

**BOARD OF FINANCE
MINUTES OF COMBINED BOARD OF SELECTMAN AND
BOARD OF FINANCE PUBLIC BUDGET HEARING**

The Meeting of the Board of Selectman and the Board of Finance was held in Seminar Room 300, Board of Education Administrative Offices, 501 Kings Highway East, Fairfield, CT on Thursday evening, February 16, 2012 at 7:00 p.m.

MEMBERS PRESENT

Thomas Flynn, Chairman, Robert Bellitto Jr., Vice Chairman, James Brown, Ken Brachfeld, Mary LeClerc Kevin Kiley, Robert Stone, Elaine Gaffney.

ABSENT: Christopher DeWitt

BOARD OF SELECTMAN

First Selectman Michael Tetreau, Selectman Cristin McCarthy-Vahey, Selectman, James Walsh

ALSO PRESENT

Paul Hiller, Chief Fiscal Officer, Linda Gardner, Budget Director, Richard White, Director of Public Works, David Title, Superintendent of Schools, Board of Education, Thomas Cullen, Director of Operations, Board of Education, Pam Iacono, Board of Education,

1. CALL TO ORDER

The meeting was called to order at 7 00 p.m. by Chairman Flynn.

2. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

Chairman Flynn noted the detailed budget books have not yet been finalized but should be printed on the town website sometime this week. The board will receive a copy next week.

**3. FIRST SELECTMAN
Summary Budget Presentation**

Selectman Tetreau gave a summary of the proposed \$272.5 million spending plan for the fiscal year, starting July 1st. He proposed a Town budget increase of 3.6 percent for fiscal year 2012-2013, and noted the increase in taxes will be 4 percent because of a shortfall in

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non-tax revenue. He also noted the \$272,560,737 budget would have been almost flat except for several major budget drivers. Six of the budget drivers will increase the budget by \$8 million alone in a budget whose entire increase will be \$9.5 million. These six include education, debt service, the surplus fund, a risk management fund, road paving, and retirees' health insurance.

What decreased in the budget are health insurance, electricity, and pension contributions for Town employees and Police and Firefighters.

Also, Education was the major budget drivers to increase. It is 55 percent of the entire Town budget at a proposed \$148,852,416. Its increase of almost \$3.2 million is 2.18 percent over the current year.

Selectman Tetreau further noted debt service is the second biggest budget driver, at \$25,929,804, which is 4.26 percent more than the present year. It is approximately \$500,000 less than expected because higher rate bonds were paid off and replaced by lower rate ones in January of this year.

He stated the major goal of the budget is to improve the town's credit rating with the three major rating agencies. This will allow the Town to sell bonds at the lowest possible rate. The Town proposes to put money in funds that Moody's and others want to see increase. One of the funds is an unassigned fund balance, which means fund of sorts that Towns can use to deal with unpredictable disasters, lawsuits, very large insurance claims, or other unknowns. It is recommended that Towns have a balance of 10 percent of their operating budget in this fund, but Fairfield has long had only 5 percent, finding out only recently that most AAA towns have ten. They propose putting \$1 million in this fund as a way of gradually reaching toward that goal.

Further, the Board of Finance, Board of Selectmen and RTM agreed in previous years that \$1 million for paving should be added to the operating budget annually, until paving is no longer paid for by selling bonds. The budget year following the next, or 2013-2014, will be the last year for doing so.

The OPEB (Other Pension and Employment Benefits) fund will increase almost a million dollars or 13.14 percent and are now fully funding that account.

The contingency account is 88 percent, or \$750,000, higher than last year at \$1,600,000. There are six labor contracts that haven't been settled and the contingency account is where the money for salary increases will come from. That fund could also be used to

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pay for such things as excess snow removal.

A proposed 1.5 percent increase for Salary and Wages, or \$609,651, reflects an increase for Town Hall Employees, the one labor union contract that has been settled, as well as normal step increases for union employees, and a 2 percent increase for part-time employees.

Worker's Compensation will increase by 28 percent or \$550,890. Unemployment compensation has doubled, coming in at \$400,000. Selectman Tetreau pointed out that the layoffs at the Board of Education last year have caused increases in unemployment insurance and will again next year.

Health insurance is down by \$105,038 or 1.05 percent, due to good experience and the fact that the Town bolstered its contribution in the current year; electricity is down by almost 17 percent, or \$300,000; pension contributions are down almost 13 percent to just over \$3 million.

The shortfall in Non-Tax Revenue includes Golf Fees, Conveyance Taxes, Building Permit Fees, and State aid. That revenue is down 3.3 percent from the current year or about \$700,000.

**4. TOWN AND BOARD OF EDUCATION
Short Term Projects/Non-Recurring Capital Presentation**

David Title presented this item to the Board and discussed this at length. He noted the Board of Education is seeking \$2 million to fund various projects, including: boiler replacement at Dwight (\$294,000); replace student bathrooms at Jennings (\$131,250); Osborn Hill window replacement (\$791,400); facade and cornice work at Tomlinson Middle School (\$250,000); new flooring in eight Tomlinson classrooms (\$133,350); a new parent drop-off lane at Tomlinson (\$150,000), and \$250,000 to remove and replace underground oil tanks at eight schools (\$250,000).

Robert Stone questioned whether it is necessary to replace the underground oil storage tanks at the schools, since they have the capability to be heated instead with natural gas. The schools all have dual fuel capability and with the cost of natural gas lower than oil, are now heated with gas.

Kevin Kiley suggested that perhaps it would have been more cost effective to have done the project all at once, rather than arbitrarily cutting the request. He noted it is a practice we should get away from.

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PUBLIC COMMENT

James Gallaher, Building Commission, Brenda Steele, Jennings School PTA President; David Becke, RTM District 1; Kathy Coyle, Fairfield Ludlow High School PTA, Jay Walk, District 6, Thomas McCarthy, District 8, voiced their comments to the Board regarding the Board of Education proposed Capital Improvement Projects.

H. Smith Richardson Golf Course Bunker/Tee Renovation

Craig Curley, Chairman of the Golf Commission and Peter Grace, Superintendent presented this item to the Board. They are seeking \$105,000 for bunker and tee renovation at H. Smith Richardson Golf Course.

Mr. Curley reported this capital request represents year three of a ten-year master improvement plan for the golf course. In 2010, the Golf Commission drew up a \$1 million overall improvement plan and were advised to ask for approximately \$100,000 annually in capital funding over the next 10 years.

He further reported the request for funding covers the renovation of seven bunkers and two tee boxes. The bunkers have suffered from poor drainage, are misshapen, and lack sufficient sand. The tee boxes are small for a golf course of Smith Richardson's size according to United States Golf Association standards. They cannot be adequately maintained and are prone to excessive wear and tear.

Chairman Flynn would like to see an analysis for the last several years.

Department of Public Works: Underground Storage Tanks (\$247,500)

\$247,500 to remove and replace underground oil storage tanks at the town garage, the Mill River sewage pump station and the Smith Richardson clubhouse, and \$272,000 for additional environmental cleanup costs at Fire Department headquarters caused by a leaking oil tank.

Richard White, Director of Public Works, presented these items. He noted this request would cover the removal and replacement of four underground heating and fuel tanks buried at three sites in town. The tanks' removal is mandated by the state.

The three sites identified for this year's request for funding are the DPW garage facility (which houses two 10,000 gallon tanks; both are more than 20 years old); the H. Smith Richardson Club House (one 1,000 gallon tank that is more than 20 years old); and the Mill River Sewage Pump Station (one 550 gallon tank that is more than 20 years old).

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The replacement of the DPW garage facility's tanks is the priciest (\$213,000) of the three sites. The soil surrounding the tanks is contaminated due to leaks from previous tanks that had been installed there. The removal and replacement project will require monitoring and remediation, two steps not required for the Smith Richardson Club House (\$6,000) and Mill River Pump Station (\$28,500). For each of the projects, White said, the town will need to hire outside experts. This cost is included in the request.

Installation of Emergency Generator at Old Town Hall

Mr. White noted it would be beneficial to the town to install a generator at Old Town Hall. A generator was installed in Sullivan Independence Hall in 1990 and has been very beneficial. The Old Town Hall houses key town agencies, such as the offices of the Town Clerk and Tax Collector and 35 employees. It would be unfortunate if they couldn't get to work because of a power outage. Mr. White also noted that Old Town Hall cools down quickly once the power goes out, so that would represent a major problem during a winter storm and could freeze the pipes really fast.

First Selectman, Michael Tetreau, stated there were two events this past year that made us aware of disaster backup. The two were Tropical Storm Irene and the October snowstorm. This occurred the week before Election Day, when many were trying to register to vote. It is not good to deprive our residents the right to vote, due to a power outage.

Robert Stone added that Old Town Hall is a historic building that needs to be taken care of. It is a landmark of Fairfield and is home to a lot of records that need to be reserved.

Vice Chairman, Robert Bellitto, felt there wasn't a compelling enough case for the generator at this time.

Department of Public Works: Cost Overrun for the Replacement of Underground Storage Tanks at Fire Station No. 1 (\$272,000)

Mr. White noted the original \$152,000 capital request to remove the tanks at Fire Station No. 1 and No. 5 was made and approved last year; however, once the process started, it became clear that the soil surrounding the tanks at No. 1 was contaminated.

The contamination was not discovered until the digging began to remove the two tanks at Fire Station No. 1. Due to the tanks' age, officials could not pressure test the tanks prior to removing them to determine if there had been leakage. Due to the contamination, 1,100 cubic yards of soil had to be removed, transported, and incinerated at a DEP-authorized facility in Waterbury, Connecticut. A treatment system had to be installed

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behind the fire station as well, according to the 2012-2013 capital request. The total cost for the project rose to \$372,000; of the original \$152,000 request, \$100,000 had been used toward Fire Station No. 1, and now the DPW has is requesting additional \$272,000 to finish the project.

5. ADJOURN

There being no further business to come before the Board, Kevin Kiley, *moved* and Robert Stone *seconded* to adjourn the meeting at 10:15 p.m. *Motion passed unanimously.*

Respectfully submitted,

Josephine M. Keogh