

**TOWN OF DARIEN  
BOARD OF FINANCE  
REGULAR MEETING  
JULY 19, 2016**

**ATTENDANCE:** Jon Zagrodzky, Chairman; Frank Huck, James McLaughlin, James Palen, Diana Maguire, David Lopiano, Bruce Orr

**STAFF:** Jennifer Charneski, Finance Director

**OTHERS:** Mr. Frank Kemp, Darien Advisory Commission on Coastal Waters; Mr. Jack Davis, RTM F&B Chair

**CALL TO ORDER**

Mr. Zagrodzky called the meeting to order at 7:32 p.m. A quorum was present.

**OTHER BUSINESS**

**\*\* MR. LOPIANO MOVED TO ADD AN ITEM TO THE AGENDA.**

**\*\* MR. HUCK SECONDED.**

**\*\* THE MOTION TO ADD AN ITEM TO THE AGENDA PASSED UNANIMOUSLY.**

Mr. Frank Kemp came forward and introduced himself. He said that while he was a member of the RTM, he was present as a member of the Darien Advisory Commission on Coastal Waters. Mr. Kemp then gave an overview of the current problem with hypoxia and macro-algal blooms in the Goodwives River, which borders the Pear Tree Point beach. A Westport based group, Harbor Watch, is proposing to perform some testing on the water to identify the source of the problem. It is desirable to perform the survey testing during the summer and the testing is estimated to cost \$17,700. Mr. Kemp said that this proposal will be presented to the Board of Selectmen on July 25th, but the Board of Finance may not be meeting in August. Therefore, he was presenting the information to the Board of Finance now.

Mr. Zagrodzky said that the Board of Finance could vote on this item contingent on it being approved by the Board of Selectmen.

Mr. Zagrodzky asked what was driving this and wished to know if this had been done in the past or if there had been additional problems. Mr. Kemp said that it had not been done in the past. There have been elevations of water test results. It has been impractical to do this before because the company was small and not set up to handle the advanced tests.

Mr. Zagrodzky asked if there were other towns doing this. Mr. Kemp said that Norwalk was concerned about the Five Mile River and working to identify the source of the problems. Mr. Zagrodzky asked what would happen if they did discover problems and whether those sources identified would be fined. Mr. Kemp said that there was certain information that he did not know, but pointed out that the clean water was important particularly since it was described in the Town Plan and there were shellfish beds in the area. When the State does a test, the beds are closed because the water tests are too high to allow recreational shell fishing in the area.

Mr. Zagrodzky said that there was potential State and Federal involvement through the Department of Environmental Protection. He asked whether the group was recognized by the State and Federal agencies, so if the State and Federal agencies became involved, the testing would not have to be done again. Mr. Kemp said that having a responsibly conducted survey should result in vetting the issues. Discussion followed.

Mr. Huck asked about the cost of the studies and pointed out that Harbor Watch would know what the State might be willing to pay for. Mr. Orr said that he was a biologist by training and said he would like to see the back-up material. Mr. Kemp said that he would get that information to Mr. Orr. Mr. Orr said that he was fully supportive of the proposal but pointed out that there would have to be some kind of plan to address any problems.

Mr. McLaughlin said that he had had been on the Committee for 10 years when he was involved with the State legislature. He pointed out that he was not sure why Darien would be doing this because normally it would not be done by the Town unless there was a health issue. Mr. Kemp said that the timing issue was important. The Department of Public Works and the Health Department were willing to contribute, but their budgets were very tight. This is why it was being brought before the Selectman as a special project. Discussion followed.

Mr. Zagrodzky asked if there had been any discussions with the State officials about these issues. Mr. Kemp said that Mr. Flip Huffard was the Chairman of the Advisory Commission and he would be better suited to answer the information.

Mr. Palen said that he was concerned about the fact that they were only searching one area. Mr. Kemp said that Goodwives River borders a public beach and is currently having DNA testing done for another reason. Discussion about the details followed.

Mr. Zagrodzky said that there were some unanswered questions about the delineation of the authority and who would be responsible if there were problems identified. He added that there were concerns about what kind of testing would be needed and the future cost of addressing issues. He said that he would like to know how these types of problems are handled and what the best practices are for this. He suggested that perhaps some of the issues could be addressed at the Board of Selectmen meeting next week. He added that a decision about canceling the August meeting had not yet been made.

Mr. Palen said that he would like to have a clearer understanding of what kind of remediation might be required and whether there would be State funding available. Mr. Huck asked how far the Goodwives River went up. Mr. Orr said that he believe the headwaters were near the New Canaan border.

Mr. McLaughlin asked about jurisdiction and whether the Department of Public Works or the Department of Public Health was under some municipal jurisdiction. He asked if there was a department calling for this to be done or whether this was being proposed because the Town cares about its waterways. Mr. McLaughlin asked if this was an issue that was the responsibility of the State and whether the Town was in conformity with the State regulations and the DEEP oversights.

Ms. Maguire asked what the effect of hypoxia is on the water. Mr. Kemp said that there were many people who could answer that better than he could, but he said that what he knew would be that the lack of oxygen would kill off the fish. However, he pointed out that there was an area in Long Island Sound that had been marked off as a dead zone ten years ago and now it was much better. Mr. Orr said that an algae bloom would indicate lack of oxygen and it would close Weed Beach. Mr. Orr said that he hoped this was not a project chasing a problem. The discussion then moved to recent Save the Sound report that indicated that the beach water might not be the best for the children.

Mr. Zagrodzky said that there were a number of ways to handle this and outlined the different approaches the Board could take. He said that the questions could be laid out to the Board of Selectman and an approval could be granted contingent upon the Board of Selectmen giving approval.

Mr. Orr said that his concerns were not about the money but whether it was a project chasing a problem.

**\*\* MS. MAGUIRE MOVED TO APPROVE THE FOLLOWING FUNDING FOR TESTING CONTINGENT ON SUBSEQUENT APPROVAL BY THE BOARD OF SELECTMEN.**

<b>FROM:</b>			<b>TO:</b>		
<b>Acct. Number</b>	<b>Account Name</b>	<b>Amount</b>	<b>Acct. Number</b>	<b>Account Name</b>	<b>Amount</b>
10704000-8660	Contingency	\$17,700	10508011-82007	Professional Services	\$17,700
	<b>TOTAL</b>	<b>\$17,700</b>		<b>TOTAL</b>	<b>\$17,700</b>

**\*\* MR. HUCK SECONDED.**

**\*\* THE MOTION PASSED WITH FOUR IN FAVOR OF THE TRANSFER (MAGUIRE, MCLAUGHLIN, ZAGRODZKY, AND HUCK) AND THREE IN AGAINST (ORR, LOPIANO, AND PALEN).**

### **DISCUSS BOF MEETING CALENDAR**

Mr. Zagrodzky said that he would like to continue to have the meetings in Room 119. This was agreeable to all.

Mr. Huck said that he had some conflicts with the dates of the 3rd Tuesday. Mr. Zagrodzky asked Ms. Charneski to check on the availability of the Board members on the alternate Tuesdays.

**\*\* MR. MCLAUGHLIN MOVED TO CANCEL THE AUGUST MEETING.**

**\*\* MR. PALEN SECONDED.**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

### **Approval of Updated Town Pension Plan Summary Document**

### **Approval of Updated Police Pension**

Mr. Zagrodzky said there were a number of changes that were clean ups in the documents, but there were also changes that would alter the functioning of the plans. Ms. Charneski gave an overview of the review process, which included the Police and Town attorneys reviewing the documents. Mr. Zagrodzky said that the attorneys have vetted these changes. He asked if the Board members would be comfortable approving this or if they had wanted to discuss various details. Discussion followed.

Mr. Palen said that he wanted to make sure that all the language was consistent with the updated Union agreements. Mr. Zagrodzky said that since the attorneys had reviewed this, he expected that the language had been checked out, but would inquire. Ms. Charneski explained that this would be going before the Board of Selectmen for approval also. She said that the pension boards had lengthy discussions about areas where the language was not clear.

**\*\* MR. MCLAUGHLIN MOVED TO APPROVE THE UPDATED TOWN PENSION PLAN SUMMARY DOCUMENT AND THE UPDATED POLICE PENSION.**

**\*\* MS. MAGUIRE SECONDED.**

**\*\* THE MOTION PASSED UNANIMOUSLY.**

### **Discussion of the Five Year Forecast.**

Mr. Zagrodzky said that he had asked to include this topic for the next few agendas to discuss the various projects and what the future implications of assumptions on capital projects and the potential funding for not only next year's budget but future budgets. Some of the items to consider would be health care benefits, energy costs, tax revenue and revenues from State grants.

Mr. Orr said that he would like to consider the grand list and while it doesn't change that much, it has a major impact on the finances. Mr. McLaughlin said that he remembered a presentation that had been done when he first joined the Board of Finance that showed what the tax shift from residential to commercial property would do. It will also be important to look at the effect it would have on school enrollment. Discussion followed about various assumptions, such as the interest rates, and debt service.

Mr. Zagrodzky said he would talk with Ms. Charneski about creating a model. He said that there has not been much of a change in the process for many years and would like to examine the thinking behind the process. Mr. Orr said that this would have to be completed by October. Mr. Palen said that he would take on the debt modeling.

### **Discussion of Capital Project Financing & Debt Management,**

Ms. Charneski then presented some potential policy guidelines for financing capital projects. Mr. Zagrodzky said that the first point presented on the informational memo would most likely lend itself to having a policy easily. However, the second point about future bonding guidelines were much more time sensitive and economically driven.

Mr. Palen said that when there were capital projects, it would be good to review the bonding options available for projects over a particular set financial cost. Discussion about the details followed.

Mr. Davis said that the Town has a reserve for certain items, like the replacement of a fire engine. However, there were other items that the Town does not have a reserve for, such as replacement of a sports field.

Mr. McLaughlin said that the Board members have certain common practices that are not codified and pointed out that when a new Board member comes on board, having a two or three page orientation document would be extremely helpful. Mr. Davis said that a document like this would be extremely helpful for the RTM committee members.

Mr. Zagrodzky suggested that it would be good to have these informational documents in a binder to give to a new Board member.

The discussion moved to having information about the bond rating agencies and other items. Mr. McLaughlin pointed out that CCM and other resources have information available about the processes common to municipalities, but having information specific to how Darien handles the budget issues. Ms. Charneski said that there could be criteria that went beyond just reserves, such as bonding, or not bonding for certain types of projects or purchases.

**Approval of Temporary Transfer Authority for FY 2016 Year-End.**

Ms. Charneski explained the request was to authorize the Finance Director and the Finance Director and the Town Administrator to authorize Fiscal Year 2016 salary transfers up to \$500 and \$3,000, respectively. Ms. Charneski explained that there were some overages due to the time clocks that were installed and the previous policy prevented any variations with salary accounts. Mr. Zagrodzky said that the amount was very small and he felt that it would be appropriate. He said that perhaps this was the time for the Board to revisit that policy. Ms. Charneski said the request was to authorize the Finance Director to authorize up to \$500 and the Finance Director and the Town Administration salary transfers up \$3,000 just for this fiscal year. Without the Board approval, they could not transfer funds in or out of salary accounts. She pointed out that this type of transfer would only happen at the end of the fiscal year. Discussion followed.

**\*\* MR. ORR MOVED TO APPROVE THE TEMPORARY TRANSFER AUTHORITY FOR FY 2016 YEAR END.**

**\*\* MR. LOPIANO SECONDED.**

**\*\* THE MOTION PASSED TO APPROVE THE TEMPORARY TRANSFER AUTHORITY FOR FY 2016 YEAR END.**

**Financial Report.**

Ms. Charneski reviewed the finances and explained that there were four days of salary that were not reflected and there were some purchase orders that had not been used. The auditors will be back during the end of August. The largest unknown is the board of Education.

Mr. Zagrodzky asked about the variance between what is percentage collected and the actuals. Ms. Charneski reviewed the details. The Town typically collects around 99.5%, but the budget assumes a lower collection rate when setting the mill rate. Discussion followed.

Mr. Davis asked about the previous discussion of legal fees due to the Shuffle. Ms. Charneski said that funding had not been moved yet from the General Fund and deposited into the Project Fund.

## **Approval of Minutes**

**a) 6/21/16**

The following corrections were noted:

Page 1, under **OTHERS**: please change the following from: “Ms. Kathleen M. Larkins. Darien Tax Collector;” to “Ms. Kathleen M. Larkins, Darien Tax Collector;”

Page 1 under **Approval of Updated Town Pension Plan**, paragraph 1, line 1: please change the following from: “reviewed the pensions.” to “reviewed and updated the pension plan documents.”

Page 2, under **Discussion of the Five Year Forecast**, paragraph 1, line 1, please change the following from: “have had copies of the Five Year Forecast for some time, but he would like” to “had the same approach to developing the Five Year Forecast for some time, and he would like”

Page 2, under **Police Station Operations – Solid Waste Disposal Services**, please change the following from: “The request is for the removal of air filters in the Department range.” To “The request is for the replacement of air filters in the Department firing range.”

Page 5, paragraph 1, line 1, please change “about the cost so that”, “about the costs so that”

**\*\* MR. MCLAUGHLIN MOVED TO APPROVE THE MINUTES OF JUNE 26, 2016 AS CORRECTED.**

**\*\* MR. HUCK SECONDED.**

**\*\* THE MOTION TO APPROVE THE MINUTES OF JUNE 26, 2016 AS CORRECTED PASSED WITH SIX IN FAVOR (ZAGRODZKY, HUCK, PALEN, MCLAUGHLIN, LOPIANO, AND MAGUIRE) AND ONE ABSTENTION (ORR).**

### **Special Assignments/Committee Reports.**

Mr. Huck said that there had been a meeting earlier in the day about combining the Board of Education employees with the Town for better health insurance coverage. There was also a discussion about possibly having the Town become self-insured. There was also a discussion about moving the Board of Education employees into the State Plan. This would be a major change. Greenwich and other neighboring towns are currently considering this. Teacher negotiations are scheduled to start on August 11th and should be finished by the beginning of October. Mr. Zagrodzky said that Mr. Feeney was familiar with and had worked with the staff for the Connecticut State Plan. Discussion followed.

Audit And Five Year Plan Committee - Mr. Zagrodzky asked who was on the audit committee. Ms. Charneski said that Mr. Zagrodzky, Mr. Orr, and Mr. McLaughlin. Ms. Charneski said that the actuary reports need to be in by August.

### **Chairman's Report**

Mr. Zagrodzky asked Ms. Charneski about the status of the Fire Department grant. Ms. Charneski said that it was still a work in progress with the three departments. Mr. Lopiano said that he could talk to the various department chiefs about this.

Mr. McLaughlin said that over the course of the last year, there was a policy about how the Board would receive gifts from the Darien Athletic Foundation. He mentioned there were concerns about maintenance of the fields and other issues. Mr. Davis said that he seemed to recollect that any new field that the DAF installed would have its own reserve to maintain or replace the field. Mr. McLaughlin said he would look up his documentation on this issue and send it to Mr. Zagrodzky. Discussion followed.

### **ADJOURNMENT**

- \*\* MR. ORR MOVED TO ADJOURN.**
- \*\* MR. LOPIANO SECONDED.**
- \*\* THE MOTION PASSED UNANIMOUSLY.**

The meeting adjourned at 9:35 p.m.

Respectfully submitted,

Diana Maguire  
Clerk, Board of Finance

Prepared by

S. L. Soltes  
Telesco Secretarial Services