

**BOARD OF FINANCE
CAPITAL PLANNING WORKSHOP
September 17, 2013**

The Capital Planning Workshop of the Board of Finance was held on Tuesday, September 17, 2013 at 7:30 p.m. at the Board of Education Offices, Seminar Room 295A, 501 Kings Highway East,, Fairfield, Connecticut. The Meeting included the Board of Selectmen and representatives from the Board of Education and the RTM.

MEMBERS PRESENT

Catherine Albin, James Brown, Thomas Flynn, Mary LeClerc, Robert Stone

MEMBERS ABSENT

Robert Bellitto Jr., Ken Brachfeld, Christopher DeWitt, James Walsh

ALSO PRESENT

Robert Mayer, Chief Fiscal Officer, Town of Fairfield
Caitlin Bosse, Controller, Town of Fairfield and Clerk of the Board of Finance
First Selectman Michael Tetreau, Town of Fairfield
Tom McCarthy, RTM
Sheila Marmion, RTM
Dr. David Title, Superintendent of Schools, Board of Education
Philip Dwyer, Chairman, Board of Education
Tom Cullen, Director of Operations, Board of Education
Joseph Michelangelo, Director of Department of Public Works, Town of Fairfield

Chairman Flynn called the meeting to order at 7:37 p.m.

AGENDA

1. To review and discuss the Capital Plan and Debt Service Bonding requirements and projected debt service funding for the next several years for the Town and Board of Education.

Chairman Flynn opened the meeting by thanking everyone for their participation. Mr. Flynn stated that the purpose of this annual meeting is to gather representatives from all bodies that vote on items over the course of the fiscal year, generate questions and review the data prepared by the Chief Fiscal Officer for the Town and the Board of Education. Mr. Flynn also noted that the goal of this meeting is not to delve into individual projects but rather to review the overall situation.

Mr. Tetreau thanked Mr. Mayer and his staff for developing the means, over the past year, to track the projects so that the waterfall finally ties back to the detail for the Capital as well as non-recurring projects.

Mr. Mayer explained that this meeting is an information discussion session, not a decision making session. Mr. Mayer also reported that the Town source of information is from the various Town department heads. Mr. Mayer then reviewed the waterfall charts and documents for both the Town and the Board of Education. Mr. Mayer stated that, in his opinion, the Town could bond every year without generating very much expense in so doing. Mr. Mayer also noted that the Debt Service is projected to stay under 10% of the budget through

Board of Finance
Minutes of The Capital Planning Workshop September 17, 2013

2023. Mr. Mayer also informed the Boards that the rating agencies, in determining bond ratings for the Town, are looking for a less than 10% ratio of debt to total budget.

Mr. Dwyer informed the Boards that the last Capital Plan Review done by the BOE was in April 2011 in the Long Range Facilities Plan (LRFP). Mr. Dwyer also stated that the LRFP has been updated and modified with the goal to stay within the confines of present goals. Mr. Dwyer also informed the Boards that the BOE will have a consultant present at their September 24, 2013 meeting to present a PBC Report to the BOE. In response to questions from the Boards, Mr. Dwyer stated that the LRFP should be updated and presented in March 2014 with approval in April or May 2014.

Dr. Title informed the Boards that the 10 year enrollment projections should be fully updated by the end of December 2013 in order to be available for the LRFP discussions and update.

Mr. Flynn requested that the Capital Plan Workshop Significant Changes to Capital Plans Report be changed to make the comparison for all three columns in the report for the same length of time (currently, column 1 is for 8 years, column 2 is for 10 years and column 3 is for 9 years).

Mr. McCarthy asked if the BOE plan (LRFP Waterfall chart) is current and Mr. Cullen stated that the LRFP Waterfall is current.

Mr. Dwyer stated that the BOE is using the LRFP for planning purposes.

Mr. Mayer informed everyone that all non-recurring expenses will be spent in the budget year of approval.

Mr. Flynn asked if he is correct in understanding that the Town projects coming before the BOF this fiscal year will be \$2.2M for a phone system and the BOE will present projects totaling \$826,266 as reflected in the documents presented at tonight's meeting. Mr. Mayer and Mr. Dwyer affirmed those figures for Mr. Flynn. Mr. Tetreau stated that the renovations to Penfield might also be presented this year but that depends on what is decided to be done.

Mr. Flynn stated that managing a 10% or less debt to budget ratio will be an important part of the work to be done over the coming few years.

Mr. Tetreau stated that he is looking at flood mitigation projects and sidewalk projects, especially in the downtown area, that need to be done very soon.

Mr. Flynn stated the plan, in the beginning, was to look at more long term projects. Mr. Flynn stated that a BOF sub-committee has been looking into the Fund Balances as a portion of the budget and they have been discussing plans on how to manage the funds in order to achieve a fund balance level that is appropriate for all town residents. Mr. Flynn also stated that a 3 to 5 year plan, even if at a high level, would be of value in all planning discussions.

Mr. Tetreau stated that, having now sat through several of these planning sessions both as a member of the BOF and as First Selectman, the reports presented tonight are much better and provide much meatier information for discussion. Mr. Tetreau thanked both the Town and the BOE teams for their fine work in developing the reports presented tonight.

Mr. Flynn stated that the BOF would like to have a presentation of the BOE LRFP when it has been updated in 2014.

Board of Finance
 Minutes of The Capital Planning Workshop September 17, 2013

The meeting was adjourned at 9:00 p.m.

Addendum

As a follow-up to the discussion at the meeting on September 17, 2013, regarding the amount shown on the February 7, 2013 Capital Planning “Comparison of Debt Service Projections Schedule” of \$85,073,733 versus the \$89,428,589 shown as the February 7, 2013 amount on the September 2013 “Significant Changes To Capital Plans” schedule:

The \$89,428,589 is the total per the actual capital plan for the February 7, 2013 Capital Planning Workshop and was for the period FY2013 through FY2020. The \$85,073,733 figure is the \$89,428,589 less the \$4,354,856 which was the planned expenditure for the FY2013 and not included in the comparison schedule. The presented format was developed to show the comparison between the ten-year period 2013/2014 (i.e., excluding FY2012/2013) through 2022/2023 using the original data.

The following schedule shows the capital plan for February 2013 versus September 2013 for the same time periods:

<u>CAPITAL PLAN:</u>	<u>FEBRUARY 7, 2013</u>		<u>SEPTEMBER 17, 2013</u>	
	<u>AMOUNT</u>	<u>AVG. PER FY</u>	<u>AMOUNT</u>	<u>AVG. PER FY</u>
FY12/13	\$4,354,856	\$4,354,856	N/A	N/A
FY13/14 – FY19/20	\$85,073,733	\$12,153,390	\$83,636,436	\$11,948,062
FY20/21 – FY22/23	N/A	N/A	\$14,792,873	\$4,930,958
TOTAL	\$89,428,589		\$98,429,309	