

TOWN OF THOMPSON
BOARD OF FINANCE
SPECIAL MEETING
February 3, 2015

MINUTES

PRESENT: Ray Faucher, Jr., Chairman
Paul Deary
Susanne Witkowski
Aaron McGarry

ABSENT: Larry Groh
Larry Guillot

ALSO PRESENT: Mary Ann Chinatti, Members of the Public

I. ROLL CALL

Chairman Faucher called the meeting to order at 7:02PM and called the roll. A quorum was present.

II. APPROVAL TO SPEND UP TO \$540,000 FOR THE REMEDIATION OIL SPILL AT THE THOMPSON PUBLIC SCHOOL COMPLEX.

Chairman Faucher read the agenda item, and stated that several emails were set over the last week or so. He stated there have been many discussions with Paul Lenky, Dr. Jolin, Bill Burch and Attorney Bill St. Onge trying to find the most efficient, quickest and cheapest way to address this issue. He stated any expenditure over \$50,000 must go to the Board of Finance, Board of Selectmen, Town Meeting and Referendum in that order.

The Board selected potential meeting date for the Town Meeting referendum, dates have been set up.

Chairman Faucher stated there have been \$495,000 so far in expenditures, and the \$540,000 was recommended by Attorney St. Onge to cover costs and the cost of additional legal fees and bonding, should bonding be necessary. Finance Director McKiernan-Rafoery stated that the financing would be a one-year, short term bond at a 1.5% interest rate and fees associated with the bond should be less than \$25,000. Chairman Faucher stated that the borrowing and bonding fees will be rolled into the cost and, at the end of one year if the school's attorneys do their job the Town should be able to get 100% if the remediation cost back from the insurance company and not have to go to bond. He stated that would mean the Town's cost would end up

being \$25,000. He stated Attorney St. Onge said it may be difficult to get attorney fees unless, for example, it could be shown that the issue was caused by fraud or negligence. He stated calls are being received by the school daily looking for payment.

Dr. Jolin arrived at 7:07PM and Chairman Faucher briefed him on the meeting thusfar)

Chairman Faucher stated the process is expected to be wrapped up by the end of this month, and it was his belief that everything is lined up. He stated Attorney St. Onge said there were no other options, and the best option should be to pass the funding, pay the bills with Town funds, and get reimbursement by the insurance company. He stated he previously forwarded to the Board correspondence he had received from attorneys.

Chairman Faucher then read the Resolution provided to him by Bond Counsel:

RESOLVED, That the Board of Finance hereby recommends that the Town of Thompson appropriate \$540,000 and authorize borrowing in the same amount for costs related to environmental remediation due to an oil leak at the school complex and related work, and costs related to the financing thereof. The appropriation may be spent for design and remediation costs, easement acquisition, equipment, materials, related work, appurtenances and improvements, project administration, engineering consultant and legal fees, net interest on borrowing and other financing costs, and other expenses related to the project or its financing. The Building Committee for the project shall determine the particulars and scope of the project and may reduce or modify the project, and the entire appropriation may be expended on the project or as so reduced or modified.

(M/S McGarry/Witkowski) to accept the Resolution.

Discussion on the Motion:

Mr. Deary asked Ms. McKiernan-Raftery what interest rate the Town is getting on monies in deposits, to which Ms. McKiernan-Raftery responded ¼%. Mr. Deary asked about other methods of deposits that may offer higher interest rates. She stated that the Town could go out to Bonding, which would get a better rate.

Chairman Faucher stated the Town must be careful. Ms. McKiernan-Raftery stated the Town's fund balances are at 9.29. He stated \$163,000 has already been appropriated, and 70% of that amount will be returned, which will put

fund balances at 9.09. He stated the balances will stay at 9.09 until the \$163,000 is returned to the Town.

Mr. Deary stated he believed there could be a savings if the Town went with that option, even if it's at ½%. He asked if it was possible to trim it down a little bit, to which Chairman Faucher responded the issue is what has been appropriated, and that the Education Department may have Special Ed costs needing to be addressed before the end of the fiscal year. Dr. Jolin stated he is looking at being approximately \$300,000 over-budget for Special Education if all goes well, and that the overage could possibly be reduced to \$200,000.

There was further discussion re whether the interest rate could be trimmed down by looking at other avenues.

Chairman Faucher stated that the Auditors like it to be 8%; Ms. McKiernan-Rafferty stated Auditors prefer 8.6%. Chairman Faucher stated the Town is "between a rock and a hard place" and he can't stress enough the need to stress upon the attorneys that they need be insistent about this.

Dr. Jolin stated their attorney specializes in this type of thing and that the insurance company is being pursued, and the School's insurance company is pursuing a couple of people believed to have crated the problem. Mr. Faucher requested, for the next Board of Finance meeting scheduled for the 19th, an up to the minute financial report as to where this matter stands. Dr. Jolin stated there is enough time to notify the attorney to attend the next meeting, or provide something in writing. Chairman Faucher requested the information be provided in writing to avoid the cost of the attorney attending the meeting.

VOTE on the motion: carried unanimously.

Chairman Faucher noted there is a second recommendation on the Agenda, which he read: Recommend that the Town of Thompson appropriate \$540,000 and authorize borrowing in the same amount for costs related to environmental remediation due to an oil leak at the school complex.

(M/S/C Deary/McGarry) to approve the recommendation. Motion carried unanimously.

III. ADJOURN

(M/S/C McGarry/Sitkowski) to adjourn at 7:17PM.

Respectfully submitted,
Mary Ann Chinatti, Director of Planning and Development