

# Town of Colchester, Connecticut

127 Norwich Avenue, Colchester, Connecticut 06415

**Board of Finance  
Meeting Minutes  
January 17, 2018  
Town Hall Room 1 @ 7:00 pm**

**Members Present:** R. Tarlov, R. Lepore, T. Kane, M. Egan, A. Migliaccio and A. Bisbikos

**Others Present:** First Selectman A. Shilosky, CFO M. Cosgrove, Tax Collector M. Wyatt, BOS R. Coyle, J. Ford, Public Works Director J. Paggioli, M. Hayes and Clerk J. Campbell

RECEIVED  
COLCHESTER, CT  
2018 JAN 19 PM 1:41  
A. COYLE, FISCAL  
TOWN CLERK

1. **CALL TO ORDER** – R. Tarlov called the meeting to order at 7:00 pm.
2. **ADDITIONS TO THE AGENDA** - None
3. **APPROVAL OF MINUTES: January 3 Regular Meeting** – A. Migliaccio stated that her comment about the Police Commission was that it was likely they would be disbanded, not that they will. A. Bisbikos MOTIONED to approve the January 3<sup>rd</sup> Meeting Minutes, SECONDED by A. Migliaccio. T. Kane ABSTAINED. All other members voted in favor. MOTION CARRIED. 5/0/1
4. **CITIZENS COMMENTS** - None
5. **CORRESPONDENCE** - None
6. **OPEN SPACE & WATERSHED LAND ACQUISITION PROGRAM GRANT APPLICATION – Discussion and Possible Action** – The sale of the land did not go through, there for J. Gigliotti, no longer is seeking approval from the Board.
7. **UPDATES: IGA PROGRAM, TOWN AND SCHOOL FACILITIES MAINTENANCE PLAN, TOWN CAPITAL PLAN** – J. Paggioli presented an interoffice Memo regarding the Energy Performance Contract. (see attached) R. Tarlov wanted to remind the board that when the lease payments are done, the plan is to use them for Capital needs. There hasn't been a policy set for this yet. R. Coyle recommended working on adding this policy prior to the 12 year term ending. A. Shilosky will work with J. Paggioli on this policy. Capital Plan and Maintenance Plan will be updated at a later point.
8. **DEPARTMENT REPORTS**
  - a. **Tax Collector** – M. Wyatt reported on what it happening in the Tax Collector's Office. In November 9200 (October 25) MV bills were sent out with a due date of 11/1, becoming delinquent after 12/1. By state statute after a person is 30 days delinquent, a demand notice goes out and DMV will be notified. MV Supplement Bills went out and are due 1/1 becoming delinquent on 2/1. 2<sup>nd</sup> installment of real estate is due 1/1 as well and becoming delinquent on 2/1. Because of the new tax regulations many people came in December to still have the deduction on their tax filing for the year. DMV and TC communicate nightly. Anyone paying by credit or check require a 10 day processing time frame. Cash payments take 48 hours to process with the DMV. YTD (July 1<sup>st</sup>- today) credit card payments are at \$1,590,000.00. The town does not pay for the credit card service.
  - b. **Finance** – M. Cosgrove stated that revenue amounts from the state are scheduled to come in. Pequot money has not be delivered at this point. This is payment 1 of 3. The amount is a little over \$65,000. Keeping an eye on police overtime and storm related costs. M. Egan stated 32% of the snow budget has already been used. M. Cosgrove pointed out that part of that is from the contract for the school parking lots. A. Migliaccio asked about the Governor's plan to defer bond payments for bridge contracts, does this effect Colchester. J. Paggioli responded the grant has not been applied for as of yet. We would apply in April area, and so it depends on the length of this deferment.

**9. FIRST SELECTMAN**

**a. Transfer Notifications** – due to the new Town Charter, there is only a notification of certain transfers. See attached.

**b. First Selectman's report** – A. Shilosky reported the note sale went well, 20,850,000 we received a rate of 1.51. We will likely be refinancing this note to a longer term bond coming up in October. A Shilosky said that although this interest rate is very good, the importance of maintaining of fund balance to maintain or improve our rating is seen in that Greenwich, an AAA town, got an interest rate much lower than we did. By Feb 1<sup>st</sup> the vacant positions that will be filled should be filled. The only current vacant positions that will not be filled will be the part-time in building and part time recreation as well as one employee for public works which will be hired in the spring. Norton mill remediation is done. Construction should occur in the summer and the job should be completed by the end of the year. Ambulance has been purchased. 2 lawsuits that the Town has been fighting are over. Both suits can appeal within 20 days. At this point we have not heard anything on the appeals. Currently one of those lawsuits has cost the town over \$62,000. A. Bisbikos has asked about the FOI complaints. A. Shilosky stated one had been closed in favor of the town, and he understood the other should have a memorandum of decision ready shortly, and feels that case looks good for the town, too.

**c. Equipment Reserve** - \$50,000/year goes into the reserve. The account was originally the only reserve account. Building Reserve and Vehicle Reserve have been added. This year's deposit was held with the concerns of the budget shortfalls, nothing has been added as of yet. See attached.

**10. REVIEW OF THE FIRST SELECTMAN'S 2017-2018 BUDGET MITIGATION PLAN – A.**

Shilosky presented his newest Draft Plan. Revenue projects have been added. He is confident that the \$234,023 will be covered with payroll expense and additional revenue above the current conservative projections. Amounts for Special Ed and Interest are not included in the projections at this time as well. Another update will be presented at the 2<sup>nd</sup> meeting in Feb. Supplemental billing is not wanted at this point. The ambulance, Tax collector and building revenue numbers were conservative projected amounts based on both annual and 6 month past numbers. There is a potential for numbers to be more solid a couple months from now. M. Cosgrove is comfortable with the low end analysis of the revenue number. A Bisbikos asked about the Opengov software that is on the list. A Shilosky replied that with the budget season starting, that even if BOS voted to move forward, the software implementation would not happen until after budget season. R Tarlov said that A Shilosky had committed to having the item in his 2018/2019 proposed budget.

**11. 2018-2019 BUDGET DISCUSSION** – Survey closes Monday 22<sup>nd</sup> at 4am. 414 surveys were completed last year. 600+ the prior year. As of now we are around 400. The budget calendar is up to date with the change in the Senior Budget Forum.

**12. NEW BUSINESS** - None

**13. OLD BUSINESS** - None

**14. LIAISONS' REPORTS** – M. Egan reported on WJJMS, the project is still under budget and on time. He stated the project is be handled very professionally and is impressed with everyone's involvement. A. Migliaccio reported on BOE Budget, the impact to the budget will be presented on 1/23. 25 applicants for superintendent position. Ken (Jackson) is preparing his capital report for the 23<sup>rd</sup> as well. Colchester number of disabilities in children is not in line with the state. Colchester has an uptick in children receiving services. Plans are in place for each school to meet those needs. CES Pre K has a waiting list. There is an act concerning the development of a plan for universal preschool. (see attached) A. Bisbikos reported on P&R, seasonal temp job will be funded by the program fund if they wish to hire someone for the summer months. EDC has a presentation from the SECT Coalition. 99 Restaurant was mentioned at the meeting. A Shilosky confirmed he has reached out to them and there has been some discussion, but no definite plans at this time. A. Bisbikos stated that the EDC would like to have the Town Website updated.

15. **CITIZENS COMMENTS** – R. Coyle stated that Opengov has not been discussed at a BOS meeting. She is disappointed that the BOF arranged for presentations with one member and not all members. R. Tarlov explained that after he had asked BOS to table discussion and decision, that Stan Soby asked if a presentation could be scheduled in January. When he told Stan that it would have to come later as the representative was not available for those dates, Stan asked if he could get information in advance as he had not attended the BOF presentations as the other Selectman had. R. Tarlov reached out to Opengov, and also asked them to reach out to J. Ford as well, as he was not a Selectman when the presentations were made. Once the web-ex presentations have happened, a presentation with the Opengov representative will be scheduled for a BOS meeting. R Coyle asked if it could be in March as she will be away in February. R Tarlov asked J Ford if Opengov had been in touch with him. He said they had, but that he had not gotten back to them yet.
16. **ADJOURNMENT** – R. Lepore MOTIONED to adjourn the January 17<sup>th</sup> meeting at 8:28 pm, SECONDED by T. Kane. All members present voted in favor. MOTION CARRIED. 6/0


Respectfully Submitted,

**Attachments:**  
Special Act No. 17-1  
Budget Transfer Notice

Equipment Reserve 5 yr. summary  
Draft-State Budget Impact  
Energy Performance Memo

*Joanie Campbell*, Clerk

**Town of Colchester Interoffice Memorandum**

**To:** Art Shilosky, First Selectman  
**From:** James Paggioli, L.S., Director of Public Works   
**CC:**  
**Date:** January 17, 2018  
**Re:** Energy Performance Contract Year Three - Final M&V Report.

As part of the Energy Performance Contract, the Town of Colchester required that for the first three years of the project, A Monitoring and Verification report be prepared to ensure that the project was delivering the guaranteed savings in energy that the project funding payback required. The guaranteed savings were deducted from the operational budgets at the time on project installation. The guaranteed savings amount is calculated throughout the entire project installation and there may be some deviations for individual location within the project, however the total must meet or exceed the amount. Again, the original calculation baseline for the project was the year 2010.

To simplify the calculations process; comparisons are made between if the Town did nothing and maintained the existing facility infrastructure and the present resultant energy use with the newly installed features. Years are "weather adjusted" in order to provide a more accurate analysis of the performance of the installed components.

In September of 2018, the installer (Honeywell) visited the sites to ensure that the features installed as part of the project are still in place and monitoring is occurring remotely throughout via the Building Automation Software system.

The Report lists in the Executive Summary that the Total Cost Avoidance for Year Three was \$428,270. Of which \$407,214 was Energy Cost Avoidance. Operational Savings, (although appreciated but difficult to fully realize since staff is still conducting other work) totaled \$20,056.

The Energy Performance Contract Annual Guarantee is \$297,210 for the third year of the project. The Total Cost Savings exceeded the Guarantee amount by \$131,060, which is 144% of the contractual amount.

**Honeywell**

Americas M&V Services

**Town of Colchester, CT**  
**Energy Cost Avoidance Report**  
**Year 3 Performance Period**  
**July 2016 – June 2017**



*Helping customers manage energy resources to improve financial performance*

**1.0 Overview**

## Overview - Executive Summary

### 1.1 Executive Summary

This report documents the measurement and verification activities for the Town of Colchester, CT energy retrofit project for Year 3 of the performance phase (July 2016 – June 2017). It serves to reconcile the guaranteed savings against the measured savings, using methodology outlined in the contract.

The total guarantee term for this project is 3 years (with an option for up to 9 additional years), with the guaranteed savings schedule shown below:

Year	Energy	Operational	Total
1	\$265,431	\$19,847	\$285,278
2	\$270,739	\$20,443	\$291,182
3	\$276,154	\$21,056	\$297,210
4 (Optional)	\$281,677	\$21,688	\$303,365
5 (Optional)	\$287,311	\$22,338	\$309,649
6 (Optional)	\$293,057	\$23,009	\$316,066
7 (Optional)	\$298,918	\$23,699	\$322,617
8 (Optional)	\$304,896	\$24,410	\$329,306
9 (Optional)	\$310,994	\$25,142	\$336,136
10 (Optional)	\$317,214	\$25,896	\$343,110
11 (Optional)	\$323,559	\$26,673	\$350,232
12 (Optional)	\$330,030	\$27,473	\$357,503
Total	\$3,559,980	\$281,674	\$3,841,654

### Year 3 Results

<b>Energy Cost Avoidance:</b>	\$ 407,214
<b>Operational Savings:</b>	\$ 21,056
<b>Total Cost Avoidance:</b>	\$ 428,270
<b>Annual Guarantee:</b>	\$ 297,210
<b>Excess/Shortfall:</b>	\$ 131,060
<b>Percentage of Guarantee:</b>	144%

## Overview - Executive Summary

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### Year 3 Results by M&V Option

Option A Cost Avoidance - Electrical:	\$ 363,290
Option A Cost Avoidance - Water:	\$ 15,289
Option A Cost Avoidance - Propane:	\$ 1,813
Option A Cost Avoidance - Fuel Oil:	\$ 3,683
Option C Cost Avoidance - Fuel Oil:	\$ 23,140
ECM Adjustments:	\$ 0
<u>Operational Savings:</u>	<u>\$ 21,056</u>
<b>Total Cost Avoidance:</b>	<b>\$ 428,270</b>

### Cumulative Results

TIME PERIOD		TOTAL COST AVOIDANCE	ANNUAL GUARANTEE	EXCESS/ SHORTFALL
Installation Period		\$0	\$0	\$0
Year 1	07/14 - 06/15	\$374,036	\$285,278	\$88,758
Year 2	07/15 - 06/16	\$361,056	\$291,182	\$69,874
Year 3	07/16 - 06/17	\$428,270	\$297,210	\$131,060
<b>TOTAL</b>		<b>\$1,163,367</b>	<b>\$873,670</b>	<b>\$289,697</b>



## Overview – M&V Activities

### *Escalated Baseline Energy, Water, and O&M Rates*

The baseline energy rates are shown in the table below. These rates will be escalated by 2% annually to establish the baseline rate for each reporting year.

Location	Electric			Propane \$/Gallon	Fuel Oil \$/gallon	Water/Sewer		
	On Peak \$/kWh	Off Peak \$/kWh	\$/kW			Water \$/kGal	Sewer \$/kGal	
Bacon Academy	\$ 0.144	\$ 0.134		\$ 10.529	\$ 1.37	\$ 2.377	\$ 7.39	\$ 6.93
Colchester Elementary	\$ 0.139	\$ 0.129		\$ 12.282	\$ 1.37	\$ 2.328	\$ 7.39	\$ 6.93
Jack Jackler Intermediate	\$ 0.136	\$ 0.128		\$ 9.879	\$ 1.37	\$ 2.236	\$ 7.39	\$ 6.93
Crain Library	\$ 0.271		\$ 12.034			\$ 2.236	\$ 7.39	\$ 6.93
Fire Dept Co #1	\$ 0.271		\$ 12.036	\$ 1.37	\$ 2.236	\$ 7.39	\$ 6.93	\$ 6.93
Fire Dept Co #2	\$ 0.271		\$ 11.975	\$ 1.20	\$ 2.236	\$ 7.39	\$ 6.93	\$ 6.93
Fleet Town Garage	\$ 0.271		\$ 12.034	\$ 1.37	\$ 2.236	\$ 7.39	\$ 6.93	\$ 6.93
Fleet Wash Bay	\$ 0.271				\$ 2.236	\$ 7.39	\$ 6.93	\$ 6.93
P&R Maint. Garage/Concession	\$ 0.271		\$ 12.034	\$ 1.37		\$ 7.39	\$ 6.93	\$ 6.93
P&R Sports Lights	\$ 0.341					\$ 7.39	\$ 6.93	\$ 6.93
Town Hall	\$ 0.252		\$ 11.843		\$ 2.236	\$ 7.39	\$ 6.93	\$ 6.93
Town Hall Parking Lights	\$ 0.252					\$ 7.39	\$ 6.93	\$ 6.93
Youth Center	\$ 0.248		\$ 12.202		\$ 2.236	\$ 7.39	\$ 6.93	\$ 6.93
Water Dept – Cabin Road	\$ 0.248			\$ 1.37		\$ 7.39	\$ 6.93	\$ 6.93
Water Dept – Tantor Hill	\$ 0.252		\$ 14.287	\$ 1.37		\$ 7.39	\$ 6.93	\$ 6.93
Street Lighting	\$ 0.161							

## Overview – M&V Activities

### *Selected Energy, Water, and O&M Rates*

The selected energy rates are shown to calculate the cost avoidance of the ECMs installed in accordance with the contract.

Location	Electric				Propane	Fuel Oil	Water/Sewer
	On Peak \$/kWh	Off Peak \$/kWh	\$/kW	\$/kVA	\$/Gallon	\$/gallon	\$/kGal
Bacon Academy	\$0.150	\$0.140		\$10.954	\$1.43	\$2.473	\$14.90
Colchester Elementary	\$0.144	\$0.134		\$12.778	\$1.43	\$2.473	\$14.90
Jack Jacket Intermediate	\$0.141	\$0.133		\$10.278	\$1.43	\$2.473	\$14.90
Green Library	\$0.282		\$12.520			\$2.473	\$14.90
Fire Dept Co #1	\$0.282		\$12.522		\$1.43	\$2.473	\$14.90
Fire Dept Co #2	\$0.282		\$12.459		\$1.43	\$2.473	\$14.90
Fleet Town Garage	\$0.282		\$12.520		\$1.43	\$2.473	\$14.90
Fleet Wash Bay	\$0.282					\$2.473	\$14.90
P&R Maint Garage/Concession	\$0.282		\$12.520		\$1.43		\$14.90
P&R Sports Lights	\$0.355						\$14.90
Town Hall	\$0.262		\$12.322				\$14.90
Town Hall Parking Lights	\$0.262						\$14.90
Youth Center	\$0.258		\$12.695			\$2.473	\$14.90
Water Dept - Cabin Road	\$0.258				\$ 1.43		\$14.90
Water Dept - Taintor Hill	\$0.262		\$14.864		\$ 1.43		\$14.90
Street Lighting	\$0.167						

### **1.2 M&V Activities**

As part of the ongoing M&V activities for Performance Year 3, a site visit was conducted on September 15<sup>th</sup> and 27<sup>th</sup> 2017. The purpose of the site visit is to verify the status of the energy conservation measures (ECMs) installed for the Town of Colchester and their ability to perform.

Overall, the ECMs were found to be in a condition to maintain the potential to meet the performance guarantee. The site visit results can be found in *Appendix 5.1: M&V Site Visit*.

FY 17/18

Town of Colchester  
General Fund  
Budget Transfer/Additional Appropriation

Department: Tax Collector

Reason for Request: Vacancy from an employee resignation. Temporary help needed to cover office when training and transition new staff thru tax season.

Reason for Available Funds: Assistant Tax Collector resigned.

From:

Account Number	Account Name	Amount
40101	Regular Payroll	6,370

To:

40105	Contr Temp Occas	6,370

Jan 11, 2018  
Date Requested

*Michele Wyatt*  
Department Director or Supervisor - Signature

Print Name Michele Wyatt

1/11/18  
Date Reviewed / Approved

*[Signature]*  
Chief Financial Officer

1-11-18  
Date Approved

*[Signature]*  
First Selectman

Date Approved / Notified

Board of Selectmen Clerk

Date Approved / Notified

Board of Finance Clerk

Town of Colchester - Equipment Reserve  
Five Year Summary

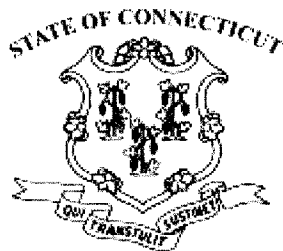
	FY 2017-18*	FY 2016-17	FY 2015-16	FY 2014-15	FY 2013-14
Balance 7/1	121,497.37	99,563.31	117,109.54	174,189.62	132,350.88
<b>Revenues:</b>					
General Fund contribution**		50,000.00	50,000.00	50,000.00	65,000.00
Sale of assets		2,325.00	1,556.00	1,641.00	38,471.10
Proceeds from insurance		0.00	0.00	1,024.00	8,222.98
Total Revenues	0.00	52,325.00	51,556.00	52,665.00	111,694.08
Expenditures	(2,738.52)	(30,390.94)	(69,102.23)	(104,745.08)	(69,855.34)
Reallocation of sale of assets***				(5,000.00)	
Gain/Loss	(2,738.52)	21,934.06	(17,546.23)	(57,080.08)	41,838.74
Balance 6/30	118,758.85	121,497.37	99,563.31	117,109.54	174,189.62

\*Amounts reported are as of 1/12/18

\*\*Budgeted funds have not been transferred in FY 17/18 pending State budget impact analysis

\*\*\*Portion of the funds received from the sale of the DARE car in FY 13/14 were reallocated to the CARD (formerly DARE) program during FY 14/15

Town of Colchester				
State Budget Impact - Status Update				
	Revenue	Revenue	Expenditure	
	Adjustments	Projections*	Adjustments	Total
ECS Reduction	(1,777,746)			(1,777,746)
Municipal Stabilization Grant (not included in adopted budget)	207,276			207,276
CIRMA Equity Distribution (not included in adopted budget)	44,723			44,723
Mashantucket/Pequot (not included in adopted budget)		65,420		65,420
Homeowners		(45,062)		(45,062)
Building Permits		25,000		25,000
Ambulance Fees		25,000		25,000
Current Tax Collections		29,600		29,600
Delinquent Tax Collections		75,000		75,000
Delinquent Interest Collections		78,700		78,700
Special Education Excess Cost		TBD		
Investment income		TBD		
BOE Expenditure Reductions			(825,000)	825,000
Town Expenditure Reductions:				
Position Vacancies**			(130,108)	130,108
Boards & Commissions - OpenGov software			(15,100)	15,100
Police - Replace office chairs			(1,500)	1,500
Police - replace body armor (purchased in prior years)			(3,600)	3,600
Police - replace tasers (purchased in prior years)			(7,000)	7,000
Fleet - replace wash bay propane heater (lower cost funded through Equip Reserve)			(7,500)	7,500
Facilities - Supplies to paint offices in Town Hall			(1,000)	1,000
Senior Services - TVCCA Senior Nutrition Program			(958)	958
Capital (cost savings):				
Fire - Thermal Imaging cameras (savings based on purchases for FY 16/17 & FY 17/18)			(5,800)	5,800
Parks & Grounds - resurface tennis courts (require match from Program Fund)			(5,500)	5,500
Fire - Service 328 replacement funding (plan revised to refurbish Ambulance for use as Service 328)			(30,000)	30,000
Town Hall - repair sidewalks			(5,000)	5,000
<b>Total</b>	<b>(1,525,747)</b>	<b>253,658</b>	<b>(1,038,066)</b>	<b>(234,023)</b>
*Amounts reported in this column represented projections thru 6/30/17				
**With the exception of two part-time positions (Recreation and Planning & Code Administration), cost savings from position vacancies reflect amounts through the most recent payroll (1/5/18). Some positions remain vacant at this time, and therefore additional savings will be forthcoming				



**Substitute Senate Bill No. 954**

**Special Act No. 17-1**

**AN ACT CONCERNING THE DEVELOPMENT OF A PLAN FOR UNIVERSAL PRESCHOOL.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. (*Effective July 1, 2017*) The Department of Education, in consultation with the Office of Early Childhood, the Early Childhood Cabinet, established pursuant to section 10-16z of the general statutes, and two providers of private preschool programs, as selected by the Commissioner of Early Childhood, shall develop a plan for the provision of preschool to all children three and four years of age in the state for the school year commencing July 1, 2022, and each school year thereafter. Such plan shall include, but need not be limited to, the utilization of public and private preschool programs and assistance for local and regional boards of education to implement such plan. Not later than January 1, 2019, the department shall submit such plan and any recommendations for legislation necessary to implement such plan to the joint standing committee of the General Assembly having cognizance of matters relating to education, in accordance with the provisions of section 11-4a of the general statutes.

Approved June 9, 2017