

BLOOMFIELD TOWN COUNCIL

FINANCE SUBCOMMITTEE

There was a regular meeting of the above referenced subcommittee held on Monday, May 19, 2014 at 5:30 p.m. in Conference Room #5, Bloomfield Town Hall, 800 Bloomfield Avenue, Bloomfield, CT.

Committee members present were: Councilor Hypolite, Deputy Mayor Gamble and Councilor Merritt

Absent were: Councilors DeLorenzo and Seldon

Also present were: William Hogan, Director of Finance, Philip K. Schenck, Jr., Town Manager, and India Rodgers, Clerk of Council

The meeting was called to order at 5:35 p.m.

Discussion regarding the impact of the Legislative Budget and School Construction Bill

Councilor Hypolite stated that the School Construction Bill was approved by the State Legislative body, which has assisted the town tremendously. This bill holds the town “harmless” in regards to enrollment figures.

A conservative estimate is approximately \$6M, which could significantly reduce the debt exposure. The town is not sure of the impact until the audit is complete.

Councilor Hypolite also stated that it is imperative to communicate to the Board of Education to submit all paperwork to the State as soon as possible.

Discussion on overall financial obligations (Debt Service, Fund Balance Credit Rating and OPEB Trust Fund)

Debt Service

The school renovation project totaled \$86M from \$92M initially approved and allocated. There is \$5M in pending bond anticipation notes due in November 2014.

The committee would also like to begin future discussions about long term capital needs of the town.

Fund Balance Credit Rating

The town's is in great financial standing with a fund balance currently at 18.5%.

OPEB Trust Fund

The town would like to create a trust fund, unlike pay as you go contributing on a yearly basis which could be unsustainable. The trust fund would have a positive impact and the town could invest at a higher rate. The

current actuary evaluation liability is approximately \$9M. The town will work with actuaries to develop a normal schedule.

Mr. William Hogan, Director of Finance is currently reviewing a trust fund model from ICMA for the OPEB liability.

The town contributes 1.55% - Police and 1.25% - Town employees.

New Business

Mr. Philip K. Schenck, Jr., Town Manager informed the committee about repairs needed at 25 Hubbard Street for a retaining wall. The homeowner has expressed safety concerns in accessing the house. Apparently, the retaining wall built in the 1930's has deteriorated. At 21 Hubbard Street, the adjacent wall on the property is also concern. However, this homeowner has access to the home from the driveway.

The estimated cost of repairs is \$125,000. These funds can be extracted from eight town departments and Town Council contingency in order to complete this project.

It was moved by Councilor Merritt, seconded by Deputy Mayor Gamble and voted unanimously to recommend to the full Town Council to approve a transfer of \$125,000, operating transfers out for the Hubbard Street Retaining Wall project.

Adjournment

It was moved by Councilor Merritt, seconded by Deputy Mayor Gamble and voted unanimously to adjourn the meeting at 6:00 p.m.