

**Draft Minutes#2**  
**Board of Finance Regular Meeting**  
**October 21, 2008**  
**7:30 PM-Town Hall Room 206**

The meeting was called to order at 7:32 PM by Chairman Murry Stegelmann. All members of the Board of Finance were present. Kate Clarke Buch, Finance Director was also present.

Chairman Murry Stegelmann called an Executive Session into order with members of the Board of Selectmen. The purpose of the meeting was to discuss land negotiations. Present were First selectwoman Evonne Klein, Linda Santarella, David Bayne and Seth Morton.

At 8:05 PM, the Executive Session ended.

Channel 79 began to tape the meeting.

**TRANSFERS**

**BOE Acoustical Improvements**

Since John Boulton, Chairman of the Board of Education was in attendance (Kim Westcott, BOE Member, and Paul Engemann, Director of Facilities and Construction, were also attending,) he presented the BOE's request to transfer \$33,500 from the Ox Ridge Roof capital account to cover the cost of the acoustical improvements to the DHS Band Room. Rick Sadlon, Music director, spoke about the need for the improvements. Peter Hovell made a motion that the transfer be accepted. The motion was seconded and approved 7-0.

**SPECIAL APPROPRIATION**

Mr. Bob Steeger, Director of Public Works, requested that \$16,853 obtained from the trade in of the Street Sweeper be transferred into the Public Works Equipment Replacement Account. Peter Hovell made a motion to instead move the funds into the paving account. The motion was seconded and approved by a vote of 7-0.

**CONTINGENCY TRANSFERS**

Gwen Mogenson made a motion to transfer \$17,147 into the paving account from the Contingency Account. The motion was seconded and approved by a vote of 7-0.

Mr. Steeger requested that \$214,500 be transferred from the Infrastructure Reserve Account to the Town-wide Drainage Plan Account for the first phase of the Drainage study, which covers the Stony Brook Watershed. Mr. Steeger noted that the bids for drainage studies were coming in over what had been expected. Peter Hovell made a motion to approve the transfer. The motion was seconded and approved 7-0.

#### TRANSFER OVER \$5,000

A request was made to transfer \$365,011 from the Parking Capital Fund to the Noroton Heights Railroad Station Stairs account. Evonne Klein noted that the Board of Selectmen did prioritize projects at the railroad station. The Parking Capital Fund is funded by user fees. Jim Cameron, 55 Dubois Street and Chairman of the CT Commuter Rail Council, noted that one of the factors contributing to the high costs for projects was the requirement to hire Metro-North “watchers” for the project. Several other requirements by Metro –North added to the costs as well. Gwen Mogenson made a motion to approve the transfer. The motion was seconded and approved by a vote of 4-3. (Stegelmann, Mogenson, Mao and Volpe in favor; Bora, Hovell and Banks against)

Karen Armour, Moderator of the RTM, requested \$2,000 out of Contingency to cover the costs of clerical services for creating transcripts of the on-going Board of Ethics investigation. Liz Mao made a motion to accept the transfer. The motion was seconded and approved by a vote of 7-0.

Oil Tank Removal at Noroton Fire Department –Peter Hovell made a motion to accept a transfer request of \$3600 from the Air Cylinder Account to the Oil Tank Removal Account. The motion was seconded and approved by a vote of 7-0.

Jim Cameron, Program Director for Channel 79, spoke to the question of Channel 79’s request to be afforded Special Revenue Fund status. Kate Buch said we should not do this as it sets a bad precedent. Peter Hovell agreed and suggested that a “Channel 79 Account” be set up at the Board of Finance’s next meeting. The members concurred in this request.

#### FINANCIAL REPORT

Kate Buch provided a financial report and handed out a proposed calendar. Kate Buch also circulated a copy of a transfer for the Board’s next meeting dealing with the La Forge Road Drainage project.

#### APPROVAL OF MINUTES

Kate Buch reviewed the new rules for posting minutes: drafts must be posted on the web within seven days of a meeting. Lori Bora made a motion to approve the minutes of the September 16, 2008 meeting, as amended. The motion was seconded and approved 7-0.

#### SPECIAL ASSIGNMENT UPDATES

Liz Mao reported that bids for the new Police department building would be opened on October 22, 2008. Liz Mao also asked about the criteria surrounding the decision to put a moratorium on all projects for the town, and what the criteria might be for suspending the moratorium. Murry Stegelmann responded that in his view the town would need to look at several factors, including tax payments in the second half of the year, the credit markets, and the extent of job losses or layoffs among taxpayers.

Peter Hovell reported on the Weed Beach project. The schematics are being reworked in light of the bids and the Playground group is hoping to move forward.

Murry Stegelmann reported that the BOE Union negotiations had gone to mediation and were going well.

Kate Buch advised that the Board of Finance needed to make a decision on OPEB funding. The town's liability is \$15 thousand and the BOE's is \$500 thousand. Murry Stegelmann suggested we develop a schedule to pay it out of the General Fund Surplus. Murry Stegelmann reported that the Allen O'Neill project was looking for some financial contributions to their project from the town, possibly in the form of property tax relief, street paving or other ways.

Gwen Mogenson reported that the Energy Task Force was considering LED lights on town poles.

#### FIVE –YEAR FORECAST

Murry Stegelmann, Gwen Mogenson and Liz Mao agreed to comprise the Five Year Forecast Committee.

#### CHARTER REVISION

Martha Banks read the following statement which had been agreed to via email by the members of the Board of Finance.

### **BOARD OF FINANCE STATEMENT REGARDING THE CHARTER REFERENDUM PROPOSALS**

**The Darien Board of Finance recommends a “NO” vote to ALL FIVE charter revision questions on the referendum ballot.**

#### **Approval is unwise, unnecessary and fiscally imprudent**

##### **Approval is Unwise**

If ANY of the five ballot questions are approved, Darien will irrevocably lose its current “Special Act” charter and move to a “Home Rule” charter. Under this proposed charter, Darien's Representative Town Meeting will no longer control the charter amendment process. Rather, Darien will be required to follow a multi-step state mandated process which requires a town wide referendum ballot on any proposed amendments. The amendment process under our current charter, which is done by elected RTM members, is far more efficient and focused.

- Under our current charter, our RTM representatives can initiate and approve, by a simple majority, amendments to our charter. If Darien voters wish to challenge the approved amendments, they may petition to submit them to a town wide referendum vote. The required petition threshold is just 5%.
- Under the proposed charter, state statutes dictate the process every time Darien wants to amend its charter -- whether the amendment is significant or

minor. The state process requires appointment of a Charter Revision Commission (CRC) whose scope is unlimited, per state statute (CGS Sec. 7-190(b)), and not constrained to just the proposed amendments. The process continues with a series of draft reports and public hearings and ends in the Board of Selectmen's (BOS's) acceptance or rejection of a final report. If the report is accepted, the amendment proposals must be ratified in a town wide referendum -- in either a regular or special election

**Voters should ask:** Do I want to take the time to learn about and vote on all future Darien charter amendment proposals or rely on the RTM representatives elected to do the job? Will the state process enable Darien to amend its charter in a timely enough manner once the need for change is identified? Will a CRC produce a better amendment proposal than the RTM? Is a town wide vote on an amendment more likely to result in a better decision than an RTM vote?

The BOF supports having our elected legislative body – RTM - retain its charter amendment power rather than moving to a “government by referendum” approach.

#### **Approval is Unnecessary**

Under our current charter, the RTM is capable of updating our charter to reflect four of the five proposed changes appearing on the referendum ballot.

- These include increasing the BOS term from 2 years to 4 years (Ques. 4), reducing the RTM membership from 100 to 80 (Ques. 5), and changing the minimum number of votes required for a referendum to succeed (Ques. 7).
- These changes could even include a substantial re-write of Darien's charter, similar to that being proposed, (Ques. 3) with a revised code of ethics and a more defined emergency process.
  
- If you like any of the proposals, but want to keep our charter, contact your RTM representatives and ask them to initiate action on them. This is representative government.

Since all of these changes can be accomplished under our current charter, subject to voter check, if desired, the BOF believes it is better to retain our current charter and the amendment flexibility it affords.

#### **Approval is Fiscally Imprudent**

Approval of the proposed charter and the proposed RTM override of the BOF is financially imprudent. Under the proposed charter, parts of the Board of Finance's final decision making authority are ceded to the RTM, and for the first time, nearly all town financial decisions are subject to referendum (Article X)

- Currently the RTM has the authority to approve or decrease budget appropriations approved by the Board of Finance for the ensuing year. Under the

proposed charter, the RTM retains this power, but is granted unrestricted authority to INCREASE the BOF approved capital budget for the town.

- Under our current charter, the RTM's approval of the upcoming fiscal year's budget is final. Under the proposed charter, the RTM approved budget is subject to referendum. In fact, nearly all financial decisions throughout the year are subject to referendum.
- Darien's current charter precludes it from being amended to provide the RTM with the ability to override a BOF decision. Referendum Question # 6 provides voters with the option to approve this override capability.

**Voters should consider the merits and potential ramifications of these financial changes:** Should the RTM have these powers over the BOF? How might tax rates be impacted if the RTM can increase the town's capital budget or override BOF decisions? Will the RTM devote the time required to understand the complexities of an issue in question? How often will our town finances be subject to periods of uncertainty if they are always capable of being challenged in a town wide referendum?

When considering these questions, voters should know that the BOF, with much study and deliberation, strives to manage the town's finances and taxes in a fiscally prudent manner over both the short and long term.

**In summary, the BOF recommends a "NO" vote to ALL FIVE proposals.**

- This is the only way to retain our current charter, which we feel has served the town well. If any of the 5 proposals is approved, the RTM loses its ability to change the charter and the town will instead have to adhere to a multi-step state mandated CRC process for all future amendments.
- All but one of the proposed charter changes can be done through our current amendment process.
- The proposed charter gives the RTM significant new financial powers and makes nearly all financial decisions subject to referendum. We believe that this seriously weakens the ability of the BOF to keep tight fiscal controls.

Approved by BOF 10/21 /08

Peter Hovell made a motion that the statement be adopted as a Board Position and that Murry Stegelmann disseminate it to the press and to other interested parties. The motion was seconded and approved by a vote of 7-0.

Liz Mao stated that it was her opinion that the Board itself should not become active in the politics surrounding the Charter. Others agreed and noted that it did not preclude individual members from taking part.

Karen Armour handed out the supplement issued by the Charter review Commission concerning the supposed "typo" in the Charter authorizing the RTM to increase the Capital Budget.

Tom Volpe moved that the Board of Finance go to Other Business. The motion was seconded and approved by a vote of 7-0.

Peter Hovell announced his resignation from the Board of Finance. Peter Hovell made the following comments:

**Murry – thanks for giving me the opportunity to speak to the Board tonight. My purpose is to announce my resignation from the Board of Finance - effective tomorrow. Simply put – I think that it is time for me to move on.**

**I have served on the Board of Finance for 19 years – 7 years as Vice Chairman and 4 years as Chairman.**

**I have found working with the Board to be very productive and satisfying – and even enjoyable - in a perverse sort of way – but sometimes you might also call it contentious. Throughout - I have been totally committed to doing what I believe is best for the Town of Darien. And I hope that I have met that goal.**

**The Board of Finance has a unique role in the New England form of town meeting government. We have the responsibility to manage the finances and assets of the Town - in a way that balances the needs of the Town – and at the same time represents the taxpayers – who after all – are your primary constituent. And - I think that I have respected that balance.**

**I have been planning on resigning for a while now. First – I wanted to see the last budget through – and second - I wanted to help our three new members learn the ropes. Now – I think that the time is appropriate. I hope that you will be able to appoint a new member next month – which is well before the next budget season.**

**Given the events of the past few weeks – this board together with the whole country has some significant challenges ahead. For this Board's part - expenses and taxes must be held in check. Accomplishing this will be extremely difficult given both the large town payroll and the existing and planned projects.**

**I want you to know that I will miss all of you – and I might even miss the challenge of the next budget. But there is also a chance that my decision was selfishly prescient. The next few years will not be easy for the Town or the Board.**

**However - I am confident that you all will find a way – to complete a budget - which will satisfy your primary constituents - the taxpayers.**

**So – in closing - I wish you all - the patience - and the fortitude to be steadfast and prudent for the good of the taxpayers - and of the Town. Your work is very**

**important – and – although few may tell you this – you are well respected by the citizens of Darien.**

**Thank you for listening to me – not only in these few minutes – but over all these years – and I wish you all good luck. (And don't forget – I will be watching you on Channel 79).**  
**10/20/08**

Several members made comments thanking Peter Hovell for his service to Darien and his willingness to help individual members. Everyone wished him well.

At 10:30 PM, Tom Volpe made a motion that the meeting be adjourned. The motion was seconded and approved by a vote of 7-0.

Respectfully submitted,  
Elizabeth Smith Mao, Clerk