

**BOARD OF FINANCE
MINUTES OF REGULAR MEETING
REVISED
February 2, 2010**

The Regular Monthly Meeting of the Board of Finance was held in Seminar Room 300, Board of Education Administrative Offices, 501 Kings Highway East, Fairfield, CT on Tuesday, February 2, 2010 at 7:30 p.m.

MEMBERS PRESENT

Chairman Thomas Flynn, Robert Bellitto, Jr., Ken Brachfeld, James Brown, Christopher DeWitt, Kevin Kiley (7:35), Mary LeClerc, Michael Tetreau

MEMBERS ABSENT

Robert Stone

ALSO PRESENT

Paul Hiller, Chief Fiscal Officer and Clerk of the Board of Finance
Kenneth Flatto, First Selectman, Town of Fairfield
Bonnie McWain, Director of Finance, Board of Education, Town of Fairfield
Roger Autuori, Registrar of Voters, Town of Fairfield
Frank Cleary, Bond Counsel, Town of Fairfield
Al Kelly, Vice Chairman Special Projects Standing Building Committee, Town of Fairfield
Matthew Spoerndle, Phoenix Advisors, LLC

ACTION TAKEN:

1. Approved the minutes of the Regular Monthly Meeting of the Board of Finance held on January 5, 2010.
2. Approved to amend agenda item #2 to read as follows:
To approve amending two special bonding resolutions previously approved by the Board of Selectmen, Board of Finance and the RTM, pursuant to the prescribed attached bonding resolution: a \$135,000 increase for Osborn Hill capital project budget and bond appropriation, \$135,000 decrease for Sherman School capital project budget and bond appropriation and to approve the attached resolution (bond resolution attached).
And, to amend the bond resolution to change all references in the bond resolution of \$110,000 to \$135,000, change all references in the bond resolution of \$1,755,000 to \$1,780,000, change all references in the bond resolution of \$1,740,000 to \$1,705,000, and change all references in the bond resolution to the two schools involved to Osborn Hill Elementary School and Roger Sherman Elementary School.
3. Approved agenda item #2 as amended.

REQUESTED ITEMS

- Mr. Kiley requested Mr. Hiller to add the item of report writing from the MUNIS system to the agenda for the January Quarterly Review meeting.
- Mr. Flynn asked Mr. Hiller for a schedule for revenues and any extraordinary expenses for the December BOF meeting.

Board of Finance

Minutes of Regular Meeting February 2, 2010

- Chairman Flynn asked Mr. Hiller to provide the Board a report showing if any funds have been given to the GBTA for agenda item #3 since July 2009 and also, any portions of the detailed contract that might be informational for the Board.
- Mr. Bellitto asked Mr. Hiller for an explanation of the asset holdings in the Town's pension funds. Mr. Bellitto added that a forward look at the Town's pension fund requirements would be helpful going into the budget process.
- Mr. Kiley asked Mr. Hiller to provide the Board with an accounting of the Recreation Fund transfer of money that was discussed at an earlier meeting. Mr. Kiley noted that this transfer was initiated in order to reduce the balance in the Recreation Fund to its \$200K limit.
- Mr. Flynn asked Mr. Hiller to provide with a report showing how other AAA towns in the area are managing their Heart & Hypertension and Workman's Compensation accounts; either via an Internal Service Fund or a General Fund.
- Mr. Hiller was asked to distribute to the Board the updated Disaster Recovery Plan mentioned by Mr. Centofani.
- Mr. Centofani was asked to define the small differences in the Payroll account Bank Reconciliation that were found during the audit and report that information back to the Board.
- Mr. Hiller was asked to provide the Board with a current State Labor Report on Unemployment.
- Ms. Churney, Hooker & Holcombe, LLC was requested to provide the Board with data on how incentive retirements impact pension liability going forward.
- Ms. Churney was asked to provide amortization schedules for 5 additional years.
- Mr. Kiley requested Mr. Hiller to provide the Board with a spreadsheet analysis with average cash balances on hand and return rate to be used in conjunction with the budget process this year.
- Mr. Flynn asked Hiller to provide the Board with a rate/volume analysis to be used during the budget process for reviewing revenue.
- Mr. Bellitto asked Mr. Hiller to obtain a short opinion letter from Town Attorney Richard Saxl listing all rights and responsibilities under the regional trash contract currently in place.
- Mr. Flynn asked Mr. Hiller to provide the Board with an analysis of embedded givebacks by bargaining units and the related amounts.
- Mr. Flynn asked Mr. Hiller to provide the Board with a report on the status of the police department budget including detail information on the related cost savings due to a vacancy on the force (healthcare, uniforms, etc.).
- Mr. Flynn asked Mr. Hiller to provide the Board with a schedule of school projects to include the amount that was bonded for each project, costs and the new State reimbursement amounts.
- Mr. Flynn asked Mr. Hiller to ask the First Selectman for a report to the Board regarding the status of the new train station project.
- Mr. Flynn asked Mr. Hiller to invite Mr. Kelly back to the April meeting of the Board for the purpose of updating the Board on the Stratfield Elementary School project.
- Mr. Flynn asked Mr. Hiller to provide the Board with a waterfall model of bond/BAN history.
- Mr. Brachfeld asked to see a chart of one year BAN strategy with various interest rates.

- Chairman Flynn called the meeting to order at 7:33 p.m.

AGENDA

1. To approve the Regular Monthly Meeting Minutes held on January 5, 2010.
On a motion from the Board, the minutes of the Regular Monthly Meeting held on January 5, 2010 were approved with a vote of 8 yeas, 0 nays, 0 abstentions.
2. To approve amending two special bonding resolutions previously approved by the Board of Selectmen, Board of Finance and the RTM, pursuant to the prescribed attached bonding resolution: a \$110,000 increase for Osborn Hill capital project budget and bond appropriation, \$110,000 decrease for Sherman School capital project budget and bond appropriation and to approve the attached resolution (bond resolution attached).

Chairman Flynn reviewed the history of these projects with the Board. Mr. Kelly then presented details concerning this item to the Board. Mr. Kelly stated that \$110K from the Sherman School project is needed by the Osborn Hill School project. Mr. Kelly reported that Osborn Hill is now having drainage problems that will require an additional \$25K to be transferred bringing the total transfer amount to \$135K. Mr. DeWitt reviewed the expenditure of \$91K for moving one of the old portables from Osborn Hill to the Transportation Center. Mr. Brachfeld asked if there is a limit on how much can be transferred before a formal request is required. Mr. Flatto responded that a decision such as that must be made on a case to case basis. Mr. Cleary informed the Board that only a portion of this request has been bonded (\$750K). A discussion on the reasons why the Town doesn't just make a new resolution for the \$110K (\$135K) for Osborn Hill since there are actually two resolutions now. Mr. Flatto explained that this request is not a bond transfer but rather just a budget transfer and a bond resolution amendment. Mr. Flatto further explained that vendors have already done the work and should be paid no matter how badly these decisions were made.

**Mr. Kiley moved and Mr. Bellitto seconded to amend agenda item #2 to read as follows:
To approve amending two special bonding resolutions previously approved by the Board of Selectmen,**

Board of Finance and the RTM, pursuant to the prescribed attached bonding resolution: a \$135,000 increase for Osborn Hill capital project budget and bond appropriation, \$135,000 decrease for Sherman School capital project budget and bond appropriation and to approve the attached resolution (bond resolution attached).

And, to amend the bond resolution to change all references in the bond resolution of \$110,000 to \$135,000, change all references in the bond resolution of \$1,755,000 to \$1,780,000, change all references in the bond resolution of \$1,740,000 to \$1,705,000, and change all references in the bond resolution to the two schools involved to Osborn Hill Elementary School and Roger Sherman Elementary School.

PUBLIC COMMENT

None

Motion carried with a vote of 7 yeas, 1 nay (DeWitt), 0 abstentions.

**Mr. Tetreau moved and Mr. Bellitto seconded to approve agenda item #2 as amended.
Motion carried with a vote of 7 yeas, 1 nay (DeWitt), 0 abstentions.**

Mr. Flynn asked Mr. Hiller to invite Mr. Kelly back to the April meeting of the Board for the purpose of updating the Board on the Stratfield Elementary School project.

3. To discuss with Bond Counsel the opportunities to finance existing Bond Anticipation Notes within State and Federal Statute and Tax Regulations and the Budgetary impact as such.

Mr. Hiller, Mr. Cleary and Mr. Spoerndle presented this item to the Board. Mr. Hiller distributed and reviewed three handouts with the Board. Mr. Spoerndle reviewed the schedule of long and short term debts with the Board. Mr. Spoerndle noted that the rating issue and the selling & marketing of bond overall interest rate issue is about the same for both scenario 1 and 2. During a discussion of the differences between BANs and bonds, it was noted that what suits the Town better is what is appropriate to do, but short term capital projects are usually BANs. Mr. Hiller noted that the Town's paper has always had a great response in the marketplace due in part to the fact that Fairfield is rated as a AAA. Mr. Flatto stated that the bond committee has the responsibility for all decisions related to bonding, not this board, but the First Selectman is always happy to explain the process to this board. Mr. Flatto also noted that the Town has never sought to minimize payments and the Town tries to spread responsibility for repayment so there is no "bump" in the repayment process. Mr. Flynn noted that debt discussions during the budget season should include some background in incremental costs so that the BOF has a better understanding of what is being done.

Mr. Flynn asked Mr. Hiller to provide the Board with a waterfall model of bond/BAN history. Mr. Brachfeld asked to see a chart of one year BAN strategy with various interest rates.

PUBLIC COMMENT

None

Mr. Flatto presented a short update on the status of the new train station financing situation. Mr. Flatto reported that the process for this project was started on 2003 and \$6M has been authorized but only \$1.2M has been spent, and the major design work has been completed. Mr. Flatto stated that the offsite piece of the project was to cost \$1.5M, covered by Federal programs but the State required extra work which added some costs to the project that are to be covered by State resources. Mr. Flatto said that the work on this portion of the project should start in April and be finished sometime in the fall.

Mr. Flatto reported that the parking lots and public areas are being worked on now. Mr. Flatto said that the State would do the actual station area to be paid with Federal funding and that work is about 85% complete. Mr. Flatto stated that the bridge access onto the site is being built and is about ¾ done. Mr. Flatto also said that the Town has to do the site work and the parking area, for 1,500 cars, by the overpass and this involves capping and paving costs. Mr. Flatto also reported that, under the term of the contract, Black Rock Realty (BRR) is obligated to build the road through the complex with a State grant to be repaid with future revenue from the project (never done), and remediation work on the public areas of the property for which BRR is responsible for 50% and the Town is responsible for 50%. Mr. Flatto reported that the drainage work was never defined in the project and no one took responsibility for that work which could amount to between \$10 - \$15M. Mr. Flatto further stated that the Town and the State and BRR are still in negotiations to get the project moving forward and the State is committed to resolve this situation. Mr. Flatto also noted that parking revenue will go to offset the Town's costs over a 20 year period and this is still being negotiated but the State will get the majority of parking revenues.

4. To hear reports from the sub committees of the Board of Finance.

Board of Finance

Minutes of Regular Meeting February 2, 2010

Mr. Bellitto reported that the budget committee had met and had decided that it would be better to dedicate a chunk of time to Capital Improvement Projects instead of having each department head present their requests at the end of their presentation for their department. In this effort, the committee decided to have all Capital Improvement Projects presented during the budget process on Thursday, February 25, 2010.

Several other issues were discussed and it was decided that Mr. Bellitto would revise the budget process schedule and distribute it to the Board with the revisions included.

5. To hear, consider and act upon any communications.

Chairman Flynn informed the Board that there will need to be a special meeting of this board for the purpose of acting on the Fairfield Woods Middle School Building Project and that meeting will be held on February 11, 2010 in this room.

Mr. Flatto reported that a new Town librarian has been hired.

6. To hear consider and act upon any other business which shall properly come before this meeting.

None

The meeting was adjourned at 10:35 p.m.