

THESE MINUTES ARE SUBJECT TO APPROVAL BY THE BOARD OF FINANCE

The Board of Finance held a regular meeting on Thursday, July 26, 2012 in the Council Chamber of the Newtown Municipal Center, Newtown, CT. John Kortze called the meeting to order at 7:30 p.m.

PRESENT: John Kortze, James Gaston, Jr., Richard Oparowski, Joseph Kearney

ABSENT: Harry Waterbury, Carol Walsh

ALSO PRESENT: Chairman of the Board of Education Debbie Liedlien, Public Works Director Fred Hurley, Finance Director Bob Tait, First Selectman Pat Llodra, Bob Mitchell and Tom Catalina of the Building and Site Committee, 4 members of the public and 3 members of the press

VOTER COMMENTS: None

COMMUNICATIONS: None

MINUTES: Tabled

FIRST SELECTMAN REPORT: As an FYI, Mrs. Llodra explained that she is working with the Pension Committee and Westport Resources to move the structure of the pension fund to reduce the rate of return from 7.75 to 7.50 and reduce the wage assumption from 4% to 3%. The Board of Selectman should act on this at their August 6th meeting. The porch on Woodbury Hall has fallen off and will be removed in the next week or so. The Animal control facility is still on track to bring animals there on August 10th. Mr. Kortze questioned if there was a project occurring with solar panels at the Middle School and if it would be funded with town funds and what grants will be involved. If there are grants and there is funding, the BOF has to play a role in that process. Mrs. Llodra explained that this is more of a lease. The vendor is approved for a grant through the state and CL&P and the town will be getting a reduced kilowatt rate for the solar power. The vendor assumes all responsibility of the system, there is no maintenance by the town and the vendor would be responsible for removing them at the end of the contract. The contract is 15 years, with extensions available.

FINANCE DIRECTOR REPORT: None

UNFINISHED BUSINESS

Discussion and possible action:

Policy on depositing unexpended education funds to the Capital/Non-Recurring Fund-Tabled
Board of Education Reserve Fund Statute-Tabled

NEW BUSINESS

Discussion and possible action:

All Transfer are from 2011-2012

Mr. Kearney moved to transfer \$14,131 from P&R Utilities (01550-2018) to P&R Contractual Services (01550-4060). Mr. Oparowski seconded, all in favor.

Mr. Kearney moved to transfer \$6,500 from Contingency (01570-2000) to Referenda (01180-1005). Mr. Oparowski seconded, all in favor.

Mr. Kearney moved to transfer: \$92,113 from Payroll (01500-1003) to Capital (01500-5080), transfer: \$7,500 from Payroll (01515-1002) to Capital (01515-5080) and transfer: \$34,000 from Contingency (01570-2000) to Capital (01320-5080). Mr. Gaston seconded. Mr. Oparowski asked what the mechanics are happening here. Mrs. Llodra explained that they are saving money in this budget by not filling positions in order to do these things. This was intentional to meet the needs that need to be met. This is for a work order system that they have been working on for three years. One other item was the Fire Marshal's truck and the building official's vehicle is used daily and unusable. All in favor

Mr. Kearney moved to transfer: \$6,000 from Postage (01105-2016) to \$3,000 Legal (01100-4061) & \$3,000 to Legal Advertising (01105-2015). Mr. Gaston seconded, all in favor.

Mr. Kearney moved to transfer: \$8,200 from Equipment Fuel (01500-2016) to \$5,000 Electricity (01650-2018) & \$3,200 to Water (01650-2019). Mr. Gaston seconded, all in favor.

Mr. Kearney moved to transfer: \$2,000 from Contingency (01570-2000) to Unemployment Act (01240-2001). Mr. Gaston seconded, all in favor.

Mr. Kearney moved to transfer: \$5,000 from Administration (01490-1002) to Legal Services (01490-4061). Mr. Gaston seconded, all in favor.

Mr. Kearney moved to transfer: \$2,000 from Hydrants (01320-2028) to Equipment Repairs (01320-3050). Mr. Gaston seconded, all in favor.

Mr. Kearney moved to approve the year end re-appropriation requests as presented, dated July 24, 2012(Attachment A). Mr. Gaston seconded. All in favor

Bob Mitchell of the Building and Site Committee and Tom Catalina of the adhoc commission for the Hawley School Project spoke about the Hawley School HVAC. Mr. Kortze asked how the cost and scope has changed from what was in the CIP. Mr. Mitchell explained that the CIP was an estimate and these are real. Kaestle Boos came in with a clean eye and went through the building, even scoping under floors and behind radiators. Phase one would be the 1948 building which would make that mechanical room the main mechanical room for the school. Mr. Gaston questioned why the 1921 building would not be done until phase 3 when that building had the most complaints. Mr. Kearney clarified that this is not a phase 1 and phase 2 approval, phase 3 will have to be done as well. Mr. Mitchell explained that the state will not commit to reimbursement until funding from the town is in place. Mr. Catalina explained that there are four boilers which are not interconnected. If one fails, the other cannot act as a backup. All of the boilers have outlived their useful life and are on the verge of failure. Mrs. Llodra spoke that there are issues with reliable heating and air quality but is also concerned that this is not a bigger response to the problem than needed. Mr. Catalina stated that he feels they have come up with the best project for the town.

There is a significant increase in project estimate than what was in the CIP. This is from a more detailed estimate as well as ADA compliance. The increase in the project amount is a concern because the approved CIP amount is \$6.1 million. Mr. Tait said that they have run a few scenarios of the CIP. He explained how the future CIP planning would need to be done. Mrs. Llodra explained that she would be very concerned about bridge replacement for future years. There are 15 bridges that are a public safety issue and should not come out of the CIP. Mr. Tait's scenario reflects only numbers, not projects. The actual spending amount in the CIP is the purview of the BOF, how it is spent it up to the Board of Education and Board of

Selectmen. Debbie Liedlein said that the way BOE was looking at this project, it made phase 3 optional, but she is not sure that is the way that Kaestle Boos is looking at. The BOF agreed not to act on the resolution. With the Selectman and the BOE Chairman in agreement, the following motion was moved:

Mr. Kearney moved that the Board of Finance adopt a game plan that is consistent with Mr. Tait's presentation(Attachment B) which is a moratorium for budget year 12-13 with the exclusion of the bridge and Hook and ladder and any other emergency until they are presented with another CIP, consistent with the plan objective of trying to get to a 9% cap while giving the Board of Selectman and the Board of Education an opportunity to go back and revisit their CIP which there is the time to do and upon review the Board Of Finance will revisit at that time. Mr. Oparowski seconded, all in favor

ANNOUNCEMENTS: None

Having no further business, the meeting was adjourned at 9:04 p.m.

Arlene Miles
Clerk pro-tem



TOWN OF NEWTOWN
OFFICE OF THE FINANCE DIRECTOR

YEAR END RE-APPROPRIATION REQUESTS (carrying forward 2011-12 appropriations to 2012-13)

JULY 24, 2012

FIRE

Account **01320-5080 Capital**. Request \$34,000 carried forward to account 09320-5080 Capital.
"For new replacement Fire Marshal vehicle"

PUBLIC WORKS

Account **01500-5080 Capital**. Request \$12,113 carried forward to account 09500-5080 Capital.
"For new replacement Building Department vehicle (\$21,950 offset by insurance proceeds of \$9,837)"
Account **01500-5080 Capital**. Request \$30,000 carried forward to account 09500-5080 Capital.
"For regional shared computer service (work order dashboard)" SEE ATTACHED
Account **01500-5080 Capital**. Request \$50,000 carried forward to account 09500-5080 Capital.
"For Work Order System" SEE ATTACHED
Account **01515-5080 Capital**. Request \$7,500 carried forward to account 09515-5080 Capital.
"For electrical & camera updates at the transfer station" SEE ATTACHED

FAIRFIELD HILLS AUTHORITY

Account **01870-3000 Fees & Prof Svs**. Request \$4,000 carried forward to account 09870-3000 Fees & Prof Svs.
"For campus improvements"
Account **01870-3051 Repairs & Maint**. Request \$23,695 carried forward to account 09870-3051 Repairs & Maint.
"For Police Sub-station improvements"
Account **01870-4060 Contract Svs**. Request \$28,000 carried forward to account 09870-4060 Contract Svs.
"For Brownfield grant match (\$20,000) & for campus improvements (\$8,000)."

SUSTAINABLE ENERGY COMMISSION

Account **01755-0000 Allocations**. Request \$5,000 carried forward to account 09755-0000 Allocations.
"For web site development and new promotional activities."

 7/24/12

Attachment AD

TOWN OF NEWTOWN 2012-2013 CIP - FORCASTED PROJECT AMOUNTS - DEBT LIMIT CALCULATION

	DO NOT ENTER BELOW - ENTER IN THE INDIVIDUAL FORECAST TABS							Total Est. Debt Service Fiscal Year Total	General Fund Budget (using 1.0%) to 1.5% growth)	Debt Service as a % of Budget	9%	10%	Estimated Debt Service	Difference
	2012 - 2013 Forecasted 2013 Bond Issue (02/15/2013)	2013 - 2014 Forecasted 2014 Bond Issue (02/15/2014)	2014 - 2015 Forecasted 2015 Bond Issue (02/15/2015)	2015 - 2016 Forecasted 2016 Bond Issue (02/15/2016)	2016 - 2017 Forecasted 2017 Bond Issue (02/15/2017)	2018 - 2019 Forecasted 2018 Bond Issue (02/15/2018)	2019 - 2020 Forecasted 2019 Bond Issue (02/15/2019)							
PRINCIPAL AMOUNT>>>	-	5,000,000	5,000,000	15,000,000	10,000,000		35,000,000	FIVE YEAR BORROWING AMOUNT						
							10,059,789	106,146,838	9.48%	9,553,215	10,614,684	10,059,789	554,895	
06/30/2013	10,059,789						10,158,924	107,208,306	9.48%	9,648,748	10,720,831	10,158,924	561,907	
06/30/2014	10,158,924	440,000					10,782,994	108,816,431	9.91%	9,793,479	10,881,643	10,782,994	98,649	
06/30/2015	10,342,994	430,500	447,500				10,935,196	110,448,677	9.90%	9,940,381	11,044,868	10,935,196	109,672	
06/30/2016	10,057,196	421,000	437,625	1,365,000			9,710,429	112,105,408	8.66%	10,089,487	11,210,541	9,710,429	1,500,112	
06/30/2017	7,486,804	411,500	427,750	1,334,250	925,000		10,335,929	113,766,989	9.08%	10,240,829	11,378,699	10,335,929	1,042,770	
06/30/2018	7,237,429	402,000	417,875	1,303,500	903,750		10,061,701	115,493,794	8.71%	10,394,441	11,549,379	10,061,701	1,487,678	
06/30/2019	6,403,776	392,500	408,000	1,272,750	882,500		9,359,526	117,226,200	7.98%	10,550,358	11,722,620	9,359,526	2,383,094	
06/30/2020	5,782,921	383,000	398,125	1,242,000	861,250		8,666,696	118,984,593	7.28%	10,708,613	11,898,459	8,666,696	3,231,763	
06/30/2021	5,576,927	373,500	388,250	1,211,250	840,000		8,389,927	120,769,362	6.95%	10,869,243	12,076,936	8,389,927	3,687,009	
06/30/2022														

7/26/2012

ASSUMING A 1.0%-1.5% BUDGET INCREASE :

**TOWN OF NEWTOWN
2012 - 2013 CIP EFFECT ON FUTURE DEBT SERVICE**

