

**BOARD OF FINANCE
REGULAR MONTHLY MEETING MINUTES
THURSDAY, JUNE 16, 2011**

Meeting called to order at 7:01 pm in the Court Room by Claude Pellegrino, Chairman. Members present: Glenn Cheney, Julie Lumpkins, and Karen Collins. Absent: Kate Tiffany and Wendy Schnip. Also present: First Selectman Catherine Osten, Treasurer Jeannette Deschamps

1. Public Comment

None.

2. Review and act on minutes of May 26, 2011 rescheduled monthly meeting

The following changes were made: On #4 – “J. Deschamps reported the project...”. On #7 – Added: “Discussion included that repayment of these bonds will be the sole responsibility of the Sprague Water & Sewer Authority. C. Osten to initiate a written agreement between the Town and Sprague W&S to indicate the intent of this agreement.” On #10 – Last sentence: “J. Lumpkins requested the financials...”

Motion made by J. Lumpkins, seconded by K. Collins, to approve amended minutes. Unanimously approved.

3. Monthly Tax Collector, Treasurer, and Town Expenditure reports

Reports were reviewed. The Board suggested clarification on Financial Statement by inserting space between “Miscellaneous Accounts” and “Funds Expected to be Rebated”.

4. Discuss and possibly act on an additional budget vs. actual analysis

C. Pellegrino suggested an additional two columns of analysis to the actual vs. budget report that will show a year-to-date budget and a percent of the current year’s actual revenue or expense to its year-to-date budget. The year-to-date budget will be computed by summing monthly budgets that are calculated by prorating the annual budget based on the prior year’s actual revenue or expenditure. In this way, the percent column will better represent both the regular cash flows and the irregular cash flows on a year-to-date and a year-over-year basis. To be looked into further and discussed at a later date.

5. Discuss and possibly act on an appropriation of \$1,800 from Southeastern Regional Action Council for Youth Drug & Alcohol Prevention

Motion made by K. Collins, seconded by J. Lumpkins, to approve an appropriation of \$1,800 from Southeastern Regional Action Council for Youth Drug & Alcohol Prevention. Unanimously approved.

6. Discuss and possibly act on recommending an appropriation of \$22,750 funded by a USDA grant for the Hanover Sewer Shed Evaluation project and contingent upon receiving said funds

Motion made by J. Lumpkins to recommend an appropriation of \$22,750 funded by a USDA grant for the Hanover Sewer Shed Evaluation project and contingent upon receiving said funds. Seconded by G. Cheney. Unanimously approved.

7. Discuss and possibly act on resolutions recommending bond and note authorizations to finance various appropriations included in the proposed fiscal year 2011-12 capital budget:

Board agreed to waive the reading of the following resolutions:

a. Fiscal Year 2011-12 Road Management Program

Motion made by G. Cheney to approve the following resolution as written. Seconded by K. Collins. Unanimously approved.

Item 7a:

WHEREAS, the Town's capital budget for the fiscal year ending June 30, 2012 includes appropriations in the aggregate amount of \$785,000 for costs related to various projects constituting the Fiscal Year 2011/12 Road Management Program; and

WHEREAS, it is in the best interest of the Town to authorize borrowing to defray such appropriations;

NOW, THEREFORE, RESOLVED, that the Board of Finance recommends that the Town of Sprague issue bonds or notes and temporary notes in an amount not to exceed \$785,000 to finance appropriations in the aggregate amount of \$785,000 included in the adopted budget for the fiscal year ending June 30, 2012 for costs related to various projects constituting the Fiscal Year 2011/12 Road Management Program, as follows: (a) pavement overlays to all or portions of School Hill Road, Whitehall Drive, Birchwood Terrace, Pautipaug Hill Road and other roads as deemed necessary by the First Selectman (\$600,000 appropriation), (b) pavement chip sealing to all or portions of Potash Hill Road, Parkwood Road and other roads as deemed necessary by the First Selectman (\$115,000 appropriation), (c) installation of ribbon guardrail to all or portions of Bay Street, Wendy Drive, Fullertown Road, Hanover-Versailles Road and other roads as deemed necessary by the First Selectman (\$20,000 appropriation), and (d) drainage improvements to all or portions of Potash Hill Road, Fullertown Road, Rose Street, Marion Street, Hanover-Versailles Road and Parkwood Road (\$50,000 appropriation). The appropriations may be spent for design and construction costs, equipment, materials, engineering fees, legal fees, related land or easement acquisitions, net interest on borrowings and other financing costs, and other expenses related to the project or its financing.

b. Improvements to various town buildings

Motion made by J. Lumpkins to approve the following resolution as written. Seconded by K. Collins. Unanimously approved.

Item 7b:

WHEREAS, the Town's capital budget for the fiscal year ending June 30, 2012 includes appropriations in the aggregate amount of \$153,000 for costs related to improvements to various Town buildings; and

WHEREAS, it is in the best interest of the Town to authorize borrowing to defray such appropriations;

NOW, THEREFORE, RESOLVED, that the Board of Finance recommends that the Town of Sprague issue bonds or notes and temporary notes in an amount not to exceed \$153,000 to finance appropriations in the aggregate amount of \$153,000 for costs related to improvements to various Town buildings, as follows: (a) upgrade bathrooms at Town Hall to ADA compliance (\$33,000 appropriation), (b) install CO2 (carbon dioxide) ventilation system and electrical upgrades at the Town Garage (\$100,000 appropriation), and (c) refurbishment of the windows, sills and columns, including painting, at the Grist Mill (\$20,000 appropriation). The appropriations may be spent for design, construction, acquisition and installation costs, equipment, materials, legal fees, net interest on borrowings and other financing costs, and other expenses related to the project or its financing.

c. Acquisition of equipment for use by Public Works Department

Motion made by K. Collins to approve the following resolution as written. Seconded by G. Cheney. Unanimously approved.

Item 7c:

WHEREAS, the Town's capital budget for the fiscal year ending June 30, 2012 includes appropriations in the aggregate amount of \$188,300 for costs related to the acquisition of equipment for use by the Public Works Department; and

WHEREAS, it is in the best interest of the Town to authorize borrowing to defray such appropriations;

NOW, THEREFORE, RESOLVED, that the Board of Finance recommends that the Town of Sprague issue bonds or notes and temporary notes in an amount not to exceed \$188,300 to finance appropriations in the aggregate amount of \$188,300 included in the adopted budget for the fiscal year ending June 30, 2012 for costs related to the acquisition of equipment for use by the Public Works Department, as follows: (a) acquisition of an all wheel drive dump truck (\$170,000 appropriation), (b) acquisition of a replacement payloader bucket (\$11,000 appropriation), and (c) acquisition of a replacement Ford L 8000 plow (\$7,300 appropriation). The appropriations may be spent for acquisition costs, related equipment, legal fees, net interest on borrowings and other financing costs, and other expenses related to the project or its financing.

d. Preparation of a water supply plan as required by the Department of Public Health

Motion made by J. Lumpkins to approve the following resolution as written. Seconded by K. Collins. Unanimously approved.

Item 7d:

WHEREAS, the Town's capital budget for the fiscal year ending June 30, 2012 includes an appropriation in the amount of \$50,000 for costs related to the preparation of a water supply plan as required by the Department of Public Health; and

WHEREAS, it is in the best interest of the Town to authorize borrowing to defray such appropriation;

NOW, THEREFORE, RESOLVED, that the Board of Finance recommends that the Town of Sprague issue bonds or notes and temporary notes in an amount not to exceed \$50,000 to finance an appropriation in the amount of \$50,000 included in the adopted budget for the fiscal year ending June 30, 2012 for costs related to the preparation of a water supply plan as required by the Department of Public Health. The appropriation may be spent for engineering and consultant fees, legal fees, net interest on borrowings and other financing costs, and other expenses related to the project or its financing.

e. Improvements to Baltic Fire Station

Motion made by J. Lumpkins to approve the following resolution as written. Seconded by G. Cheney. Unanimously approved.

Item 7e:

WHEREAS, the Town's capital budget for the fiscal year ending June 30, 2012 includes appropriations in the aggregate amount of \$80,000 for costs related to improvements to the Baltic Fire Station; and

WHEREAS, it is in the best interest of the Town to authorize borrowing to defray such appropriations;

NOW, THEREFORE, RESOLVED, that the Board of Finance recommends that the Town of Sprague issue bonds or notes and temporary notes in an amount not to exceed \$80,000 to finance appropriations in the aggregate amount of \$80,000 for costs related to improvements to the Baltic Fire Station, as follows: (a) roof repairs, gutter replacement, and repair or replace stucco siding (\$50,000 appropriation), and (b) replace boilers, painting, and redo tile floors (\$30,000 appropriation). The appropriation may be spent for design, construction, acquisition and installation costs, equipment, materials, legal fees, net interest on borrowings and other financing costs, and other expenses related to the project or its financing.

f. To Fund in part cost of ADA upgrades to Shetucket Village elderly complex

Motion made by G. Cheney to approve the following resolution as written. Seconded by J. Lumpkins. Unanimously approved.

Item 7f:

WHEREAS, the Town's capital budget for the fiscal year ending June 30, 2012 includes an appropriation in the amount of \$50,000 for a grant to the Sprague Housing Authority to be applied to fund in part costs of ADA upgrades to the Shetucket Village elderly complex; and

WHEREAS, it is in the best interest of the Town to authorize borrowing to defray such appropriation;

NOW, THEREFORE, RESOLVED, that the Board of Finance recommends that the Town of Sprague issue bonds or notes and temporary notes in an amount not to exceed \$50,000 to finance an appropriation in the amount of \$50,000 included in the adopted budget for the fiscal year ending June 30, 2012 for a grant to the Sprague Housing Authority to be applied to fund in part costs of ADA upgrades to the Shetucket Village elderly complex.

8. Discuss and possibly act on a resolution recommending an appropriation and bond and note authorization for costs related to the issuance of bonds and notes to finance the appropriations referred to in item 7

Motion made by G. Cheney to approve the following resolution as written. Seconded by J. Lumpkins. Unanimously approved.

The town meeting will be on June 28 at 7:00 pm at the Town Hall.

Item 8:

RESOLVED, that the Board of Finance recommends that the Town of Sprague appropriate \$35,000 for costs related to the issuance of bonds or notes and temporary notes to finance all or a portion of the aggregate \$1,306,300 appropriations included in the Town's capital budget for the fiscal year ending June 30, 2012 referred to in agenda items 7a through 7f, inclusive, above; and that the Town issue bonds or notes and temporary notes in an amount not to exceed \$5,500 to finance said appropriation. The appropriation may be spent for financial advisory fees, legal fees, net interest on borrowings and other financing costs and expenses related to the financing of all or a portion of said aggregate \$1,306,300 appropriations.

9. Discuss and possibly act on revenue changes to 2011-12 budget

By general acclamation, the Board agreed to make no changes to revenue estimates to 2011-12 budget.

10. Discuss and possibly act on setting the tax mill rate

The budget referendum was on June 14 and the budget passed.

Motion made by K. Collins, seconded by G. Cheney to set the tax mill rate to 25.75 for fiscal year 2011-12. Unanimously approved.

11. Discuss and possibly act on 2011-12 calendar

Board agreed to cancel the July and August regular monthly meetings. C. Osten would like to reserve the right to have BOF call a special meeting if needed. C. Pellegrino mentioned a special meeting might be called with the BOE possibly in August. K. Collins suggested changing the date of BOF's regularly monthly meetings. C. Pellegrino will send calendar to everyone.

12. First Selectman's Report

Work on Grist Mill to come in under budget. C. Osten discussed other projects that are ongoing.

13. Old Business Update

The 150th Anniversary finances were discussed. The Board will remind the 150th Committee to not exceed \$20,000 in gross expenditures in the current fiscal year or not to exceed \$40,000 for the entire project. Suggested to get receipts for all donated goods and services.

14. Public Comment

None.

15. Any other business proper to come before said meeting

C. Pellegrino suggested that over the summer board members should research the cost of providing municipal services and the metrics that can be used to apply them to the town.

16. Adjournment

Motion made by K. Collins, seconded by G. Cheney, to adjourn. So voted. Meeting adjourned at 8:35 pm.

Claude R. Pellegrino, Chairman