

September 19, 2011

The following minutes of the Board of Finance are submitted subject to approval at the next Board of Finance meeting.

Chairman Michael Jackson called the meeting to order at 5:00 p.m.

Present:

Members: Michael Jackson, Jack Boyer, Barbara Brown, Gary Fitzherbert, Craig Schoon, Rex Swain

Alternates: Liddy Adams, A. J. DuBois, Keith Templeton

Selectmen: Mark Lyon

Treasurer: Linda McGarr

Guests: Ted Bent

Chairman Michael Jackson called the meeting to order at 5:00 p.m. Minutes of the 6/20/2011, the Tax Collector's Report and the Treasurer's Report were accepted as submitted. 98.54% of the previous fiscal year's taxes had been collected. The Board discussed the various types of investments with Treasurer Linda McGarr, who will investigate further.

Education:

Mark Lyon reported the Board of Education will begin its long-term planning at a meeting scheduled for September 29th. The Board noted the importance of having a committee consisting of members that do not have a preconceived personal agenda or solution, who will keep an open mind to all solutions, and who will determine the best way to provide a good education at a cost that the towns can absorb. Mark and Gary Fitzherbert will be involved.

Financials:

General Fund Income and Expense line items were reviewed and are on track. With regard to the change of Probate to Southbury, once more experience is available, an assessment will be made by Southbury regarding the probate expenses at the end of the fiscal year. With regard to the pension fund, Rex, Barbara and Craig of the Pension Committee reported pension investments are evaluated quarterly with the investors. The Town's investment policy guidelines restrict the investors and there is not a lot of flex as they are operating under specific guidelines and do not manage to markets. The Committee is comfortable with our current investors. They noted their object is to lower the Town's annual pension fund donation or lower the plan benefits so that it is less generous. The annual deposit will be made next week.

New Business:

First Selectman Lyon reported there are two additional items the Board of Selectmen will address for consideration at the October town meeting:

#1. To approve an expense not to exceed \$35,625 towards the purchase and installation of a photovoltaic generation array to offset approximately 45% of the municipal electricity expense generated at the Arrow Point location. All expense will be offset by revenue received from a grant of \$35,625 recently awarded to the Town through a State-approved ARRA Municipal Energy Efficiency and Conservation Block

Grant (EECBG).

The Towns of Warren and Washington have been collaborating to provide power for a water pumping station to aerate Lake Waramaug during warm weather months. We have been awarded a municipal EECBG grant to purchase and install a photovoltaic generation array to provide power for the water pumping station. The solar power will supplement electric usage during the summer months and create credits during the winter.

It became apparent after working with the vendor and a wetlands engineer that developing the Arrow Point Road site would be cost prohibitive and would require extensive clearing of mature trees, thus adversely impacting the wetlands and shore line of the Lake which would also increase the costs of installation dramatically. Working with CL&P to find a suitable solution to credit the generation to the pumping station usage while allowing the array to be installed in an economically feasible and ecologically friendly location, the two towns have worked through several net metering scenarios and have found an equitable solution to the issues that have arisen. The Town of Washington has requested that our EECBG be used to purchase and install the array at the Town of Warren Highway Garage located on Route 341 in Warren. This installation would serve the intent of the original Grant by providing solar generation of 5,674 kwh of electricity per year for the Lake Waramaug aeration facility; and in conjunction with the Town of Warren, EECBG will offset approximately 45% of the municipal electricity expense at the Arrow Point location.

Michael Jackson requested financial information on the company. As a matter of products we should know whatever we can about them.

#2. To approve an expenditure from the Nonrecurring Capital Fund not to exceed \$589,000 for the repair/replacement of capital projects, including roadways, waterways, bridges, and other municipal improvements, etc. required due to their destruction resulting from the recent hurricane. It is anticipated up to 75% of these funds would be reimbursed to the Town through the Federal Emergency Management Agency (FEMA). Any reimbursements would be returned to the Nonrecurring Capital Fund upon receipt.

Mark reported that because a disaster has been declared, the Town may be eligible for 75% of the cost of repairs for replacement “in kind.” Currently, the total estimated costs are \$589,000 to replace the infrastructure that has been destroyed, as well as to cover labor costs. The Town has been working with FEMA, who will pay for costs to replace “in kind.” Mark noted, however, in some instances it may not be in the Town’s best interest to replace a culvert with one of like size if it has proven to be too small. An engineer may be hired to size culverts properly. While some costs of the newer infrastructure could exceed replacement costs of the current infrastructure, in the end it would be in the better interest of the Town to install the correct-sized culverts, for example. An initial request has been submitted and FEMA, who will send a representative to assist with the many claims.

Between the town and private individuals there have been various surveys of the damage done, and there will be more. A culvert bridge is the only thing that is not included under FEMA guidelines. i.e. Shinar Mountain Road bridge is a culvert bridge and in need of repair; however, funds for this had been included in a previous budget for repairs. Mark noted we may recoup some but not all expenses. It will be a long process because much of it is going to be for reimbursement. The Capital and Town Aid Road funds will be used at an estimated expenses of \$200,000.

Legal Litigation Fund:

Since it’s inception in July of 2009, approximately \$52,000 of \$60,000 budgeted has been paid from the Legal Litigation Fund for suits brought against the Land Use Commissions, in particular regarding

Wykeham Rise applications. This Fund is used only costs resulting from litigation brought against the Town. The General Fund budget includes funds for general legal advice which may be sought by the commissions for general land use questions, as well as education in these areas.

The Finance Board noted their concern. It was suggested it may be less costly and more beneficial to have a land use attorney in attendance at all Land Use meetings. It was also suggested that perhaps a stipulation could be made that the party who loses the lawsuit would be liable to pay all expenses incurred.

The meeting was adjourned at 5:50 p.m.

Respectfully submitted,
Kathy Gollow
Finance Secretary