



BOARD OF FINANCE

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

MINUTES OF SPECIAL MEETING

Tuesday, July 19, 2011
7:00 p.m.

CJH Municipal Center – Meeting Room “B”

RECEIVED

2011 JUL 25 P 3:44

TOWN OF BETHEL
TOWN CLERK

PRESENT: William Slifkin, Chairman, J. Philip Gallagher, John Dietter, James Roden, William Kingston, Gary Regan and Timothy Draper and Comptroller Robert Kozlowski.

Also in attendance for a portion of the meeting was the Board of Selectmen.

Call to order/pledge of allegiance: William Slifkin called the Special Meeting to order at 7:00 p.m.

Board of Selectmen request to fund Plumtrees pumping station

The Board of Selectmen had presented a recommendation to the Board of Finance to approve and forward the request to the Board of Finance for the Plumtrees's Pump Station contract award to Kovacs Construction Corporation in the amount of \$526,448. This is based on a recommendation from the Public Utilities Commission and the town engineer and utilities supervisor.

The Public Utilities Commission had determined that the 1964 pump station on Plumtrees Road is beyond repair and had approved recommending to the Board of Selectmen, a request for funding to replace the pump station. Town Engineer Andrew Morosky and Utilities Supervisor Kelly Curtis were in attendance at the meeting and discussed the history of the pump station and its maintenance.

Board of Finance member James Roden expressed concern over the water/sewer accounts owing money to the general fund and questioned who authorized this, how this transpired, etc.

As the Board of Selectmen needed to leave for their regular meeting, the Board of Finance members tabled the topic.

Board of Education – Year End Report

Larry Craybas, Chairman of the Board of Education, announced to the Board of Finance that they (the Board of Education) are prepared to transfer \$125,700.00 to the General Fund for moneys saved from 60% reimbursement from State of Connecticut. He explained that they had planned on turning over \$200,000.00, but encountered unforeseen costs of \$74,300.00 for Special Education Legal costs and School Boiler parts cost. More budget savings may be realized once encumbrances are finalized, but is speculation, right now.

Board of Finance member Tim Draper questioned whether \$125,000 could be applied to the recent bonding appropriation for \$280,000 Light expenditure”?

Comment – Board of Finance member J. Philip Gallagher mentioned the money would normally be added to the General Fund, which would have a greater and positive impact for the town. Would help to improve the town Bond Rating!

Comptroller report

Comptroller Robert Kozlowski Provided detailed Road Expenditures for current New Road Construction and stated the Road Tonnage usage is 100 tons less than the original estimate.

He also advised that Adnet Company performed an IT Audit review of the IT Department and suggested some upgrades, especially to the towns Server- Fire Wall Security.

He also reported on Paramedics Costs - A \$140,000 Budget is currently scheduled to cost the town somewhere in the vicinity of \$40,000.00 excess costs. Running in the red due to issues with lack of medicare paybacks to the budget. A meeting is pending to discuss the issues, recommendations, resolutions, etc.

He noted that the Transfer Station continues to operate in the red, despite Town Permit Fee increases. Some of the costs have been offset with this increase, but still in the red.

Review of General Find and Approval Process

Bob Kozlowski provided a clarification to the Board of Finance; that the General Fund is not a fund with strictly cash; it is made up of investments, IOU's (due from enterprise funds) and cash. Money is constantly being transferred to and from it. The Board of Finance is concerned that the General Fund is their responsibility in terms of how much money is being disbursed from it. Regardless of procedures that have been used for disbursements from the General Fund over the last 10 years, it is imperative that Bethel Board of Finance monitors and approves expenditures from the General Funds. Board of Finance member Jim Roden read excerpts from the State Statute and the Town Charter that clearly defines the Board of Finance responsibility for expenditures from the General Fund.

Board of Finance member Bill Slifkin requested from Bob Kozlowski to investigate the period of time that Bethel taxpayers have paid (Sewer/Water Fees) that are unfortunately insufficient to cover yearly rising operational costs. Rates were not increased sufficiently to offset rising costs, year to year. Shortfall costs were covered through disbursements from the General Fund. Comptroller Robert Kozlowski will attempt to provide this information and provide a scheduled cost schedule for the payback to the General Fund. The total shortfall is approximately, \$2,500,000.

A general discussion was prompted by various Board members over the concern for taxpayers having to absorb the "New Water Rates" over the next five years. A Public Utilities Commission Meeting is scheduled for July 20th for interested taxpayers to understand what the new rates will be and the overall cost to rate users.

Board of Finance member Jim Roden was concerned that the scheduled payback (sliding scale schedule) would not be sufficient based over a five year pay plan.

Board of Finance member Phil Gallagher made a motion and recommended that all future major interfund transfers to the General Fund, be approved at the end of the budget year, especially transfers that occur on an ongoing basis. James Roden seconded the motion. Vote, all in favor, motion unanimously approved.

Plumtrees Pumping Station – Modification/Renovation of Pump Station

Board of Finance resumed earlier subject proposal from the Board of Selectmen to approve funding of \$526,448.00 for Kovacs Construction Co. to build/renovate Plumtrees Pump Station.

William Slifkin made a motion, which was seconded by John Dietter, that the Board of Finance recommends and authorizes to the Board of Selectmen that a 5 yr Bond Anticipatory Note be established to pay for the project and that the pay back occur over a 5-year period by users of the utility. Vote, all in favor, motion unanimously approved.

William Slifkin made a motion, which was seconded by J. Philip Gallagher, to adjourn tonight's meeting at 8:45 p.m. Vote, all in favor, motion unanimously approved.

Respectfully submitted,

Gary Regan WES

Gary Regan, Board of Finance Secretary