



BOARD OF FINANCE

Clifford J. Hurgin Municipal Center, 1 School Street
Bethel, Connecticut 06801 Telephone: (203) 794-8501

MINUTES OF SPECIAL MEETING

Tuesday, June 1, 2010

7:30 p.m.

CJH Municipal Center – Meeting Room “A”

RECEIVED

2010 JUN -4 P 3:12

TOWN OF BETHEL
TOWN CLERK

PRESENT: J. Philip Gallagher, Chairman, John Dietter, William Kingston, William Slifkin, James Roden, Gary Regan and Timothy Draper. Also in attendance was the Board of Selectmen, Interim Comptroller Robert Kozlowski, Financial Advisor from Webster Bank Barry Bernabe, Town Engineer Andrew Morosky, Highway Superintendent Robert Dibble, Director of Parks & Recreation Eileen Earle, and representatives from Musco Lighting.

Call to order/Pledge of Allegiance: J. Philip Gallagher called the Special Meeting to order at 7:30 p.m.

Presentation of Road Renewal Plan to Board of Selectmen and Board of Finance

Town Engineer Andrew Morosky and Highway Superintendent Robert Dibble presented the Road Renewal Plan. Mr. Morosky explained that First Selectman Knickerbocker asked him to come up with a plan that would address our road repair needs now and for the future. Among the highlights of the plan would be to address the most critically needed roadwork. Bethel has approximately 83 miles of roads; typically, allocated funding each year only allows for a small portion of the roadways to be repaired. It was noted at our normal funding levels, we would never catch up on the repairs. Mr. Dibble explained the process of road construction and noted all the measures and materials they use to protect the work which helps make the road repairs/reconstruction last longer.

Webster Bank Financial Advisor, Barry Bernabe presented an overview of the town's debt service and bonding capabilities. He noted several things about bonding, the rating agencies like to see consistent and level bonding, the Town of Bethel has the ability to issue \$10,000,000 in the next four years and not impact current debt levels, our existing debt runs off about \$400,000 annually in the next couple of years, Bethel has a very, very

high bond rating and based on the rating criteria, does not have high debt. He offered that the historically low interest rate environment would be a benefit should the town wish to enter into the road renewal project. He noted further that if approved, the road renewal plan would not push the town's debt load above current levels, and would in fact allow it to continue to fall over time.

Finance Board members expressed concern over adding debt as it is not just the roads that need to be addressed but other projects as well, school renovations, police station, capital items, etc. Mr. Bernabe noted that proactive planning and a solid debt planning policy will enable us to maintain level debt; there will always be capital needs by a municipality, planning for debt is important.

The Board of Selectmen approved a motion to table action on the Road Renewal Plan.

Consideration of recommendation from the Board of Selectmen – Bond Anticipation Note Projects (\$535,200) + Consideration of recommendation from Board of Selectmen – funding of track lighting project (\$280,000):

Director Eileen Earle and First Selectman Knickerbocker reiterated the background on the lighting needs for the track project.

Board of Finance members discussed both items and agreed, at this time to put forth the recommendation to fund the Johnson School boilers at \$215,000 and the lights at \$280,000.

After discussion, J. Philip Gallagher made a motion, which was seconded by John Dietter, to fund the Track Lighting Project for the principal sum of \$280,000 via a lease/purchase agreement with Musco Finance and to fund the Johnson School boiler and appurtenances for \$215,000 funded by \$140,000 from the Capital Non-recurring account and \$75,000 from the Unreserved, Undesignated Fund Balance. Voting in favor of the motion: J. Philip Gallagher, John Dietter, William Kingston, William Slifkin and Timothy Draper. Voting against the motion: James Roden. Recused: Gary Regan Motion passed.

It was agreed, that since there are no prepayment penalties associated with the lease/purchase with Musco for the lighting, that there is plenty of time to determine the best way to finance this project, whether it be through Musco, capital account, budgets, etc. A \$500 deposit is required and the first payment is not due until the next budget year (2011-2012).

The Board of Selectmen established a Special Town Meeting date for these two items on Tuesday, June 15, 2010 at 7:00 p.m. in the Municipal Center.

As there was no further business on tonight's agenda, Timothy Draper made a motion, which was seconded by William Slifkin, to adjourn tonight's meeting at 9:12 p.m. Vote, all in favor, motion unanimously approved.

Respectfully submitted,

A handwritten signature in cursive script that reads "Wendy Smith". The signature is written in black ink and is positioned above the typed name.

Wendy Smith, Recording Secretary