

**BOARD OF FINANCE  
MINUTES OF REGULAR MONTHLY MEETING**

The Regular Monthly Meeting of the Board of Finance in Sullivan Independence Hall, 725 Old Post Road, Fairfield CT on Tuesday evening, June 5, 2012 at 7:30 p.m.

**MEMBERS PRESENT**

Members of the Board of Finance present were, Thomas Flynn, Chairman (7:38), Robert Bellitto, Jr., Vice Chairman, James Brown, Christopher DeWitt, Ken Brachfeld, Mary LeClerc, Kevin Kiley (7:45) and Robert Stone (8:00).

**ABSENT:** Elaine Gaffney.

**BOARD OF SELECTMAN**

First Selectman Michael Tetreau

**ALSO PRESENT**

Paul Hiller, Chief Fiscal Officer

Chairman Flynn arrived at 7:38 p.m.; Kevin Kiley arrived at 7:45 p.m.; Robert Stone arrived at 8:00 p.m.

Chairman Flynn called the meeting to order at 7:30

1. To approve the minutes of the following meetings:

- January 25, 2012 Quarterly Meeting

Kenneth Brachfeld *moved* and Christopher DeWitt *seconded* to approve the proposed minutes of January 25, 2012. *Motion passed unanimously.*

- February 7, 2012 Regular Meeting

Christopher DeWitt *moved* and James Brown *seconded* to approve the proposed minutes of February 7, 2012. *Motion passed unanimously.*

**Board of Finance Meeting Minutes**

**June 5, 2012**

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- February 16, 2012 Joint Board of Finance & Board of Selectmen Budget Meeting  
Kenneth Brachfeld *moved* and Mary LeClerc *seconded* to approve the proposed minutes of February 16, 2012. *Motion passed 5-0-1 Christopher DeWitt abstained.*
- February 28, 2012 Joint Board of Finance & Board of Selectmen Budget  
Kevin Kiley *moved* and Mary LeClerc *seconded* to approve the proposed minutes of February 28, 2012. *Motion passed 5-0-1 Christopher DeWitt abstained.*
- March 1, 2012 Joint Board of Finance & Board of Selectmen Budget Meeting  
Mary LeClery *moved* and Kenneth Brachfeld *seconded* to approve the proposed minutes of March 1, 2012. *Motion passed 4-0-2 James Brown and Christopher DeWitt abstained.*
- March 6, 2012 Joint Board of Finance & Board of Selectmen Budget Meeting  
Christopher DeWitt *moved* and Kevin Kiley *seconded* to approve the proposed minutes of March 6, 2012. *Motion passed unanimously.*
- March 8, 2012 Joint Board of Finance & Board of Selectmen Budget Meeting  
Kenneth Brachfeld *moved* and Mary LeClerc *seconded* to approve the proposed minutes of March 8, 2012. *Motion passed unanimously.*
- March 12, 2012 Joint Board of Finance & Board of Selectmen Budget Meeting  
Christopher Dewitt *moved* and James Brown *seconded* to approve the proposed minutes of March 12, 2012. *Motion passed unanimously.* .
- March 14, 2012 Joint Board of Finance & Board of Selectmen Budget Meeting  
Kenneth Brachfeld *moved* and Christopher DeWitt *seconded* to approve the proposed minutes of March 14, 2012. *Motion passed unanimously.*

- March 20, 2012 Joint Board of Finance & Board of Selectmen Budget Meeting

Christopher DeWitt *moved* and Kevin Kiley *seconded* to approve the proposed minutes of March 20, 2012. *Motion passed unanimously.*

- March 28, 2012 Board of Finance Budget Meeting

Mary LeClerc *moved* and James Brown *seconded* to approve the proposed minutes of March 28, 2012. *Motion passed 5-0-2 Christopher DeWitt and Kevin Kiley abstained.*

- March 29, 2012 Board of Finance Budget Meeting (**Tabled from meeting of May 9, 2012**)

Dewitt moved and Brown *seconded* to approve the proposed minutes of March 29, 2012. *Motion passed unanimously.*

2. To approve the Regular Monthly Meeting minutes of Wednesday, May 9, 2012.

Kenneth Brachfeld *moved* and Thomas Flynn *seconded* to approve the proposed minutes of May 9, 2012. *Motion passed unanimously.*

3. 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. Hiller introduced Ms. Buchter, Tax Collector, to the Board. He noted Ms. Buchter has been in the same business for nineteen (19) years and comes with great potential. The Town is very pleased to have her.

Ms. Buchter presented this item to the Board. She explained because of the installment plan offered by the town, the tax bill doesn't always divide equally into four payments, in the case of real estate, or two payments, in the case of motor vehicle taxes, many people write a check in the same amount as they wrote previously.

This means that an annual payment may end up short by a very small amount. Those small owed amounts, which totals only \$49.70; some dating back to 2001. The delinquent taxes in some cases are just 2 cents. Her proposal is to put these small amounts in the suspense account so they won't go out as a delinquent notice.

Mr. Hiller added even though the town will no longer mail bills for these tax accounts, the delinquent taxpayers will be pursued by a collection agency.

Ms. Buchter also noted the bulk of the accounts being moved to the suspense list that don't fall into the under \$2 category are from the 2005 grand list and include 1,119 motor vehicle accounts totaling \$69,165; 147 motor vehicle supplemental accounts that add up to \$10,401 and 39 personal property accounts totaling \$1,537.

Following discussion, Kenneth Brachfeld *moved* and Christopher DeWitt *seconded* to approve a request from the Tax Collector to transfer taxes receivable in the amount of \$81,991.19 to the Suspense Account in accordance with Section 12- 165 of the Connecticut General Statutes. *Motion passed unanimously.*

4. To hear, consider, and act upon a request from the Director of Public Works for an appropriation of \$210,000 from the Water Pollution Control Authority (WPCA) Reserve Fund to provide the Town's local share for an Energy Reduction Project at the Treatment Plant. Furthermore, the First Selectman is authorized to execute any necessary agreements with the United Illuminating Co. to obtain grants and interest-free loans related to the project.  
**(Tabled from meeting of May 9, 2012)**

Richard White, Director of Public works presented this item to the Board. He noted the funding would be used along with a \$171,000 grant and a \$100,000 no-interest loan from United Illuminating Company to purchase a new variable speed blower that supplies oxygen to the plant's tanks.

The \$100,000 loan will be repaid within three years, due to energy savings that the new blower will provide. Mr. White also noted they had a similar project two years ago and is very confident in the projected savings. It's estimated the new equipment will save the town about \$103,000 annually at the treatment plant.

Mr. Belitto questioned if the savings would continue after the loan is paid off.

Mr. White assured him that would be the case.

Mary LeClerc asked if there is a risk that the loan might not be approved.

Mr. White explained it's locked in, with respect to an agreement with UI.

Mr. White gave credit to Ed Boman, who has continually chased down grants. He noted Mr. Bowman has put together more than \$1 million worth of projects.

Following discussion, Kenneth Brachfeld *moved* and Christopher DeWitt *seconded* to approve the appropriation of \$210,000 from the Water Pollution Control Authority (WPCA) Reserve Fund to provide the Town's local share for an Energy Reduction Project at the Treatment Plant. Furthermore, the First Selectman is authorized to execute any necessary agreements with the United Illuminating Co. to obtain grants and interest-free loans related to the project. *Motion passed unanimously.*

5. To hear, consider, and act upon the following resolution requested by the Riverfield School Building Committee:

RESOLVED, that the Bond Appropriation entitled, "A Resolution Appropriating \$250,000 for the Costs Associated with the Improvement and Renovation of Riverfield Elementary School and Authorizing the Issuance of Bonds to Finance Such Appropriation" consisting of three pages, be, and hereby is, approved.

**(Tabled from meeting of May 9, 2012)**

Thomas Quinn, Chairman and Cristine Messina, Vice Chairwoman of the Riverfield Building Committee presented this item to the Board.

Mr. Quinn noted the Riverfield panel will be interviewing four architects on June 19<sup>th</sup>, and will also be issuing a request-for-proposals to hire an owner's representative to closely monitor the project, which is designed to expand and renovate the elementary school on Mill Plain Road. He further noted the Board of Education estimates initially put the project's cost at about \$11 million, but the building committee is not going in with any preset notions or plans for architectural flourishes. He assured the Board their intent is not to spend on cool, architectural things.

Mr. Belitto hopes the Riverfield committee can become a template for how the work is to be done. He suggested the finance board amend the building Committee charge to include language regarding an owner's representative so it's very clear this is part of the process.

Mr. Hiller explained to the Board what was in front of them is a funding request. The language in the official charge to the building committee is the purview of the Board of Selectmen and the Representative Town Meeting.

Ms. Messina noted the committee's goal is to meet 100 percent of the education specifications for the project.

Chairman Flynn noted should initial cost estimates come in "out of whack" with the Board of Education estimate, he hopes there would be a "meeting of the minds". If it comes in much higher, what is the Board of Education willing to go without or prioritize?

Chairman Flynn added he doesn't think that discussion of such issues always happened in the past.

Chairman Flynn asked if they are going into it with the right attitude. He felt it would be very important to look at some of the other building committees. He also felt the Sherman School Building Committee is one that has had problems because there has been some instances where there doesn't seem to have been great communication.

Chairman Flynn stated he recently took a tour of the renovations now under at Sherman, a project's whose scope was limited because of FEMA flood regulations. He noted in the administration area there is a cloud ceiling. It's an architecturally cool, but doesn't think it was quite the best use of funds, and there has been some discussion over whether that's what the building committee wanted.

**PUBLIC COMMENT:**

Pam Iacono, Board of Education Chairwoman, who also is a member of the Sherman Building Committee, noted the panel did not want the dropped ceiling. The building committee has not gone over budget, but the architectural ceiling means there isn't money for cabinets in the nurse's office.

Following discussion, Robert Bellitto *moved* and Christopher DeWitt *seconded* to approve A Resolution Appropriating \$250,000 for the Costs Associated with the Improvement and Renovation of Riverfield Elementary School and Authorizing the Issuance of Bonds to Finance Such Appropriation" consisting of three pages, be, and hereby is, approved. *Motion passed unanimously.*

The Board took a ten minute recess at 9:56.

6. To hear a report and update from the Budget Sub-Committee of the Board of Finance.

Mr. Belitto updated the Board on the following Post Mortem of 2012-2013 budget process:

**1. What was good?**

- a. As per the budget sub-committee recommendation, this meeting and subsequent budget sub-committee meetings was and will be held prior to the June BOF meeting as it has become a standard agenda item going forward. Actual recommendation "Budget sub-committee report should be recurring as the first agenda item in June meeting of each year. This forces the process and allows time to implement change before we get into budget cycle"
- b. Budget presentations were more concise and complete
- c. Electronic materials beforehand (pdf on Town website)
- d. Scheduled breaks and time cap for meetings
- e. Leadership (handled presenters and speakers)
- f. Level of discussion
- g. Fair TV recording of meetings

**2. What was bad?**

- a. RTM attendance (improving, but disconnect still exists)
- b. NR Capital discussions still impeding the budget process
- c. Still no good "not-for-profit" approval format
- d. Last minute updates not disclosed in time to be included in final budget vote.

**3. Future Actions (recommendations)**

- a. Close on the "charity" approval process, getting on and off (DeWitt sub-Committee kicking off on 6/7/12)
- b. List assumptions of the Contingency fund

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- i. Without specifics on exact dollar amounts, list the assumptions for what money was put into contingency to help eliminate the discussion during the budget process.
  - c. Recommendations for the Will Rate calculation sheet supplied to BOF
    - i. Needs to include benchmarks (calculate change in tax bill for median home assessment, \$300K, \$500K, \$750K and \$1MIM)
    - ii. Rough calculations with benchmarks to be provided as part of the data supplied to the RTM.
  - d. The Saturday budget meeting should be cancelled
    - i. No longer required with Fair-TV and not viable with recent attendance
  - e. Should NR capita be completely removed from the budget process (for consideration and discussion)
    - i. NR capital request would come to BOF for review and vote in October, after the long-term planning event in September with the 1st Selectman.
    - ii. Will allow department heads to understand their NR capital before the budget process starts and can adjust budgets appropriately.
  - f. Electronic delivery policy (for consideration and discussion).
7. To hear a report and update from the Private Agency Sub-Committee of the Board of Finance.

Mr. Dewitt updated the Board on the Non Profit Sub-Committee, which has been performed. He noted they will meet on Thursday, June 7<sup>th</sup>, First Floor Conference Room of independence Hall at 7:00 p.m.

He also noted, after his personal research-they have twenty non- profit entities who he reached out to. Nine of the entities responded with detailed revenue of their complete funding stream. He was very confident with the nine entities and the whole structure of that organization.

He added with Mr. Hiller and Mrs. Gardiner's help, he was able to reach out to CFO's and Budget Directors for local communities such as, Darien, Greenwich, Norwalk, Westport and New Canan. They provided him with their insights and have been very responsive. Westport doesn't have 501(C) (3) entities the other communities do donate to 501(C) (3) entities.

Mr. Dewitt further noted, the meeting on Thursday will include the structuring of the sub-committee, such as, do we want to be providers to non-profit organizations. He expressed how pleased he is with the research portion and how it's progressing. He will keep the Board and Mr. Hiller updated through email on its progression.

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

None

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

Chairman Flynn asked Selectman Tetreau for an update as to the \$850,000 which was cut from the contingency funds.

Selectman Tetreau noted he has no specifics at this time. They hope to within the next week have identified what adjustments will be made. He also noted reducing \$850,000 is a math problem – that’s easy to do - deciding what services they don’t provide in order to deliver a reduced \$850,000 is where the challenge is.

Chairman Flynn asked Selectman Tetreau what role the Board of Finance has within this process.

Selectman Tetreau noted with respect to the contingency item which was cut – that is where they proposed putting the estimated settlements for union contracts. As they get settled, they will have to make adjustments from some account to those. That is when they will have to come back before the Board to make those transfers. In the short term, to spend less than what’s been appropriate in line items is not something that needs to be approved ahead of time, but when those transfers are made, they will have to be approved.

There being no further business to come before the Board, Robert Belitto *moved* and James Brown *seconded* to adjourn the meeting at 9:30 p.m. *Motion passed unanimously.*

Respectfully submitted,

Josephine M. Keogh