

The **Board of Finance** held a regular meeting on Monday, September 14, 2009 in the lower meeting room at Town Hall South, 3 Main Street, Newtown, CT. John Kortze called the meeting to order at 7:35 p.m.

PRESENT: John Kortze, James Gaston, Marty Gersten, Joseph Kearney, Harry Waterbury and Michael Portnoy

ALSO PRESENT: First Selectman Joseph Borst, Finance Director Robert Tait, Superintendent of Schools Dr. Janet Robinson, Director of Facilities Gino Faiella, Board of Education member Kathy Fetchick, nine members of the public and one member of the press.

VOTER COMMENTS: **Gary Davis, 23 Charter Ridge Drive** asked if Council members would be allowed to ask questions after the Board of Education presentation. Mr. Kortze stated he didn't have a problem allowing questions but he doesn't want it to command the meeting or be on topics not on the agenda. Mr. Kortze would be happy to effort answers to questions via written submissions.

Ben Roberts, 19 Farrell Road questioned the separate CIP process for the Board of Education and the Town. Would the Board like to see something more structured or systematic to try to take the overall towns needs into account in a single process? Mr. Kortze stated that the two are separated as a matter of function and time. The goal of the calendar is to take both sections, have a presentation and ask cursory questions. The idea is to have a focus to concentrate on the requests; it then gets amalgamated, (by Charter), by the Finance Director and the list of priorities from both the Selectmen and the BOE. Further questions are asked and the Board of Finance presents to the Council based on what the Board views their charge is. The Board of Finance is advisory charged with the function of how to pay for something. We have been able to provide almost all of what the Board of Education and the Town has asked for in the priorities they have asked for, not set by the Board of Finance, on the schedule they have asked for. It is not the Boards purview to politicize a particular project but to take what is presented and effectively cull from the bottom up.

Pat Llodra, Riverside Road, felt it was worth noting that the Board of Education is using the same CIP worksheet that the Town is using. A common tool helps to make the information more clear and transparent and is a significant first step in the collaboration that we've been seeking to achieve. Mrs. Llodra also noted that the Town side includes financial impact statements; there is not a Charter requirement that the Board of Education does this but she is hoping that in time they will also include financial impact statements so that the information is comparable across the two major aspects of our budget.

Po Murray, 38 Charter Ridge Drive encouraged the Board to consider expanding the five year CIP to ten years; look at the five year but plan for the ten until we develop a strategic long term plan. Ms. Murray requested the Board look into a multi year analysis of all the capital projects requested by the BOS and the BOE to see which projects have been completed or not and why not.

Mr. Kortze noted that the last CIP had some projects on the BOE side that went out into the sixth year. Every school project has a regimented process that is public information that will disclose where we are. The CIP was never intended to be a strategic plan; it's supposed to be a mechanism for funding a strategic plan. Everything presented to the

Board is on the web in the minutes, PDF's included. It is difficult to go out beyond five years. A group was assembled, not too long ago, to come up with a strategic plan that delivered recommendations. An offshoot of that was a \$20,000 Planimetrics survey. A long strategic plan should feed the capitol improvement/spending plan. Ms. Murray stated that the strategic planning group did not come up with a recommendation of a plan but decided a plan was necessary. Mr. Kortze clarified that the inception of the idea is not unique and that the Board of Finance went to the Council a couple of years ago and specifically requested a group be put together. Mr. Kortze spoke about a newspaper article saying that he clearly states there is room for improvement, the process is not perfect and that he never said "if it ain't broke, don't fix it."

COMMUNICATIONS: Mr. Kortze addressed an email he received from Deborah Zukowski (Att. A) regarding interest rates between 20 and 30 years. Mr. Tait noted that trying to define what the expected inflation rate will be according to experts is a difficult number to put your finger on. Looking at what bonds are being issued for in certain towns in a current basis; what happens historically can be very different a day, week or month later, even for the same rating of an agency. One AA2 town could be on warning; the other could be in good stead. Mr. Kortze recommended a bond buyer website. Ms. Zukowski said that the bottom line is that valid questions have been asked and answers that are right but would be more palatable if there was more information.

ACCEPTANCE OF MINUTES: Mr. Gersten moved to approve the minutes of August 27, 2009. Mr. Gaston seconded. All in favor.

FIRST SELECTMAN REPORT: First Selectman Borst reported that the Town has received the first package regarding stimulus money from the state. The project amounts to \$634,997 for the reconstruction of Castle Hill Road and Old Castle Hill (Castle Meadow Road). The town will receive \$585,991 because the state takes out municipal and state. This package has to go to the Board of Selectmen on 9/21/09. Mr. Kortze and Mr. Borst discussed parking issues at Oakview.

FINANCE DIRECTOR REPORT: Mr. Tait reported the state reduced the Pequot Mohegan grant by \$280,000. The town will get an increase of \$72,000 in LoCIP funds, combined there is a decrease in revenues of \$207,000 that will be offset by the refunding savings for this year. Refunding has reduced the debt service budget by \$350,000. Overall, there is an increase in the budget of \$142,000. Mr. Kortze said the Pequot grant is calculated by a formula based on revenues in a particular area. Mr. Kortze asked Mr. Tait to talk about school level reimbursements. Dr. Robinson said that there are two conflicting sources of information, one from John McKinney saying reimbursements will be delayed until July 2010, and another from Chris Lyddy saying that hasn't yet been determined. Dr. Robinson noted that typically the school projects are taken up a month after the state budget is set; if there is a delay it will be the first time in history. Dr. Robinson said that phone calls from Newtown to the state may help to remind them of the critical nature of this. An answer should be received in October.

NEW BUSINESS:

Discussion and possible action:

1. CIP - Board of Education: Kathy Fetchick noted there is not a lot of change from last year. The pricing for the Middle School sloped roof has been updated. The purchase of the Church Hill property has been added in to the first year. (Att. B). There

was discussion of the growth of the Hawley School estimate over the years. Ms. Fetchick reported that some projects need to be re-evaluated and suggested breaking down some of the larger projects to be able to move some of the more critical pieces to the front of the CIP, such as the boilers at Hawley School. Mr. Gaston would like to see the breakdown saying he thinks it will be significantly more expensive and more disruptive to the classes and schools. Mr. Kortze stated the BOF presented consistent to what the BOE asked for, it was turned down by the Council because of everything else going on. It would be helpful to know when the projects were vetted and how updated they are. Dr. Robinson reported that the CIP committee met every week for six months and developed a comprehensive process for projects that would have to be fully vetted. The committee talked about doing a ten year model. Dr. Robinson is enthused about the process that was designed. Three Board members have volunteered to be the ongoing CIP committee and plan to ask a Board of Finance member and a Council member to join to work on developing numbers the BOE will be comfortable defending. Mr. Fetchick noted it's difficult to put a number on projects from years five through ten. Hiring engineers will help to get firm numbers on costs now. Working on a team with different board members within the district will help the vetting of numbers. Mr. Gersten would like to see reasonable updates on the cost of the projects. Dr. Robinson explained that the state reimbursement process requires a sloped roof and a secondary drainage. It may be cheaper in the long run to not go with the state reimbursement. Mr. Davis questioned the Hawley School boilers. Mr. Faiella said that there is enough redundancy to carry the building should the 1993 boiler become decommissioned. Mr. Gaston thought it might be a good idea, before the CIP is presented, for the Town and the Board of Education to meet and talk. Dr. Robinson said would like ongoing communication to look at the big picture. Mr. Davis asked if the solution is to fix the buildings or has the Board of Education looked into other possible solutions. Dr. Robinson answered there is a study with options but it is time to look again at the long term plan. Po Murray asked how the Board of Education determined the priorities and what year the requests would be placed. Mr. Gaston asked how that question is pertinent to the Board of Finance saying the Board is not imposing their will on the BOE, telling them how they should be ranking their projects. Mr. Kortze respectfully requested that Ms. Murray respect the Board of Finance role in the process. Ms. Llodra reiterated that the CIP packet with back up information is very helpful and congratulated Dr. Robinson and Mr. Tait for working together. (Att. C – CIP)

2. Transfers 2008-2009:

Mr. Gaston moved the transfer from 01100-1002, Secretary, Assistant to 01100-4063 Legal Services – other in the amount of \$9,420.00. Mr. Gersten seconded. Mr. Tait explained that the legal fees were a result of additional legal services related to personnel cases. All in favor.

Mr. Gaston moved the transfer from 01490-1002, Administration, to 01490-4061, Legal Services in the amount of \$7,239.00. This is for Land Use to cover legal expenses for the Railroad All in favor.

Mr. Gaston moved the transfer from 01320-4002, F/F Incentive Plan in the amount of \$7,864.00 to 01320-2020, Utilities \$2,573.00, 01320-2028, Hydrants \$4,244.00 and 01330-4001, Physicals \$1,047.00. Mr. Gersten seconded. These are overages in the utility account and the rate of physicals went up. There was money in the firefighters

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incentive plan. The incentive plan was reduced in this year's budget. All in favor.

UNFINISHED BUSINESS

Discussion and possible action:

Update on teacher negotiations: Mr. Portnoy reported there have been numerous negotiation sessions between the BOE and the teachers union. Negotiations are over, Wednesday begins the first mediation. If there is no agreement through mediation it will go to arbitration.

Mr. Gersten noted the school board represents the largest constituency; the Selectmen represent every other constituency. The job of the Board of Finance is to try to facilitate the intermovement of the two without projecting our own judgment as to what's right or wrong.

ANNOUNCEMENTS: none

ADJOURNMENT:

Having no further business, the Board of Finance adjourned their regular meeting at 9:15 p.m.

Respectfully Submitted,

Susan Marcinek, Clerk

Att. A: D. Zukowski email

Att. B: letter from Amy Mangold

Att. C: BOE CIP