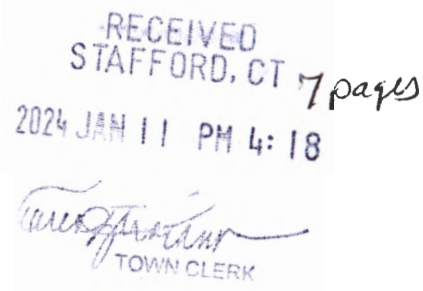


Board of Finance  
Regular Meeting  
January 8, 2024  
Veteran's Meeting Room  
Warren Memorial Town Hall



1. Chairman Steve Geryk called the meeting to order at 6:30 PM.
2. Present were members Anthony Armelin, Blake Hatch, Matt McKenney, Tony Pellegrino, and David Walsh. A quorum was established.

Also present were Alternate Shelley West, Director of Finance John Lund, and Treasurer Neil Hoss.

3. Mr. McKenney moved to accept the December 4, 2023 minutes of the as presented, seconded by Mr. Pellegrino. Mr. Hatch disputed the minutes, stating the minutes should reflect that he did not have an opportunity to vote for Chairman and that no second was allowed or offered after his first motion to nominate. Following a brief discussion, the Board agreed that the minutes reflected how the meeting ran. Mr. Geryk called for a vote, with Mr. Armelin, Mr. Geryk, Mr. McKenney, Mr. Pellegrino, and Mr. Walsh voting to accept the minutes, and Mr. Hatch opposing the minutes.
4. Three transfer requests approved at the December 6, 2023 Board of Selectmen meeting were distributed. Upon motion of Mr. Pellegrino and seconded by Mr. Hatch, the Board unanimously approved the transfer of \$14,500 from 20-170-1100 (health insurance) to 20-170-1100 (salary/Administration) to cover projected shortfall in Finance Director salary ; transfer of \$4,250 from 20-270-2030 (health insurance) to 20-481-9350 (transfer agent/issuance costs) to cover the annual audit filing fee with EMMA; and transfer of \$2,000 from 20-02-020-201 (Usable cash surplus) to 20-998-9998 (Transfers-out) to be transferred to the newly established 54-100-8250 Emergency Fund for use by Veterans Organizations.  
*(see attached)*
5. Director of Finance Updates

Newly appointed Director of Finance John Lund was in attendance to discuss several items for the Finance Department. Mr. Lund informed the Board that the FY23 Audit received another extension approval from the Office of Policy and Management (OPM) through the end of February 2024, and explained the Town can only apply for an extension one month at a time. The State has granted the Town until June 2024 to complete and submit the audit, but the goal for the Town is to complete the audit by the end of March 2024. The Town and Board of Education are now holding biweekly audit meetings to discuss both progress made and solutions for expediting reconciliations between the Town and Board of Education. Mr. Lund noted that

former Interim Director of Finance Lynn Nenni has agreed to be retained by the Town until this audit is satisfactorily submitted.

At past meetings, members of the Board of Finance have requested updates regarding the Geothermal/Solar project. First Selectman William Morrison shared a memo from Attorney Laurann Asklof regarding status of claims and investigation against Trison Construction, Inc. It was noted and discussed that comments within the memo are the only comments on the matter. *(see attached)*

A year-to-date general fund budget report prepared by Mr. Lund was distributed to the Board. He explained the budget report is the same format as the budgets presented at referendum meetings. After a brief review, Board members unanimously agreed they would like a similar monthly report from the Board of Education. Mr. Hatch questioned the Resident Trooper line item, and requested a copy of the Police Sergeant Resident Trooper contract.

Mr. Lund has completed a general review of the Town of Stafford Financial policies. At future meetings, he will discuss cleaning up and strengthening policies that align with auditing firm Marcum's recommendations, to include, among other changes, monthly reconciliations between the Town and Board and Education.

Additional requests and discussions from the Board to be discussed at the January 24, 2024 meeting include the Unassigned Fund Balance, the operating system attached to the Edmunds Finance software, Bond rating and the schedule of Bond payments, and a monthly budget report from the Board of Education.

Upon motion of Mr. Walsh and seconded by Mr. Armelin, the Board unanimously approved to adjourn at 7:27 PM.

Respectfully Submitted,



Erin Milnes  
Recording Secretary  
*Attachments*

**TRANSFER REQUEST FORM**

Department Name: First Selectman's Office

Fiscal Year: FY 2024

Transfer From Account # 20-02-020-201

Account Name: Useable Cash Surplus

Transfer To Account # 20-998-9998

Account Name: Transfers-out

Total Transfer

Amount- \$2,000

Transfer to newly established Emergency Fund for use by Veterans Organization,

Acct # 54-100-8250

William Morrison

Printed Name: (person requesting transfer)

\_\_\_\_\_  
Signature: (person requesting transfer)

\_\_\_\_\_  
Requires Town Meeting approval per C.G.S. 7-348 Yes- No xx

Date: 12/6/2023  
Reviewed by the Board of Selectmen

Date: \_\_\_\_\_  
Approved by Board of Finance

\_\_\_\_\_  
First Selectman

\_\_\_\_\_  
Board of Finance Chairman

**TRANSFER REQUEST FORM**

Department Name: Building Dep

Fiscal Year: FY 2024

Transfer From Account # 20-270-2030

Account Name: Health Insurance

Department Name: Interest on Long Term Debt

Transfer To Account # 20-481-9350

Account Name: Transfer Agent/Issuance Costs

Transfer Amount – \$4,250

Explanation: To cover annual audit filing fee with EMMA for continuing disclosure for debt service for FY 2022 and FY 2023. Funds available in health insurance due to Zoning Officer vacancy.

Lynn Nenni

Printed Name: (person requesting transfer)

Lynn Nenni  
Signature: (person requesting transfer)

Requires Town Meeting approval per C.G.S. 7-348 Yes- No xx

Date: 12-6-2023  
Reviewed by the Board of Selectmen

Date: \_\_\_\_\_  
Approved by Board of Finance

\_\_\_\_\_  
First Selectman

\_\_\_\_\_  
Board of Finance Chairman

**TRANSFER REQUEST FORM**

Department Name: Treasurer

Fiscal Year: FY 2024

Transfer From Account # 20-170-2030

Account Name: Health Insurance

Transfer To Account # 20-170-1100

Account Name: Salary/Administrative

Transfer Amount – \$14,500

Explanation: To cover projected shortfall in Finance Director position and approximate 2 week overlap for orientation. Funds available in health insurance due to vacancy in permanent position.

Lynn Nenni

Printed Name: (person requesting transfer)

*Lynn Nenni*  
Signature: (person requesting transfer)

Requires Town Meeting approval per C.G.S. 7-348 Yes- No xx

Date: 12-6-2023  
Reviewed by the Board of Selectmen

Date: \_\_\_\_\_  
Approved by Board of Finance

\_\_\_\_\_  
First Selectman

\_\_\_\_\_  
Board of Finance Chairman

# SHIPMAN

TO: William Morrison  
First Selectman  
Town of Stafford

CC: Devin Cowperthwaite, Dir. of Public Works  
Bruce Davis, Facilities Supervisor

FROM: Laurann Asklof, Esq.

RE: Status of Claims and Investigation against Trison Construction, Inc.

DATE: January 2, 2024

## Facts/Talking Points:

- **April 8, 2015** - the Town of Stafford (“Stafford”) entered into a written agreement with Trison Construction, Inc. (“Trison”), for the design and installation of a Geothermal Heating and Cooling system (the “System”) at the Stafford Elementary School, Stafford Middle School, Stafford High School and the Stafford Public Library (“Project”) (the “Contract”). The Contract was a turn-key retro-fit design-build contract meaning Trison was fully responsible to design and install (a single point of responsibility) a fully functional HVAC system to work with the existing Town Buildings’ Systems.
  - Total Contract value was \$6,243,016
  - Trison provided a performance bond, underwritten by The Travelers Indemnity Company (“Travelers”) for the entire cost for the Project,
- **June 2017** - Stafford claims the System failed to function properly and that Trison was in breach of its Contract.
- **March - April 15, 2019** - Stafford issues a notice of termination *and* triggers the Surety’s obligation under the Bond and Contract.
- **March 2019** - Stafford retains van Zelm Heywood & Shadford (“VZ”) to perform a preliminary review of the Project to determine the cause of the deficiencies. van Zelm preliminarily found that the primary issues are as follows:
  - The ground source heat pump (“GSHP”) systems as designed and installed were poorly integrated with the existing building HVAC systems and have inadequate capacity.

**Practical impact-** the original boilers must be utilized to meet the majority of winter heating loads.

- Improper operating temperatures- the existing buildings were designed to operate with hot water supply temperatures of 180-190°. The GSHP was designed to supply water temperatures over 170°but the recommended upper limit of water temperatures for the GSHP systems is 150°.

*Practical impact* – The system is inefficient, and the high operating temperatures have resulted in numerous compressor failures and heat pump operational issues.

- **January 25, 2022** –Parties execute a Memorandum of Understanding (MOU) to have van Zelm take the lead in the investigation of the failures and design remedies, with Trison paying up to \$225,000 towards the investigation/remedies of the failures.

**Anticipated Future Activities:**

- **February 2024** – van Zelm is expected to have a final draft report presenting its findings and assessments from the investigation, as well as its recommendations for rectifying the HVAC system. This report will be shared with Trison and Travelers.
  - To date, the costs incurred for the investigation and remedial recommendations have been fully funded by Trison.
- **Thereafter**, in accordance with the MOU, a process has been established to address the potential settlement and/or trial for the Town to recover damages.