

**APPROVED BOARD OF FINANCE MINUTES – REGULAR MEETING  
TUESDAY, MARCH 18, 2008**

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A regular meeting of the Board of Finance was held on Tuesday, March 18, 2008 in the small conference room in Town Hall at 7:30 p.m.

Members Present: Marty Heiser, Chairman; Kevin Walsh, Vice Chairman; David Ulmer, Mr. Gomez, and Robert Cascella  
Town Officials: Rudy Marconi, First Selectman; Jay Wahlberg, Controller; John Mannuzza, Assistant Controller; Edward Tyrell, Golf Committee Chairman

A G E N D A

1. Approval of Prior Meeting Minutes
2. Approval of the Tax Deferment Interest Rate
3. Work Session on Upcoming Budget Presentation
4. Adjournment

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**APPROVAL OF PRIOR MEETING MINUTES**

Mr. Cascella made and Mr. Ulmer seconded a motion to approve the December 18, 2007 BOF Minutes .  
Vote: 5-0. Motion **APPROVED**.

The BOF discussed template it hoped to develop for the Town Treasurer to use that would provide the BOF a more detailed monthly Treasurer's Report. Mr. Walsh reported that he "did not find it very easy to do." The BOF turned to Mr. Ulmer who offered to "take a crack at it". Mr. Gomez agreed to assist if needed.

Mr. Heiser brought the BOF's attention to the Minutes' discussion of the interest-only bond issue, and the commitment that a protocol be drawn up for future decisions. Mr. Marconi reiterated that he was in favor of having such a protocol in place.

Mr. Cascella made and Mr. Walsh seconded a motion to approve the January 15, 2008 BOF Minutes after correcting several typos. Vote: 4-0-1. (Mr. Gomez abstained) Motion **APPROVED**.

Mr. Cascella made and Mr. Gomez seconded a motion to approve the February 19, 2008 BOF Minutes after clarifying a quotation on page five. Vote: 5-0. Motion **APPROVED**.

## **TAX COLLECTOR'S REPORT**

Tax Collector's Report

Fiscal Year Ending June 30, 2008

	Budget	Q1	Q2	Jan.	Feb.	Y-T-D	% Cltd	Prior YTD % of Actual
(in millions)								
Current Taxes	\$ 102.1	\$ 32.1	\$ 26.1	\$ 18.4	\$ 1.9	\$ 78.5	76.80%	76.81%
Supplemental MV	\$ 0.8	-	\$ 0.1	\$ 0.6	\$ 0.1	\$ 0.7	90.28%	95.02%
Prior Year Collections	\$ 0.5	\$ 0.2	\$ 0.1	\$ -	\$ -	\$ 0.4	78.11%	84.54%
Interest & Lien Fees	\$ 0.3	\$ 0.1	\$ 0.1	\$ -	\$ -	\$ 0.2	57.65%	72.86%
As of February 29, 2008	\$ 103.7	\$ 32.4	\$ 26.4	\$ 19.0	\$ 2.0	\$ 79.8	76.92%	76.97%

Ms. Berendsen-Hill recommended that the BOF maintain the current 4% interest rate for tax deferments. She explained that the rate historically has approximated the Town's borrowing rate.

Mr. Heiser made and Mr. Walsh seconded a motion to set the Tax Deferment Rate at 4%. Vote: 5-0. Motion **APPROVED**.

### **WORK SESSION ON UPCOMING BUDGET PRESENTATION**

Currently the BOF has set aside April 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup>, 9<sup>th</sup> & 10<sup>th</sup> for budget deliberations.

Mr. Heiser informed the BOF that the Library Board would like to make a presentation regarding its capital expansion project to the BOF. Mr. Ulmer said he would like to hear them. The BOF agreed they would like to have a substantially-abbreviated presentation by, and a Q & A session, with the Library Board. Mr. Gomez suggested informing the Library Board that the BOF is interest in the financing aspects of the capital project as opposed to the architectural design.

In response to an inquiry from the BOF, Mr. Marconi said that the BOS has made it very clear to the Library Board that: "... no way are we committing to any increase in operating (budget) as a result of the project... they might have to go to their endowment."

Mr. Gomez enthusiastically endorsed the BOS's position regarding the Library's operating budget, and the fact that the BOS made it clear at this point in time.

Mr. Ulmer, who had attended the BOS meeting said: "It was abundantly clear."

Mr. Gomez suggested that the BOS's position be made part of the referendum language, "... so that voters know what the BOS is endorsing."

Mr. Marconi responded that the BOS would have to check with bond counsel. Mr. Marconi explained that the 1983 Agreement between the Town and the Library does not define the percent of the Library's budget that the Town is obligated to contribute. The seventy-five percent (75%) number that is commonly used refers to the number of Library Board members that the First Selectman chooses.

Mr. Cascella asked if there were an end to the 1983 Agreement and Mr. Marconi responded that there was not. Mr. Cascella then asked if there were a modification clause and Mr. Marconi responded that he did not know.

Mr. Marconi said the BOS was concerned about the timing of the Library's capital building project. Some members of the BOS felt that now, with the Police Station building project going forward, was not a good time to undertake a major library expansion. The BOS vote on the Library project was 3-1-1. Ms. Masters voted against it and Ms. Manners abstained.

Mr. Heiser asked if they (Library) can raise eight (\$8MM) then why not raise twelve (\$12MM)?

Mr. Marconi explained that three or four families have pledged  $\pm$  \$4MM collectively, but until the Library has the Town's support there are some families that might not make a pledge.

Mr. Heiser clarified by saying: "... we are voting to allow the taxpayers to vote if they want to do this. We have done our due diligence and we are allowing this to go forward to the voters."

Mr. Gomez asked about the impact on downtown parking that the Library's expansion would have and said he would like to have the parking study updated.

Mr. Walsh noted that the necessary Planning & Zoning approvals were not in place and that obtaining them could be time consuming.

Mr. Heiser moved the discussion to the Police Department's capital building project, noting that the Town has already committed \$400k to the architect's evaluation. He asked if the Town was bonding the interest on the money during construction and Mr. Marconi responded that they had never put it in before although Andy (Selectman, Andy Bodner) had brought it up. Mr. Wahlberg said it was routinely done on the private side.

Regarding the Highway Department, Mr. Marconi said there was concern about the cost of asphalt and the consequent reduction in the number of road miles that could be resurfaced each year.

The BOF turned its attention to the February Financial Review. Mr. Wahlberg said he expected the Building Department's revenues to exceed its \$525,000.00 budget.

Ms. Berendsen-Hill speculated that the Prior Years Tax Collections would come in short of budget due to a lower number of real estate sales which is when these taxes are usually cleaned up. Mr. Ulmer added: "We know supplemental (motor vehicle) will be short." Mr. Ulmer noted that Recording Fees and Conveyance taxes were both short of budget for this time of the fiscal year. He asked rhetorically: "... if these come up short this year, what do we put in for revenue next year?"

Mr. Gomez asked about the Recreational Center revenues, and Mr. Marconi said it was not discussed, that the main concern was over the diminishing number of memberships. Mr. Wahlberg said the golf course was able to forecast a revenue increase. Mr. Heiser asked Mr. Tyrell how the golf-course bridge was progressing. Mr. Tyrell responded that they reached "the other side" today and he expected the golf course to open on time.

Mr. Wahlberg brought up the soaring cost of utilities and fuel oil, noting that fuel oil (the \$2.50 per gallon cost they had obtained when they went out for bid, has expired) was not too bad, but the cost of diesel fuel is "terrible". He said electric and water are "fine". Favorable weather has helped keep demand down.

Mr. Wahlberg said that, as soon as next week he could get an updated forecast on revenues and legal fees. He anticipates problems with the amount of legal fees. Mr. Marconi said the Town received a \$25k bill for Planning & Zoning legal fees related to the on-going R & R Pool & Patio business at the intersection of Routes 7 and 35.

Mr. Ulmer said he wanted the BOF to discuss the Capital Reserve Fund. He opined that if one were to go through the \$4.5MM of capital and exclude anything under a ten-year life and under \$20k they would find \$550 of projects that it's not realistic to bond. He added that the Capital Reserve Fund, the usual source to fund capital projects that are not bonded, is inadequate. Mr. Wahlberg stated that a lot of funding from interest and closed-out capital projects goes to the Capital Reserve Fund. Mr. Ulmer expressed his doubt that it (interest and closed-out capital projects) would amount to \$550K. "We are going to find things that should be capitalized, and, therefore, that stuff would have to be expensed." He questioned how much of that could be covered by revenues.

Mr. Wahlberg said the interest on the bonded funds goes into the Capital Reserve Fund. Mr. Ulmer asked for an explanation of "interest" (as regards bonding funds), and Mr. Wahlberg said it was interest on idle funds that are not currently being used. The bond includes anticipated projects and, while those bonds funds are idle during the construction of that project they earn interest. That interest reverts back into the Capital Reserve. The other funding mechanism is non-bonded project close-outs.

Mr. Walsh asked what happens to the principal if the project ceases or is cancelled, and Mr. Wahlberg responded that any bond principal and interest reverts back to the General Fund to reduce debt. Bond funds have to go to reduce debt.

Mr. Heiser made and Mr. Ulmer seconded a motion to go into Executive Session at 9:05 p.m. for the purpose of discussing a real estate issues. Vote: 5-0. Motion **APPROVED**.

Mr. Heiser made and Mr. Ulmer seconded a motion to come out of Executive Session at 9:30 p.m. Vote: 5-0. Motion **APPROVED**.

No action was taken during the Executive Session.

### **ADJOURNMENT**

A motion was made by Mr. Heiser and seconded by Mr. Gomez to adjourn the meeting at 9:35 p.m. Vote 5-0. Motion **APPROVED**.

Respectfully submitted,  
Karen Rodgers, Recording Secretary