

**BOARD OF FINANCE
MINUTES OF REGULAR MEETING
May 5, 2010**

The Regular Monthly Meeting of the Board of Finance was held on Wednesday, May 5, 2010 at 8:00 p.m. in the Board of Education Administrative Offices, Seminar Room 300, 501 Kings Highway East, Fairfield, Connecticut.

MEMBERS PRESENT

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

MEMBERS ABSENT

None

ALSO PRESENT

Paul Hiller, Chief Fiscal Officer and Clerk of the Board of Finance
Bonnie McWain, Director of Finance, Board of Education, Town of Fairfield
Stanley Gorzelany, Tax Collector, 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
John Stastrom, Pullman & Comley, Bond Counsel representative

ACTION TAKEN:

1. Approved to set the Mill Rate for the Fiscal Year beginning July 1, 2010 and ending June 30, 2011 at 19.27 mills.
2. Approved to authorize the Tax Collector to move \$100,573.23 (taxes receivable) to the Suspense Account in accordance with Section 12-165 of the Connecticut General Statutes.
3. Approved to amend Agenda Item #3 to be reduced to \$1,265,000 and further moved to modify the attached Bond Resolution to reflect the amount of \$1,265,000, and in paragraph 1, section 5 to strike the language, "construction of a new girl's softball field at the Parsells property on Hoyden's Lane", and further move to postpone to date certain, July 6, 2010, the Regular Board of Finance Meeting, consideration of the \$400K request for the construction of the new girl's baseball field at the Parsells property on Hoyden's Lane.
4. Failed to approve to postpone until date certain of June 1, 2010 any action on Agenda Item #3 as amended.
5. Approved to have Bond Resolution for Agenda Item #3 changed to contain a detailed breakdown of items with dollar amounts as developed tonight and included in the Bond Resolution as Attachment A
6. Approved to have the Bond Resolution for Agenda Item #3, as related to paragraph 1, item #6 modified to state the bond length of no more than 15 years from 5 years, and 15 installments from 5 installments.
7. Approved Agenda Item #3, as amended 3 times tonight (\$1,265,000, 15 year/15 installments bond length, and Addendum "A" included).
8. Approved to amend the Bond Resolution entitled, "A Resolution Appropriating \$2,900,000 for the Costs of Road Paving and Authorizing the Issuance of Bonds to Finance such Appropriation" consisting of three pages, a copy of which is attached hereto to read, "A Resolution Appropriating \$5,800,000 for the Costs of Road Paving and Authorizing the Issuance of Bonds to Finance such Appropriation" consisting of three pages, a copy of which is attached hereto.

9. Approved the amended Bond Resolution entitled, "A Resolution Appropriating \$5,800,000 for the Costs of Road Paving and Authorizing the Issuance of Bonds to Finance such Appropriation" consisting of three pages, a copy of which is attached hereto.
10. Approved a transfer of \$50,000 from Contingency to the Finance Department Professional Services budget for performing an operational audit of town government operations.
11. Approved an appropriation from the WPCA fund balance reserve fund in the amount of \$210,000 for a new Treatment Plant Air Blower and to authorize the First Selectman to approve and execute related grant programs with The United Illuminating Company.
12. Approved to appoint Auditors to conduct the Audit of the Town's financial records for the Fiscal Year ending June 30, 2010.

Chairman Flynn called the meeting to order at 8:02 p.m.

Chairman Flynn informed the Board that Controller Caitlyn Bosse was in the hospital and he asked Mr. Hiller to send the Board's best wishes to her and her family.

AGENDA

1. To approve the following Board of Finance meeting minutes:
 - a) Board of Finance Public Budget Hearing Minutes of Meeting March 16, 2010
 - b) Board of Finance Public Budget Hearing Minutes of Meeting March 18, 2010
 - c) Board of Finance Minutes of Public Budget Comment Session March 20, 2010
 - d) Board of Finance Public Executive Session Minutes of Meeting March 25, 2010
 - e) Board of Finance Public Executive Session Minutes of Meeting March 31, 2010
 - f) Board of Finance Public Executive Session Minutes of Meeting April 1, 2010
 - g) Board of Finance Minutes of Regular Meeting April 6, 2010

This item was held over to the next regular meeting of the Board of Finance.

2. To hear consider and act upon a request from the Tax Collector to transfer taxes receivable to the Suspense Account in accordance with Section 12-165 of the Connecticut General Statutes.

Mr. Gorzelany presented this item to the Board. Mr. Gorzelany stated that this item involves uncollectible accounts totaling \$100,573.23 and he reviewed a schedule with the Board.

Public Comment
None

Mr. Bellitto Jr. moved and Mr. Stone seconded to authorize the Tax Collector to transfer funds receivable in the amount of \$100,573.23 to the Suspense Account in accordance with Section 12-165 of the Connecticut General Statutes.

Motion passed with a vote of 9 yeas, 0 nays, 0 abstentions.

3. To hear, consider and adopt the Bond Resolution entitled, "A Resolution Appropriating \$1,655,000 for

the Costs of Certain Capital Projects and Authorizing the Issuance of Bonds to Finance such Appropriation” consisting of three pages, a copy of which is attached hereto. (Tabled from April 6, 2010)

Chairman Flynn informed the Board that he had received a letter from Mr. Plotkin, Chairman of the Park and Recreation Commission and Mr. Lombardo, Director of Park and Recreation for the Town of Fairfield, requesting that the BOF postpone a decision on the softball field proposal for the Parsell’s property on Hoyden’s Lane to a date certain of two months hence so that research could be done regarding the possibility of starting an organic farm project at that site. Mr. Lombardo stated that the softball field project wouldn’t start until next October anyway so this request would have little or no impact on the softball field project. Mr. Plotkin and Mr. Lombardo are requesting that the BOF remove the \$400K from this bond resolution and reconsider that at a date certain of 2 months later so research can be done on the viability of the farm project.

In response to questions from the Board about the RTM having the ability to change language in a bond resolution, Mr. Stastrom stated that he would research the issue and report back to the Board. The questions centered on the fact that the RTM changed “active use” to “active and/or passive use” in a bond resolution relative to this issue.

Mr. Kiley moved and Mr. Stone seconded to reduce the amount of the Bond Resolution in Agenda Item #3 to \$1,265,000 and further moved to modify the Bond Resolution, paragraph 1, section 5, to strike the following language, “construction of a new girl’s softball field at the Parsell’s property on Hoyden’s Lane”, and further moved to postpone to a date certain of July 6, 2010, the Regular Meeting of the Board of Finance, the consideration of the \$400K request.

Public Comment

Kirk Manly, 160 Hoyden’s Lane

It is improper to consider the request of the Park and Recreation since the property is under the jurisdiction of the Conservation Commission.

Mr. Flatto stated that he had a meeting with Mr. Steinke, Director of Conservation and Ms. Kennelly, Assistant Town Attorney, and he indicated that there is some confusion over who has jurisdiction of the Parsell’s property.

Chairman Flynn asked Mr. Flatto to get clarification from the Town Attorney, in writing, on the following items:

1. jurisdiction over the land at the Parsell’s property
2. what may or may not be changed by the RTM on a Bond Resolution.
- 3.

Motion to amend Agenda Item #3 passed with a vote of 8 yeas, 1 nay (LeClerc), 0 abstentions.

A lengthy discussion followed regarding the details of the items covered in this Bond Resolution. There was some confusion over the amount to be bonded in this resolution.

Mr. Tetreau moved and Mr. DeWitt seconded to postpone to a date certain of June 1, 2010, the Regular Monthly Meeting of the Board of Finance, any action on Agenda Item #3 as amended.

Mr. Flatto expressed his concern with delaying any action on this item due to the fact that the item contained some school projects which are time sensitive.

Chairman Flynn noted that, during the budget process this year, it was mentioned that the Finance Department needs additional financial analyst help and this situation just proves that point.

Mr. Bellitto Jr. stated that this type of thing should not be calculated at this meeting using calculators and scraps of paper and it is his opinion that this item should be put off until the Bond Resolution can be brought forth in a complete and correct fashion.

Mr. Hiller apologized for the confusion and reviewed the items with the Board.

Mr. Bellitto Jr. also asked how can the BOF be sure they are sending the correct figures to the RTM for their vote? Mr. Bellitto Jr. also said that, in his opinion, this Board cannot continue to enable this type of behavior.

Mr. Brachfeld said that, in his opinion, the Board should move ahead with this resolution but make note of our concerns.

Mrs. LeClerc reminded Mr. Hiller that she had requested this detail information several times because she could not reconcile the information as presented.

Public Comment

Kristen McCarthy Vahey, RTM

She would vote against this motion. She also sees the need for an additional financial analyst in the Finance Department. She agreed that the process is important but this item needs to come before the RTM in a timely fashion and go forward.

David Becker, RTM

He echoed Ms. Vahey in her comments. He said the RTM is expecting this to be brought forward and he encouraged the BOF to move it forward to the RTM.

Ann Stamler, RTM

She shares the opinions of her colleagues but a special meeting could be called to address items such as these in one week or so

Motion to postpone any action on amended Agenda Item #3 to a date certain of June 1, 2010 failed with a vote of 4 yeas (Bellitto Jr., Flynn, Kiley, LeClerc), 5 nays, 0 abstentions.

Chairman Flynn informed the Board that this type of problem will not go on any longer. Chairman Flynn informed everyone that any agenda item in the future that has discrepancies when it comes before this board will be tabled to a future meeting and no action will be taken unless the item is complete and correct.

Mr. DeWitt moved and Mr. Flynn seconded to have the Bond Resolution changed to contain a detailed breakdown of items with dollar amounts as was developed tonight. And have that list included in the Bond Resolution as attachment A.

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

Mr. White reviewed details of the Bond Resolution paragraph 1, item #2 with the Board.

Chairman Flynn reminded the Board that in January there was a discussion and review of the Capital Expenditures policies which included the appropriate length of bonding measures. Chairman Flynn suggested that this particular item should be bonded for 5 years only while the other items, which have longer lives could be bonded over 15 – 20 years. Chairman Flynn also noted that longer terms could

help the overall debt service of the Town. Mr. Kiley suggested that, in the future, it would be advisable to group bond resolutions by the useful life of the items to be bonded.

Mr. Flynn moved and Mr. Stone seconded to change the length of the Bond in the bond Resolution for Agenda Item #3, relative to paragraph 1, item #6, from 5 years to 15 years and the installments from 5 installments to 15 installments.

Bond Counsel stated that he was comfortable with the 15 year length change.
Motion passed with a vote of 7 yeas, 1 nay (LeClerc), 0 abstentions.

Mr. Flatto stated that if the Board added \$120K for the removal of all tanks in questionable state as described by Mr. White, a caveat could be added that the extra funding was to be used only for tanks in violation.

Mr. Kiley moved and Mr. Bellitto Jr. seconded to move Agenda Item #3 as amended 3 times tonight (\$1,265,000 for 6 items only, bond length of 15 years/ 15 installments, and Addendum A included as an attachment to the Bond Resolution).
Motion passed with a vote of 7 yeas, 2 nays (Bellitto Jr., LeClerc), 0 abstentions.

4. To hear, consider and adopt the Bond Resolution entitled, "A Resolution Appropriating \$3,000,000 for the Costs of Replacing Windows at Fairfield Ludlowe High School and Authorizing the Issuance of Bonds to Finance such Appropriation" consisting of three pages, a copy of which is attached hereto, (Tabled from April 6, 2010)

Mr. Kiley asked if this item should be run through the Town Facilities Commission first and Mr. Morabito noted that any state reimbursable project needs to be done with a building committee. Chairman Flynn noted that he has not heard anyone on this board not support the project but he has heard questions about the cost of this project from several members of this board. Mr. Brachfeld stated that need should be addressed as well as costs and energy savings. Mr. Flatto stated that if no action is taken on this item, this item would go back to the BOS for reconsideration and to establish the appropriate committee and then come back to this board for seed money. Mr. Cullen suggested that an architect should develop specifications. Mr. Cullen also stated that the intent of the BOE is to bid this entire project and then plan implementation in phases while working around available times to be in the building to perform the work.

No action was taken on this item.

5. To hear, consider and adopt the Bond Resolution entitled, "A Resolution Appropriating \$2,900,000 for the Costs of Road Paving and Authorizing the Issuance of Bonds to Finance such Appropriation" consisting of three pages, a copy of which is attached hereto. (Tabled from April 6, 2010)

Mr. Flatto, Mr. White and Mr. Bartlett reviewed the history of this item. When asked why this board should not approve the entire \$5.8M now instead of portions of that sum over the next 2 years, Mr. Bartlett said it would be advantageous to have the entire amount available so that the work could be done as soon as possible, weather permitting. Discussion followed on the possibility of bonding the

entire \$5.8M with the caveat that funding would only be available over the next 3 year period as the plan was outlines previously at which time, this type of expense would be carried in the operating budget for the DPW. Mr. DeWitt noted that this needs to be addressed by all three bodies (BOS, BOF, RTM) as a plan going forward.

Mr. DeWitt moved and Mr. Kiley seconded to amend Agenda Item #5 Bond Resolution for a total amount of \$5.8M.

Bond Counsel stated that it is within the purview of the BOF to make this type of change to a bond resolution.

Mr. Flatto stated that the short term bond rates are now incredibly low and the DPW is trying to follow their 20 year plan for the roads in town.

Public Comment

Kristen McCarthy Vahey, RTM

She said it is clear that the consensus is this job needs to be done and she is leaning towards this amendment from a procedural standpoint. She suggested the Board ask Bond Counsel about phasing in this bond resolution.

Bond Counsel stated that the RTM can phase this resolution.

Motion to amend Agenda Item #5 to a value of \$5.8M passed with a vote of 5 yeas, 4 nays (Brachfeld, LeClerc, Stone, Tetreau), 0 abstentions.

Mr. Brachfeld stated that he is uncomfortable with bonding maintenance items.

Chairman Flynn asked Bond Counsel if it was possible to attach the First Selectman's plan for phasing this expense into the operating budget of the DPW to the bonding resolution as an attachment. Bond Counsel stated that it could not be included in the bond resolution but he does see 3 options available:

1. funding the \$5.8M as proposed tonight
2. funding \$2.9M and revisit this item again next year
3. fund \$5.8M and phase the usage according to the First Selectman's Plan without the plan being included in the bond resolution

On a motion from the Board to approve the amended Bond Resolution for Agenda Item #5 that now reads, "A Resolution Appropriating \$5,800,000 for the Costs of Road Paving and Authorizing the Issuance of Bonds to Finance such Appropriation consisting of three pages, a copy of which is attached hereto", motion passed with a vote of 5 yeas, 4 nays (Brachfeld, LeClerc, Stone, Tetreau), 0 abstentions.

Mr. Stone left the meeting.

6. To hear, consider and approve a transfer of \$50,000 from Contingency to the Finance Department Professional Services budget for performing an operational audit of town government operations.

When asked if he has heard anything more on the possibility of the BOE and the Town implementing these audits at the same time, Mr. Flatto stated that he has had no discussion with the BOE on this item in the past several weeks.

Public Comment

Roger Autuori, Registrar of Voters

He said the \$50K isn't going to get much and the scope needs to be defined. He said he was involved in an operational audit of the Town a number of years ago and it was his opinion that it is necessary to review the overlap between the Finance Department, IT Department, Building and Grounds Department on both the Town and BOE sides. He also suggested that oversight is needed when the audit is completed to ensure changes, as recommended, are implemented.

Chairman Flynn noted that the BOD would like to see the RFP before it goes out to bid.

On a motion from the Board, a transfer of \$50,000 from Contingency to the Finance Department Professional Services budget for performing an operational audit of town government operations was approved with a vote of 8 yeas, 0 nays, 0 abstentions.

7. To hear, consider and approve an appropriation from the WPCA fund balance reserve fund in the amount of \$210,000 for a new Treatment Plant Air Blower and to authorize the First Selectman to approve and execute related grant programs with The United Illuminating Company.

Public Comment

None

Mr. Tetreau moved and Mr. Bellitto Jr. seconded to approve an appropriation from the WPCA fund balance reserve fund in the amount of \$210,000 for a new Treatment Plant Air Blower and to authorize the First Selectman to approve and execute related grant programs with The United Illuminating Company.

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

8. To appoint Auditors to conduct the Audit of the Town's financial records for the Fiscal Year ending June 30, 2010.

Mrs. LeClerc reviewed the history of this item and noted that the fee is \$88,100 with \$5K for the Pension Fund Review, which is almost the same amount as last year.

Public Comment

None

On a motion from the Board to appoint Auditors to conduct the Audit of the Town's financial records for the Fiscal Year ending June 30, 2010, the motion passed with a vote of 8 yeas, 0 nays, 0 abstentions.

9. To hear, consider and set the Mill Rate for the Fiscal Year beginning July 1, 2010 and ending June 30, 2011.

Chairman Flynn informed the Board that this would be the first item to be addressed this evening.

Mr. Hiller informed the Board that the RTM voted last night on the budget and, after making cuts of \$193,609, the final budget was approved at \$251,541,113. Mr. Hiller reported that a mill rate of 19.28 was anticipated before the RTM cuts and the mill rate will now be 19.27 after the cuts, resulting in a

Board of Finance
Minutes of Regular Meeting May 5, 2010

1.95% tax increase. Mr. Gorzelany stated that the Town has a 96.9% collection rate through today. Mr. Hiller stated that the Town can expect a 98.8% collection rate next year.

Mr. Kiley moved and Mr. Brachfeld seconded to set the mill rate at 19.27 mills for the Fiscal Year beginning July 1, 2010 and ending June 30, 2011.

Public Comment
None

Motion passed with a vote of 9 yeas, 0 nays, 0 abstentions.

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

None

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

None

The meeting was adjourned at 12:05 a.m.