

**Beacon Falls Board of Finance
10 Maple Avenue
Beacon Falls, CT 06403**



**BEACON FALLS BOARD OF FINANCE
Regular Meeting
October 07, 2014
MINUTES
(Subject to Revision)**

1. Call to Order/Pledge of Allegiance

Chairman Joe Dowdell called the meeting to order at 7:30 P.M.

Board Members present: Joe Dowdell, Joe Rodorigo, Jack Levine, and Marc Bronn

Not present: Bob Doiron and Brian Ploss

Others present: First Selectman Chris Bielik, Selectman Dom Sorrentino, Selectman Peter Betkoski, Library Director Sue Dowdell, Walter Opuszynski, Finance Manager Tom Broesler, Dave Prickett and Jay Sheehan from Woodard & Curran, and Gary Komarowsky.

2. Financial Manager's Report

Reports were distributed to members for review.

Tom Broesler, the new Finance Manager, was present at tonight's meeting if the Board of Finance has any questions.

T. Broesler indicated that the payroll people have been giving him the run-around. He is still uploading all the payroll. J. Rodorigo asked when Harris is coming and T. Broesler indicated that he doesn't know. They had asked when they were available and then found out that they need to get in touch with the old software vendor. The person who he was working with is on her honeymoon and hasn't heard anything as to when they will be here. J. Rodorigo expressed his concern since there has been going on since May of this year that we have been waiting for the training. T. Broesler indicated that he is getting the hard data from the payroll reports January 30, 2013 and forward. Once all the data is accumulated, it will go fairly quickly putting it in.

Jack mentioned that he thought the payroll should be deferred and emphasis on the bank balances. He believes that until the bank reconciliations are up-to-date and done on a current basis, it is difficult to know where we stand. T. Broesler indicated that the Town Clerk fund has been entered and doing other work, unfortunately stuck with the General Fund since the auditors have not given all the journal entries we need to reconcile the accounts. J. Roderigo asked where we stand with Amanda and T. Broesler indicated that she missed their last appointment and hasn't gotten back to him yet. J. Roderigo asked if last fiscal year was done yet and T. Broesler replied that was right. She was looking for more hours even though we gave her 40 hours. C. Bielik indicated that they haven't heard anything within the past three weeks. J. Dowdell indicated that he will send an email to her.

J. Dowdell asked the Board if there were any further questions for the Finance Manager and there were none at this time.

3. New Business

a. Sewer Treatment Plant – Woodard & Curran

Jay Sheehan passed out information to the Board and Dave Prickett began by indicating that there are 3 or 4 project drivers. The first and foremost is the new phosphorus requirements. There is a new limit put in the permit and the date has passed. The state understands that we are in a "good faith" effort right now. The second is the age of the plant – circa 1970. The mechanical equipment life expectancy is about 20 years and we are well into the realm of exceeding the life of the pumps. The third are the challenges during wet weather. The collection system has some leaking but the tanks are very small, cannot accommodate the normal changes in flow that you would expect to see at any treatment plant in Connecticut. The final is nitrogen. This is a statewide initiative because of our close proximity to the sound.

All four factors contribute to the need with Number 1 being the age of the plant with Number 2 being nitrogen, very close behind. The other two drivers are part of the formula but in a lessen factoring. J. Sheehan indicated that there are opportunity costs that could be lost. Funding from the state is there now but we don't know for how long. The context of the grants could change in the amount we get, and could change in the context of how we are ranked relative to the cutoff of funds are. Now, we are well above the cutoff based on the current administration.

J. Levine asked if the system is in jeopardy of failing. Also, if it fails, we are going to be out a wastewater treatment plant that going to take a lot more money to fix. D. Prickett noted that there are many different parts of a treatment plant but the sum of the parts could far exceed the value of upgrading the plant if nothing is done. Some of this is done on an emergency basis, costing money at a premium.

Right now, we believe there is a \$4,000,000 grant approximately from the state committing to 25% grant for the project. The cost of deference is \$1,000,000 per year approximately is escalation of construction costs. We cannot guarantee the level of grant funding will be there next year. Now is a good time to proceed if the town wants to based on this per D. Prickett.

M. Bronn asked how many homes currently hooked up to the treatment plant. D. Prickett indicated that they think approximately 1,300 single-family home equivalents. This is based on reconciling water consumption data. J. Sheehan mentioned that it is about half the town in population. M. Bronn asked why people with septic will care. J. Sheehan indicated the downtown area, the schools. Even septic goes to the plant to be discharged. The town doesn't charge for the dumping.

D. Prickett believes that they have a good handle on what the funding agencies will give the town. The CFW Finding Scenario is at a 25% anticipated grant range. The net loan amount would be about \$12,730,800 with a 20-year term at an interest rate of 2%. The annual loan amount would be about \$772,836 which is equivalent to 1.63 mils. This is based on the current Grand List. Another scenario is if RD Funding did the funding of the project at a 30% grant but a 40-year term at a 4% interest rate. The equivalent mil would be approximately 1.3 mils.

J. Roderigo mentioned that we have been out of compliance with our fiscal house, still not being in compliance. We have addressed 1 out of 9 issues on the audit. We have been trying to transfer payroll and it's not done. He indicated that it makes him leery to spend a large amount of money without having all that done. How do we bring this to the public? We need to come up with a fair taxation and sewer assessment fee before going to them. He noted that he is hesitant to go to the public. We are going to have to bill the people a sewer assessment fee.

J. Levine asked about homes with grinder pumps, if they use the wastewater treatment plant. D. Prickett replied yes. J. Levine asked who is not using the treatment plant and J. Sheehan indicated those home with septic do not. J. Levine asked how many homes total in Beacon Falls and D. Prickett indicated about 2,500. J. Levine believes that this just going to get bigger and worse as far as costs. If the wastewater treatment plant goes down, the property values are going to go down. M. Bronn noted that property values will not be worth anything with the mil rate going up. J. Levine mentioned that if we have a solid plan and have the exact costs of the project, then go out to the people and let them decide what to do.

J. Roderigo asked what this Board is willing to do if this goes through to the public and gets passed. J. Levine responded that taxpayers don't like an increase but our job is to put together a plan, rather the Board of Selectmen, and bring it to a town meeting and let them decide. C. Bielik added that he is questioning the point that if we take this to the public and explain it, coming up with a plan, telling them that everyone is responsible for \$xx.xx, what if it gets shot down. The ramifications that we are looking at taking 2 of the 4 drivers being the potential areas of concerns on a day-to-day basis, phosphorous and nitrogen being those areas.

Chemical treatment will need to be added to the processing since the plant cannot handle the load on a weekly basis. That is an operating cost that is being captured right now, staying within the guidelines. The nitrogen is something that he doesn't understand. D. Prickett indicated that the cost varies every year but a check is written to buy credits. The cost is between \$30,000 and \$60,000 and this is because we exceed the threshold. J. Sheehan indicated that the price is going to change to purchase the credits. D. Prickett indicated that it could be \$100,000. Right now, the O&M budget is \$600,000 a year with no Capital reserve in there. The budget should be \$800,000.

J. Rodorigo agrees that the project should be done but it needs to be fair per taxation rate for everyone and when we have the accountability for all our money. There were 3 things that need to be done – fix our financial house, roads, and the treatment plant. We haven't fixed the financial house yet. J. Levine does believe that the reality is that we pulled back on the fire truck. The bonding for the roads was turned down and we have fallen apart yet. The argument to the town has to be really convincing, basically talking about 1 ½ to 2 mils as the increase. The Board of Selectmen and the Board of Finance should be together on this going to the town. M. Bronn noted that this only benefits half the town. J. Dowdell responded that we do pay for things that you get no benefits for when you live in a town. M. Bronn indicated that Woodland will need to be remodeled, roads will need to get done, and things will start to steamroll. J. Rodorigo indicated that before we have a sewer user fees and using the money collected from back taxes, those things have to be done first. We are going to be questioned about the money in the sewer contingency fund.

J. Levine indicated that the presentation should be an honest one. The first meeting will be critical. D. Prickett indicated that the "What Ifs" need to be narrowed. The Boards need to say if they support the project and then the taxation to be implemented. J. Levine would like to see the informational meeting explain why we need to upgrade the wastewater treatment plant, the costs associated with it, loans available, and downsides. Give all the options on a chart that the First Selectman can use. Hopefully we can come back with what the majority wants. J. Sheehan indicated that they have seen that the first meeting can be rough and D. Prickett also indicated that we need to do this collectively. J. Dowdell noted that it doesn't matter which way that it goes, a sewer user fee needs to be done. J. Sheehan indicated that Beacon Falls is one of six communities in the State of Connecticut that doesn't have a sewer user fee. J. Rodorigo noted that it is an easy sell when everyone is on, not like us.

There were several questions regarding sewer user fees. J. Sheehan indicated that in response to the first question, you can subcontract out the billing of the sewer user fees and they handle everything, which can be complicated. Next, if you take to the water usage, having multiple tiers, and take those and bill on a quarterly basis. Next, the other option is a flat rate per residential and per commercial. C. Bielik asked how easily accessible are those figures and can we obtain it so we bill accordingly if we decide to go on usage.

C. Bielik indicated that he has reserved October 22, 2014 as the informational meeting. This has not been publicized, only reserved. J. Sheehan indicated that they could be there on that date, be ready for that date. J. Levine noted that if we go out there and it's frowned down on, people get annoyed. This is going to be a real real hard sell. His suggestion is to have a joint meeting between Board of Selectmen, Board of Finance, and WPCA before going out there with an informational meeting. Perhaps we should use that date as a workshop between all of us. J. Levine indicated that we will be far better prepared. It is better to do during budget season because people will understand everything all at once. Everything is on the table.

D. Prickett indicated that a collective decision on the starting point between Selectmen and Finance. J. Levine mentioned that we need to get all the scenarios laid out, everything is all correct, talk about it as a team, and then that will be the collective decision in the presentation. D. Prickett indicated the Rural Development will not make a commitment on dollars and funds to the town until an appropriation is made.

J. Levine asked the First Selectman whether he feels more comfortable going to an informational meeting or to another combined meeting. C. Bielik noted that there is a certain risk articulated here tonight that if we don't make a forward move before the end of the fiscal year, what happens with our status in the grant world. This makes putting the decision off a year would be good but there is a risk and a \$1,000,000 escalation involved. He asked what is the group belief to go to the public to try to sell and what is the right thing to do and is struggling with that right now. We may be stuck with the timing that we have. He doesn't have an alternative path right now.

C. Bielik indicated that if we are not ready to talk to the public in 2 weeks, then we are looking at February at the earliest. This may be a good thing to have the time to get the data together, to go to the water company and get the water usage rates together, and get a viable schedule to present to the public saying that there are pluses and minuses, showing that we are all invested in this together. J. Levine reiterated that C. Bielik must feel comfortable with everything before going to the public. J. Roderigo indicated that since there is no vote at the October meeting and strictly informational meeting, in order to get the pulse of the public, why not have that meeting. If we are going to spend the additional money and have it turned down, then why are we talking. P. Betkoski indicated that we need to be organized. J. Levine echoed that we are not going to be ready, that two members are not here tonight and we do not know what their feelings are on this upgrade. J. Roderigo suggested that C. Bielik go to the Senior Center, the Fire House, Chatfield Farms, with the information in the package that was distributed tonight, and see how they feel about it, getting some feedback. J. Levine suggested that the Boards should be comfortable with the presentation, understand that presentation, and support the presentation, and then go to the public. J. Roderigo noted that this is already being talked about around town.

J. Levine asked if he should make a motion to move forward with the consultants putting together a presentation, and to bring it forward to a joint meeting between the Boards of Selectmen, Finance, and the WPCA, at a time and place that the Chairs of those committees should be.

Motion to move forwards with the consultants putting together a presentation, and it bring it forward to a joint meeting between the Board of Selectmen, Board of Finance, and the WPCA on Wednesday, October 22, 2014 at 7:00 P.M. in the Beacon Falls Town Hall Assembly Room: Levine/Bronn; discussion was by Joe Rodorigo asking how much the cost would be to collect the data that was discussed tonight and how are we going to pay for it. J. Sheehan responded that we have enough information already and can say what the average cost per household would be. J. Rodorigo added that if we go to the public with multiple options, people without sewers may say that they like option X without paying at all and people with sewers may say that they like option Y with taxation. We have to go with a specific number in mind; all ayes.

J. Dowdell indicated that the rest of the agenda will be tabled until next month except for a few items. A. Backhaus responded to his text with a lengthy explanation and J. Dowdell will forward the email. She did indicate that she will meet with T. Broesler next Thursday and will have bank reconciliations up through March 2014.

4. Correspondence

a. Board of Finance Clerk's Invoices

Motion to accept the September 22, 2014 invoice from the Board of Finance Clerk and pay the total of \$83.75: Levine/Rodorigo; no discussion; all ayes.

12. Public Comment

C. Bielik asked if a discussion can be done since the Board of Selectmen approved a budget transfer last night. The clerk had the notes from last night for the First Selectmen. A question from the public was asked while the clerk was finding the notes from the Board of Selectmen meeting held on October 6, 2014.

Sue Dowdell, 32 Wolfe Avenue, had a question regarding when someone who has septic system do they pay a fee to dump. P. Betkoski responded no, not if they're taxpayers. S. Dowdell noted that they should pay something because they're dumping their septic and we are paying because we have sewers.

C. Bielik indicated that an error and misunderstanding was found with the Board of Assessment Appeals. It was not spelled out as well as it needs be in the budget as it is right now.

The \$2,000 in the line item under Wages – Clerk is actually a stipend for the three members of the Board. They get \$666.16/\$666.17 depending on the person and this has been this way forever. When we cut this line item, we cut their stipend. We did not discuss the fairness of this when we went through that because we didn't understand that ourselves. In the interest of historical fairness, the Board of Selectmen voted and approved last night to restore that line item from \$1,000, taking from the Contingency Fund – Line Item 10-90-83-1170, \$1,000 and restore Line Item 10-90-17-1010 to the full historical amount.

Motion to transfer \$1,000 from Line Item 10-90-83-1170 to Line Item 10-90-17-1010: J. Levine/J. Rodorigo; no discussion; all ayes.

13. Adjournment

With no other business to discuss at tonight's meeting, J. Dowdell asked to adjourn.

Motion to adjourn the meeting at 9:12 P.M.: Levine/Rodorigo; no discussion; all ayes.

Respectfully submitted,

Marla Scirpo
Clerk, Board of Finance