

**Litchfield Board of Finance
Regular Meeting Minutes (DRAFT)
April 8, 2019**

Chairman Burgess called the meeting to order in the Bantam Annex at 5:30 p.m. with Erich Marriott, Richard Quay, James Stedronsky, Ed Gadomski, Sky Post and Richard Furniss (Alt.) present.

Absent: Rose Blondin (Alt.)

Approve Minutes

Motion: Erich Marriott moved to accept the minutes for the 3-11-19 regular meeting. Richard Quay seconded the motion. All voted aye and the motion carried.

Motion: Sky Post moved to accept the minutes for the 3-27-19 special meeting minutes. Erich Marriott seconded the motion. All voted aye and the motion carried.

March YTD Financial Report

Amaechi Obi noted that current property taxes collection through March is 98.6% compared to 99.4% last year and the town has received \$665,410 in educational cost sharing for the 1st and 2nd quarterly payment. Under expenditures, the BOS has spent 86% of their budget compared to 86% last year and Elections overspent their budget due to primary and mid-term elections not budgeted correctly.

Motion: Richard Quay moved to accept the March YTD financial report. Erich Marriott seconded the motion. All voted aye and the motion carried.

Public Comment

There was no public comment.

Consider and act upon a resolution entitled:

Chairman Bill Burgess introduced and read the following resolution:

RESOLUTION APPROPRIATING \$5,892,270 FOR THE TOWN OF
LITCHFIELD 2019-2020 CAPITAL IMPROVEMENT PROGRAM,
INCLUDING BOARD OF EDUCATION, PUBLIC SAFETY, PARK
AND RECREATION AND PUBLIC WORKS IMPROVEMENTS AND
AUTHORIZING THE ISSUE OF \$5,892,270 BONDS (\$2,313,379 IS
EXPECTED TO BE PAID FROM GRANTS) OF THE TOWN TO MEET
SAID APPROPRIATION AND PENDING THE ISSUANCE THEREOF
THE MAKING OF TEMPORARY BORROWINGS FOR SUCH
PURPOSE

Members present and absent at commencement of the meeting were as follows:

PRESENT

Chairman Bill Burgess
Erich Marriott

ABSENT

Rose Blondin (Alt.)

James Stedronsky
Richard Quay
Ed Gadomski
Sky Post
Richard Furniss (Alt.)

Those joining after the commencement were as follows: None.

Erich Marriot moved to waive the reading of the entitled resolution and that its full text be incorporated into the minutes of the meeting. Motion was seconded by Richard Quay.

Upon roll call vote the Ayes and Nays were as follows:

<u>Ayes</u>	<u>Nays</u>
Bill Burgess	None
Erich Marriot	
James Stedronsky	
Richard Quay	
Ed Gadomski	
Sky Post	

Board members had received the full resolution and thus had the opportunity to read it. There was discussion about the debt service and capital improvement plan and questions by Board of Finance members were answered by First Selectman Leo Paul and Finance Director Amaechi Obi.

Sky Post moved that the resolution be adopted. Motion was seconded by Erich Marriot.

Upon roll call vote the Ayes and Nays were as follows:

<u>Ayes</u>	<u>Nays</u>
Bill Burgess	None
Erich Marriot	
James Stedronsky	
Richard Quay	
Ed Gadomski	
Sky Post	

RESOLVED: That the resolution entitled "RESOLUTION APPROPRIATING \$5,892,270 FOR THE TOWN OF LITCHFIELD 2019-2020 CAPITAL IMPROVEMENT PROGRAM, INCLUDING BOARD OF EDUCATION, PUBLIC SAFETY, PARK AND RECREATION AND PUBLIC WORKS IMPROVEMENTS AND AUTHORIZING THE ISSUE OF \$5,892,270 BONDS (\$2,313,379 IS EXPECTED TO BE PAID FROM GRANTS) OF THE TOWN TO MEET SAID APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE," is hereby approved and recommended for adoption by the Town.

Chairman Bill Burgess thereupon declared the motion carried. The resolution is attached hereto.

Approve Warning for the Town Budget Hearing on April 24

Motion: Richard Quay moved to approve the warning for the town budget hearing to be held on April 24, 2019 beginning at 7:00p.m. at the Litchfield Intermediate School Auditorium. Sky Post seconded the motion. All voted aye and the motion carried.

Board of Education Health Benefits Insurance: Independent Town Auditor's Reconciliation Report

David Cappelletti of Clermont & Associates, LLC provided a report of completion for his engagement to identify and explain variances with the BOE's consideration of moving to a fully funded employee health insurance plan. He said the reconciliation showed one issue with school retirees not being included in the estimate, which may have a material effect on the savings calculations. He recommended the town should consider a procurement ordinance that would require large disbursements to have a standard bid process. He answered questions about the OPEB liability, higher co-pays for employees and impact on union contracts. The summary noted that the BOF does not have sufficient information to make a sound decision as to the savings of the health insurance plan.

Approve Board of Education 2019-20 Budget Appropriation

There was discussion about the continued rise in the per-student cost over the past ten years, concerns expressed by parents of children in the Litchfield schools, and the possibility of a shared Superintendent for Litchfield and Region 6. Chairman Burgess said the school system should be right-sized for enrolment numbers and a long-range plan should be carefully studied and implemented.

Motion: Richard Quay moved to reduce the BOE spending plan to \$18,993,526, which is a zero per cent increase. Sky Post seconded the motion. There was discussion about possible cuts that could be made to achieve this goal with the least impact on students or quality of education. Sky Post called the question. A vote of 4 in favor to 2 in opposition was taken and the motion carried.

New Business: Financial Transfer

Motion: Bill Burgess moved to approve the Finance Department request to transfer \$3,850 from Contingency to Fund 01-1107-50106 Registrars of Voters Temp Part Time. Erich Marriott seconded the motion. All voted aye and the motion carried.

Adjournment:

Motion: Sky Post moved to adjourn the meeting at 7:16p.m. Richard Quay seconded the motion. All voted aye and the motion carried.

Respectfully submitted,

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Jo Ann Jaacks
Recording Secretary

RESOLUTION APPROPRIATING \$5,892,270 FOR THE TOWN OF LITCHFIELD 2019-2020 CAPITAL IMPROVEMENT PROGRAM, INCLUDING BOARD OF EDUCATION, PUBLIC SAFETY, PARK AND RECREATION AND PUBLIC WORKS IMPROVEMENTS AND AUTHORIZING THE ISSUE OF \$5,892,270 BONDS (\$2,313,379 IS EXPECTED TO BE PAID FROM GRANTS) OF THE TOWN TO MEET SAID APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE

Section 1. The sum of \$5,892,270 is appropriated for the planning, acquisition and construction of the Town of Litchfield Capital Improvement Plan 2019-2020, as adopted and amended by the Board of Selectmen from time to time, and including: (i) Board of Education, (ii) Police, (iii) Fire Commissioners and EMS; (iv) Park & Recreation; (v) Public Works Department; and (vi) debt administration, and for appurtenances, equipment and services related thereto, or so much thereof as may be accomplished within such appropriation, including administrative, advertising, printing, legal and financing costs to the extent paid therefrom. The Board of Selectmen may by resolution transfer funding herein authorized among projects within the 2019-2020 CIP. See Attachment A.

Section 2. The total estimated cost of the 2019-2020 CIP Improvement Plan to be authorized to be financed with debt is \$5,892,270, an estimated \$2,313,379 of which is expected to be paid from grants, for a net town expected cost of \$3,578,891.

Section 3. To meet said appropriation \$5,892,270 bonds of the Town or so much thereof as shall be necessary for such purpose, shall be issued, maturing not later than the twentieth year after their date, or such later date as may be authorized by law. Said bonds may be issued in one or more series as determined by the First Selectman and Treasurer, and the amount of bonds of each series to be issued shall be fixed by the First Selectman and Treasurer, 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 of the project, or the actual amount thereof if this be ascertainable, and the anticipated times of the receipt of the proceeds thereof, provided that the total amount of bonds to be issued shall not be less than an amount which will provide funds sufficient with other funds available for such purpose to pay the principal of and the interest on all temporary borrowings in anticipation of the receipt of the proceeds of said bonds outstanding at the time of the issuance thereof, and to pay for the administrative, printing and legal costs of issuing the bonds. The bonds shall be in the denomination of \$1,000 or a whole multiple thereof, or, be combined with other bonds of the Town and such combined issue shall be in the denomination per aggregate maturity of \$1,000 or a whole multiple thereof, be issued in bearer form or in fully registered form, be executed in the name and on behalf of the Town by the manual or facsimile signatures of the First Selectman and Treasurer bear, the Town seal or a facsimile thereof, be certified by a bank or trust company designated by the First Selectman and Treasurer, which bank or trust company may be designated the registrar and transfer agent, be payable at a bank or trust company designated by

the First Selectman and Treasurer, and be approved as to their legality by Joseph Fasi LLC, Attorneys-at-law, Bond Counsel of Hartford. They shall bear such rate or rates of interest as shall be determined by the First Selectman and Treasurer. 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 are pledged to the payment of the principal thereof and the interest thereon. The aggregate principal amount of the bonds to be issued, the annual installments of principal, redemption provisions, if any, the date, time of issue and sale and other terms, details and particulars of such bonds, shall be determined by the First Selectman and Treasurer, in accordance with the General Statutes of the State of Connecticut, as amended.

Section 4. Said bonds shall be sold by the First Selectman and Treasurer in a competitive offering or by negotiation, in their discretion. If sold at competitive offering, the bonds shall be sold upon sealed proposals, auction, or similar competitive process 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, the provisions of the purchase agreement shall be subject to approval of the Board of Selectmen.

Section 5. The First Selectman and Treasurer are authorized to make temporary borrowings in anticipation of the receipt of the proceeds of said bonds. Notes evidencing such borrowings shall be executed in the name and on behalf of the Town by the manual or facsimile signatures of the First Selectman and Treasurer, bear the Town seal or a facsimile thereof, be payable at a bank or trust company designated by the First Selectman and Treasurer, be approved as to their legality by Bond Counsel, and be certified by a bank or trust company designated by the First Selectman and Treasurer, pursuant to Section 7-373 of the General Statutes of Connecticut, as amended. They shall be issued with maturity dates which comply with the provisions of the General Statutes governing the issuance of such notes, as the same may be amended from time to time. 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 are 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 6. Resolution of Official Intent to Reimburse Expenditures with Borrowings. The Town (the "Issuer") 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 after the date of passage of this ordinance in the maximum amount

and for the capital project defined in Section 1 with the proceeds of bonds, notes, or other obligations ("Bonds") authorized to be issued by the Issuer. The Bonds 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 Issuer hereby certifies that the intention to reimburse as expressed herein is based upon its reasonable expectations as of this date. The Finance Director or her designee is authorized to pay project expenses in accordance herewith pending the issuance of reimbursement bonds, and to amend this declaration.

Section 7. The First Selectman and Treasurer are hereby authorized, on behalf of the Town, to enter into 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. Any agreements or representations to provide information to Repositories made prior hereto are hereby confirmed, ratified and approved.

Section 8. It is hereby found and determined that it is in public interest to issue all, or a portion of, the Bonds, Notes or other obligations of the Town as qualified private activity bonds, or with interest that is includable in gross income of the holders thereof for purposes of federal income taxation. The First Selectman and Treasurer, are hereby authorized to issue and utilize without further approval any financing alternative available to municipal governments pursuant to law, including but not limited to any "tax credit bond," or "Build America Bonds" including Direct Payment and Tax Credit Versions.

TOWN OF LITCHFIELD - CAPITAL BUDGET 2019/2020

		BOARD OF SELECTMEN FEBRUARY 5, 2019 RECOMMENDATION				
Dept.	Project Description	Proposed Total Cost	Less Grant/Other Funding	Net Town Cost	Pay As You Go/Fund Balance	Debt
BOARD OF EDUCATION		\$ -		\$ -		
	Safety and Security (Phone)	\$ 60,000		\$ 60,000		\$ 60,000
	School Passenger Van (s)	\$ 40,000		\$ 40,000		\$ 40,000
	School Maint. -Pickup Truck	\$ -		\$ -		\$ -
	LIS/LHS/LMS Electrostatically Paint Lockers	\$ -		\$ -		\$ -
	Building-Café' Equipment Kitchen	\$ -		\$ -		\$ -
	Building-Electrical Infrastructure-LIS Auditorium Controls	\$ -		\$ -		\$ -
	Building-Exterior CS Remove Playscape	\$ 25,000		\$ 25,000		\$ 25,000
	Cleaning Equipment LHS?LMS Replace Walk Behind Floor machine	\$ 11,500		\$ 11,500		\$ 11,500
	School Music- Replace Band Equipment	\$ -		\$ -		\$ -
	School Office Machine-Replace Copy Machines	\$ -		\$ -		\$ -
	BOARD OF EDUCATION	\$ 136,500	\$ -	\$ 136,500	\$ -	\$ 136,500
Police		\$ -		\$ -		
	Replace Cruiser 2014 Ford Interceptor	\$ 43,000		\$ 43,000		\$ 43,000
	TOTAL POLICE DEPARTMENT	\$ 43,000	\$ -	\$ 43,000	\$ -	\$ 43,000
BOARD OF FIRE COMMISSIONERS & EMS						
	Fire Ponds	\$ 10,000		\$ 10,000		\$ 10,000
	Bantam B-37 Ambulance	\$ -		\$ -		\$ -
	ELFD Windows, Doors, Masonry Repair	\$ 25,000		\$ 25,000		\$ 25,000
	Northfield R-1 1993	\$ 450,000		\$ 450,000		\$ 450,000
Total	BOARD OF FIRE COMMISSIONERS & EMS	\$ 485,000	\$ -	\$ 485,000	\$ -	\$ 485,000
PARK & RECREATION						
	Community Field (Extend Ripley Field)	\$ 105,000		\$ 105,000		\$ 105,000
						\$ -
	TOTAL PARK AND RECREATION	\$ 105,000	\$ -	\$ 105,000	\$ -	\$ 105,000
DEPARTMENT OF PUBLIC WORKS						
	Bridge Program	\$ 2,164,940	\$ 767,315	\$ 1,397,625		\$ 1,397,625
	Vehicles & Equipment Replacement	\$ -		\$ -		\$ -
	Town Aid Road Funding (2019-20)	\$ 383,844	\$ 383,844	\$ -		\$ -
	Major Road Projects	\$ 1,938,142	\$ 1,162,220	\$ 775,922		\$ 775,922
	Public Facilities	\$ 328,844	\$ -	\$ 328,844		\$ 328,844
	Public Facilities-Schools	\$ 307,000		\$ 307,000		\$ 307,000
	Less prior funded amounts			\$ -		\$ -
	Total Department of Public Works	\$ 5,122,770	\$ 2,313,379	\$ 2,809,391	\$ -	\$ 2,809,391
	Debt Administration			\$ -		\$ -
	TOTAL CAPITAL PROJECT REQUESTS	\$ 5,892,270	\$ 2,313,379	\$ 3,578,891	\$ -	\$ 3,578,891