

BLOOMFIELD TOWN COUNCIL

FINANCE SUBCOMMITTEE

There was a SPECIAL meeting of the above referenced subcommittee held on Monday, August 31, 2015 a 5:30 p.m. in Conference Room #5, Bloomfield Town Hall, 800 Bloomfield Avenue, Bloomfield, CT.

Committee members present were: Councilors Hypolite, Seldon, Neuwirth, DeLorenzo, Merritt and Deputy Mayor Gamble

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

Guests: Roberta LaMonaca, Director of Library Services, Joseph Suggs

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

Update on Financials

Mr. William Hogan, Director of Finance presented updated financials stating that fiscal year 2014/2015 was a good year. The town collected approximately \$942,000 in property taxes to date. This is an increase of an estimate of \$570,000. Currently, the town has a 98.61% collection rate.

There will be a tax sale held on October 1, 2015. There are currently 10 properties listed for sale.

The Planning Department has collected \$630,000 in building permit fees thus far. This is a significant increase than original budget projections.

The deposited \$1,000,000 in the OPEB Trust, totaling \$3,017,000 in the fund at year end.

Mr. Hogan reported that Facilities have energy savings of \$150,000.

The Fund Balance as of June 30, 2015 is \$15,000,000, which is 17.9%.

Councilor DeLorenzo inquired about the status on the collection of taxes.

Councilor Neuwirth inquired about the fund balance compared to surrounding communities. It was noted that Bloomfield is slightly higher than other communities.

Councilor Merritt asked for a status update regarding the old J.P. Vincent School. This school site was sold to CREC for \$2,800,000, which was deposited into the Capital Non-Recurring Fund.

Debt Service Projections

Mr. Hogan also presented an outline of current and future debt service projections.

The debt service continues to decline each year and is currently projected at \$2,568 per capita (7.43% of net debt service to budget). The per capita average for the State of Connecticut is \$2,200.

There was a brief discussion regarding debt ratios of comparable towns in the Greater Hartford area. The town is approximately 8.27% to budget. Bloomfield continues to do well on the downward spiral with debt owed. At this time, it would be appropriate to begin review and evaluation of CIP projects.

There was a lengthy discussion regarding the possibility to examine several Capital Improvement projects to improve the town's infrastructure.

Councilor Merritt stated that the town debt per capita is acceptable given the current status regarding the school renovation project reimbursements.

Mayor Schulman expressed concerns regarding future projects relative to the grand list. Potential growth in the actual budget and only half of the taxes paid are from businesses. In addition, the tax burden on commercial/industrial, which can cause issues for businesses coming or leaving town.

Mayor Schulman also mentioned concerns about adequately funding pension obligations. He stated that he would like to review the priorities based on cost estimates. Base priorities and cost analysis of future and conservative approach with the grand list, including target dates for completion.

Deputy Mayor inquired about reimbursements from the State of Connecticut for the school renovation project. The Board of Education submitted their final report to the state for acceptable items and final approvals. These reimbursements would assist with the current debt service level.

Councilor DeLorenzo mentioned a bond referendum for the two major projects: Public Works garage and Prosser Library. There are no current updated financials on what to bond at this point.

Councilor Merritt suggested to disassemble each project and utilize the "pay as you go" approach.

Mr. Hogan expressed concerns for future decisions regarding new construction projects and the financial management to address unfunded pension liabilities and the OPEB Trust Fund.

Overall, the consensus of the committee was to examine and evaluate each CIP project and prioritize based on need and affordability. Some projects may need to be considered as a phased in approach. There was also an agreement NOT to increase the level of debt service at this time.

Status Update on CIP Projects

Mr. Philip K. Schenck, Jr., Town Manager presented the Council with a detailed memorandum regarding the status of current and future CIP projects.

There was a lengthy discussion regarding debt service projections compared to community needs. The committee agreed to expand the Request for Proposal (RFP) for a phased in approach.

Councilor Hypolite expressed concern about increasing debt for various projects and suggested to have a public forum for open discussion.

Councilor Neuwirth stated that the town will need to decide on the cost of debt versus the needs of the community.

Deputy Mayor Gamble stated that reimbursements from the State of Connecticut may be significant to the operating budget when received.

Mayor Schulman inquired about combining the Filley Park project and the Public Works garage to reduce debt service.

Councilor Merritt proposed that the town should set a debt service goal for \$2,226 per capita as the state average for FY 2016/2017 & FY 2017/2018. He also stated that the best case scenario is to bond all three major capital improvement projects: Library, Public Works garage and 330 Park Avenue.

Deputy Mayor Gamble is interested in more information regarding the phase in approach to begin construction. She also suggested to include a survey in the next town newsletter notifying the public.

Councilor Hypolite recommended to put a delay on RFP's until more detailed information is gathered. The details on the RFP should include an expanded phase in approach to include several estimates for all projects.

Mayor Schulman also requested from town administration an analysis of findings of the RFP. This analysis should include what can or cannot be completed with the "pay as you go" approach without increasing taxes.

Mr. Schenck, Jr. summarized the following:

- Debt service reduction to state average, no higher than the current rate.
- Continue with the RFP process, review RFP for gross pricing and incremental pricing to be funded in alternative methods.
- Once the RFP is completed, continue evaluation and review for all projects and how to incorporate within the capital budget.
- For projects that may need a bond referendum, establish a plan to inform and market to the public of the process for completion.

Discussion regarding Independent Audit

This process is ongoing without Council assistance, however the Finance Subcommittee would like to have some involvement with the process in selection.

New Business

There is a real estate developer interested in the rear vacant lot of the Bloomfield Board of Education located at 1133 Blue Hills Avenue. The town will review the policy on sale of excess town land and inquire the input of the Board on specific proposals and usage.

Committee members would like the auditors to discuss various options regarding pension liabilities at a future meeting of this subcommittee.

Adjournment

It was moved by Councilor Hypolite, seconded by Councilor Merritt and voted unanimously to adjourn the meeting 7:30 p.m.