

APPROVED MINUTES
BOARD OF FINANCE REGULAR MEETING
April 8, 2008
Town Hall- Room 206

Chairman Murry Stegelmann called the meeting to order at 7:35 PM. All members of the Board of Finance were present. Finance Director Kate Clarke Buch was present. In addition, Sue Swiatek, Director of Parks and Recreation, was present, as well as Board of Education Chairman John Boulton and Superintendent Don Fiftal. Seth Morton, Selectman was also present. Bruce Orr, Chair of the RTM's Finance and Budget Committee was also present.

PRESENTATION OF WEED BEACH PLANS

Peter Hovell presented the plans for the proposed renovation and beautification of Weed Beach. Several questions were asked by the Board of Finance. The resolution appropriating the 3.6 million dollars was presented. Murry Stegelmann suggested that it might be a good idea to pay approximately \$1.8 million out of General Surplus and to issue ten year bonds for the other \$1.8 million. Kate Buch supplied the "Resolution Appropriating \$3,600,000 for the Improvements to Weed Beach and authorizing the issuance of Bonds and Notes in the amount of \$3,600, 000 to meet said Appropriation"(copy attached, as amended per the following.)

Tom Volpe moved that the proposed resolution be voted upon with an amendment to read, in the first sentence of section 2, "2,000,000 bonds" instead of "3,600,000 bonds." This motion was seconded and the motion was passed with a vote of 5-1-1. Murry Stegelmann voted "no" in order to make the point that we ought to prioritize our capital projects. Peter Hovell abstained from the vote. All other members voted in favor of the motion.

BOARD OF EDUCATION BUDGET

Board of Education Chairman John Boulton discussed the Board of Education Capital and Operating Budget.

Peter Hovell made a motion that the Board of Finance adopt the BOE capital budget of \$1,134,789 less \$13,523 for the Ox Ridge Roof, \$30,000 for carpeting and \$18,000 for the portable. The motion was seconded and passed unanimously at 7-0.

Murry Stegelmann noted that the salary increase and adjustment to teacher salaries was a high hurdle to jump over this year. He expressed an overall concern about the level of the headcount increase and whether we may have reached peak enrollment.

The Board of Finance members discussed possible reductions to the budget. Tom Volpe suggested a "modest cut" of \$300,000. Martha banks thought a \$200, 000 cut would be

more appropriate. Peter Hovell expressed agreement and proposed a \$250, 000 cut. He then made a motion to that effect but withdrew it shortly thereafter.

Martha Banks made a motion to make a \$200, 000 cut from the operating budget. . This motion was seconded and the vote was taken, ending in a vote in favor of 6-1, with Lori Bora opposing the motion.

BOARD OF SELECTMEN'S BUDGET

Evonne Klein, First Selectwoman, joined the meeting at 8:30 PM. Kate Buch went through the proposed changes to date to the Board of Selectmen's Budget.

Murry Stegelmann proposes taking out \$12,000 for electricity for the old library for next year, because he is hopeful the Selectman will have a plan for the site by then.

Liz Mao made a motion to restore the new police car to the budget. The motion was seconded and the motion was passed 5-2, with Martha Banks and Peter Hovell voting against the motion.

Certain account adjustments were proposed. Martha Banks moves the transfer of account 904908 to Cable TV account 906412. The motion was seconded and approved 7-0.

Tom Volpe made a motion that the reduction in the Operating Budget (BOS and BOE combined) of \$421,992 be accepted. The motion was seconded and approved 7-0.

The Board discussed the General Fund and the desire to keep an amount between 8 and 12 percent as a Fund Surplus. The Capital Budget was discussed and Tom Volpe made a motion that the budget be adopted, as amended tonight. The motion was seconded and therefore the amount of \$2,153,633 was approved by a vote of 7-0.

OTHER

Kate Buch suggested there be a change in the policy of accounting for the BOE Receipts Account making it more like the police private Duty Fund. BF members agreed. Brief updates were given regarding the new Police Department Building and Charter revision.

Gwen Mogenson made a motion to adjourn. The motion was seconded and passed 7-0. There being no other business, Chairman Murry Stegelmann adjourned the meeting at 9:15 PM.

Respectfully Submitted,

Elizabeth Smith Mao, Clerk

**RESOLUTION APPROPRIATING \$3,600,000
FOR THE IMPROVEMENTS TO WEED BEACH
AND AUTHORIZING THE ISSUANCE OF BONDS AND NOTES
IN THE AMOUNT OF \$2,000,000 TO MEET SAID APPROPRIATION**

RESOLVED:

Section 1. The sum of \$3,600,000 is appropriated for the improvements to Weed Beach located in the Town of Darien (the "Town"), including but not limited to, renovation and reconstruction of the sailing building, warming unit, bathhouse/concession stand, playground, picnic area, parking lot and other related improvements, as well as site improvements, engineering, architectural and administrative, printing, legal and financing costs related thereto (the "Project"), said appropriation to be inclusive of any general fund money of the Town used for the Project and any and all state and federal grants-in-aid thereof. It is expected that a portion of the cost of the Project will be paid from the general fund.

Section 2. To meet said appropriation, and in lieu of a tax therefor, \$2,000,000 bonds of the Town or so much thereof as shall be necessary for such purpose, may be issued, maturing not later than the twentieth year after their date. Said bonds may be issued in one or more series as determined by the Board of Finance, or any Town official designated by the Board of Finance, and the amount of bonds of each series to be issued shall be fixed by the Board of Finance, or any Town official designated by the Board of Finance, in the amount necessary to meet the Town's share of the cost of the Project determined after considering the estimated amount of the state and federal grants-in-aid on the Project, and the anticipated times of the receipt of the proceeds thereof. The bonds shall be in the denomination of \$5,000 or a whole multiple thereof, be issued in fully registered form, be executed in the name and on behalf of the Town by the facsimile or manual signatures of the First Selectman and the Town Treasurer, bear the Town seal or a facsimile thereof, be certified by a bank or trust company, which bank or trust company may be designated the registrar and transfer agent, be payable at a bank or trust company, and be approved as to their legality by Pullman & Comley, LLC of Hartford, Connecticut. The bonds shall be general obligations of the Town and each of the bonds

shall recite that every requirement of law relating to its issue has been duly complied with, that such bond is within every debt and other limit prescribed by law, and that the full faith and credit of the Town is pledged to the payment of the principal thereof and interest thereon. The aggregate principal amount of the bonds of each series to be issued, the annual installments of principal, redemption provisions, if any, the certifying, registrar and transfer agent, and the paying agent, the date, time of issue and sale and other terms, details and particulars of such bonds, including the approval of the rate or rates of interest, shall be determined by the Board of Finance, or any Town official designated by the Board of Finance, in accordance with the General Statutes of the State of Connecticut, as amended (the "General Statutes").

Section 3. Said bonds shall be sold by the Board of Finance, or any Town official designated by the Board of Finance, and the Town Treasurer, in a competitive offering or by negotiation, in their discretion. If sold in a competitive offering, the bonds shall be sold at not less than par and accrued interest on the basis of the lowest net or true interest cost to the Town. A notice of sale or a summary thereof describing the bonds and setting forth the terms and conditions of the sale shall be published at least five days in advance of the sale in a recognized publication carrying municipal bond notices and devoted primarily to financial news and the subject of state and municipal bonds. If the bonds are sold by negotiation, provisions of the purchase agreement shall be subject to the approval of the Board of Finance, or any Town official designated by the Board of Finance.

Section 4. The Board of Finance, or any Town official designated by the Board of Finance, is authorized to issue and sell temporary notes in anticipation of the receipt of the proceeds of any series of said bonds and to determine the amount, date, date of maturity, interest rate, form and other details of such notes pursuant to the General Statutes. Notes evidencing such borrowings shall be signed by the First Selectman and the Town Treasurer, have the seal of the Town affixed, be payable at a bank or trust company designated by the Board of Finance, or any Town official designated by the Board of Finance, be approved as to their legality by Pullman & Comley, LLC of

Hartford, Connecticut and be certified by a bank or trust company designated by the Board of Finance, or any Town official designated by the Board of Finance. The notes shall be general obligations of the Town and each of the notes shall recite that every requirement of law relating to its issue has been duly complied with, that such note is within every debt and other limit prescribed by law, and that the full faith and credit of the Town is pledged to the payment of the principal thereof and the interest thereon. The net interest cost on such notes, including renewals thereof, and the expense of preparing, issuing and marketing them, to the extent paid from the proceeds of such renewals or said bonds, shall be included as a cost of the Project. Upon the sale of said bonds, the proceeds thereof, to the extent required, shall be applied forthwith to the payment of the principal of and the interest on any such notes then outstanding or shall be deposited with a bank or trust company in trust for such purpose.

Section 5. The Town hereby expresses its official intent pursuant to §1.150-2 of the Federal Income Tax Regulations, Title 26 (the “Regulations”), to reimburse expenditures paid sixty days prior to and anytime after the date of passage of this resolution in the maximum amount and for the Project defined herein with the proceeds of bonds, notes, or other obligations authorized to be issued by the Town. Such bonds, notes or other obligations shall be issued to reimburse such expenditures not later than 18 months after the later of the date of the expenditure or the substantial completion of the Project, or such later date the Regulations may authorize. The Town hereby certifies that the intention to reimburse as expressed herein is based upon its reasonable expectations as of this date. The Board of Finance, or any Town official designated by the Board of Finance, is authorized to pay Project expenses in accordance herewith pending the issuance of reimbursement bonds and to amend this declaration.

Section 6. The First Selectman, Town Treasurer and Finance Officer or any one of them are hereby authorized, on behalf of the Town, to enter into any agreements or otherwise covenant for the benefit of bondholders to provide information on an annual or other periodic basis to nationally recognized municipal securities information repositories or state based information repositories (the “Repositories”) and to provide notices to the

Repositories of material events as enumerated in Securities and Exchange Commission Exchange Act Rule 15c2-12, as amended, as may be necessary, appropriate or desirable to effect the sale of the bonds and notes authorized by this resolution and to perform all acts which are necessary or appropriate to issue and deliver the bonds or notes. If the bonds or notes authorized by this resolution are issued on a tax-exempt basis, the First Selectman, the Town Treasurer and the Finance Officer, or any one of them, are authorized to bind the Town pursuant to such representations and covenants as they deem necessary or advisable in order to maintain the continued exemption from federal income taxation of interest on the bonds or notes, including covenants to pay rebates of investment earnings to the United States in future years. Should such bonds or notes issues in anticipation of such bonds be issued in such form and manner that the interest on such bonds or notes is includable in the gross income of the holders thereof under the Internal Revenue Code of 1986, as amended, then it is hereby determined that the issuance of such taxable bonds or notes is in the public interest.