

RTM Finance & Budget Committee - Regular Meeting Minutes 04-May-2015

Present: J. Palen, R. Cardone, J. Davis, S. Anderson, M. Banks, J. Boulton, G. duPont, D. Ritchie, M. Thorne

Absent: T. Duffy, B. Hayes, K. Hoffman, A. Millar

Guests: First Selectman Jayme Stevenson, Board of Education (BOE) Vice Chair Michael Harman, Town Finance Director Kathleen Clarke Buch, Town Director of Public Works (DPW) Head Edward Gentile.

With 9 of 13 members present consisting of quorum, Chair J. Palen called the Regular Meeting of the Darien Representative Town Meeting Finance & Budget Committee to order at 8:05 p.m. in Room 119 of the Darien Town Hall. The agenda was unanimously approved.

M. Thorne moved (15-8) **RTM RESOLUTION APPROPRIATING SIXTY MILLION DOLLARS (\$60,000,000) TO REFUND CERTAIN OF THE TOWN'S OUTSTANDING BONDS AND AUTHORIZING THE ISSUANCE OF REFUNDING BONDS TO FINANCE SUCH APPROPRIATION.** J. Davis seconded. S. Anderson asked what the Town's current debt level was; Ms. Buch indicated it was \$86 million. After no further discussion, the committee voted unanimously in favor of recommend passage by the full RTM.

Mr. Palen then led a discussion about the Town Budget, walking the committee through a spreadsheet he handed out that outlined key elements of the budget as approved by the Board of Finance (BOF). Most of the discussion centered around the capital budget and what changes were made to pull items out of operating into capital.

Mr. Anderson asked what capital items had been removed from the budget to be bonded. Ms. Buch said the Police Boat (\$285k, now Resolution 15-10), 35 Leroy Heating (\$220k, now Resolution 15-11), and three paving projects (Royle School \$85k, 35 Leroy \$80k, and Ox Ridge School \$25k, now included as part of the \$705k to be considered in Resolution 15-12). Mr. Anderson suggested that a true view of overall spending was that these items add an additional 0.5% to the total, raising it to 3.8%.

Ms. Banks asked if payback periods were provided for the BOE energy savings projects, since this information would be germane to whether the expenditure was worthwhile. Mr. Davis indicated the BOE advised the project would have two parts, an initial study to determine energy savings and appropriate payback periods, and a second implementation phase. Mr. Palen said he would follow up with the BOE for more information. Mr. Anderson noted the discussion shows the quality of transaction memorandums provided to the RTM remains inadequate and therefore don't help the committee make good decisions.

Ms. Ritchie asked for clarification of the changes to the BOE Capital Budget. Mr. Palen said the original BOE request to the BOF totaled \$3 million, but was reduced to \$2 million, with the largest deductions being the turf fields (\$525k) and the 35 Leroy heating (\$220k, moved to Resolution 15-11).

Mr. Cardone asked how much money was being transferred from the General Fund to reduce the tax rate; Ms. Buch confirmed the figure was \$1.1 million. Mr. Palen said that if debt service and capital items were appropriately allocated to the Board of Selectmen (BOS) and BOE budgets instead of solely to the BOS, then the respective increases would be 2.49% and 3.6%.

Mr. Anderson expressed his thought that the Town spent too much money in the 2014-15 budget, and Town leaders need to pay more attention, reduce expectations. Town spending continues to be too much, better than last year but there's still a lot of work to go. There are too many accounting tricks in this proposal, including using bonding, so he will not vote to support the budget. Various members presented their views on why they would support the budget.

R. Cardone moved Paragraph A of **(15-9) RTM RESOLUTION AUTHORIZING AND APPROVING THE JULY 1, 2015 TO JUNE 30, 2016 BUDGET, an appropriation in the General Fund to the Selectmen's Operating Budget of \$46,755,027.** D. Ritchie seconded. The committee voted 8 in favor, 1 opposed (S. Anderson) to recommend passage by the full RTM.

J. Davis moved Paragraph B of **(15-9) RTM RESOLUTION AUTHORIZING AND APPROVING THE JULY 1, 2015 TO JUNE 30, 2016 BUDGET, an appropriation in the General Fund to the Education Operating Budget of \$90,722,526.** D. Ritchie seconded. Mr. Davis mentioned that in 11 years of working on BOE budgets as an RTM member, he could not recall a BOE Operating Budget increase as low as 2.93%. The committee voted 8 in favor, 1 opposed (S. Anderson) to recommend passage by the full RTM. After the vote, at Mr. Thorne's request, Mr. Anderson spoke to his reasons for not supporting the budget, specifically the need to focus on the general inflation rate as well as changes in student population when assessing the level of expenses we ask the taxpayers to finance through taxes. Mr. Davis suggested that a minority report by Mr. Anderson would be appropriate. Mr. Thorne asked that a comment be included about the BOE being a tenant in 35 Leroy, and that it's not right to require the BOE use its capital budget to finance projects needed to make it habitable.

It was determined by the majority of the committee that no vote was required for Paragraph C of Resolution (15-9) "that the above appropriations totaling \$137,477,553", since it was merely a mathematical exercise.

S. Anderson moved Paragraph D of **(15-9) RTM RESOLUTION AUTHORIZING AND APPROVING THE JULY 1, 2015 TO JUNE 30, 2016 BUDGET, an appropriation for other funds of \$6,407,344 in the aggregate from the Reserve Fund for Capital and Non-Recurring Expenditures, the Sewer Operating, assessment and Capital**

Funds, and the Parking Lot Administration and Capital Funds. M. Thorne seconded. The committee voted 8 in favor, 0 opposed, and 1 abstention to recommend passage by the full RTM. (M. Banks abstained because her questions about payback periods for the energy efficiency projects were not adequately answered)

D. Ritchie moved Paragraph E of **(15-9) RTM RESOLUTION AUTHORIZING AND APPROVING THE JULY 1, 2015 TO JUNE 30, 2016 BUDGET, approving a tax of 15.35 mills be levied on the Town's Grand List of \$8,356,198,215.** R. Cardone seconded. Mr. Boulton asked if proposed legislation SB-1, which potentially redirects personal property tax, could impact our 2015-16 revenue stream. Ms. Stevenson and Ms. Buch both spoke of the ongoing uncertainty about the impact of SB-1, but Ms. Buch expressed confidence the Town could withstand a hit to our personal property tax revenues thanks to the strong General Fund balance. Ms. Banks mentioned the ECS and Special Education Excess Cost Reimbursement accounts appear to be level funded in the current draft of the 2015-16 State operating budget. The committee voted 7 in favor, 1 opposed (S. Anderson), and 1 abstention to recommend passage by the full RTM (M. Banks abstained because her questions about payback periods for the energy efficiency projects were not adequately answered). After the vote, Mr. Palen offered Mr. Anderson the opportunity to prepare a minority report outlining his position against the budget.

M. Thorne moved Paragraph F of **(15-9) RTM RESOLUTION AUTHORIZING AND APPROVING THE JULY 1, 2015 TO JUNE 30, 2016 BUDGET, authorizing borrowing of notes in the sum of \$5,000,000 as necessary for general expenses of the Town pending collection of property taxes prior to June 30, 2016.** J. Davis seconded. The committee voted unanimously in favor of recommend passage by the full RTM.

D. Ritchie moved **(15-10) RESOLUTION OF THE REPRESENTATIVE TOWN MEETING OF THE TOWN OF DARIEN TO APPROPRIATE THE SUM OF TWO HUNDRED AND EIGHTY-FIVE THOUSAND DOLLARS 00/100 (\$285,000) TO FINANCE THE PURCHASE OF A NEW POLICE BOAT AND AUTHORIZING THE ISSUANCE OF BONDS AND NOTES IN THE AMOUNT OF TWO HUNDRED AND EIGHTY-FIVE THOUSAND DOLLARS 00/100 (\$285,000) TO MEET SAID APPROPRIATION.** J. Davis seconded. Mr. Thorne and Mr. Anderson questioned why we have a boat, what the mission is and what usage the current boat has had. Mr. Anderson suggested that the model boat proposed, which is also purchased by the US military, was too extravagant for what we understand the mission to be. Mr. Palen said he discussed the boat with the manufacturer and the Darien Police, and advised that Fairfield and Westport are buying larger versions of the same model for their police. Ms. Stevenson confirmed that the current boat was a donated gift, but that the BOS felt strongly supports equipping the Darien Police marine division for on-water policing and water rescue, and not rely on donations, as it's a fundamental health and safety responsibility of Town government. The committee voted 8 in favor, 1 opposed (S. Anderson) to recommend passage by the full RTM. After the vote, Messrs. Davis, Anderson and Thorne expressed their unhappiness at the late submittal of information

from the Darien Police, although Messrs Davis and Thorne said they voted to approve based on the information discussed at this meeting. Mr. Davis suggested Mr. Palen include usage information in his report to the full RTM.

J. Davis moved **(15-11) RESOLUTION OF THE REPRESENTATIVE TOWN MEETING OF THE TOWN OF DARIEN TO APPROPRIATE THE SUM OF TWO HUNDRED AND TWENTY THOUSAND DOLLARS 00/100 (\$220,000) TO FINANCE THE PURCHASE AND INSTALLATION OF A HYDRONIC BASEBOARD HEATING SYSTEM AT 35 LEROY AVENUE AND AUTHORIZING THE ISSUANCE OF BONDS AND NOTES IN THE AMOUNT OF TWO HUNDRED AND TWENTY THOUSAND DOLLARS 00/100 (\$220,000) TO MEET SAID APPROPRIATION.** R. Cardone seconded. Mr. Palen indicated this was originally in the BOE's capital request, represents one of the last steps in completing 35 Leroy. A grant from the State is possible but too early to determine, therefore funding will be from any and all sources. The committee voted unanimously in favor of recommend passage by the full RTM.

J. Davis moved **(15-12) RESOLUTION OF THE REPRESENTATIVE TOWN MEETING OF THE TOWN OF DARIEN TO APPROPRIATE THE SUM OF SEVEN HUNDRED AND FIVE THOUSAND DOLLARS 00/100 (\$705,000) FOR VARIOUS PAVING AND PARKING LOT IMPROVEMENT PROJECTS AND AUTHORIZING THE ISSUANCE OF BONDS AND NOTES IN THE AMOUNT OF SEVEN HUNDRED AND FIVE THOUSAND DOLLARS 00/100 (\$705,000) TO MEET SAID APPROPRIATION.** M. Thorne seconded. Ms. Buch advised that while the actual budget for these projects is \$702k, the bonding will be for \$705k since banks only bond in amounts of \$5k, so it will be rounded up. Committee members asked several questions of Mr. Gentile. Mr. Anderson asked about coating parking lots instead of paving (don't get enough bang for the buck, poor longevity), Mr. Davis asked alternative asphaltting processes (DPW evaluated, dismissed due to poor longevity), Mr. Cardone asked about longevity of the school projects (25 years if no heavy trucks drive on it) and the impact of oil/asphalt prices on the request (savings are not being passed through as quickly as one might think. For now, DPW has not changed its pricing assumptions). Mr duPont asked why the parking lots are being replaced (not enough money appropriated previously to finish Leroy West, need to complete, should last 25 years; Center Street North has heavy wear and tear, in poor condition including lighting and curbs, 8 to 10 year return on new LED lights). Mrs. Stevenson said that structured parking is not an option - State DOT would not support additional traffic coming out of lot – so BOS was comfortable investing in repaving now. The committee voted unanimously in favor of recommend passage by the full RTM.

M. Thorne moved **(15-13) RESOLUTION OF THE REPRESENTATIVE TOWN MEETING OF THE TOWN OF DARIEN APPROVING A SPECIAL APPROPRIATION OF FOUR HUNDRED AND FORTY-FOUR THOUSAND DOLLARS 00/100 (\$444,000) FOR THE DEMOLITION OF THE BUILDING LOCATED ON EDGERTON STREET WICH PREVIOUSLY SERVED AS THE DARIEN SENIOR CENTER.** J. Davis seconded. J. Palen explained that the building has been empty for 12 months, there are ongoing problems with the building. Project will be funded out of the General Fund.

Bid was obtained via Capital Region Council of Governments; no indication of the other bidders' prices. The committee voted unanimously in favor of recommend passage by the full RTM.

D. Ritchie moved (15-14) **RESOLUTION OF THE REPRESENTATIVE TOWN MEETING OF THE TOWN OF DARIEN APPROVING A SPECIAL APPROPRIATION OF THIRTY-FIVE THOUSAND DOLLARS 00/100 (\$35,000) FOR THE DEMOLITION OF THE TOWN OWNED BUILDING AT 32 HOYT STREET.** S. Anderson seconded. After a short discussion, wherein committee members agreed this expenditure is the direct result of the RTM's direction that said building be demolished. Bids were obtained in the same method as Resolution 15-13. The committee voted unanimously in favor of recommend passage by the full RTM.

M. Thorne moved to approve the minutes of the meeting held on March 30, 2015. R. Cardone seconded. The committee voted to accept the minutes as presented with 5 in favor, 0 opposed, 4 abstentions (J. Boulton, D. Ritchie, G. DuPont, and S. Anderson)

There was no New Business reported.

D. Richie motioned to adjourn meeting, S. Anderson seconded. Motion unanimously approved by rising vote. Meeting adjourned at 9:53PM