

BOARD OF FINANCE ******DRAFT******
MINUTES OF CAPITAL PLANNING WORKSHOP
September 16, 2014

The Capital Planning Workshop of the Board of Finance was held in the Seminar Room 295A &B, Board of Education Administrative Offices, 501 Kings Highway East on Tuesday, September 16, 2014 at 7:30 p.m. The meeting included the Board of Selectmen and representatives from the Board of Education and RTM.

MEMBERS PRESENT

David Becker (7:42), Thomas Flynn, Mary LeClerc, Robert Stone, James Walsh

MEMBERS ABSENT

Catherine Albin, Ken Brachfeld, James Brown, Christopher DeWitt

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
Selectman Cristin McCarthy-Vahey, Town of Fairfield
Selectman Kevin Kiley, Town of Fairfield
RTM members Hal Schwartz and Tom McCarthy, Town of Fairfield
Donald Leslie, Director of IT, Town of Fairfield
Gerry Lombardo, Director Parks and Recreation, Town of Fairfield
Joseph Michelangelo, Director Department of Public Works, Town of Fairfield
Dr. David Title, Superintendent of Schools, Board of Education, Town of Fairfield
Phillip Dwyer, Chairman, Board of Education, Town of Fairfield
Tom Cullen, Director of Operations, Board of Education, Town of Fairfield

ACTION TAKEN

None

Chairman Flynn called the meeting to order at 7:35 p.m.

Mr. Dwyer led the Pledge of Allegiance.

Chairman Flynn asked for a moment of silence to acknowledge the passing of Amy Way, daughter of RTM member Peter Ambrose and daughter-in-law of RTM member Carol Way and to express condolences to her family.

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.

Mr. Mayer reviewed the contents of the financial reports with everyone. Mr. Mayer mentioned that the net proceeds from the insurance company for the Penfield Pavilion damages were \$500K. Mr. Mayer reported that the total debt service remains under 10% of total revenues which is looked on favorably by the rating agencies as a good management tool.

A review of the projects list for the Town Capital Plan followed with the following discussion items being addressed:

Mr. Tetreau reported that the ECC is located in the basement of a building in a flood plain area so it needs to be relocated but no new location has been determined at this time.

The list of DPW vehicles in the non-recurring list does not reflect those vehicles that were cut from the budget this past spring during budget deliberations.

The IT relocation is being done for similar reasons as the ECC move.

Mr. Walsh questioned the reason for placing the DPW vehicles in non-recurring. Mr. Mayer stated that this was the first time this has been done. Mr. Michelangelo reported that this list was presented at the August BOS meeting and there are currently 80 vehicles which are over age. Mr. Michelangelo informed the Board that he has developed a 5 year plan for the DPW vehicles in an effort to be comfortable with the vehicles being used in his department.

Mr. Mayer and Mr. Tetreau explained that any item over \$100K, according to policy, is considered a capital expense item and therefore can be in the Non-recurring category. Mr. Mayer also stated that all non-recurring is paid off within 5 years.

Mr. Tetreau suggested that it might be good to have Mr. Michelangelo present his replacement plan for the DPW to the BOF at a meeting in the near future. Mr. Flynn requested that Mr. Michelangelo make his presentation at the October meeting of the BOF if at all possible to arrange.

Mr. Flynn noted that with the current interest rate at a historic low of about 2%, it might be a good time to consider buying some trucks to take care of the back log before the interest rates rise again.

Mr. Kiley noted that leasing might be an option to research for large vehicles purchase/lease.

Mrs. LeClerc stated that, in her opinion, this type of item should be in the annual budget and managed there instead of in the Capital Plan and Non-Recurring. Mr. Becker agreed with Mrs. LeClerc.

Mr. Mayer informed the Board that, in some of our neighboring towns, a vehicle reserve fund is used to manage this type of purchase.

Mr. Walsh questioned why the WPCA expenditure of \$30M was not on this plan, Mr. Mayer explained that the State encourages these types of systems to be self-sufficient and the WPCA was not included in the waterfall because it has been self-funding. Mr. Mayer informed the Board that Mr. Michelangelo has been working over the summer to develop an overall picture of the current facilities for planning purposes to develop a facilities improvement plan. Mr. Mayer reported that Fairfield is one of a few towns that charge all taxpayers for WPCA even if they don't sue it. Mr. Mayer explained that this is allowable because there was legislation passed in 1992 that stated all towns must have a WPCA and taxpayers using it should pay for it. But, the legislation further stated, if a town already had a WPCA in operation that was being funded by all taxpayers at the time the legislation was enacted in 1992, the town was allowed to continue collecting from everyone.

Mr. Becker questioned how the renovations for the WPCA would play out if they were included in the waterfall.

Mrs. McCarthy-Vahey informed the Boards that she has been active in the WPCA and they are acutely aware of the looming costs coming soon and the WPCA has discussed various means to provide the necessary funding for this work.

Mr. Mayer informed the Boards that Fairfield is charging taxpayers lower fees than most of our neighbors.

Mr. Schwartz asked for an explanation of the reason there are no catch-up paving costs appearing in these reports. Mr. Tetreau stated that efforts are being made to get those costs into the DPW budget over the next few years.

Mr. Kiley requested a schedule of the drivers for the debt level savings – individual items involved in ban pay down by year.

Board of Education Long Range Facilities Plan

Dr. Title and Mr. Dwyer answered questions on this item as follows:

Dr. Title stated that this is a continuous work in progress and this has not yet been approved by the BOE. Dr. Title also informed the Boards that the BOE has received \$147K in funding from the State for security and safety infrastructure improvements. Dr. Title also noted that the biggest items in the Non-Recurring are safety and security items.

Dr. Title further informed the Boards that the big three projects for the next 3 years will be Sherman School Phase 3, Mill Hill School, and Holland Hill School.

Mr. Walsh noted that the BOE materials to be discussed and reviewed at this meeting were distributed at the start of the meeting thereby not allowing the BOF members to review and digest the information before discussing it. Mr. Walsh then requested that, in the future, the BOE make every effort to adhere to the BOF policy concerning receiving materials to be discussed and/or presented at a BOF meeting at least 1 week prior to the BOF meeting to allow the members of the BOF sufficient time to review the materials prior to the actual meeting.

In response to the amount budgeted for the renovations at Mill Hill School in several years, Dr. Title stated that there is an extra \$2M on that project for potential PCB problems. Dr. Title further stated that if PCB problems are not as large as anticipated, the \$2M will be returned to the Town, not used on other items so the budget is actually \$13M with \$2M for possible PCBs.

In response to a question from Mr. Walsh concerning the reason the Holland Hill Project had been moved in the waterfall, Mr. Dwyer explained that movement of projects had been made to accommodate necessary changes and priority shifts.

On a motion made by Mr. Walsh, seconded by Mr. Dwyer and passed unanimously, the meeting was adjourned at 9:35 pm.

Respectfully submitted,

Deborah J. Garavel
Recording Secretary