

Minutes

Board of Finance Regular Meeting

January 18, 2011

Rooms 206/119 6:30 PM

CALL TO ORDER

The meeting was called to order by Chairman Liz Mao at 6:35 PM. All members of the Board of Finance were present except Joe Duwan. Also in attendance was Kate Clarke Buch, Finance Director. The meeting was broadcast over Channel 79.

In attendance in the audience was Bruce Orr, chairman of the RTM Finance & Budget Committee, who called to order a meeting of his Committee (no quorum).

TERMS OF ADMINISTRATORS CONTRACT

Kim Westcott, chairman of the Board of Education, presented an overview of the recently negotiated Administrators union contract. She outlined the Board's negotiation strategy, which included bringing down salary increases and seeking benefit savings. The negotiated contract term sheet reflected salary increases of:

Year 1	1.5%
Year 2	1.75%
Year 3	1.75%

The biggest change secured by the negotiating team was increased sharing of health insurance cost risk. Previously, employees paid 18% of any cost overruns; the new contract stipulates that employees will split cost overruns greater than 5% over budget on a 50/50 basis. Attorneys who reviewed the contract indicated that it compares favorably with contracts negotiated in other towns.

Murry Stegelmann moved that the Board of Finance recommend to members of the RTM that they approve the Administrators contract as negotiated. He noted that healthcare costs are volatile, and that sharing cost increases with employees will incentivize employees to manage costs. Gwen Mogenson seconded the motion; it passed 6-0.

At this point, Bruce Orr ended his meeting of F&B and departed.

TAX ABATEMENT AGREEMENT FOR DARIEN HOUSING AUTHORITY

Dave Campbell (First Selectman) and Jayme Stevenson (Selectman) arrived to support discussion of the tax abatement agreement. The Board of Selectmen had voted to approve the original agreements, but not any of the amendments that had been proposed in recent days.

Murry Stegelmann stressed that the abatement was a cost-effective way to support affordable housing. He moved that the Board of Finance approve the original tax abatement agreements as approved by the Board of Selectmen. The motion passed 6-0.

Liz Mao indicated that any amendments should be brought to the RTM, and that if the RTM elects to adopt them, the agreements can come back to the Board of Finance and Board of Selectman for another vote.

OTHER BUSINESS – BOARD OF EDUCATION BUDGET

The Board briefly discussed the proposed Board of Education budget. Members then departed the meeting room to participate in a budget discussion with the Board of Education. This discussion was covered by Channel 79 and took place in the Board of Education meeting room.

FINANCING PLANS

Following the Board of Education session, members reconvened in Room 119. They were joined by Mark Chapman of Independent Bond and Investment Consultants LLC, who presented an overview of alternatives for the bonding that needs to be completed in March. The funds will be used to finance the new Police Station (in part), 35 Leroy and sewer expansion projects. An additional bonding will be required later to finish the Police Station.

The Board discussed the proposals at length. Given the steep yield curve, it was decided that a shorter maturity was in the town's interest. Jon Zagrodzky moved approval of a \$12,000,000 bond issue with a 13-year maturity, a five-year call provision and a two-year deferral of principal payment. The motion passed 4-2.

The vote was not unanimous because some members felt that approving permanent financing would narrow the options with regard to 35 Leroy and cement the decision to keep it rather than sell it.

Separately, Murry Stegelmann moved that Liz Mao be given authority to sign the required bonding paperwork, or to designate someone to do so. The motion passed 6-0.

TRANSFERS UNDER \$5,000

The Department of Public Works asked for a transfer from the Heights Road drainage account to the Noroton Watershed Study account in the amount of \$860 to cover additional costs in the Milone and MacBroom watershed study contract. The Department also asked for a transfer from the Railroad Health Updates account to the Noroton Heights Lighting Project account in the amount of \$1,500 to cover additional consultation service costs incurred during the design phase.

Gwen Mogenson moved approval of both transfers. The motion passed 6-0.

TRANSFERS OVER \$5,000

None.

CONTINGENCY TRANSFERS

The Board considered a request by Jeremy Ginsberg for transfers to cover the four Regulatory Counsel accounts for the remainder of the fiscal year. While the number of pending cases is minimal, substantial costs have been incurred and are expected to continue on certain more controversial matters. He proposed the following transfers:

Regulatory Counsel – other	\$7,200	Regulatory counsel – P&Z	\$85,000
Salaries – full-time	\$23,800	Regulatory counsel – EPC	\$29,000
Contingency	\$86,000	Regulatory counsel – ZBA	\$3,000
Total	\$117,000	Total	\$117,000

Jon Zagrodzky moved approval of these transfers. The motion passed 6-0.

FINANCIAL REPORT

Kate Buch presented the monthly financial report. She highlighted the accounts affected by snow clean-up expenses, indicating that it is highly likely these accounts will run short.

MINUTES FROM PRIOR MEETINGS

The Board reviewed minutes from the December 14th meeting, making minor corrections. Lori Bora moved approval of the minutes, as amended. The motion passed 5-0-1, with Murry Stegelmann, absent from the December 14th meeting, abstaining.

SPECIAL ASSIGNMENTS AND COMMITTEE REPORTS

Liz Mao reported on activities of the Police Building Committee. She indicated that the Committee would be meeting January 19th to consider new project bids, and that Dot Kelley was coming on board to help with commissioning. A March 1st ground-breaking is still anticipated.

The Audit Committee has the accountant's reports and will be reviewing them at the next meeting.

CHAIRMAN'S REPORT

None.

ADJOURNMENT

There being no further business, Gwen Mogenson made a motion to adjourn. The motion was seconded and approved 6-0 at 9:30 PM.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Jon Zagrodzky', written in a cursive style.

Jon Zagrodzky
Clerk