

TOWN OF PUTNAM

BOARD OF FINANCE MEETING MINUTES

FEBRUARY 23, 2015

TOPIC	DISCUSSION	ACTION/ RESOLUTION
<p>PRESENT:</p> <p>ABSENT:</p>	<p>Chairman Nash, Vice Chairman Noel-Johnson, Member Garceau, Alternates Duffy & Marion</p> <p>Members Caswell – excused Deary, Alternates Duffy & Smith, Jr. Finance Director Savoie</p>	
<p>1. CALL TO ORDER</p>	<p>Meeting called to order at 7:00 P.M. by Nash</p>	
<p>2. PUBLIC PARTICIPATION – 3 Minute time limit per person</p>	<p>None</p>	
	<p><i>Member Garceau made a motion to seat Alternate Duffy as a voting member. Vice Chairman Noel-Johnson seconded the motion, which passed unanimously.</i></p>	
<p>3. APPROVAL OF MINUTES</p>	<p>A. <u>February 3, 2015 Board of Finance Meeting Minutes:</u></p> <p><i>Member Garceau made a motion to accept the minutes as presented. Vice Chairman Noel-Johnson seconded the motion, which passed unanimously.</i></p>	
<p>4. CORRESPONDENCE</p>	<p>A. <u>Quarterly Financial Reports for the Board of Education:</u></p> <p>Not a reporting month</p>	
	<p>B. <u>Quarterly Financial Reports for the General Government:</u></p> <p>Not a reporting month</p>	
<p>5. FINANCE DIRECTOR REPORT</p>	<p>A. <u>Finance Director Report</u></p>	

			Nothing to report	
6.	UNFINISHED BUSINESS	A.	<p><u>Water Pipe Relining & Restoration Project Update:</u></p> <p>Town Administrator Cutler provided a report (See attachment “A”) updating each project. He will send this out in advance of the Board of Finance meetings so that the members have time to review the report prior to the meeting.</p> <p>Town Administrator Cutler also advised the Board that the Putnam Ash Landfill took in 582 tons of ash making this the best year on record since its inception</p>	
		B.	<p><u>Technology Park Update:</u></p> <p>See notes above</p>	
		C.	<p><u>Needs Assessment Update:</u></p> <p>Town Administrator Cutler We know what the needs are; we have given additional overtime to staff and the other thing we have done is to bring in Mahoney and Sabol to reconcile the current fiscal year. They will do the reconciliation and town staff will do the posting to ensure an arm’s length since they are our auditors. We have also engaged the help of Paula Lajeunesse to help close last year</p> <p>Chairman Nash Mahoney and Sabol is charging us how much</p> <p>Town Administrator Cutler \$15,000</p> <p>Chairman Nash They make regular visits to Putnam</p> <p>Town Administrator Cutler Yes. They also have access to AccuFund over the</p>	

		<p>internet from their home office. We have put Eileen back on Accounts Receivables; we have two individuals in the WPCA we have had discussions with them to do some cross training with Caroline so we won't skip a beat when she is out on vacation etc.</p>	
		<p>D. <u>Putnam Facilities Study Group:</u> Advised Board of the grants that Delpha has secured as well as the tour of the mill</p>	
<p>7.</p>	<p>NEW BUSINESS</p>	<p>A. <u>Audit Report:</u> Town Administrator Cutler Financial Statement is complete, municipal solid waste post closure, management discussion and analysis, should be completed by the end of the week See attachment "B" We are 1.2% beyond the 15% that you wanted us to keep in reserve. The Ash Landfill account has \$5.1 million dollars, we have outstanding loans to pay back to the Ash Landfill as we used the money to fund the 5-Year Capital Improvement Plan Chairman Nash When is the budget going to be ready for us to look over Town Administrator Cutler During your March meeting Chairman Nash Have the budgets gone through the town process Town Administrator Cutler Being collated now and the Mayor and I are meeting with Department Heads on their budgets Chairman Nash</p>	

		<p>How are we doing so far</p> <p>Town Administrator Cutler The mayor's depart is up</p> <p>Member Garceau Where is the Highway Department for this year, other towns already know how much they are in the red</p> <p>Town Administrator Cutler He will be short in salt and overtime</p> <p>Member Garceau Are we there now, do we know how much? I would like someone to tell us and to get that information to the board when its known</p> <p>Town Administrator Cutler This is just a snapshot in time as we are still in winter</p> <p>Chairman Nash Article in Bulletin regarding the Grand List and a drop in value of things, business stayed the same was that your article</p> <p>Town Administrator Cutler That story based on the Board of Selectmen presentation of the 2014 Grand List. We are down \$400,000 if we kept the mil rate the same. On the upside, the Interstate Reliability Project, when complete will be a nice bump. Eversource is doing major equipment upgrades that will come on line which should bring in an additional \$3,000,000-\$5,000,000 in tax revenue</p>	
	<p>B.</p>	<p><u>Economic Development Trust Fund:</u></p> <p>Economic & Community Development Director Very I asked to be on the agenda this evening to let you know that I will be approaching both the Boards of Selectmen and Finance in March to request \$200,000 from the sale of lot 19 in order to market the Technology Park. Working with our economic resource, we can make some headway. Increased</p>	

		<p>conference line item to assist in marketing and also have another potential client for our industrial park here</p> <p>Chairman Nash Send in a plan for the money</p> <p>Economic & Community Development Director Very Marketing sure, but that fund (Economic Development Trust Fund) is to market the property</p> <p>Town Administrator Cutler Delpha needs a well of money to pull from. The farmers' market needs a well</p> <p>Economic & Community Development Director Very It is too cost prohibitive to hook up to the Water and Sewer Line</p> <p>Member Garceau Check with the state to see if you can put in a well</p> <p>Mayor Falzarano You have to be further away than 200 feet away from a tie in point. The closest one is on Arch Street</p>	
		<p>C. <u>Other Business to Come Before Such Meeting:</u></p> <p>Town Administrator Cutler We are going to be in negotiations with NOW for the repair of the armory. NOW is a 501(c)3 and they currently provide sports scholarships for kids, nutrition information, etc. They approached the town with the WPTP, NECCON, and Little League to discuss the potential future use of the armory. We would like to move Recreation, Veterans, and Registrars. What used to be the gymnasium could be used for senior citizen activities. They are looking at getting kids in there now. Give them a place to stay active year round. This is a good marriage of various parties, serves our needs, lessen the burden on the town, as a good portion of the cost will be picked up by these other organizations for renovations and maintenance going forward. They are dedicating their fund raising</p>	

		<p>efforts to support the Armory.</p> <p>The Putnam Facilities Study Group also looked at the Sabin Street property. They believe that between the timber and gravel an Athletic Complex could be self-funded. We should be going out to bid on the Sabin Street gravel</p> <p>Mayor Falzarano NOW is willing to raise in excess of \$100,000 It will be under the umbrella of the town. Just had an appreciation dinner, they wined and dined potential donors</p> <p>Alternate Marion What is the background of NOW's president, Keith</p> <p>Economic & Community Development Director Very I believe he taught at Marianapolis, then took over his father's business and is now a Professor at Eastern</p> <p>Alternate Duffy What is their mission statement</p> <p>Economic & Community Development Director Very NOW is dedicated to insuring each child's access to fitness, nutrition, and athletics. They provide scholarships for many of the children in the area to play recreational sports</p> <p style="text-align: center;">Much discussion ensued</p> <p>Vice Chairman Noel-Johnson So they have been doing this for a while</p> <p>Mayor Falzarano They gave a great presentation to the Board of Selectmen</p> <p>Economic & Community Development Director Very This is also for the region, not just Putnam</p>	
8.	PUBLIC PARTICIPATION – 3	None	

	Minute time limit per person		
9.	ADJOURNMENT	<i>Alternate Duffy made a motion to adjourn the Board of Finance meeting at 7:52PM. Member Garceau seconded the motion, which passed unanimously.</i>	

Respectfully submitted,

Denise S. Roireau, Secretary
Board of Finance

**Report to Board of Finance
Project Updates**

Quinebaug Regional Technology Park Bridge, Road and Utilities Construction

- Bridge Bid awarded to Tully Construction for \$4.8 million. Construction has begun and project is shut down for winter
- West Road with utilities bid awarded to Gerber Construction for \$900,000. Construction will begin in spring
- Sewer Lift Station bid should go out within 30 days.
- Water line installation is covered under BETA's Contract 2 through the WPCA's water line replacement project. Bids have not gone out but, construction should begin this spring.
- Activities are being coordinated with construction of Regional YMCA community center to insure that utilities are in place by the time required by the Y.

Water Line Replacement/Relining Project

- Contract 1 has been awarded for \$2.9 million to Albanese D&S, Inc. Construction will begin this spring. Contract will primarily cover cleaning and cement lining of existing water mains in Groveland/Thompson Avenue/Bates Avenue area and Wilkinson/Bellevue/Prospect/Oak Streets area.
- Contract 2 covering 40,000 linear feet will go out to bid in March. Work is expected to begin late spring/early summer

Sewer Lift Stations

- Bid has been awarded to Associated Construction in the amount of \$2.9 million for rehabilitation/reconstruction of town's ten sewer lift stations. Spring contract start date.

Manganese/Iron Treatment Building

- Request for Qualifications are advertised and due back on March 5.

Putnam High School Project

- All the building construction trades have been awarded and the Guaranteed Maximum Price totals \$26,068,599 construction costs; construction manager reimbursables \$1,738,862; contingency \$1,112,298; and construction manager fees, bonds, insurance etc. \$500,872. GMP total is \$30,039,431 and with owner costs is within the town's appropriation.

**TOWN OF PUTNAM, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED**

The management of the Town of Putnam, Connecticut (the "Town"), offers the readers of its financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2014.

FINANCIAL HIGHLIGHTS

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$53.7 million (net position). Of this amount, \$12.1 million represents the Town's portion of net position that is unrestricted. This amount consists of \$7.0 million that is attributable to the Town's governmental activities and \$5.1 million that is attributable to the Town's water and sewer activities (business-type activities).
- The Town's changes in net position for the year ended June 30, 2014 amounted to \$2.9 million, which consisted of a increase of \$993 thousand relating to the Town's governmental activities and an increase of \$1.9 million relating to the Town's business-type activities.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$10.1 million, an increase of \$111 thousand in comparison with the prior year. Of this amount 23.1% or \$2.3 million of ending governmental fund balances are considered unassigned and are available for spending at the Town's discretion.
- At the end of the close of the current fiscal year, unassigned fund balance for the General Fund was \$3.9 million or 16.2% of total General Fund expenditures. Expressed another way, unassigned fund balance was sufficient to cover approximately 1.9 months of General Fund expenditures.
- The Town's total long-term bonded debt increased by \$5.0 million during the current fiscal year due to the issuance of a \$1.2 million loan payable to permanently fund drinking water system improvements and a \$3.8 million loan payable to permanently fund the remaining construction improvements to the Town's Water Pollution Control Facility. The increase in long-term bonded debt was offset by \$226 thousand in scheduled principal repayments.