

BLOOMFIELD TOWN COUNCIL

FINANCE SUBCOMMITTEE

There was a regular meeting of the above referenced subcommittee held on Monday, **June 18, 2012 at 5:30 p.m.** in Conference Room #5, Bloomfield Town Hall, 800 Bloomfield Avenue, Bloomfield, CT.

Committee members present were: Deputy Mayor Hypolite, Councilors Rivers, Merritt and Washington

Also present were: Louie Chapman, Jr., Town Manager, William Hogan, Director of Finance and India Rodgers, Clerk of Council.

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

Discussion regarding Bonding and Debt Service Report

Mr. William Hogan, Director of Finance presented a preliminary report to provide an overview of current and future bond debt projections as well as the financial impact of the newly proposed Library Project.

The most substantial cause of the increase in debt is linked to the school renovation projects. Currently, the planned sale is estimated at \$7,000,000. With this proposed sale, the total bond issuance would be \$62,000,000.

There was an extensive discussion regarding the possibility that this amount could change significantly depending on final audits by the State Department of Education of eligibility costs and final project costs.

The enrollment projections presented by the Board of Education during the initial phase of the project were misconstrued to increase space capacity allotments. If the enrollment figures are reduced, the amount of the reimbursement will also be reduced; which will increase the town's share to cover the existing debt costs.

To note, enrollment figures were not to the State Department of Education since 2008.

The approximate local share reimbursement may be 33% after any ineligibles. More realistically, the local share may be 20%.

In addition, the Town's debt per capita exceeded the State wide average of \$2,187 in each of the last three years. The Town of Bloomfield is 1 of 18 communities with increased debt per capita.

The Council and Town Administration are definitely in favor of the library project, however the timing to place this project as a bond referendum in November, 2012 remains a deciding factor. The Council will need to explain to the taxpayer the actual taxation for this project.

If authorization for the Library Project were approved at referendum, bond financing would not occur until 18 months, Summer 2014. To minimize the associated debt service and spend down requirements with a tax exempt financing, 2 sales of \$6,250,000 would be sold.

To stabilize the library project, plans and specifications need to be completed, which are estimated to cost approximately \$800,000. There may be an opportunity to obtain grants to cover some costs.

Councilor Merritt has reservations about the proposed library expansion. He attributes the issues to the urgency of flooding and would like Town Administration to take a closer look in resolving this problem. Possible alternatives could focus on flood plains, restoration of Filley Pond, gas station clean-up, etc.

Mr. Louie Chapman, Jr., Town Manager stated that there is no funding available for additional studies or repairs to the existing library location.

Deputy Mayor Hypolite requested information from a contractor to determine what is needed to repair the library.

Councilor Rivers reiterated the need for a professional agency to look at plans for the library. Mr. Chapman will inquire about low cost measures to resolving the flood issues.

In order for a bond referendum package can be submitted for the November, 2012 election ballot, the deadline for documents to the Secretary of State is at the end of August, 2012. Then, a public hearing of bond ordinance will take place, as well as conference with the Bond Council.

Councilor Rivers and Washington agree to issue the bond referendum for November election. However, Deputy Mayor Hypolite expressed concerns about issuing the bond referendum, then waiting 2 or 3 years for construction.

The subcommittee members decided to delay action regarding the bond referendum for November, 2012 election ballot.

Discussion regarding Capitol Projects

Mr. Hogan and Mr. Chapman, Jr., will present a list of capital projects for committee review.

ADJOURNMENT

It was moved by Councilor Washington, seconded by Councilor Rivers and voted unanimously to adjourn the meeting at 7:55 p.m.