

Minutes of the regular meeting of the Board of Finance held on August 19, 2009 at the Town Campus

Present: Kathy Rossini, Owen Charles, Fillmore McPherson, Jennifer Tung

Also present: Al Goldberg, First Selectman; Dotty Bavin, Finance Director; Mike Ott, Town Engineer; Bill Lindsay, IBIC; Alicia Betty, Lisa Bassani, Trust for Public Land; Terry Macey, Jim Madison, BOF candidates; members of the press, MCTV

Ms. Rossini called the meeting to order at 7:16 p.m.

1. Information by the Trust for Public Land regarding potential acquisition of property. On motion made by Mr. McPherson, and seconded by Mr. Charles, the Board voted unanimously to adjourn to executive session at 7:16 p.m. and to invite Al Goldberg, Dotty Bavin, Mike Ott, Alicia Betty, Lisa Bassani, to attend.

On motion made by Ms. Tung, and seconded by Mr. McPherson, the Board voted unanimously to adjourn to open session at 8:00 p.m.

2. Approval of minutes – July 15, 2009. The following corrections were made to the minutes of the regular meeting of July 15, 2009:

Page 2, item 2, first line “into” should be “in”

Page 2, item 2, third line “on the Griswold property” should be added after public land.

Page 3, item 3, fourth paragraph, third line should be “\$30,000” rather than “\$3,000”

Page 4, item 5, 6<sup>th</sup> paragraph, second line “and to increase maximum income eligibility requirements” should be added after “to the public”.

On motion made by Mr. McPherson, and seconded by Ms. Tung, the Board voted unanimously to approve the minutes of the regular meeting of July 15, 2009 as corrected.

3. Citizen and Finance Member Comments. Mr. McPherson reported good news regarding setting up the medical trust fund for the Police Department which had been established as per GASB 45. A total of \$30,000 per year has been deposited in a reserve account for the past two years. Only a closed group is entitled to this benefit. There had been some question about whether the rating agencies believe this reserve account was required to be maintained at a total of \$3,000,000 and a few weeks ago Mr. McPherson researched the issue and Moodys confirmed that a full funding of the trust fund was not necessary for Madison. Mr. McPherson suggested that the existing trust fund with \$60,000 be maintained and added to as possible, but there is no need to continue to fund it to a total of \$3,000,000 under the terms of GASB 45. Mr. McPherson noted that Moodys was very impressed with the Town’s overall financial policies. Mr. Goldberg added that they were very impressed with how the Town has been managing its financial affairs during the recession.

2- Minutes of the regular meeting of the Board of Finance held on August 19, 2009

4. Update on bonding refunding – Bill Lindsay (IBIC). Mr. Goldberg noted that the Finance Department has been working with Mr. Lindsay awaiting the right opportunity to refinance existing Town bonds and he is recommending that the Town move forward at this time so they will be going to market tomorrow for bonds. He noted that the refinancing would be for the existing duration, however a lower interest rate would provide a \$1.2 million savings

Mr. Lindsay reviewed the bond schedule noting that the refinancing should result in a 6% net savings.

5. Presentation by Selectmen’s Office: Regionalization. Mr. Goldberg noted that regionalization is the practice of towns working together for mutual benefit without utilizing county government and without the towns losing their individual identity. He noted that for hundreds of years Connecticut Towns have been very proud of the home rule concept. The current economic crisis and an increase in town responsibility have encouraged increased discussion on implementing regional ideas. He noted that a meeting was held with representatives of Branford, Guilford, Madison and Clinton as the Shoreline Municipal Alliance, to talk about ways and ideas to work together for mutual benefit. One idea discussed was shared administrative functions such as combining purchasing power into the market place to receive better pricing. Another idea was sharing of specialized personnel such as a purchasing agent. The representatives also talked about sharing with delivery of programs and services such as regional police services, however, this idea is being looked at as a future concept rather than current concept. High volume – low cost ideas are the primary area where there is the most initial potential.

Mr. Goldberg noted that through the discussions with other towns they have expressed a willingness to work together on ideas. One actual step that has been taken thus far is the formation of an Energy Committee that will allow a group of Towns to utilize a grant to hire a shared Energy Conservation Professional to work on ways to save energy. In addition, the towns of Branford, Guilford and Madison have agreed to work together to establish a Shoreline Arts Festival which would include a three weekend celebration of the arts including dance, music and literature. A three town festival would encourage economic development and provide a positive activity for the residents of the area. The process will include development of a non-profit group that will develop the tradition of putting the festival together. Such an activity would make sense from both an economic and quality of life standpoint.

Mr. Goldberg reviewed existing examples of sharing among local towns including sharing of public works equipment, and mutual aid agreements for emergency services. One area where residents have expressed strong opinions of not wanting to share services is with the Town’s education system. Mr. Goldberg noted that the State idea of shared probate judges among towns is an example of forced regionalization.

### 3- Minutes of the regular meeting of the Board of Finance held on August 19, 2009

Mr. McPherson commented that allowing another town to borrow equipment would be a much simpler concept to implement than actual shared purchasing of this type of equipment. Mr. Goldberg commented that one idea would be working together for a shared maintenance facility.

In response to a question by Mr. Tung, Mr. Goldberg noted that at this point the Towns are primarily having conversations and obtaining information for long term projects rather than entering into actual contract negotiations to implement these ideas.

Mr. Goldberg commented that he would like to see CCM become more involved with assisting towns with regional efforts.

Mr. Charles commented that he believe it could be a challenge to get four different towns to agree to regional ideas and there is a need to decide how much autonomy a town is willing to trade off for a possible benefit. He commented that a shared purchasing professional could have an additional benefit of being able to review existing town policies and procedures.

Ms. Rossini thanked Mr. Goldberg for keeping the Board advised and she encouraged continued active conversation on these ideas.

6. Discuss and take action on line item transfer request of \$2,656.00 from Unbudgeted Expense to LeSage Lease/Purchase. The Lease/Purchase agreement for the LeSage property includes a payment increase every five (5) years abased on CPI. The budget request did not include a sufficient increase to support the 13.5% required. On motion made by Mr. McPherson, and seconded by Ms. Tung, the Board voted unanimously to approve the request to transfer \$2,656.00 from Account #1-100-8150-0000-0000-3000-830-00, Unbudgeted Expense to Account #1-100-8150-0000-4410-830-01, LeSage Lease/Purchase, to cover a shortfall on the 13.5% payment increase on the lease/purchase agreement for the LeSage property which effective every five years based on the CPI.

7. Review of Financials. Ms. Bavin provided a medical claims summary report which showed that the Town had an excellent year with only 85% of expected claims. Ms. Bavin stated good years enable the Town to build on the reserve account to provide funds for possible future difficult years.

Ms. Bavin provided a fund balance update noting that both the Town and Board of Education did well and with Tax Collections coming in at a good rate.

In response to a question by Mr. McPherson, Ms. Bavin noted that all expenses have been paid or encumbered. Ms. Bavin also noted that the legal bills are within the budget amount, but not yet paid since May.

#### 4- Minutes of the regular meeting of the Board of Finance held on August 19, 2009

In response to a question by Ms. Tung, Mr. Goldberg noted that there are still a number of legal bills that are in dispute but they made a computation of what the bill total would be based on the new procedure and this amount has been encumbered. The Finance Office is prepared to cut a check once this issue has been settled. Mr. Goldberg noted that they are still working with the new Town Counsel on formatting their bill as requested by the Town.

Since the joint Legal Cost Oversight Committee has not met since April, Ms. Tung requested to discuss a few items on the bills. She questioned a specific charge for review of a DECD grant. Mr. Goldberg noted that this \$275,000 DEP grant included a requirement that Town Counsel sign off on the application which was very complex and required review. In addition, she wanted to understand the need to pay \$1725.50 for researching “internet blog libel”, which Mr. Goldberg stated he would not discuss. Ms. Tung commented that she believes there is a need for the Joint Legal Cost Oversight Committee to meet and Mr. McPherson agreed that a meeting should be scheduled.

Mr. McPherson questioned what services were provided for the \$4500 per month retainage fee paid to the new Town Attorney. Mr. Goldberg noted that the retainage covers items that require quick answers that do not require a lot of research. Before an item can go to Town Counsel for review outside the retainage budget, it must be reviewed by the First Selectman. The new Town Attorney firm has been asked to detail items that are billed under retainage.

Ms. Bavin noted that the State still does not have a budget in place. She noted that there will be a change in the ECS budget since now some stimulus funds will go directly to the Board of Educations. This means the staff will need to provide reports which show jobs saved by this funding, even though the Town would keep the employees with or without the funding this year. This will require separate tracking and Ms. Bavin agreed to keep the Board of Finance advised.

8. Liaison Reports. Mr. McPherson noted that the Land Acquisition Committee has been meeting frequently.

Ms. Tung noted that there is a Joint Facilities Committee or LoCap public workshop scheduled for September 24, 7-8:30 p.m. at Memorial Town Hall to talk to the public about their research efforts to make the best use of facilities, including the recent addition of the Scranton Library to the study.

Mr. Charles noted that there is a public participation component with the Police Chief Search Committee. He also noted that the Committee was opened up to include representatives of the Board of Selectmen and Board of Finance.

5- Minutes of the regular meeting of the Board of Finance held on August 19, 2009

9. Report from First Selectman. Mr. Goldberg recognized the job well done in managing the Town finances noting that the Town is in very good fiscal health.

Mr. Goldberg noted that there will be an Energy Summit on September 12, 9:00 a.m.– 12:00 p.m. in the Memorial Town Hall.

Mr. Goldberg noted that the Ethics Study Commission is about to come forward with a report.

Mr. Goldberg noted that it appears that the proposed land exchange with West Wharf does not have to go to the Board of Finance for approval. He noted that he will be happy to brief the Board of Finance on this issue even though approval is not required. Mr. Goldberg noted that approvals will be required by the Board of Selectmen, Planning and Zoning Commission and Town Meeting. The benefit to the Town for this exchange is the ability to create a West Wharf beach which would be a good addition to the Town's recreational assets.

Mr. Goldberg noted that he has been in contact with CCM regarding the State budget and Hartford is developing a plan to deal with the \$1.5 billion that is out of balance. The governor has agreed to raise revenue by \$500 million and the legislature has agreed to \$500 million in expense cuts with an additional \$500 million in other savings. Ms. Bavin noted that the State budget will not have a large impact on Madison since the Town is not greatly dependent upon State funding.

10. Citizen and Finance Member Comments. Mr. Matteson commented that he agrees Mr. McPherson has advised of great news regarding the GASB 45 requirements regarding the Police Department medical fund. He also commented that he is in favor of regionalization efforts and he recommended that an effort be made to monetize the savings from the first level of efforts of the towns to work together. Mr. Matteson further commented that he believes there is a need to finalize and settle the legal bills for the prior fiscal year. In response to a question, Ms. Rossini agreed to provide Mr. Matteson with information on the total bonding when she receives the final schedule. Mr. Matteson agreed that this was a good time to move forward with refinancing the bonds.

Mr. Macey congratulated the Board of Finance for a good job on their governance of the Town's fiscal management. He agrees and supports the concept of regionalism but believes it will be important to building support gradually.

11. Adjournment. The meeting was adjourned at 9:30 p.m.

---

Terry Holland-Buckley  
Clerk

