

AMENDED MINTUES

The **Board of Finance** held a regular meeting on Thursday, March 25, 2010 in the Council Chambers, 3 Primrose Street, Newtown, CT. John Kortze called the meeting to order at 7:30pm.

PRESENT: John Kortze, James Gaston, Joseph Kearney, Harry Waterbury and Michael Portnoy. **ABSENT:** Martin Gersten

ALSO PRESENT: First Selectman E. Patricia Llodra, eight members of the public and one member of the press.

VOTER COMMENTS: **Michael Burton, 107 Glen Road, Sandy Hook** spoke representing SHOP (Sandy Hook Organization for Prosperity) asking the board to make necessary financial arrangements to accommodate the Legislative Councils recommended changes to the CIP. Investing in Sandy Hook will help small businesses to succeed. The Fairfield Hills underground wires were removed from the first year of the CIP and the middle school roof project is overstated.

George Schmidt, 12 Old Castle Drive thanked the board for doing their job. Someone should educate the town on the process, by Charter, that is followed to approve a budget. He believes the board did the right thing, the necessary thing.

COMMUNICATIONS: Mr. Kortze noted the Legislative Council finance committee had a presentation (Att. A) He also said it sounds like we will know soon how much the middle school roof cost based on information from Kathy Fetchick (Att. B). He mentioned the CIP amendments have been whittled down to seven issues. He said that the council may want to mandate and write a regulation that compels council members to attend meetings and educate themselves on the issues but it is not something that deserves to be in the CIP.

MINUTES: Mr. Gaston moved to approve the minutes of 2/18/10, 2/22/10, 2/25/10, 3/1/10, 3/4/10, and 3/8/10. Mr. Waterbury seconded. All in favor.

FIRST SELECTMAN REPORT: First Selectman Llodra reported that the pension committee will recommend that the rate of return be reduced from 8% to 7.75% for the next fiscal year. The joint meeting of the Board of Finance, the Board of Selectman and the Pension Committee will be held on May 27, 2010.

Mr. Kortze thanked Mrs. Llodra and the Board of Education for their hard work during the budget process.

FINANCE DIRECTOR REPORT: none.

UNFINISHED BUSINESS:

Discussion and possible action:

- 1. Resolution regarding Board of Education revenue shortfall:** Mr. Kortze noted that the Board of Education financial report was copied for all members (Att. C).

He would like a better understanding of what transpired in February and March. The resolution addressed the revenue shortfall being borne by both the Board of Selectmen and the Board of Education. The February 25 Board of Finance meeting tabled the resolution to allow the Board of Education time to discuss the impact of the resolution. The Board of Education minutes do not reflect discussion or a vote on the topic. One of the reasons the BOE didn't want to do anything at the time was because they didn't know what the shortfall would be but in January reported a freeze was in effect because of the uncertainty of the education reimbursement. It appears the Board of Education did not have a discussion; therefore the Board of Finance cannot have the discussion. The net effect is that what was frozen, now that the shortfall is known, has been encumbered or is in the process of being spent. Not being afforded the opportunity to discuss it is a disservice to the town.

NEW BUSINESS:

Discussion and possible action:

1. CIP & referral of possible changes from the Legislative Council: First Selectman Llodra reported that the poles at Fairfield Hills were installed in a temporary fashion. A concern was that the existing wires were insufficient to power anything more than the existing facilities on campus. Mrs. Llodra spoke with CL&P and met with AT&T for an on site consult. AT&T confirmed the poles are not a safety issue and they will repair the one pole that is at a 15 degree tilt at no charge to the town. The wires are sufficient to power the campus given the existing users and additional users provided the additional users do not have a large drain of power. There is no immediate need to bury the wires. The combination of the word "temporary" and the way the poles looked caused a conclusion to be drawn that they were unsafe.

Mr. Kortze spoke about the high school expansion (Att. D) saying the form shows the contingencies and the net effect of the situation is \$1,091,570 in the CIP which represents the difference between the appropriated amount and the bids. He suggested seeing where we stand on the year one projects such as the middle school roof. Mr. Kearney asked what percent complete the high school is. First Selectman Llodra said the large unknown is the removal of the roof but couldn't say how complete the project is. Mr. Waterbury asked if it was safe using the money now anticipating all of the high school money won't be used. Mr. Burton suggested that there may be savings in the middle school roof. (Att. E). Mr. Kearney questioned why the estimate is valid if there is factual error.

Mr. Kearney moved to approve the CIP as presented by the Legislative Council finance subcommittee which reflects amendments as outlined in sections 3, 4 5 and 6. (Att. E)
Mr. Waterbury seconded. Mr. Kortze abstained because he owns property in the center of Sandy Hook. Motion passed, YES: Gaston, Kearney, Waterbury, Portnoy.

Mr. Gaston noted that he is an officer of the Newtown Land Trust.

Mr. Gaston moved to resolve that the Board of Finance recommend to the Council that the town expedite the bidding process for the year one projects to see what type of

savings can be derived and revisit the CIP. Mr. Waterbury seconded. All in favor.

Mr. Kearney moved to submit the High School Addition – Funding Analysis and recommend the Council receive clarity on where the high school is relative to the addition and where contingencies may or may not be. Mr. Waterbury seconded. All in favor.

There was discussion on moving the preparation of the CIP to every two years. Mr. Kortze thinks the CIP is something the Board of Finance should review annually. Mr. Gaston agreed. Mr. Kearney can understand the rationale behind the thought because the CIP changes all the time; there is a good debate every year and it changes every year but agrees it should be reviewed annually. Mr. Gaston moved to support the continuation of the yearly CIP process as opposed to moving to a bi-annual CIP process. Mr. Waterbury seconded. All in favor

2. Resolution: Mr. Gaston moved the resolution with respect to the close-out of various capital projects and reducing the appropriations and authorized and unissued amounts for such projects. Whereas, certain of the projects and purposes set forth on Schedule A attached hereto (collectively, the “Projects”), are complete or are no longer intended to be completed and the Town of Newtown (the “Town”) desires to close-out such projects; and Whereas, the Town desires to reduce the remaining appropriations and authorized and unissued bond amounts which will not be needed for the Projects; Now therefore be it resolved that: Resolved: The appropriations and authorized and unissued bond amounts for the Projects are hereby reduced in accordance with Schedule A. The aggregate amount of such reductions in Schedule A totals \$505,000 (Att. F). Mr. Waterbury seconded. All in favor. First Selectman Llodra explained the projects have been completed; there are no further appropriations or bonding.

3. Discussion on multi year financial forecasting: item to be discussed at a future meeting.

ANNOUNCEMENTS: none noted

ADJOURNMENT:

Having no further business, the Board of Finance adjourned their regular meeting at 8:30p.m.

Susan Marcinek, Clerk

Att. A: LC finance committee document & reply from Jim Gaston
Att. B: Kathy Fetchick email
Att. C: Board of Education monthly financial report
Att. D: High School Addition – Funding Analysis
Att. E: LC Finance Committee Recommendations
Att. F: Michael Burton letter on the Middle School roof
Att. G: Resolution: Close-Out of Various Capital Projects

Board of Finance
March 25, 2010