

BOARD OF FINANCE
TOWN OF SOUTHLINGTON
MAY 11, 2016

The Board of Finance of the Town of Southington held a meeting on Wednesday, May 11, 2016 at the Town Hall Council Chambers, 75 Main Street, Southington, CT. John Leary, Chair, called the meeting to order at 7:15 o'clock, p.m.

Appropriations from Contingency Account:

Approved to date	\$49,000
Approved this meeting.....	<u>55,000</u>
Total Appropriations.....	\$104,000

Appropriations with Revenue Offsets:

Approved to date	\$495,710
Approved this meeting.....	<u>35,700</u>
Total Appropriations.....	\$531,410

The following board members were present:

John Leary, Joseph Labieniec, Edward Pocock, Jr. and John Moise

Staff: Garry Brumback, Town Manager
Emilia Portelinha, Director of Finance

Absent: Kevin Beaudoin, Board member

The Pledge of Allegiance to the American Flag was recited by everyone in attendance.

JOHN LEARY, Chair, presiding:

III. Public Hearing Items

Appropriation and Borrowing Authorization in the amount of \$57,100,000 for costs related to improvements to the Town of Southington's water pollution control facility, as generally described in the report prepared by Tighe & Bond entitled, "Town of Southington Wastewater Facilities Plan" dated January 2015, as amended. The project includes, but is not limited to, phosphorous reduction improvements, headworks facilities, improving and/or refurbishing existing buildings and structures, replacement, modification, or

conversion of existing equipment, facilities, or processes, process equipment, electrical and HVAC systems, odor control systems, instrumentation controls and computers, site work, or as much thereof as may be accomplished within said appropriation, or such additional Water Pollution Control Facility improvements as may be accomplished within said appropriation and as approved by the Town Council.

James Grappone, Assistant Town Engineer, Steve Segal, Tighe & Bond and Mike Finioia, WCPA Superintendent were in attendance.

Mr. Grappone presented. He noted a Wastewater Facilities Plan was prepared in 2015 to study the collection system, pump stations and wpc plant for the next 20 years. The plan was approved in March 2016 by DEEP.

He went through the scope of the project, the cost of the project and the schedule.

Major project driver is to upgrade our discharge limits to the Quinnipiac River to meet future low level limits for phosphorous. Explained our current permit and the project limit. The current permit expires in March 2018.

For moving forward with the project, Mr. Grappone explained the key drivers which include:

- Replacing aging equipment. Original plant was built in 1958 and some of the original equipment exists today. We have trouble finding spare parts for some of the aged equipment.
- Last major upgrades were in 1980, 1997 and 2009.
- Odor control was discussed.
- Improved reliability and resiliency.
- Take advantage of energy grants and Clean Water Funding.

The net cost will be financed over a 20-year period at a low interest rate of 2% presently.

The cost is \$57.1 million which includes \$47.7 million for construction costs which is escalated to the midpoint of construction, construction contingencies, engineering and oversight, bonding and interest costs. We anticipate a state/federal grant at \$17.2 million which leaves a net cost of \$39.93 million.

We received a peer value engineering review as required by the Clean Water Fund. Two will be done. The first is at 30% and was done the first week of April. Explained bar screening at the headworks as recommended to be included and why.

To meet the Clean Water Fund requirements, the goal is to have a construction contract signed by July 1, 2018. The following are milestones for the project:

- November, 2016 referendum.
- Design completion by November, 2017.
- DEEP and Town reviews by January, 2018.
- Advertising and bidding phase by March, 2018.
- DEEP approval and award contract by April, 2018.

Construction phase will take approximately 30 to 36 months which will allow the town to start their required 0.16 mg/ltr limit for phosphorous by early 2021.

Mr. Moise, as a sewer committee member, has been involved in this for the past few months. Everything in here is going to make it more efficient. We talk about raising sewer fees every year and hopefully this will stop that from happening with the efficiency of it all.

When denite was done in 2009, we realized there were other problems there and it takes time to get to where we needed to be. We wanted to make sure when we did this, we did it right.

This is sewers, not the schools or roads, but it is just as important to the infrastructure of our town. I wholeheartedly support the bonding.

Mr. Labieniec asked about the plan for a building committee. Mr. Grappone explained the present sewer committee will take that responsibility. Mr. Brumback said the recommendation to the council will be that the standing sewer committee will also take on the additional responsibility of a building committee for the duration.

Discussion.

Mr. Brumback pointed out that during the value engineering process there was very little found that could be saved which talks to the tightness of the 30% design and the quality of the Tighe & Bond product. We're very, very comfortable from a staff perspective and from a sewer committee perspective that this is a first rate design.

Mr. Grappone answered Mr. Moise's question that escalation costs are 7% or approximately \$3.1 million. That is included in the \$57.1 million. Explained the numbers.

Mr. Pocock said he was concerned about the floodplain location as long as that is under control, that's fine.

Another concern is the guarantee from DEEP or EPA on giving us these credits. We know from other projects that we don't see that

money until 10 years later in some cases. Mr. Brumback said he and Jim Grappone and Steve Segal from Tighe & Bond went up to DEEP a few weeks ago and were assured that our place for the Clean Water Fund is there and solid. Mr. Pocock said he felt comfortable with that comment, however with the way the state is going he did have to ask. Mr. Brumback also pointed out that the \$57.1 million contemplates no grants. However, we have been led to believe we'll get \$17.2 million in grants.

Discussion.

(Those from the public wishing to speak)

Arthur Cyr, 103 Berlin Avenue. He clarified, based on the Minutes of the sewer committee and the town council meetings, this \$57.1 million authorization is based on a 30% design. Does that mean they've got 30% of this plan/project designed and they are projecting from there and if that is the case, we start these projects and get hit with something, what's to stop this project from going from \$57.1 million to \$69.1 million and what affect would that have on the taxpayers? The important part is they've hit the 30% design mark and that is what all this is based on. What assurances do taxpayers have that this is accurate? And, this is not by any means aimed at Tighe & Bond, one of the best wastewater companies in New England.

Steve Segal from Tighe & Bond responded as requested by Mr. Brumback. The design is 30% complete at all phases. But to your question, we will have another value engineering session at 60%. We've developed a cost estimate that with everything we know today, at 30%, we've tried to anticipate what the project will be at 100%. All technical disciplines, electrical, processing has weighed in on what they envision the project will look like at 100% completion. That was the basis of our cost estimate.

We feel we've captured the issues. There aren't a lot of unknowns in the design moving forward. At 60% we have another VE again which will identify opportunities to reduce costs as it did at 30%. Explained.

Some bid alternates will be included in the bids. If bids come in higher than expected, we'll have some defined areas that can be keeled off, if necessary, as a contingency. We understand \$57 million is the number and our goal is to find a project that meets all the requirements at that price.

Mr. Moise discussed the financial watchdogs in reply to Mr. Pocock's concerns. He explained the role of the building committee to keep the costs within range.

The Chair closed the public hearing at this time.

Set the Mill Rate for the FY 2016-17 Adopted Budget

See last item on the Agenda.

The Chair asked for unanimous consent to move Manager's Memo #5 to now so we can continue our conversation on this issue and resolve it. (Everyone agreed.)

Manager's Memos:

5. Bond Ordinance \$57,100,000 See Public Hearing Item

The Chair asked for a motion.

Mr. Moise suggested moving the discussion on debt strategy up ahead of this item. That may be a problem and we can talk about that.

Everyone agreed to do that.

VII. Review Long Range Plan and Priorities

2. Strategy Discussion

Mr. Brumback explained the assumptions you see in the debt schedule in front of you assumes that you approve this bond ordinance tonight and it in fact gets approved at referendum. What you see is that in 2019 you exceed your current debt ceiling of 8%. It peaks at 8.7% and then begins to go back down.

The Chair pointed out that is with \$46.5 million and not the \$57.1 million as some grant money is anticipated. Not all, but some.

Mr. Labieniec clarified the \$46.5 million assumes we are bonding \$30 million. So, the \$57.1 assumes we will bond what? Ms. Portelinha responded we are bonding \$39 million, so this number is a little short --- by \$9 million.

The Chair framed the issue:

We have a self-imposed Town of Southington debt policy that says that our total principle and interest can't exceed 8% of revenue. And, we now have before us an item, that if approved and moved forward, would cause us to knowingly violate the policy we have in place. Whether or not we are in favor of \$57.1 million upgrade to the sewer, we have to recognize that a favorable action on it would put us in violation with our own policy. We should have discussion first. We have to contend with that.

In years 2019, 20 and 21, we are going to exceed the 8% and as high as 8.7% with these estimates and then go down as debt goes down.

This does not anticipate any upgrades to the library and other projects in conversation throughout the town.

Let's discuss what to do with our debt policy.

The Chair summarized the theme of previous workshops on this as how do we respond for the Town with all the external factors somewhat unpredictable. What's going on at the state and federal governments and the overall economy. What's going on with the easing of interest rates. All of that is factored in and we looked internally at the town and said what is the cost to maintain our infrastructure. How many buildings, roads, sewers, infrastructure that we have to maintain and in order to do that in a reasonable way, what level of debt is appropriate to carry.

That conversation can go on and on and on. And, that has happened. It's a multi-variable equation no easily solvable with a ton of uncertainty around it.

The Chair continued that Mr. Coleman warned us that with the state carrying a lot of debt and unfunded pensions and pensions at high benefit payouts is going to hamper the ability for them to be financially viable. We heard that regularly and now we are starting to experience it. Next year it'll be worse.

All of those factors were making us be somewhat cautious with what we do at debt.

Mr. Labieniec brought up the point in those meetings of do we just want to raise it for the sake of raising it because we have this project in front of us and 9% looks like a likely thing or 9.5%. Do we just arbitrarily move that debt ceiling up in order to let this pass. If we do that, what's the implication on the future?

We have debt going out to the year 2040 --- a healthy roll on and roll off of debt. When looking at the debt roll forward schedule, it looks like a lot is front loaded. We did a lot. Explained we did a lot while still carrying the debt for the elementary schools we remodeled.

We tackled a lot of stuff since 2009. And the narrative was the town left a lot of stuff in disarray or we made do and everything caught up with us and we're kind of stuck. We had to go forward with all these improvements. We did front load a lot of projects which ended up with a lot of debt. Good news is our interest rate was very low allowing us to avoid the debt ceiling sooner.

Now the question is, what do we want to do with this and can we figure that out tonight or do we have to have then defer back to a workshop and try and really evaluate this deeper and differently?

Mr. Coleman said the conversation deserves more care than we've given it and can give it tonight. I've been talking about the fact there is a debt problem and everybody realizes it in municipalities and states across the nation. The whole idea of a BOF is to kind of quantify, to measure, to feel comfortable and to move forward. I see some assumptions in the numbers here that we discussed in our workshop that I'm uncomfortable with. A Grand List of 1.5%, you know, you change the growth of that Grand List by a half a percent and you'll see the mill rate jump significantly.

We did talk about getting some other projections and numbers. I might not necessarily be the right thing to increase the debt ceiling. On the other hand, it might be one of those things that is forced upon us.

To sit here as the BOF and to put forth to the citizens that we think it is okay to approve a valid project without giving due consideration to the debt ceiling issue and we talk and present and frame the issue to the public before we vote on such a thing like that, I think is wrong.

Mr. Moise suggested a workshop prior to the council meeting. Is that possible? The Chair said the coordination will be tricky, but it is possible. Before scheduling it, the Chair wanted to know if we had a good understanding of the input necessary to come to a decision of do we raise the debt limit, how much do we raise it or do we not raise it. If we go the meeting without having the inputs we feel we need, we'll never get out of the meeting with a decision that we need to make. That's the problem.

Since this is such a multivariable equation, so many variables, so many out of our control, so many somewhat unpredictable, it's difficult to go into the meeting and having the input necessary.

Here we need to know:

- What's going on in the overall economy.
- What's the growth rate of the Grand List and what is it based upon.
- What is the interest rate going to be?

Those things we don't know. We can control projects and what additional debt comes on. So many unknown variables have to be estimated in making these projections.

Just to raise the rate for the sake of raising the rate, is that necessarily the right thing to do?

Mr. Moise explained when the 8% was enacted, we had knowledge of what we had on the books, where we were going and we had that wiggle room with the economy being good or bad. We will be at 8.7% if we were to pass this. And, we pass this, there are two more hurdles to go: the council and the public referendum.

We need to have all the components but we don't have the crystal ball for the future. We know we have the Calendar House, the North Center Extension, roads, elementary schools. The question is: where else are we going to go? The BOE wants to do improvements to the elementary schools, the library. That's what we have to control.

This is a plain and simple infrastructure of our whole town and what makes it run. Explained what we have is not efficient and is costing more than it should. We've held off on this enough. This is no surprise as to what we were planning on doing. They've done what they can to keep the cost down and will in the future moving along.

Mr. Moise concluded most of the debt is in bonding. At least 90% is because the public had approved the bond items.

Mr. Coleman interjected: I agree with you 100% the project itself is a viable project. We all want to see something like that done. It's really a timing issue. It's unfortunate the timing is now before we've been able to have proper discussions on a debt ceiling.

I want to feel confident when looking at the estimates I could say to the citizens that these are reasonable assumptions and the impact to the mill rate will be similar to what is here. In my personal opinion, I think these assumptions are wrong and are significantly understating the increase in the mill rate. Until we can flesh out whether that's the case, I don't see how in good conscience we can put forward this to the town. They're trusting us to vet this and if we put it forward, they're assuming we vetted this and we can afford it and understand the impact. Quite frankly, I don't think we understand the impact and I don't agree with the assumptions presented here.

The Chair suggested an option. Because we believe in this project, we could raise the debt ceiling to 9%, trusting the assumptions here, which would allow us to approve this and be compliant. I don't suggest we do that alone. Looking at the Rainy Day Fund, at June 30th, we had \$17.8 million. We're at 12.4% when our policy calls for 10%. We could move the Rainy Day Fund policy up to 11.5% which would bring it higher. It's a conserve thing to do. We commit to keeping more in our Rainy Day Fund and limit ourselves from drawing it out. If we raise the Rainy Day Fund policy to 11.5% and

we raise our debt policy to 9%, we're raising both and it kind of nets itself out.

The whole question has to be addressed, but taking those action in short term would allow us to approve this project but it should never abdicate us from having to sit down and make sure that the assumptions in here are the most conservative in nature and not the most aggressive in nature. We could do that if this board has the appetite to go to 9%.

The highest we're seeing now with these assumptions and I agree that we need to shake them out, but at year 2020, we hit 8.7%. If we go to 9%, that gives us the flexibility for some overruns and providing we don't take on any other projects --- no library and no further school renovations in here --- that forces us or calls upon us to keep 1.5% in our Rainy Day Fund. It doesn't cost us anything to raise the limit on it, but it prevents us from drawing on without an emergency or special opportunity. Take a conservative approach on both ends. It's just a proposal.

Mr. Moise said it makes sense.

Mr. Coleman said it is still an increase.

Mr. Labieniec pointed out there is no perfect answer. We asked Emilia a while ago to put together a comparison of a number of other towns and what their level of debt service is and what their Rainy Day Fund is. Some were as low as 4 or 5, some had no policy and some were at 10 or 12. We won't find the answer there.

We have challenged ourselves to say we are not comfortable with 8% being the right answer because it's the status quo. What makes 8% right other than that's where we are. I think we need to go to any type of workshop meeting with some type of direction or we will go no closer to the finish line than we are right now.

If you take debt service out of it, I look at it as four main levers that have moving parts inside of them, but they are:

- Assumptions on the government budget
- Board of Education
- Revenue
- Grand List growth.

We'll have to make a reasonable assumption for those and my concern has been that the capital improvement plan in this budget is not a plan because I view a plan as something you can execute on. It's closer to a plan than it's ever been, but it still has some level of wish list because we can't execute on what's in the book right now. And, I don't mean that as a criticism of Emilia or Garry.

Before I felt comfortable taking any action above 8%, with or without an increase to the Rainy Day Fund continued Mr. Labieniec, I would want to see at the very least over the next 5 years, with those four main levers having assumptions in, what is the actual plan? What can we accomplish at a 9% level, a 10% level and a 12% level? It has to be as close as we can get to the actual plan with reasonable assumptions.

Discussion.

If we make reasonable assumptions on those four main levers and we ask the town side to put together what is the capital plan at 9, 10 or 12 percent, that's what I would want to see out of a meeting.

Mr. Coleman said with planning, we want to under promise and over deliver. In government that often times does not seem to happen. The assumptions we make are critical because that's how we determine what a future mill rate would be or increase or cost to the taxpayers. If you are understating in your assumptions, that is not something I want to be involved in. I'm not saying that's the case and it's not a criticism but I am not totally comfortable with the assumptions on this paper. Until we have a chance to get comfortable with those and have a reasonable idea of what we will demonstrate as a cost to the taxpayer, we should abstain.

Mr. Labieniec also said a meeting needs to take place to explain this to the council, either a joint workshop or the Chair making a presentation or the town making a presentation with the Chair there. This needs to be understood. We don't have a plan.

The Chair said the BOE out to be there too, to hear it, so they don't go in another direction.

Mr. Labieniec said a plan that we can execute on and we can't execute on everything in this book.

Mr. Coleman said we should get the departments together to talk. This stuff is vital to that mission, I think.

The Chair asked the staff: Can we approve this with the caveat that it doesn't violate the debt policy in place come August 1st? Can we approve this buy some time with a motion that says we approve it providing it is in accordance with the debt policy adopted as of August 1, 2016. That'll give us time to move it forward and sit down and due the diligence that we talk about regarding inputs, five year look at what is reasonable and what it does to our percent and allowing us to take action on the debt policy.

Mr. Brumback explained the structure for bond counsel is the BOF has to approve it before it can go forward. I don't know that you can approve it conditionally.

Discussion.

Ms. Portelinha said the Town Attorney advised it had to be approved at this meeting.

Discussion.

Mr. Coleman said our hands to raise the debt limit is kind of being forced. If that is the case, it's our responsibility to say, if this is being forced upon us, then here is what we believe the impact is and to have good numbers to present.

Mr. Brumback said you may disagree, but we believe these are good numbers.

Discussion.

Mr. Labieniec pointed out that the 30.2 million is wrong. That needs to be fixed. Then we go to the other assumptions.

The Chair said we are talking about \$127 million of debt should we undertake this project. Forget interest. Ms. Portelinha noted some would be coming off so that is not accurate. The Chair said for the discussion in the room we're at \$147.7 million of debt including interest. If we don't get the state grant, we go up by 10 and we're looking at about \$157 million, roughly, carrying as debt for the town.

Discussion on the numbers.

The Chair called for a recess at this time.

(Whereupon, the meeting was recessed at 8:15 o'clock, p.m.)

(Whereupon, the meeting was resumed at 8:25 o'clock, p.m.)

JOHN LEARY, Chair, resuming the Chair:

Manager's Memos:

5. Bond Ordinance \$57,100,000 See Public Hearing Item

The Chair asked for a motion. Mr. Moise made a motion to approve for discussion purposes. It's a motion to approve for discussion.

Mr. Labieniec seconded for discussion.

The Chair said he felt there was a conflict in approving it knowing that it violates a debt policy that we can't correct intelligently in the next half hour. I don't think anybody is not in favor of the project. The project has merit and it is a necessity for the town but to approve something that is going to be out of compliance with the policy leads us to a concern.

Earlier we discussed a compromise where we would raise the debt ceiling to 9% and raise the Rainy Day Fund to 11.5% so that this could flow through but I don't think the board has the appetite for that.

Mr. Moise asked for the exact drop dead date on this item.

(Mr. Brumback excused himself to contact the Town Attorney for clarification.)

Discussion on workshop dates.

The Chair said that we also need the five-year plan turned into tangible items that would roll on. We need to roll on the items that we want to tackle during that five-year timeframe so we can look at what the projected debt limit would be and then set the debt limit. We're in the direction of raising it but we can't come to agreement tonight without any input that that debt limit should be raised. That's an issue we're having.

Mr. Coleman state for the record, if we're being forced to raise the debt limit just because of circumstances that had nothing to do with this particular project but the culmination with everything, I think it goes back to the integrity of this board to be able to properly present what the impact that that might be to everybody in town and to make sure that we have a methodology for doing so. It's not just picking a number, it's having a methodology that we feel comfortable with that has integrity to it and that we can demonstrate is appropriate based on whatever information we can compile.

If we have to raise the debt ceiling, we should be able to say to the citizens that based on the best estimates that we have, here is what we believe the impact is. If you vote yes at referendum, then you know you are voting for this impact to your tax base. If you vote no, that would be because you didn't want that impact.

That goes back to the central integrity and function of this board.

(Pause, pause)

(Pause, pause)

Mr. Brumback reported from the Town Attorney that if we want to delay this, it has to go before the council at their first meeting in June. But it's going to be extremely difficult to resolve this debt issue by then noted Mr. Brumback.

The better news is that if you approve this and move it on, you're just moving it on to the next step. It doesn't affect the debt ceiling until the referendum passes. If you are in favor of the project as it is presented, you can move this on and it gives you the entire summer to resolve the debt ceiling issue. And, that would be

my recommendation, concluded Mr. Brumback.

Discussion.

Mr. Coleman then brought up the integrity of the board. When we pass something to go to referendum, the citizens in town look at that and say the board who trust to have properly analyzed this believes that it's okay. I don't think this board can properly understand the impact that this would have because I don't agree with the assumptions on this paper.

Mr. Brumback said the issue is, by not acting, you are killing it. And, this is an essential project.

Mr. Coleman asked how we got into this position. Mr. Brumback said you have been discussing the debt ceiling for two years. We have known this has been coming for two years. Mr. Coleman said we talked about assumptions in workshops that I felt were overstated and were too accommodating and they haven't been corrected. Why haven't they been corrected? Mr. Brumback said he didn't know how to correct something that staff believes is accurate. We are just professionally disagreeing.

Discussion.

Dates were discussed for workshops.

Mr. Labieniec suggested if the five members funnel all their thoughts and questions through Chairman Leary by May 26th. Chairman Leary communicates that to Mr. Brumback. Staff works on the information that we want to see. It seems that we should be able to make meaningful progress on our decision on the debt ceiling the week of June 6th in which case we can vote on this June 8th and make it to the council prior to June 13th.

Workshops will be scheduled for 6:30 pm on June 2nd (first choice) and June 6th (second choice). The Chair said after the workshop, come to the BOF meeting on June 8th, take action on this, take action on the debt policy and take the action that is required on the Rainy Day Fund policy, the reserve policy.

Discussion.

Mr. Moise made a motion to table this item. Mr. Pocock seconded. Motion passed unanimously on a voice vote.

IV. Old Business

1. Approval of Minutes of the March 30, 2016 meeting

Not acted on.

The Chair asked for unanimous consent to table the discussion on the current financial state of the town as we have received that information. And, the committee reports.

Everyone agreed.

V. Assess current financial state of the town

1. Review revenues vs budget
2. Review expenses vs budget
3. Review Capital Projects in Budget
4. Sub Committee and Liaison Reports (Emphasis on financial aspects)

- A. Sewer Committee (Mr. Moise)
- B. Public Works Committee (Mr. Pocock & Mr. Coleman)
- C. Calendar House Building Committee (Town Manager)
- D. Open Space Committee (Mr. Pocock)
- E. Self-Insurance Committee (Mr. Labieniec & Mr. Moise)
- F. Investment Committee (Mr. Coleman & Mr. Beaudoin)
- G. Parks Board Liaison Report (Mr. Beaudoin)
- H. Economic Development Strike Committee (Mr. Coleman)
- I. Other Committees

5. Board Communications

VI. Public Commissions (Excluding Public Hearing Items)

Arthur Cyr, 103 Berlin Avenue. There was a two sided sheet of paper discussed that has the calculations for the debt going out the next five years, would you please attach that to the Minutes so that when people watch the video or read the Minutes, they can download that information? (Will be attached.)

Spoke about the assumptions and some people not liking them. But a lot of them are just a guess.

If you've having problems with the amount of debt and reserves based on the town's yearly budget, then maybe you have got to stop approving \$3.5 million yearly increases for the BOE. That is killing the taxpayers of the town and yet year after year you give them an extra \$3 million. That really is not right.

VII. Review Long Range Plan and Priorities

1. Review status of LRP items in current fiscal year budget

A. Status/Reprioritizations

2. Strategy Discussion

Discussed earlier in the agenda.

VIII. Conduct Administrative Business

1. Consent Agenda

A. Appropriation \$1,145 * Youth Services - Kristen's Kloset (Spec Rev)

B. Appropriation \$33,322 * BOE- Operations

C. Appropriation \$1,788 * Recreation - Program Supplies - Pavilion Upgrades (Spec Rev)

D. Appropriation \$1,678 * Library - Temporary/Seasonal

E. Appropriation \$ 703 * Youth Services - YS Enhancement Grant (Spec Rev)

Appropriation \$ 215 * Youth Services - Outside Programs (Spec Rev)

Appropriation \$ 222 * Youth Services - Kristen's Kloset (Spec Rev)

F. Appropriation \$5,625 * Engineering- Program Services - Clean Energy Comm. (Spec Rev)

Appropriation \$15,000 * Engineering- Program Services - Bright Idea Grant (Spec Rev)

Taking the Consent Agenda in its entirety, Mr. Labieniec made a motion to approve. Mr. Moise and Mr. Coleman seconded. Motion passed unanimously on a voice vote.

2. Manager's Memos

1. Appropriation \$15,000 Town Attorney - Legal Fees

Mr. Brumback explained this was the unexpected court challenge to the Hatton solar project.

Mr. Coleman made a motion to approve. Mr. Pocock seconded.

Mr. Moise asked why not a transfer from other departments as we do at the end of the year. Mr. Brumback said this is out of contingency and it has plenty. We are in fact harvesting now. Most of that is looking with an eye toward the capitals.

Motion passed unanimously on a voice vote.

2. Appropriation \$40,000 Snow & Ice - Program Supplies
(Additional Information)

Mr. Pocock made a motion to approve which Mr. Labieniec seconded.

This was tabled at the last meeting for want of additional information and Mrs. Turnquist provided the information. Mr. Pocock noted it was very well written.

Motion passed unanimously on a voice vote.

3. Transfer \$1,100 Zoning Board of Appeals -
Temporary/Seasonal

Mr. Moise made a motion to approve which Mr. Labieniec and Mr. Coleman seconded. Motion passed unanimously on a voice vote

4. Appropriation \$ 700 * Calendar House - Overtime

Mr. Moise made a motion to approve. Mr. Labieniec seconded. Motion passed 4 to 0 to 1 with Mr. Pocock abstaining.

5. Bond Ordinance \$57,100,000 See Public Hearing Item
Tabled earlier in the agenda.

6. Transfer \$2,335 Town Manager -
Temporary/Seasonal

Mr. Pocock made a motion to approve. Mr. Moise seconded. Motion passed unanimously on a voice vote.

7. Transfer \$3,250 Fire Department - Stipend

Mr. Moise made a motion to approve. Mr. Pocock seconded. Motion passed unanimously on a voice vote.

8. Transfer \$20,000 Central Dispatch - Overtime

Transfer \$ 2,159 Central Dispatch - Regular Wages

Mr. Moise made a motion to approve which Mr. Pocock seconded. Motion passed unanimously on a voice vote.

Set the Mill Rate for the FY 2016-17 Adopted Budget

The Chair noted the mill rate will be set essentially on the budget adopted by the town council with some minor geography changes which was the budget we recommended to the council.

Mr. Brumback clarified the BOF was aware of what the council did on Monday and The Chair confirmed they did know.

The commitment that the council made with your concurrence, is to restore if the revenue gets restored, stated Mr. Brumback. All indications are most of it will be. The revenues and expenditures were reduced by the same amount stated Ms. Portelinha.

Mr. Moise made a motion to approve a mill rate of 29.64 in accordance with the budget approved by the town council on May 9, 2016. Mr. Coleman seconded.

Mr. Moise discussed the possible numbers from the state. He didn't expect a big problem.

Motion passed 5 to 0 on a roll call.

IX. Meeting Adjournment

Mr. Moise made a motion to adjourn which Mr. Pocock seconded. Motion passed unanimously on a voice vote.

(Whereupon, the meeting was adjourned at 8:53 o'clock, p.m.)