

MINUTES OF THE REGULAR MONTHLY MEETING OF THE TOWN OF FAIRFIELD  
October 27, 2014

The Regular Monthly Meeting of the Town of Fairfield was held on Monday, October 27, 2014 at 8 PM at the Education Center, 501 Kings Hwy East, Fairfield.

The meeting was called to order at 8 PM by Moderator Mary McCullough.

PRESENT: 43                      ABSENT: 7                      VACANCY: 0

PRESENT: Donovan, Herley, Lipp, Meyer, Sundman, Ambrose, Burshtein, Steele, Bateson, Devlin, Ference, Mackenzie, McCullough, Dean, Gerber, Palmer, Waldron, Garskof, O'Brien, Way, Gottlieb, Marks, Marmion, Wolk, Zezima, Hochberg, Hoffkins, Newman, Pires, Schwartz, Braun, Durrell, Li, McCarthy, Melaragno, Iacono, Jacob, Pontrelli, Tymniak, Farnen, Neuberger, Perugini, Ryan

ABSENT: Schindler, Varian, DeMartino, Semmel, Smey, McArdle, Cafferelli

**ITEM 1 ON CALL:** PLEDGE OF ALLEGIANCE & MOMENT OF SILENCE

Moderator McCullough asked the Body to remember Glenn Barnhard, past member of the Historic District Commission and Kiwanis member who passed away suddenly.

**ITEM 2 ON CALL:** APPROVAL OF MINUTES OF THE SEPTEMBER 22<sup>ND</sup> MEETING

The minutes were unanimously approved as presented.

**ITEM 3 ON CALL:** CHANGES TO ARTICLE XIV PENSION PROGRAM OF THE TOWN OF FAIRFIELD PENSION PLAN PROVISIONS IN THE FAIRFIELD CUSTODIANS-MAINTENANCE LABOR AGREEMENT NEGOTIATED BY AND BETWEEN THE TOWN OF FAIRFIELD AND FAIRFIELD BOARD OF EDUCATION/FAIRFIELD CUSTODIANS-MAINTENANCE

Hal Schwartz, District 7 moved this item as distributed with the Call, duly seconded.

**VOTE:** The resolution to approve the changes to Article XIV Pension Program for the BOE Custodians/Maintenance was approved with 39 in favor and 4 opposed (Donovan, Meyer, Hoffkins, Jacob).

**ITEM 4 ON CALL:** PRESENTATION FROM THE DIRECTOR OF PUBLIC WORKS ON THE DPW CAPITAL REPLACEMENT POLICY.

DPW Director Joe Michelangelo presented his report of vehicles over \$100,000. He explained that the optimum projected lifecycle for this equipment is 12-15 years. It does not necessarily mean it becomes obsolete, but it does become less reliable and subject to more costly repairs. Currently there are 20 vehicles within the optimal vehicle useful life including the 7 that were approved in the FY15 budget.

Sheila Marmion, District 6 asked if street sweeping would be contracted out as they are in the plan for replacement. Mr. Michelangelo replied that a sweeper could be rented or contracted out, but if it is removed from the capital plan it would impact the operating budget.

John Donovan, District 1 asked the average age of the assets to which Mr. Michelangelo said these were about 11 years old, but there is an entire fleet under \$100,000 as well.

Pete Ambrose, District 2 asked about leasing vehicles. Mr. Michelangelo replied that towns do not lease “off the lot” but Redding leases and finances a vehicle over 5 years.

Tom McCarthy, District 8 asked if the costs could be “smoothed out” over a few years so it’s not front loaded. Mr. Michelangelo said there is some flexibility and we can see how spreading the costs out would effect the budget.

Allen Marks, District 5 asked if Town vehicles are used for paving. Mr. Michelangelo explained large linear amounts of asphalt are hauled in. The Town does the smaller patch jobs. Mr. Marks asked what type of construction would require these types of vehicles. Mr. Michelangelo said they do curbs, street sub-base, parks, and athletic fields.

Ed Bateson, District 3 asked if funding would be in the capital or operating budget next year to which Mr. Michelangelo said he did not know. First Selectman Tetreau said it would be reviewed for both the operating and capital non-recurring budgets and perhaps split out.

Mr. Bateson said he would prefer to see it in the operating budget. Mr. Tetreau agreed, but cautioned it would depend on the “front end” of the funding particularly now that paving is in the operating budget.

Jay Lipp, District 1 asked what other towns do. Mr. Michelangelo said all towns face the same struggles, but the standard lifecycle for these types of equipment is 12-15 years. Maintenance costs can be 75% of the value of the truck considering transmissions, tires, etc. can be replaced.

Mr. Lipp asked about surplus equipment or alternative fuel vehicles. Mr. Michelangelo noted that we have the largest fleet of natural gas vehicles. Mr. Lipp asked if there was a way to consolidate the pool of manufacturers to reduce our training and maintenance costs. Mr. Michelangelo said they go out to bid on these items so it would not be feasible.

Michael Herley, District 1 asked how long it takes for the equipment to be delivered once the order is placed. Mr. Michelangelo estimated 6 months as the majority are custom made. Mr. Herley asked when this FY’s order will arrive to which Mr. Michelangelo replied by the end of the calendar year.

Bill Gerber, District 4 questioned spending over 50% of the vehicle value in maintenance costs. Mr. Michelangelo said the majority of expenses are under warranty the first few years. The fleet manager keeps excellent records as to what the maintenance costs are. Mr. Gerber suggested having those records available when the budget request is considered.

Gaylord Meyer, District 1 requested a costs analysis on leasing the street sweepers. She would prefer to have the vehicle costs in the operating budget rather than bonding them.

Ellen Jacob, District 9 agreed with the earlier comments that the costs should be “smoothed out” rather than front ending the costs.

**ITEM 5 ON CALL:** TO HEAR A REPORT FROM THE BOARD OF FINANCE FUND BALANCE POLICY SUBCOMMITTEE CHAIRMAN.

BOF Chair Tom Flynn explained over the last few years the BOF has address five key areas: full funding of the pension, funding the ARC for OPEB, established a capital policy, address the internal service fund

funding and ending the practice of using general fund surplus to offset tax increases. The fund balance policy would be voted on by the BOF at the November meeting and will have budget implications next year.

Jim Walsh, Chair of the FBC explained that the ratings agencies require a policy and deduct points if there is none in place. He referred to the chart showing the state median and state AAA median percentages of fund balance and noted that Fairfield is the lowest among them based on the information from OPM for FY12.

He reported that the FBC consists of himself, Mary LeClerc and Catherine Albin. After numerous meetings, review of credit agency requirements, review of numerous fund balance policies from other communities, review of fund balance levels for Towns and Cities throughout Connecticut and the current level of fund balance for the Town, the FBC unanimously voted recommendations to the full Board of Finance. It should be noted that the FBC did not write a formal policy yet as it wanted the full input of the Board of Finance and a vote on the parameters of such a policy before drafting a formal policy to be adopted as a Resolution by the Board of Finance. The recommendations are:

1. The Unassigned Fund Balance (Fund Balance) of the Town of Fairfield should be within a range of 8% (Floor) and 11% (Ceiling). The BOF has already recommended changing this to 7.25% so we would be in compliance with the policy at adoption based upon the unaudited results of FY14.
2. Since the Town has not achieved this minimum Floor level of Fund Balance, a time frame should be established to achieve it by the Board of Finance that is reasonable to the taxpayer. The process to achieve our goal of should be a two-step process:
  - a. First, the Board should establish a time frame to hit the minimum floor and make annual contributions over that time frame to hit that target; and,
  - b. Second, the Fund Balance should have a percentage increase in it every year based on percentage increase in the expenditure budget in order for it to be maintained on a yearly basis.
3. In the event the fund balance is greater than eleven percent (11%) at the end of any fiscal year, the excess may be used in one or a combination of the following ways as recommended by the Board of Selectman, but approved by the Board of Finance in their sole discretion:
  - a. Transfer such excess to the Debt Service Fund for future debt payments.
  - b. Transfer such excess to the Capital or Nonrecurring Fund for future capital projects.
  - c. Use directly to reduce the tax rate in the subsequent year provided that care is taken to avoid a major fluctuation in the tax rate in succeeding years.
4. The Fund Balance should be monitored by the Board of Finance in the following ways:
  - a. If the Fund Balance goes below the proposed floor of 8%, the Board of Finance needs to be advised of this fact at its next scheduled meeting;
  - b. The Board of Finance will receive a report on the Fund Balance yearly at its Fourth Quarter Review Meeting; and
  - c. Every three years the FBC will re-convene in order to determine whether our Fund Balance Policy needs to be updated.

An "escape clause" will be added that in case of emergency fund balance could be utilized.

Hal Schwartz, District 7 asked if we start out at 7.25% and want to get it to 7.5% we would be adding to the tax increase. Mr. Walsh said if the expenditure increase is 2% then the increase to fund balance would be 2%.

John Donovan, District 1 noted that the statewide median is 10.34 and the median among AAA rated municipalities is 10.33 driving down the average is it related to population or other factors. Mr. Flynn explained our pension and OPEB funding gives us a lot of credit from the rating agencies. Mr. Walsh said some towns have 12% surplus but only fund 45% of the pension obligation.

Mr. Donovan questioned whether the escape clause should enumerate what the fund balance may be used for in an emergency. Mr. Flynn said they would prefer not to in case something was omitted.

Kevin Hoffkins, District 7 asked if we presume 7.25% how long would it be before the percentage increases to 8%. Mr. Walsh explained that if there is no surplus then \$300,000 would have to be put in the budget with 2.5% of the total tax increase.

Josh Garskof, District 5 said there is a potential for \$300,000 plus matching tax increase in a given year. If a cut is made from 5% to 4% we would cut the portion to match the target.

Mr. Walsh said if there were 2.5% increase in expenditures for the next 5 years it would be \$535,000 if the excess is \$300,000. By the third year you are at \$600,000. We will track where this is over the next two years.

Bill Gerber, District 4 asked if there is an investment policy for the surplus. Mr. Flynn explained there is an investment committee that meets with the CFO to discuss where it is invested, but it is invested at the CFO's discretion.

Michael Herley, District 1 asked if the 8-11% range is recommended by Moody's. Mr. Walsh said it is based on the policies used throughout CT. It could be returned to the taxpayer by reducing debt or capital expenses or to avoid a major fluctuation in the tax rate. Mr. Herley stated that the rating agencies won't recommend the funding level which Mr. Flynn confirmed.

First Selectman Tetreau explained that they meet with the rating agencies prior to going to the bond market. They will not give outright recommendations. Since 2005 there has been an effort to increase the fund balance up from 3% and he put a supplemental contribution in the operating budget for this purpose.

Ed Bateson, District 3 said it is frustrating that we put money aside for an emergency but would be penalized if we use it. He suggested amortization language in the escape clause. Mr. Walsh confirmed that the clause will state the BOF has a plan to replenish the fund over a period of time.

Jay Wolk, District 6 said since this is a reserve account and we will have a policy in place we should not worry about the consequences of taking money out in an emergency.

Pete Ambrose, District 2 asked how many of the 17 AAA towns have written policies. Mr. Walsh said  $\frac{3}{4}$  of the towns said they have a policy. Mr. Ambrose asked when the policy will go into effect. Mr. Walsh said the BOF plans to vote at its next meeting.

Julie Gottlieb, District 6 asked if there's a small withdrawal is there a floor/ceiling. Mr. Flynn said the main goal is not to touch these funds, but it would depend on the facts at that time.

Ellen Jacob, District 9 asked if there is an investment risk to this fund. Mr. Flynn said the investment committee is only advisory; the specific investment is under the purview of the CFO and first selectman. As with any investment there is risk. Mr. Tetreau stated that they would not want to risk losing principal.

Kathy Braun, District 8 questioned the \$300,000 "kicker". Mr. Walsh said it is a model – whatever the budgetary increase is 1.5% tax increase plus 1.5% increase in the funding.

**ITEM 6 ON CALL:** APPOINTMENT OF JOHN J. COMERFORD (R) (ALTERNATE), TERM JULY 2013 – 2016 (TO FILL VACANCY CREATED BY THE RESIGNATION OF SOL BRIKS) STEPHEN PITANIELLO (U), TERM JULY 2012-2015 (TO FILL VACANCY CREATED BY THE RESIGNATION OF NICHOLAS F. CARUSO) TO THE TOWN FACILITIES COMMISSION

Pamela Iacono, District 9 moved this item as distributed with the Call, duly seconded.

Messrs. Comerford and Pitaniello were present.

Tom McCarthy, District 8 asked Mr. Pitaniello to introduce himself to the Body. Mr. Pitaniello explained that he has been a resident for 16 years and felt it was time to give back to the town. He is a registered professional engineer with over 25 years' experience in construction management and engineering design.

**VOTE:** The resolution to appoint Messrs. Comerford and Pitaniello to the Town Facilities Commission was approved by unanimous voice vote. (Rep. O'Brien was not present to vote).

**ITEM 7 ON CALL:** To hear, consider and act upon the following resolution as recommended by the Board of Finance: "RESOLVED, that First Selectman Michael C. Tetreau be, and hereby is, authorized to approve the Connecticut Department of Transportation's proposal to accept and combine the LOTCIP (Local Transportation Capital Improvement Program) with existing TAP (Transportation Alternatives Program) grant; and FURTHER RESOLVED, that the First Selectman is authorized to sign any agreements between the Town of Fairfield and the State of Connecticut related to the LOTCIP Grant associated with the extension of the current Kings Highway Pedestrian Improvements project, utilizing Federal and State funding."

Josh Garskof, District 5 moved this item as distributed with the call, duly seconded.

**AMENDMENT:** Hal Schwartz moved to amend the resolution by adding the following paragraph to coincide with the language approved by the Board of Finance: "FURTHER RESOLVED, the amount of the new grant to the Town, \$800,000 provided in the Connecticut Department of Transportation proposal, is hereby appropriated to fund the project described herein," duly seconded.

**VOTE:** The motion to add the third paragraph to the resolution was approved with 40 in favor, 0 opposed and 2 abstentions (Braun, Jacob). (Rep. O'Brien was not present to vote).

Chris Tymniak, District 9 asked if this money was available at the time of the application. Bill Hurley, Town Engineer said it was a competitive grant, but they were not told until after the fact that it was approved.

Mr. Tymniak asked if the project scope changed. Mr. Hurley indicated you could probably put in sidewalks from Chamber Street to the Bridgeport line. The TAP grant was competitive; we received \$1 million then the \$800,000.

Mr. Tymniak asked if a sidewalk project was always contemplated or if paving was considered. Mr. Hurley said this was specifically for safety or pedestrian improvements. The guidelines were specific that they did not want solely paving projects. Mr. Tymniak asked if there are any other grants available to which Mr. Hurley replied that they are always looking for grants and working on proposals to have ready for them.

**MOTION:** Peter Ambrose moved to waive reading of the item, duly seconded.

**VOTE:** Motion to waive reading of the item was approved with 40 in favor, 0 opposed and 2 abstentions (Braun, Jacob). (Rep. O'Brien was not present to vote).

**VOTE:** Motion to approve the resolution to accept and combine the LOTCIP and TAP grants was approved with 40 in favor, 0 opposed and 2 abstentions (Braun, Jacob). (Rep. O'Brien was not present to vote).

**ITEM 8 ON CALL:** Consideration of Fair TV ordinance

Sheila Marmion and Kathy Braun reported that they have made good progress on the language incorporating recommendations from the Town Attorney, etc. The proposed language will be referred back to L&A.

**ITEM 9 ON CALL:** Referral of Alternate Side of the Street Parking Restriction Ordinance to L&A

This item was held in L&A.

**ITEM 10 ON CALL:** Referral of Redistricting Ordinance to L&A

Pamela Iacono reported that L&A unanimously voted this item out of committee and will appear on the Call next month.

There being no further business, and upon motion made and duly seconded, the meeting adjourned at 10:10 PM.

Respectfully submitted,

Elizabeth P. Browne, CMC, MCTC  
Town Clerk