

**BOARD OF FINANCE
MINUTES OF SPECIAL MEETING
MARCH 10, 2010**

A Special Meeting of the Board of Finance was held in Seminar Room 300, Board of Education Administrative Offices, 501 Kings Highway East, Fairfield, CT on Wednesday, March 10, 2010 at 7:00 p.m.

MEMBERS PRESENT

Chairman Thomas Flynn, Robert Bellitto, Jr., Ken Brachfeld, James Brown, Kevin Kiley, Mary LeClerc, Robert Stone, Michael Tetreau

MEMBERS ABSENT

Christopher DeWitt

ALSO PRESENT

Kenneth Flatto, Sherri Steeneck, Board of Selectmen, Town of Fairfield
Paul Hiller, Chief Fiscal Officer and Clerk of the Board of Finance
Linda Gardiner, Budget Director, Town of Fairfield
Richard White, Director of the Department of Public Works, Town of Fairfield
Scott Bartlett, Superintendent - Department of Public Works, Town of Fairfield

Chairman Flynn called the meeting to order at 7:02 p.m.

AGENDA

1. To hear consider and act upon a request from the Director of Public Works for a Special Appropriation in the amount of \$ 8,700,000 to finance Infrastructure Improvements. Such improvements are specified as road paving, the repair of the Cornell Road bridge, sidewalks in the proximity of schools and safety improvements at the intersection of Fairfield Woods Road and Melville Avenue. Such appropriation to be financed through the issuance of 20 year General Obligation Bonds. (Bond resolution attached)

Mr. Flatto, Mr. White and Mr. Bartlett presented this item to the Board.

Mr. Flatto stated that this is a core infrastructure program and there were three important factors that went into making this decision to request funding:

1. There are currently very good rates available for bonding.
2. The DPW has charts showing road mileages in town and the costs for paving. Those items combined with the DPW long range plan for maintaining the town roads helped to determine the amount of funding required to keep up with the paving plan.
3. The best bidding costs in 5 years are now in place and bidding now could result in lower pricing that was available last year.

Mr. Flatto also stated that he understood the RTM's concern, as well as this board's concern, about bonding a maintenance item such as this for twenty years. Mr. Flatto also stated that by doing this

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magnitude of work now, the DPW would be able to factor this item into their budget as a line item in future years so that the 20 year paving plan can be effective. Mr. Flatto stated that he is concerned about going over the suggested 10% debt range in respect to the Town's AAA rating status but he is confident that the Town should be able to maintain a 10% debt level even with this bonding measure.

Most Board members stated that the concern present is that this is a maintenance item for the most part. It was noted that a portion of this request is for projects that are capital improvement items for the betterment of the public safety and those items could be considered for a bonding request but the paving to maintain the condition of the roads is something that should be in the DPW budget every year. The Board asked if this request would be sufficient to bridge the gap for 3+ years until the DPW can handle the \$3.75M needed annually for paving in their yearly budget.

Mr. Hiller reminded the Board that this item does not have to be bonded over the full twenty years so the Board has the option to modify the duration of the bond request.

Chairman Flynn summarized the present situation, as he understands it, as having three options:

1. deny all funding requested
2. address the need in the operating budget for \$3.75M annually for paving starting this year necessitating a tax increase from 1.37% to 3.34% per household
3. fund with the bonding option

Mr. Kiley suggested that a possible solution might be as follows:

- 2010-2011 – bond \$7.5M and put \$500K in DPW Operating Budget for paving
- 2011-2012 - include \$1.5M in DPW Operating Budget for paving
- 2012-2013 - include \$2.3M in DPW Operating Budget for paving

With the caveat for a commitment from the Town administration to smooth this into the DPW Operating Budget over the next three years until the entire amount for maintaining the roads is a line item in the DPW annual budget.

Mr. Tetreau moved and Mr. Kiley seconded to amend the resolution to reduce the resolution amount of \$8.7M by \$1.5m to \$7.2M with the specific intent that the paving portion be reduced by the \$1.5M.

Public Comment

Krista McCarthy Vahey, RTM District 6

- She is concerned with the timing for this item
- The interest of the BOF is to get these things done and get the resolution to the RTM in March, which would require that this item be before the Committees of the RTM for their meetings to be held next week. It is the Moderator of the RTM's decision to include this item or not on the agenda and some of the new RTM members might not understand the history of this item.
- Bonding is an issue to the RTM
- The BOF has a choice to add \$500K to the DPW budget for 2010-2011
- Having a plan B is important especially if plan A does not get approval this year
- She supports the amendment
- This item needs to come before the RTM in March because the RTM starts looking at the budget in April and there will be no time for this item then

Lu Heumann, 494 Harbor Road, Southport Conservancy

Southport village is going through a large change with the sale of Southport Green into condominiums and she hopes the project to redo the sidewalks from Switzer's Pharmacy to Southport Green will be approved

Mr. Bellitto, Jr. moved the question and Mr. Stone seconded the motion.

Motion approved with a vote of 6 yeas, 2 nays (Brachfeld, Tetreau), 0 abstentions.

The amended resolution failed with a vote of 3 yeas (Brachfeld, Stone, Tetreau), 5 nays, 0 abstentions.

Mr. Brachfeld moved and Mr. Stone seconded to move any action on this item to a date certain of March 16, 2010 and request the First Selectman to provide a plan to incorporate this funding into the Operating Budget of the DPW over the next three years utilizing smoothing such as was suggested by Mr. Kiley by that date certain of March 16, 2010.

After a lengthy discussion of this motion, Mr. Brachfeld and Mr. Stone withdrew their motion.

Mr. Tetreau moved and Mr. Stone seconded to reconsider the resolution.

Motion carried with a vote of 7 yeas, 2 nays (Bellitto, Jr.), 0 abstentions.

Mr. Hiller presented a short overview of the potential financial impact of bonding this item. Mr. Hiller stated that the Town's current debt service is at 10 ¾% but that number will go down to 9.6% next year and the Town's debt coverage is at 1.3%.

Mr. Flatto stated that he will not add \$3M into the budget this year since this is a terrible environment for most residents and he will not raise taxes by that large amount in such tough times.

Mrs. LeClerc moved and Mr. Bellitto, Jr. seconded to split the bonding resolution into 2 bonding authorizations as follows:

- 1. \$1.2M for item # 2 \$700K for repairs to Cornell Road Bridge, item #3 \$300K for the repair and construction of sidewalks in proximity to Town Schools, and item #4 \$200K for the replacement of the traffic light and other safety improvements at the intersection of Fairfield Woods Road and Melville Avenue.**
- 2. \$7.5M for item #1 for paving of Town roads in accordance with the Town's Paving Program**

Public Comment

None

Motion approved with a vote of 6 yeas, 2 nay (Stone, Tetreau), 0 abstentions

Mrs. LeClerc moved and Mr. Bellitto, Jr. seconded to approve Bonding Authorization #1 in the amount of \$1.2M.

Public Comment

Jay Wolk, 1157 Stratfield Road

He is here to advocate for the work to be done at the intersection of Fairfield Woods Road and Melville Avenue and he hopes the Board will approve that work.

Sheila Marmion, 214 Fairfield Woods Road, RTM District 6

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She crosses that intersection daily and traffic is bad; the timing of the traffic light is poor and can't be changed; there needs to be a brighter light at that intersection; this is an investment that needs to be done now

Krista McCarthy Vahey, RTM District 6

Thanked the Board for listening to the safety issues involved at the intersection of Fairfield Woods Road and Melville Avenue; this is a public safety issue that needs to be addressed before someone gets seriously injured; lack of LED lights are a danger; with the construction ongoing at Stratfield School, the safety issues are enhanced with heavy trucks entering the intersection at all times of the day; please approve this item; if this item does not pass here or the RTM, please keep this item open for a "plan B" option.

Motion approved with a vote of 8 yeas, 0 nays, 0 abstentions.

Mrs. LeClerc moved and Mr. Bellitto, Jr, seconded to approve Bonding Authorization #2 in the amount of \$7.5M.

Mr. Flatto stated that the Town has bonded ten times more money for the schools than for the infrastructure; this is a capital infrastructure program and a one time item.

Public comment

None

Motion failed with a vote of 4 yea, 4 nay (Brown, Flynn, Kiley, Tetreau), 0 abstentions.

The meeting was adjourned at 9:53 p.m.