



# Town of Madison, CT

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## Board of Finance

Draft

Minutes of a regular meeting of the Board of Finance held on September 25, 2019, 7:00 p.m. at the Town Campus

Present: Jean Fitzgerald, Judith Friedman, Kevin Kranzler, Ken Kaminsky. Justin Murphy and Bennett Pudlin

Also present: Stacy Nobitz, Finance Director; Kristen Bartosic, Accountant; Scot Erskine, Beach and Recreation Director; John Iennacco, Director of Public Works, Robert Russo, Deputy Director of Public Works; MCTV

Ms. Fitzgerald called the meeting to order at 7:05 p.m.

### **REGULAR SESSION**

1. Pledge of Allegiance. The Board of Finance and members of the audience stood and recited the Pledge of Allegiance.

Ms. Fitzgerald introduced Justin Murphy, new member of the Board of Finance. Mr. Murphy noted that he was raised in Madison and graduated from Daniel Hand High School. After a career in Financial Services he moved back to Madison five years ago and became interested in becoming active in the community.

2. Approval of minutes – August 21, 2019. On motion made by Mr. Pudlin, and seconded by Mr. Kranzler, the Board voted to approve the minutes of the special meeting of August 21, 2019 as submitted. Ms. Fitzgerald, Mr. Kaminsky, Mr. Kranzler and Mr. Pudlin voted in favor of the motion and Ms. Friedman and Mr. Murphy abstained.

3. Chairman's comments. There were no Chairman's comments.

4. Citizen and Finance member comments. Mr. Horvath commented on the issue discussed at the last meeting regarding increasing the unassigned fund balance. Because the unassigned fund balance is one aspect of determining the town's bond rating, he suggested that any increase happen gradually possibly starting with 12%.

Mr. Horvath also commented on the tentative bond schedule. He noted that Ms. Nobitz had provided him with information on the factors that affect the bond rating. Madison is currently in a very good position. He suggested that the Board review components that

go into a town's bond rating and discuss these with bond counsel to determine the most important factors that will benefit from the Town's focus. Mr. Horvath also recommended that the Town issue notes for as long a period as possible before issuing bonds.

A resident requested clarification on the process that will be followed once the Academy School Community Center project has been submitted to the CIP. Ms. Fitzgerald noted that the Finance Office puts together the CIP Plan at which point the Board of Selectmen and Board of Finance become involved, working collaboratively, with the Selectmen involved in the planning and the Board of Finance reviewing the financial implications of the project.

### **NEW BUSINESS**

5. Presentation from the Ad Hoc Academy School Community Center Design Committee. Mr. Stableford, Chairman of the Ad Hoc Academy School Community Center Design Committee, was present to provide a summary Progress Report on the project. He noted that the Committee's charges included developing cost estimates for renovation and researching potential cost offsets, estimating operational, staffing and maintenance costs and estimating potential program revenues. In addition they held two public information sessions.

Tasks of the current Committee including confirming the renovation cost estimate of \$14 million, developing cost off-sets, developing operational costs and estimating a revenue stream for the facility.

Mr. Stableford reviewed the steps taken during the project to develop the requested data, including discussions with town consultants, meeting with State Historic staff, and visits to area community centers. Working with the Beach and Recreation Department, an application was submitted to CIP. A progress report was provided to the Board of Selectmen on July 30.

Mr. Stableford reviewed a variety of historic tax credits, grants and energy efficiency rebates that could reduce the \$13.9 estimated renovation cost.

Dick Passero reviewed the annual operational, staffing and maintenance estimate for the facility which was estimated at \$567,250. The implementation of sustainable green energy systems could reduce the annual energy costs by up to 50% and could pay for themselves in 7 – 10 years. In addition, if the building were programmed at full capacity, program revenues could cover the annual operating expenses.

The Committee concluded that the Academy building is feasible for conversion to a community center, which would satisfy the needs for program space and community activities. They believe that a community center would make Madison a more attractive community in which to live and could potentially stimulate considerable additional patronage of downtown business.

Mr. Murphy requested that information on the economics of the Senior Center be provided to help with the review of some of the financial aspects and usage of a potential Community Center.

6. Discuss Youth & Family Services Department with Director Scott Cochran. Scott Cochran was present to provide an update on the staff, programs and FY 18-19 highlights of Madison Youth and Family Services. He highlighted that the Department is responsible for providing programs and services as part of the public health requirements for the Town and also represents Madison as the YSB as defined by State statutes. They focus on prevention programs, mental health care and support for basic needs. The Department collects fees and grant funding to offset costs when possible. Highlights of FY 18-19 include a major staffing reorganization, efforts to address a higher volume of referrals for clinical services and efforts to combat major trends for unhealthy uses of technology, vaping and substance abuse including acting as a leader in opposing marijuana legalization in the State. Challenges include space and staffing and an increased need for programs and services. Issues of growing concern include unhealthy use of internet and social media, youth substance abuse, and the undercurrent of angst.

In response to a question, Mr. Cochran noted that the restructuring has been very successful. He also noted that a downtown location for services would be the most desirable.

7. Discuss and take action to approve a request from the Beach and Recreation Department to purchase a used John Deere Tractor for Building & Grounds: fund will come from the Planned Equipment Fund. On motion made by Mr. Pudlin, and seconded by Ms. Friedman, the Board voted unanimously to approve the request from the Beach and Recreation to purchase a used John Deere tractor for Building and Grounds for \$10,000 with funds to come from the Planned Equipment Fund.

8. Discuss and take action to approve a Resolution to enter into a lease purchase agreement with Government Capital Corporation for the purpose of financing a 2020 Ford F550 for the Beach and Recreation Department. This is part of the Capital Improvement Program. A motion was made by Mr. Pudlin, and seconded by Mr. Murphy, to approve a Resolution to enter into a lease purchase agreement with Government Capital Corporation for the purpose of financing a 2020 Ford F550 for the Beach and Recreation Department.

Ms. Nobitz noted that leasing programs now go through CIP based on a replacement schedule included in the 5 year program. Because of their financial impact, the Board of Finance must approve any leasing agreements. The interest rate being provided is low and they believe the lease with Government Capital is the best option. The Town has had a positive relationship with this company in the past. The funds for this least are included in the budget.

After discussion, a vote was taken on the motion made by Mr. Pudlin, and seconded by Ms. Friedman, to approve a Resolution to enter into a lease purchase agreement with Government Capital Corporation for the purpose of financing a 2020 Ford F550 for the Beach and Recreation Department. The motion was unanimously approved.

9. Discuss and take action to approve a Special Appropriation Request in the amount of \$147,344 from the Public Works and Engineering Department to fund the Tuxis Walkway Lighting Project. A motion was made by Mr. Kranzler, and seconded by Mr. Kaminsky, to approve the request of the Public Works and Engineering Department for a Special Appropriation in the amount of \$147,344, from Undesignated Fund Balance to fund the Tuxis Walkway Lighting Project

Mr. Iennacco noted that the most recent grant for the Madison Center Project was \$400,000 for rehabilitation of the Tuxis Walkway. When the project went out to bid, the low bid was higher than the estimate so an additional \$147,344 is needed for the lighting component of the project.

In response to a question by Mr. Kaminsky regarding options to reduce the project cost, Mr. Iennacco noted that the price is based on the base bid so, since no alternates were accepted he does not see a way to reduce the cost. In response to a question by Ms. Friedman, Mr. Iennacco noted that he does not believe that separating out the walkway from the lighting would bring in lower bids. He believes that the plan provides for appropriate lighting for its intended use.

Mr. Pudlin commented that this is part of a long term project that has received a substantial amount in grant funds over many years and he believes it would be prudent to complete the project.

Mr. Kranzler expressed concern for situations like this where a grant is accepted to cover the cost of a project and then later it is determined that the cost of the project was underestimated and additional Town funds are needed. This places the Board in an awkward position. He believes that all efforts should be made to avoid the need to come back for additional funds.

Mr. Pudlin commented that in previous similar situations, the project would go back to CIP for a recommendation for additional funding. The Board members discussed this

option but agreed that this would take a long time to accomplish and the lighting is a potential safety issue so this can be viewed as a special circumstance. They did agree that, moving forward, any future projects that come in over-budget will be referred back to CIP. Ms. Friedman agreed to send out a notice to appropriate departments and commissions and committee to advise them of this Board of Finance position.

After discussion a vote was taken on the motion made by Mr. Kranzler, and seconded by Mr. Kaminsky, to approve the request of the Public Works and Engineering Department for a Special Appropriation in the amount of \$147,344, from Undesignated Fund Balance to fund the Tuxis Walkway Lighting Project. Ms. Fitzgerald, Ms. Friedman, Mr. Kaminsky, Mr. Murphy and Mr. Pudlin voted in favor of the motion and Mr. Kranzler abstained.

10. Review CIP Committee process for FY 2020-2021. Ms. Nobitz noted that the Finance Office is working on putting together the CIP Plan and getting a recommendation to the Board of Selectman and CIP by October 15 as per the regulations. They are still awaiting information on a number of large items to come through in order to complete the document. The CIP will wait until the election, when new members will be appointed to CIP. The process is more complex this year due to the election and the CIP will wait until the election when new members will be appointed. The Board of Finance will have the report for their November 13th meeting. The plan is to hold the public hearing near Thanksgiving to keep the process moving forward quickly.

Ms. Fitzgerald recommended that the November 13th meeting also include discussion on the bonding package. This should include pay as you go, debt service, and Town and Board of Education projects to pull all capital costs together to be able to show the total cost before putting it together with the operating budget. She stressed that it will be important to take steps to keep the public informed so they have a clear understanding of all of the projects and their associated costs.

Mr. Pudlin suggested that it would be beneficial to reconvene the Tri Board to make sure the plan has the support of all three boards.

Ms. Nobitz noted that CIP, with all of the information to be provided, will be able to see the impact of projects on the entire budget, including debt and pay-as-you-go. If the Board wants to see the Tri-Board involved at this stage, a meeting would need to be set up sometime before all of the information goes out to the public.

11. Review FY 2020-2021 Budget Process. Ms. Nobitz presented a copy of a draft 2020-2021 Budget Workshop Schedule which was based on the schedule developed for last year. She requested that the Board members review the schedule and let her know there are any issues that need to be addressed. She also asked that the Board members let her know if there are any additional groups they would like to include on the schedule.

Mr. Kaminsky expressed concern for the Department meetings being held during the day on January 23. Mr. Kranzler suggested that they look at breaking out the Department meetings into multiple 2 – 3 hour sessions to be held in the evenings from 6:00 – 8:00 or 9:00 p.m. Ms. Nobitz was asked to go back and work out another draft with this change incorporated.

In response to a question by Ms. Nobitz, Ms. Fitzgerald noted that holding the Board of Finance and Board of Selectmen's Department hearings together did not work-out when this was tried last year.

Mr. Kaminsky requested that a meeting with the Ambulance Service be set up before the start of the budget process. This meeting should include any information developed by a consultant, that the Board of Finance requested be hired to review the Ambulance model. Ms. Fitzgerald noted that the request for the Ambulance meeting has already been forwarded and she will follow up with the Board of Selectmen about the status of the consultant for the ambulance review. Any information she receives will be forwarded to the Board before the meeting.

Ms. Friedman noted that she would like to have The Beach and Recreation Department come to talk to the Board of Finance outside of the budget meetings before the start of the budget process. Ms. Fitzgerald requested that arrangements be made for the Ambulance Department, Beach and Recreation and Library to meet with the Board of Finance at a meeting outside of the budget meetings.

Ms. Fitzgerald noted that the October 16 meeting has been cancelled. It was recommended that a Tri Board meeting be scheduled for Wednesday, October 23 at 6:00 p.m.

Mr. Kranzler commented on Item #10 on the Board of Selectmen's agenda for Monday regarding the RFP for the carport. He questioned the process and procedure noting that, since this is a financial transaction and investment, why wouldn't this item come to the Board of Finance. Ms. Nobitz noted that this item was included in the budget and there is currently no additional cost associated with the project that would require Board of Finance approval. Mr. Kranzler commented that, since the project could have significant indirect costs, he believes it should be presented to the Board of Finance for information and approval. Mr. Friedman suggested that there be a discussion on the possible role of

the Board of Finance when a project has a significant cost associated with it and this discussion should occur before the start of a Charter Revision process.

12. Review of Financials. Ms. Nobitz noted that the auditors have begun the Town audit. She also noted that they have begun the implementation process with the new Munis program which is proving to be very intense.

13. Liaison Reports and Report from First Selectman. There were no liaison reports for report from the First Selectman.

14. Citizen comments. Mr. Horvath advised that many years ago the Town carried a 1% contingency and many more special appropriations would come from the Contingency Account. Mr. Horvath also advised that he will be serving as the public member of CIP.

15. Adjourn. On motion made by Mr. Kranzler, and seconded by Mr. Kaminsky, the Board voted unanimously to adjourn the meeting at 9:40 p.m.

Terry Holland-Buckley  
Clerk