

**Litchfield Board of Finance
Regular Meeting Minutes
December 12, 2011**

Call to Order: A meeting of the Board of Finance for the Town of Litchfield was held in the Litchfield Intermediate School Art Room on December 12, 2011 beginning at 7:05 o'clock p.m.

Members present and absent at the commencement of the meeting were as follows:

PRESENT

David Geiger, Chair
David W. Wilson, Vice Chair
Ed Gadomski
Mitchell Fishman
Brenda Barnes
Ed Weik
David Pettinicchi (Alt.)
Anne Dranginis (Alt.)

ABSENT

None

Also present were Karl Fisher, Leo Paul, Barbara Putnam and Nancy Southard. Mr. Geiger welcomed new members Mitchell Fishman and David Pettinicchi, and encouraged Mr. Pettinicchi to fully participate in discussions even though as an Alternate he could not vote.

Mr. Geiger said there was an omission on the Agenda and requested a motion to add 1a) item.

Motion: David Wilson moved to insert the Election of Officers as item 1a) to the Agenda and Ed Weik seconded the motion. All voted aye and the motion carried.

Election of Officers:

Open nominations were then requested from the floor. David Wilson nominated David Geiger as Chairperson and Mr. Geiger accepted the nomination.

Motion: David Wilson moved to close nominations for Chairperson and Ed Gadomski seconded the motion. There was no further discussion, all voted aye and the motion carried. Mr. Geiger agreed to serve a two-year term.

Ed Weik nominated David Wilson as Vice Chairperson and Brenda Barnes seconded the nomination. There were no other nominations.

Motion: Ed Gadomski moved to close nominations for Vice Chairperson and Ed Weik seconded the motion. All voted aye and the motion carried. Mr. Wilson agreed to serve a two-year term.

Approval of Minutes:

Approval of the 10-17-11 minutes had been placed in abeyance at the last meeting until all members had the opportunity to review the minutes.

Motion: David Wilson moved to approve the 10-17-11 meeting minutes and Ed Weik seconded the motion. All voted aye and the motion carried with two abstentions from Mr. Fishman and Ms. Barnes, who was not present at the October meeting.

Two revisions were made to the 11-14-11 minutes. *Approval of Minutes:* David Wilson rather than David Geiger moved to approve the 10-17-11 minutes. Brenda Barnes rather than Kelly Garden seconded Jeff Zullo's motion that former BOF members could elect to continue receiving copies of meeting minutes.

Motion: David Wilson moved to approve the 11-14-11 minutes with these two revisions and Brenda Barnes seconded the motion. All voted aye and the motion carried with one abstention from Mr. Fishman.

Public Comment:

1. Barbara Putnam distributed materials and expressed concern about the town's pension plan obligation and debt service. She urged the Board of Finance to pay close attention to current trends.
2. Nancy Southard, Tax Collector, said taxes are pretty much on track but she is concerned that she began collections earlier (mid-Fall) this year and some accounts are 2-3 years in arrears. The largest is approximately \$60K. She has sent a number of accounts to her Marshall. In reply to Mr. Fishman's query about such properties, Ms. Southard said there were 30+ more liens this year than last year. In reply to Mr. Wilson's query about following Torrington's lead in quickly moving on businesses suspected of closing, Ms. Southard said she has done this also. In reply to Mr. Weik's query on billing, Ms. Southard said she bills 1x year.

Board of Selectmen's Update: First Selectman Leo Paul, Jr. said the Board of Selectman is beginning the budget process and has held capital improvement meetings, with possibly the final meeting to be held 12-13-11. There will be a full newly empanelled BOS meeting next week. In reply to Mr. Geiger's query about FEMA reimbursements, Mr. Paul said the town is still working with FEMA on Hurricane Irene damages and might expect 70-75% reimbursement mostly for road clean-up. It is too early to have feedback on the October snowstorm which caused damage to two bridges. In reply to Anne Dranginis' query about whether the Capital Committee is still meeting, Mr. Paul confirmed that and said tonight's Bond Resolution is for next year.

Director of Finance's Monthly Status Report: Karl Fisher, Director of Finance, presented the financial overview as of November 30, 2011. The Town has collected 51.9% of revenue and has spent 37% of the budget in the BOS Budget approximately 42% through the fiscal year. The Fund Balance at the end of FY 2011 is 13.35% of Total Revenue Collected.

The Town has collected 51.9% of total revenue as of November. The largest percentage was the collection of current year property taxes with 55% being collected by November 30. In November of FY 2011, the Town collected 50.5% total revenue and collected 54.5% of property taxes.

Pertaining to Expenditures, the BOS budget currently shows the Town being 52.3% committed and 37% spent through the fiscal year. In FY 2011, the BOS was 48% committed and 34% spent. All of the third party agencies are paid in July of each FY. In many cases, these are one-time payments and therefore increase the percent spent for the month.

Mr. Fisher said the town has collected about 73% of prior year taxes. Pertaining to revenue, Mr. Fisher said that building fees are up. In reply to Ms. Barnes' query about the lack of a Board of

Education update for several months, Mr. Geiger offered to request these reports from the Chair of the Board of Education. Consensus from the group agreed that Mr. Geiger should pursue this. In reply to Mr. Fishman's query about the amount collected by the Town in Conveyance Tax in FY 2011, Mr. Fisher said he would get this amount from the Town Clerk's office and send it to the BOF. (**Update:** Mr. Fisher sent the following update in an Email dated 12-13-11: "As of June 30, 2011, the Town Clerk collected \$117,121.46 or 111.5% of the budget. As of November Fiscal Year 2011, the tax collector had collected \$45,387.28 which is 43% of Budget. As a reminder, in FY12, the Town has collected \$35,470 which is 34% of budget.")

Use of Fund Balance for Pay-as-you-go Capital Projects:

Mr. Fisher distributed a Review of Fund Balances and explained in detail all items under Option A. The General Fund Unassigned Fund Balance is 13.5% of Revenues and Transfers In.

Mr. Paul said whatever monies are remaining from the capital budget at the end of the year are transferred to Operating Expenses. Regarding the Ten-Year Road Program, the Town had been bonding about \$900,000/year for this. The Town is now paying for it out of current tax revenue and does one-third each year.

Ms. Dranginis requested more details on the \$352,262 figure under the heading "Less Grant/Other Funding" and Mr. Fisher said he will provide that information for next month's meeting.

Mr. Geiger noted that 3 out of the last 5 years, the Town has made funding in the pension plan a \$14.7Mil liability for future pensions and we are about 65% funded. He suggested as the Town considers "Pay-as-you-go" projects, they also consider putting money aside for this out of fund balances. Mr. Gadomski also suggested the pensions should incorporate greater employee contributions to lessen Town responsibility.

Mr. Geiger said that Blum Shapiro's current Town audit must be finished by the end of the calendar year and the BOF should be receiving a draft of this audit, which would include the pension fund figure that is unfunded.

Lengthy discussion was held on the Town's Capital Budget 2011/2012, including details on bonded projects that were to be approved in the Bond Resolution. Mr. Geiger proposed taking the \$60,370 targeted for Exterior Concrete Stairs and Walkways and increasing the bonding resolution by that amount for the pension plan.

Consider and Act Upon a Bond Resolution:

David Wilson introduced and read the following resolution:

RESOLVED: That the resolution entitled "RESOLUTION APPROPRIATING \$1,290,000 FOR THE TOWN OF LITCHFIELD 2011-2012 CAPITAL IMPROVEMENT PROGRAM, INCLUDING SCHOOL, FIRE VEHICLES, PUBLIC WORKS, AND RECREATION IMPROVEMENTS AND AUTHORIZING THE ISSUE OF \$1,290,000 BONDS OF THE TOWN TO MEET SAID APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE," is hereby approved and recommended for adoption by the Town.

Motion: Mitchell Fishman moved to waive the reading of the entitled resolution and that its full text be incorporated into the minutes of the meeting. The motion was seconded by Ed Weik.

Upon roll call vote, the Ayes and Nays were as follows, with Mr. Geiger as Chair abstaining:

Ayes

Ed Gadomski
Ed Weik
David Wilson
Brenda Barnes
Mitchell Fishman

Nays

None

David Geiger thereupon declared the motion carried. The resolution is attached hereto.

Motion: David Wilson moved that the BOF accept the Capital Budget for Pay-as-you-go Fund Balance of \$388,068 presented by Mr. Fisher with the addition of \$60,370 to Public Works-Public Facilities for Exterior Concrete Stairs and Walkways, thus revising the Appropriation on the Bond Resolution from \$1,290,000 to \$1,350,000. Ed Weik seconded the motion. There was discussion on the pros and cons of the motion. Ms. Barnes suggested, and Mr. Fishman concurred, that the actuaries should attend the BOF meeting to answer questions about the pension plan and OPEB.

Upon roll call vote, the Ayes and Nays were as follows, with Mr. Geiger as Chair abstaining:

Ayes

Ed Gadomski
Mitchell Fishman
Ed Weik
David Wilson

Nays

Brenda Barnes

Mr. Geiger thereupon declared the motion carried and the revised resolution was adopted.

New Business:

1. **Financial Transfers:** There were no financial transfers.
2. **Payment of Bills:** There were no bills for payment.
3. **Correspondence:** There was no correspondence for review.

Committee Reports:

1. Mr. Geiger requested that another BOF member replace him on the Pension Committee as he is resigning.

Motion: Ed Weik moved to appoint Mitchell Fishman as BOF liaison to the Pension Committee. Brenda Barnes seconded the motion. All voted aye and the motion carried. Mr. Fishman agreed to serve as liaison.

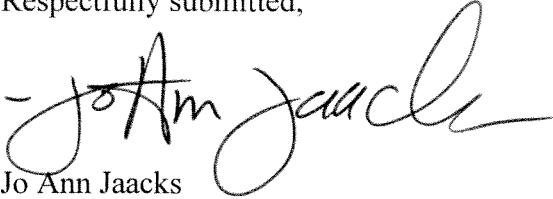
2. Mr. Wilson said the Capital Committee is now working on capital requests. Items costing \$10,000+ go on the capital budget. They are still awaiting a detailed plan from Parks & Recreation Dept. on maintenance of community fields.

Future Agenda Items:

Mr. Geiger noted that Mr. Gadomski had requested information on composition of the material used for snow removal on town roads and promised to act on this.

Motion: There being no further business to conduct, Ed Weik moved to adjourn at 10:02pm and Ed Gadomski seconded the motion. All voted aye and the motion carried. The next regular meeting will be held on January 9, 2012 at the Litchfield Intermediate School.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jo Ann Jaacks". The signature is fluid and cursive, with a large initial "J" and "A".

Jo Ann Jaacks

Recording Secretary – Board of Finance

RESOLUTION APPROPRIATING \$1,350,000 FOR THE TOWN OF LITCHFIELD 2011-2012 CAPITAL IMPROVEMENT PROGRAM, INCLUDING SCHOOL, FIRE VEHICLES, PUBLIC WORKS, AND RECREATION IMPROVEMENTS AND AUTHORIZING THE ISSUE OF \$1,350,000 BONDS OF THE TOWN TO MEET SAID APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE

Section 1. The sum of \$1,350,000 is appropriated for the planning, acquisition and construction of the Town of Litchfield Capital Improvement Program 2011-2012, consisting of:

Schools:

Center School – Flooring	\$ 40,000
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General Purpose:

Litchfield – 1986 Pumper Replacement	\$ 250,000
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Public Works - Vehicles/Equipment Replacement:

1995 Dump Truck	\$ 160,000
Truck Bed Conveyer	\$ 15,000

Public Works – Bridges:

Campville Road Bridge	\$ 62,667
Culvert Sleeving and Repair	\$ 125,000
Milton Road Bridge	\$ 85,000
North Shore Road Bridge #04433	\$ 47,400
North Shore Road Bridge #04343	\$ 109,200

Public Works - Major Roadwork:

McBride Road – Grinding & Overlay	\$ 60,000
Old Northfield Road	\$ 45,000
Sidewalk Reconstruction	\$ 27,000
West Street Green Curbing	\$ 50,000
Whites Woods Road Overlay	\$ 125,000

Public Works - Public Facilities:

Tennis Courts	\$ 50,000
Exterior Concrete Stairs and Walkways	\$ 60,370

Debt Administration

Total

\$ 38,363
\$ 1,350,000

and for architects, engineers and consultants, easements and other land acquisition as required, curbing, site work, utilities, appurtenances, equipment and services related thereto, or so much thereof as may be accomplished within such appropriation, including administrative,

advertising, printing, legal and financing costs, said appropriation to be in addition to all prior appropriations for said purpose. The First Selectman shall determine from time to time the specific item or improvement to be completed, based upon the priority and needs then existing. The First Selectman and Treasurer are authorized to transfer amounts among purposes based upon priority and funding availability. It is hereby found, determined and recited that the foregoing projects were approved to be undertaken in conjunction with the town for the 2011-2012 town budget adopted by the taxpayers at the Annual Budget Meeting, and the funds therefore are expected and planned to be encumbered and expended, and the projects completed by the 2011-2012 fiscal year end. LOCIP funds received and expended on the above purposes shall be included in and applied against this appropriation and bond authorization.

Section 2. To meet said appropriation \$1,350,000 bonds of the Town or so much thereof as shall be necessary for such purpose, shall be issued, maturing not later than the twentieth year after their date. Said bonds may be issued in one or more series as determined by the First Selectman and Treasurer, and the amount of bonds of each series to be issued shall be fixed by the First Selectman and Treasurer, in the amount necessary to meet the Town's share of the cost of the project, provided that the total amount of bonds to be issued shall not be less than an amount which will provide funds sufficient with other funds available for such purpose to pay the principal of and the interest on all temporary borrowings in anticipation of the receipt of the proceeds of said bonds outstanding at the time of the issuance thereof, and to pay for the administrative, printing and legal costs of issuing the bonds. The bonds shall be in the denomination of \$1,000 or a whole multiple thereof, or, be combined with other bonds of the Town and such combined issue shall be in the denomination per aggregate maturity of \$1,000 or a whole multiple thereof, be issued in bearer form or in fully registered form, be executed in the name and on behalf of the Town by the manual or facsimile signatures of the First Selectman and Treasurer bear, the Town seal or a facsimile thereof, be certified by a bank or trust company designated by the First Selectman and Treasurer, which bank or trust company may be designated the registrar and transfer agent, be payable at a bank or trust company designated by the First Selectman and Treasurer, and be approved as to their legality by Bond Counsel. They shall bear such rate or rates of interest as shall be determined by the First Selectman and Treasurer. The bonds shall be general obligations of the Town and each of the bonds shall recite that every requirement of law relating to its issue has been duly complied with, that such bond is within every debt and other limit prescribed by law, and that the full faith and credit of the Town are pledged to the payment of the principal thereof and the interest thereon. The aggregate principal amount of the bonds to be issued, the annual installments of principal, redemption provisions, if any, the date, time of issue and sale and other terms, details and particulars of such bonds, shall be determined by the First Selectman and Treasurer, in accordance with the General Statutes of the State of Connecticut, as amended.

Section 3. Said bonds shall be sold by the First Selectman and Treasurer in a competitive offering or by negotiation, in their discretion. If sold at competitive offering, the bonds shall be sold upon sealed proposals, auction, or similar competitive process at not less than par and accrued interest on the basis of the lowest net or true interest cost to the Town. A notice of sale or a summary thereof describing the bonds and setting forth the terms and conditions of the sale shall be published at least five days in advance of the sale in a recognized publication carrying municipal bond notices and devoted primarily to financial news and the subject of state

and municipal bonds. If the bonds are sold by negotiation, the provisions of the purchase agreement shall be subject to approval of the Board of Selectmen.

Section 4. The First Selectman and Treasurer are authorized to make temporary borrowings in anticipation of the receipt of the proceeds of said bonds. Notes evidencing such borrowings shall be executed in the name and on behalf of the Town by the manual or facsimile signatures of the First Selectman and Treasurer, bear the Town seal or a facsimile thereof, be payable at a bank or trust company designated by the First Selectman and Treasurer, be approved as to their legality by Bond Counsel, and be certified by a bank or trust company designated by the First Selectman and Treasurer, pursuant to Section 7-373 of the General Statutes of Connecticut, as amended. They shall be issued with maturity dates which comply with the provisions of the General Statutes governing the issuance of such notes, as the same may be amended from time to time. The notes shall be general obligations of the Town and each of the notes shall recite that every requirement of law relating to its issue has been duly complied with, that such note is within every debt and other limit prescribed by law, and that the full faith and credit of the Town are pledged to the payment of the principal thereof and the interest thereon. The net interest cost on such notes, including renewals thereof, and the expense of preparing, issuing and marketing them, to the extent paid from the proceeds of such renewals or said bonds, shall be included as a cost of the project. Upon the sale of said bonds, the proceeds thereof, to the extent required, shall be applied forthwith to the payment of the principal of and the interest on any such notes then outstanding or shall be deposited with a bank or trust company in trust for such purpose.

Section 5. Resolution of Official Intent to Reimburse Expenditures with Borrowings. The Town (the "Issuer") hereby expresses its official intent pursuant to §1.150-2 of the Federal Income Tax Regulations, Title 26 (the "Regulations"), to reimburse expenditures paid sixty days prior to and after the date of passage of this resolution in the maximum amount and for the capital project defined in Section 1 with the proceeds of bonds, notes, or other obligations ("Bonds") authorized to be issued by the Issuer. The Bonds shall be issued to reimburse such expenditures not later than 18 months after the later of the date of the expenditure or the substantial completion of the project, or such later date the Regulations may authorize. The Issuer hereby certifies that the intention to reimburse as expressed herein is based upon its reasonable expectations as of this date. The Finance Director or her designee is authorized to pay project expenses in accordance herewith pending the issuance of reimbursement bonds, and to amend this declaration.

Section 6. The First Selectman and Treasurer are hereby authorized, on behalf of the Town, to enter into agreements or otherwise covenant for the benefit of bondholders to provide information on an annual or other periodic basis to nationally recognized municipal securities information repositories or state based information repositories (the "Repositories") and to provide notices to the Repositories of material events as enumerated in Securities and Exchange Commission Exchange Act Rule 15c2-12, as amended, as may be necessary, appropriate or desirable to effect the sale of the bonds and notes authorized by this resolution. Any agreements or representations to provide information to Repositories made prior hereto are hereby confirmed, ratified and approved.

Section 7. It is hereby found and determined that it is in public interest to issue all, or a portion of, the Bonds, Notes or other obligations of the Town as qualified private activity bonds, or with interest that is includable in gross income of the holders thereof for purposes of federal income taxation.