

*Minutes*

# **Board of Finance Meeting**

**July 24, 2012**

Room 119 7:30 PM

## **CALL TO ORDER**

The meeting was called to order by Chairman Liz Mao at 7:35 pm. All members of the Board of Finance were present. Also in attendance was Kate Clarke Buch, Finance Director. The meeting was taped for broadcast over Channel 79.

## **2012 REFUNDING**

Mark Chapman, a financial advisor to the Town who works for IBIC, joined the meeting for a discussion of the refunding planned for this fall. The Town is looking to refinance June 2005 refunding bonds in the amount of \$30.3 million (\$27.4 million outstanding as of June 30, 2012) plus a portion (\$8.775 million) of the 2008 General Obligation bonds that is currently callable.

Discussion points:

- The 2005 bonds were “advance refunding” bonds, which means they can only be refunded once.
- Several Board members asked when the refunding bonds would be priced. Mr. Chapman indicated that Roosevelt & Cross (the underwriter) preferred to wait until August 7, 2012 to allow news from the Federal Reserve’s FOMC meeting to settle down.
- Kate Buch presented a schedule showing how aggregate debt service would change under the refunding (debt service spikes over the next few years would be reduced) and the resulting budgetary savings.
- Joe Duwan presented benchmarks showing the refunding results achieved by other Fairfield County towns over the last several months.

Joe Duwan moved that the Board vote to go forward with the basic structure of the proposed refunding and that Liz Mao (or her designee) be approved as signer; passed 7-0.

## TRANSFERS OVER \$5,000

- **Noroton Fire Department – marine repair** – \$8,000

Al Hyatt, Noroton Fire Department Chief, requested \$8,000 from other Noroton Fire Department accounts to cover an emergency repair/replacement of the fire pump motor for the fire boat. The motor was blown and could not be repaired. Jon Zagrodzky moved approval; passed 7-0.

- **Darien Fire Department – air cylinder replacement** – \$11,093

Rick Weatherstone, Darien Fire Department Chief, requested \$11,903 from other Darien Fire Department accounts to cover replacement of 13 air cylinders, which are now 15 years old and, according to NFPA and OSHA rules, must be removed from service. Jon Zagrodzky moved approval; passed 7-0.

- **Liability insurance** – \$7,722

Kate Buch indicated that while overall the liability insurance costs came in within budget, individual lines of coverage and estimates of deductibles varied. She proposed transfers from the Blanket Accident/Fire Insurance account to various insurance line items accounts to cover these differences. Lori Bora moved approval; passed 7-0.

- **Hydrants** – \$39,295

Kate Buch indicated that budget estimates for fire hydrants were low, requiring a transfer (to come from Dental Insurance) to cover the additional costs. Jon Zagrodzky moved approval; passed 7-0.

- **Finance Department** – \$11,841

Kate Buch stated that the Department bears the cost of credit card processing fees in its budget. Due to increased credit card usage, the amount of the fees has exceeded budgetary estimates (Ms. Buch did indicate that credit card processing work would be put out for bid in the fall). Gwen Mogenson moved approval; passed 7-0.

- **Board of Education facilities and operations** – \$23,101

Michael Lynch, Director of Facilities and Operations, reported that original estimate of \$25,000 for gas conversion at Hindley School was inadequate. The actual cost of the boiler parts, the labor to install these parts and the cost of purchasing and hooking up the new hot water heater came to \$48,100.87. He proposed transfers from several

existing BOE accounts to cover these higher costs. Jon Zagrodzky moved approval; passed 7-0.

Following the discussion of transfers, Kate Buch proposed that the Board delegate authority to Karl Kilduff or Kate Buch to approve transfers to payroll accounts of amounts up to \$1,000, which will enable them to handle small transfers without seeking Board discussion and authorization. Martha Banks moved approval; passed 7-0.

## **FINANCIAL REPORT**

Kate Buch presented the monthly financial report. She offered the following highlights:

- The change at Town Hall from heating oil to natural gas has resulted in lower heating costs.
- Motor fuels are running under budget due to both lower price and less usage.
- An emergency repair on the scale at the dump caused a budget overrun.
- The rate of collection on prior year taxes is significantly off due to settlement of court cases.
- Town Clerk fees are running ahead of budget.

Martha Banks asked about police overtime reports from the new overtime management software. Ms. Buch indicated that Karl Kilduff receives these reports and can provide them to the Board.

## **MINUTES**

The Board reviewed minutes from the June 19, 2012 meeting. Lori Bora moved approval with minor corrections; passed 7-0.

## **SPECIAL ASSIGNMENTS, COMMITTEE REPORTS, CHAIRMAN'S REPORT**

- Liz Mao reported that the Police Station is nearly complete, with an opening ceremony planned for September 30, 2012. The construction team is working on a final punch list and expects to be finished by year-end.
- Ms. Mao also reported that a flooding control project (Intervale and West Road) may be coming up for discussion and potential approval.

## **ADJOURNMENT**

There being no further business, Jamie McLaughlin made a motion to adjourn. The motion was seconded and approved 7-0 at 8:58 pm.

Respectfully submitted,

Jon Zagrodzky

Clerk