants – N. Nau received the 2019 EMPG resolution from the BOS which will allow her to officially apply to the program and submit our \$5,000 application. She met with Beacon Hose about the AFG Grant and Chief DeGeorge and Secretary Jamie Linley agreed that the priority should be the SCBA compressor system. The grant application will be \$90,000 and it includes the electrical components and installation of a new system. The \$47,000 estimate which was presented during the last budget cycle was too low for the project. Beacon Falls' percentage of the grant is only 5% and this is good news for us. There is a high likelihood of getting funded when directions and grant priorities are followed.

K Matthies: There is a 12/31 deadline for payment receipts for these grants. The Parks signage order is being placed. Town seal artwork is getting processed. Senior center computers will be ordered shortly, and the Fire Department grant for Lucas device has been finalized.

PURA Grant: N. Nau is looking into the grant to televise public meetings in this room. She is exploring two options broadcasting on the website vs. a cable TV channel. She may apply for the program and hope for a positive outcome given that there is no money in the budget for the system at this time.

L Hutvagner reiterated that some of these issues should come to the Board of Finance through the Board of Selectman. He thanked the Finance Manager for her thorough reporting. N. Nau noted that she is still working on an updated 10-year plan.

T. Pratt agreed that the BOF and Finance Office should be putting departments on notice when their lines that are coming up to budget. N. Nau noted that the Fire Department recently completed an emergency repair of their SCBA compressor, and she encouraged them to take some time to figure out solutions before incurring expenditures. While the emergency repairs were within the budget for the line, an alternative solution would have been to use other fire departments to fill their bottles on a temporary basis, while taking a moment to think of a cost-effective solution.

L. Hutvagner would like to see the department and the BOS driving the process and coming to the BOF with explanation and details. T. Pratt noted that it is important for all departments to keep to the process when lines are approaching budget overages. T. Pratt agreed that the Fire Dept. should have made the BOS aware of compressor failure. N. Nau confirmed that we are continuing to improve many of our processes.

10. Finance Policy Manual

No updates to the project at this time.

11. New Business

L. Hutvagner asked if the BOF could receive a Public Works briefing for January and a Fire Department briefing for February so they have all this information heading into budget and bonding process.

**BOARD OF FINANCE
REGULAR MEETING MINUTES
December 10, 2019**

T. Pratt would also like an update on Parks & Recreation and how it is run. He noted that he has received complaints from the leagues and public that the fields are not kept up well. K. Brennan noted that as much as the BOF wants maintenance to be done the right way, it is not their job to police it.

T. Pratt presented the 2020 meeting calendar to the Board. **S. Leeper made a motion to accept the 2020 meeting calendar. K.Brennan seconded the motion. All ayes.**

L. Hutvagner suggested that the Board begin working on a budget calendar, by picking a date in May for the budget vote and working backward, while having those important departments scheduled to come in early in the year. N. Nau and T. Pratt agreed that the budget process should begin in February or March of 2020. K. Brennan concurred the Board should start 2 weeks earlier than last year so the town vote will follow the Region 16 vote closely.

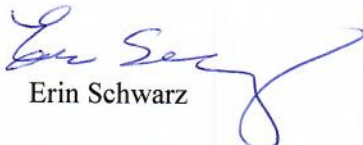
T. Pratt stated that the October 1st enrollment figure is down for Beacon Falls, so we will see how the numbers translate into cost for next school year. N. Nau noted that there is a discrepancy between the Region 16 payment schedule and the numbers which were presented at the time of the budget vote and she is exploring this difference.

There is no old business to be discussed. No public is present and no executive session needed.

12. Adjournment

S. Leeper made motion to adjourn the meeting at 9:05 PM. K.Brennan seconded the motion. All ayes.

Respectfully submitted,



Erin Schwarz

Finance Assistant