

Town of New Canaan Town Council

Regular Meeting
Wednesday, July 20, 2016
7:30 P.M. - Town Hall

Minutes

Members Present:

Ken Campbell
Kathleen Corbet
John Engel
Sven Englund
Steve Karl
Christa Kenin
Jim Kucharczyk
Cristina Ross
Bill Walbert
Penny Young

Members Absent:

Kevin Moynihan
Joe Paladino

Others Present:

New Canaan Family Fourth Committee:

Steve Benko
Scott Cluett
Win Goodrich
Suzanne Jonker
Rob Mallozzi, Past Chairman
Steve Parrett
Doug Richardson, Park and Recreation Liaison
Tom Stadler, Chairman

Ira Bloom, Town Attorney

Dionna Carlson, Chairman of Board of Education

Scott Hobbs, Chairman of New Canaan Housing Authority

Dave Hunt, Chairman of Charter Revision Commission

Beth Jones, Board of Selectmen

Cheryl Jones, Director of Human Resources

Jo-Ann Keating, Director of Finance and Operations for New Canaan Public Schools

Russell Kimes, Charter Revision Commission

Larry Kirshner, Senior Executive Vice President at Frenkel Benefits

Joanne Noone, Comptroller

Dawn Norton, Chief Financial Officer

Michael Nowacki, Resident

Penny Rashin, Chairman of Saxe Building Committee

Tom Stadler, Administrative Officer

Members of the press

Roll Call and Call to Order - Ms. Young called the roll noting the absences of Messrs. Engel, Moynihan and Paladino. Mr. Walbert then called the meeting to order at 7:32 P.M. Mr. Engel arrived at 7:50 P.M.

Minutes - Mr. Walbert presented a request to approve the minutes for the regular meeting held on June 15, 2016. The minutes were then approved by unanimous consent.

Public Comments - Mr. Walbert invited members of the public to speak to the Town Council on agenda topics scheduled for review and/or vote.

Mr. Nowacki responded to Ms. Corbet's comments presented at the end of the public hearing. He then spoke on behalf of Mr. Rich Vachula concerning the bidding process and cost of paving the South School parking lot.

Ms. Carlson thanked the Charter Revision Commission and said that it was the best example of collaboration between the Board of Education and Town Council. She added that she is enthusiastic about the working relationship going forward.

Mr. Benko spoke against the proposal to annually elect a Chairman of the Board of Finance. He added that the system works, and has worked very well over the past 44 years that he has been working for the Town.

Mr. Hunt spoke in favor of annually electing the Chairman of the Board of Finance. He noted that 8 of 9 Charter Revision Commission members supported this position. He added that it would be better government to annually elect the Chairman. He also added that he was totally surprised by the editorial in the New Canaan Advertiser which advocated not letting the electorate vote on this particular issue.

Ms. Rashin spoke against the proposal to allow voters to have six votes for each Town Council election, adding that the status quo should be maintained.

Mr. Mallozzi spoke about the proposed ordinance on the formation of an Ethics Board. He noted that he did not support, nor did it make sense to, appoint members to the proposed Board before it has been voted on, approved and formed.

New Canaan Family Fourth Committee - Mr. Walbert and the Council members offered recognition and thanks to the New Canaan Family Fourth Committee for planning, organizing and conducting the annual Family Fourth Fireworks event.

The members of the Committee, many of whom were in attendance, are: Steve Benko, Scott Cluett, Chris Cody, John DiFederico, Wendy Dixon Fog, Win Goodrich, Suzanne Jonker, Vincent Luciano, Steve Parrett, Tom Stadler - Chairman, Rob Mallozzi - Past Chairman, and Doug Richardson - Park and Recreation Liaison.

Health Benefits:

Town - Ms. Cheryl Jones and Mr. Kirshner presented an update of the Town's health insurance costs (including workers' compensation insurance) for fiscal year 2016. The presentation included a summary of fiscal year 2016 changes for the Town and Library employees, and Retirees over age 65. They also presented the very favorable savings resulting from these changes, experience reporting, and joint opportunities for the Town and Board of Education to collaborate for additional synergy and cost efficiencies.

Board of Education - Ms. Keating presented brief summary of budgeted and actual fiscal year 2016 health care costs a reflecting positive claims experience and a positive position at year end. She noted that about \$500,000 should be added to the fund balance for the year.

New Canaan Housing Authority - Mr. Walbert asked Mr. Hobbs to present an update of the current Housing Authority construction project. After some questions and discussion, Mr. Walbert presented a request to reappoint Mr. Hobbs to the Authority for a term to expire April 30, 2021. Mr. Karl made the motion, seconded by Ms. Ross, to approve the request as presented. The motion was approved unanimously.

Saxe Middle School Project - Ms. Rashin presented an update from the Saxe Building Committee on the Saxe Middle School project. She noted that the current working budget for the project is now \$18.2 million, compared to earlier expectations of \$18.6

million, subject to potential change orders. Her presentation was followed by questions and discussion.

Comptroller - At this point, Ms. Norton introduced Joanne Noone, the Town's new Comptroller, noting her background and experience.

Bond Issue for Paving Project at South School - Ms. Norton presented a request to approve the resolution entitled "Resolution Authorizing An Appropriation Of \$400,000 For South School Paving Projects And The Financing of Said Appropriation By The Issuance Of General Obligation Bonds Of The Town And Notes In Anticipation Of Such Bonds In An Amount Not To Exceed \$400,000."

The resolution in its entirety is as follows:

RESOLUTION AUTHORIZING AN APPROPRIATION OF \$400,000 FOR SOUTH SCHOOL PAVING PROJECTS AND THE FINANCING OF SAID APPROPRIATION BY THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE TOWN AND NOTES IN ANTICIPATION OF SUCH BONDS IN AN AMOUNT NOT TO EXCEED \$400,000.

RESOLVED:

Section 1. That the sum of \$400,000 is appropriated by the Town of New Canaan, Connecticut (the "Town") for (I) paving projects at the South School, including, but not limited to, (a) installation of sidewalks and extension, repair or reconstruction of existing sidewalks, including provision for handicap access ramps and ADA compliance upgrades, (b) construction of surfacing for new parking facilities and resurfacing, repairs or reconstruction to existing parking facilities, and (c) all related appurtenances and facilities necessary for the above, including, but not limited to, drainage systems, curbing, lighting and other utilities, guard rails, signs, pavement markings, traffic calming measures and improvements, repairs to public and private driveways affected by the above, and topsoil and seeding of disturbed areas, and (II) for interest on borrowings and other financing costs, and for administrative, printing, financing and legal and costs of issuance related thereto (the "Project").

Section 2. That to finance said appropriation for the Project, the Town shall issue bonds or notes in an amount not to exceed \$400,000 (or so much thereof as may be necessary after deducting grants or other sources of funds received by the Town for said project). The bonds or notes shall be issued pursuant to Chapter 109 of the Connecticut General Statutes, Revision of 1958, as amended (the "Connecticut General Statutes"), including, without limitation, Section 7-369 of the Connecticut General Statutes, and any other enabling acts.

Section 3. That the Town issue and renew temporary notes from time to time in anticipation of the receipt of the proceeds from the sale of the bonds or notes for the Project or the receipt of grants for the Project. The amount of the notes outstanding at any time shall not exceed \$400,000. The notes shall be issued pursuant to Section 7-378 of the Connecticut General Statutes. The Town shall comply with the provisions of Section 7-378a of the Connecticut General Statutes with respect to any notes that do not mature within the time permitted by said Section 7-378.

Section 4. That the First Selectman and the Treasurer of the Town (the "Officials") be authorized to sign said bonds or notes by their manual or facsimile signatures and to determine the amounts, rates of interest, dates, maturities, dates of principal and interest payments on such bonds or notes, the form of such bonds or notes; the provisions for protecting and enforcing the rights and remedies of the holders of such bonds or notes and all other terms, conditions and particular matters regarding the issuance and securing of such bonds or notes and to execute, sell and deliver the same, and provide all supporting documentation as may be necessary or desirable to accomplish such purposes and to comply with the requirements of the Internal Revenue Code of 1986, as amended, Securities and Exchange Commission Rule

15c2-12 (the "Rule"), and in accordance with the Connecticut General Statutes and any other applicable provision of law thereto enabling. Pursuant to Section 7-370 of the Connecticut General Statutes, except as otherwise provided herein, the Officials are delegated authority to determine the terms, details and particulars of borrowings authorized by this resolution. The bonds and notes authorized hereby shall be general obligations of the Town secured by the full faith and credit of the Town.

Section 5. That the Officials are hereby authorized to designate a bank or trust company to be the certifying bank, registrar, transfer agent and paying agent for such bonds and notes; to provide for the keeping of a record of the bonds or notes; to designate a financial advisor to the Town in connection with the sale of the bonds or notes; to designate the law firm of Updike, Kelly & Spellacy, P.C., Hartford, Connecticut, as the attorneys at law, to render an opinion approving the legality of such issue or issues.

Section 6. That the Officials are authorized to sell the bonds and notes by a competitive offering or by a negotiated sale, at their discretion; to deliver the bonds or notes; and to perform all other acts which are necessary or appropriate to issue the bonds or notes, including, but not limited to, entering into a continuing disclosure agreement pursuant to the "Rule". If the bonds or notes authorized by this resolution are issued on a tax-exempt basis, the Officials are authorized to bind the Town pursuant to such representations and covenants as they deem necessary or advisable in order to maintain the continued exemption from federal income taxation of interest on the bonds or notes, including covenants to pay rebates of investment earnings to the United States in future years.

Section 7. That the Town hereby declares its official intent under Section 1.150-2 of the Federal Income Tax Regulations (the "Treasury Regulations") that project costs may be paid from temporary advances of available funds, which are paid within sixty days prior to and any time after the date of passage of this resolution, and that (except to the extent reimbursed from grant moneys) the Town reasonably expects to reimburse any such advances from the proceeds of borrowings (the "Obligations") in an aggregate principal amount not in excess of the amount of borrowing authorized above for the Project. Such Obligations shall be issued to reimburse such expenditures not later than eighteen months after the later of the date of the expenditure or the substantial completion of the Project, or such later date the Treasury Regulations may authorize. The Treasurer, or designee, is authorized to pay Project expenses in accordance herewith pending the issuance of reimbursement Obligations. The Officials are authorized to amend such declaration of official intent as they deem necessary or advisable and to bind the Town pursuant to such representations and covenants as they deem necessary or advisable in order to maintain the continued exemption from federal income taxation of interest on the bonds or notes authorized by this resolution, if issued on a tax-exempt basis.

Section 8. That the Officials are hereby authorized, on behalf of the Town, to enter into agreements or otherwise covenant for the benefit of bondholders to provide information on an annual or other periodic basis to information repositories designated by the Municipal Securities Rulemaking Board and to provide notices to such repositories of certain events as enumerated in the Rule, as may be necessary, appropriate or desirable to effect the sale of the bonds and notes authorized by this resolution. Any agreements or representations to provide information to such repositories made prior hereto are hereby confirmed, ratified and approved.

Section 9. That the Officials and other proper officers of the Town are authorized to take all other actions which are necessary or desirable to complete the Project consistent with the foregoing and to issue bonds or notes to finance the aforesaid appropriation.

After some explanation and discussion, Ms. Corbet made the motion, seconded by Mr. Englund, to approve the request as presented. The motion was approved unanimously.

Sewer Fund (Project Carryovers and Close-Outs) - Ms. Norton presented a request to approve the carryover of unexpended projects totaling \$12,150.17 that were postponed or bridge the budget years and close-out of completed projects totaling \$77,816.32. She noted some changes made after the Board of Finance meeting, moving some projects from carryover status to close-out status.

After some questions and discussion, Mr. Englund made the motion, seconded by Ms. Corbet, to approve the carryovers as presented. The motion was approved unanimously.

Mr. Englund then made the motion, seconded by Ms. Corbet, to approve the close-outs as presented. The motion was approved unanimously.

Capital & Nonrecurring Fund (Project Carryovers and Close-Outs) - Ms. Norton presented a request to approve the carryover of unexpended projects totaling \$3,596,167.80 that were postponed or bridge the budget years and close-out of completed projects totaling \$156,392.21. She noted changes made after the Board of Finance meeting, moving some projects from carryover status to close-out status.

Ms. Corbet expressed concern that many projects carried over, totaling over \$1 million, were not started before the end of the fiscal year. She noted that this was not transparent and did not properly reflect the spending for fiscal years 2016 and 2017. There was considerable discussion about this issue and the carryovers and close outs, with a consensus that additional discussion and review should be scheduled at a future meeting.

Mr. Campbell made the motion, seconded by Mr. Kucharczyk, to approve the carryover of unexpended projects as presented. The motion was approved unanimously.

Mr. Campbell then made the motion, seconded by Mr. Kucharczyk, to approve the close-out of completed projects as presented. The motion was approved unanimously.

Subsequent to the approval of the carryover of completed projects a mathematical error was discovered in the carryover schedule. The corrected total amount for the carryover of completed projects is \$3,610,348.43.

Financial Update - Ms. Norton then presented a brief update highlighting the current year-end closing process, the upcoming independent audit process and schedule. She commented on the excellent working relationship with the Board of Education and the resolution of open issues.

Charter Revision - Mr. Walbert, in accordance with Connecticut General Statutes Chapter 99, Section 7-191, requested consideration and a vote to accept the final Charter Revision Commission Report.

After many questions and considerable discussion and debate, Mr. Englund made the motion, seconded by Ms. Kenin, to approve the following resolution: "Resolved, the Town Council, in accordance with Connecticut General Statute §7-191, hereby accepts the report from the Charter Revision Commission and approves the proposed Charter therein for the purposes of placing it on the ballot for approval by electors of New Canaan." The motion was approved unanimously.

Charter Revision - Mr. Walbert, in accordance with Connecticut General Statutes Chapter 99, Section 7-191, requested consideration and a vote to submit to the electors, in the November 2016 general election, the proposed charter amendments identified in the final Charter Review Commission Report.

After many questions and considerable discussion and debate, Ms. Young made the motion, seconded by Ms. Corbet, to approve the following resolution: "Resolved, the Town Council, in accordance with Connecticut General Statute §7-191(f), hereby submits the proposed Charter in the form five (5) ballot measures, as outlined in the Charter Revision Commission Report, to the electors of New Canaan for acceptance at the general election on November 8, 2016." The motion was approved unanimously.

Mr. Walbert and Council members thanked all who were involved in the Charter Revision process over the past several months. Mr. Hunt thanked the Council for its participation in the process, stating that having Council members Young and Corbet as active members of the Commission provided incredibly invaluable help and it is absolutely essential to have the same model in ten years for the next Charter Revision.

The Council then discussed the formulation of questions for the ballot as well as communication of the Charter before the election by print, television, meetings, publication, mailings and postings.

Ethics Board Ordinance - Ms. Corbet updated the Council on the proposed Ethics Board Ordinance and answered questions. Following the questions and some discussion, Ms. Corbet made the motion, seconded by Mr. Karl, to approve the Ethics Board Ordinance as presented and published in the local newspaper. The motion was approved unanimously.

Committee Reports - Updates from the Town Council Committees:

Bylaws & Ordinances - Mr. Karl reported that the Committee will follow up on the suggestions presented by Mr. Kimes at the public hearing. He added that the Committee will also be discussing setback issues.

Education - Mr. Campbell reported on the recent Board of Education meeting.

Finance & Government - Ms. Corbet commented briefly on Health Insurance.

Health & Human Services - Ms. Young reported, contrary to an earlier announcement, that the Health and Human Services Department will not move out of Vine Cottage into Irwin Park until the end of summer.

Infrastructure & Utilities - Mr. Englund commented briefly on the engineering report on the former Teen Center building and the activities of the Utilities Commission concerning cell phone service.

Land Use & Recreation - Mr. Karl reported on the status of the Waveny Pool, Kiwanis Park, tennis programs, Waveny trail construction, renovation of Waveny House, summer concerts and movie night, Summer Theatre and the new turf in Dunning Stadium.

Public Safety - No report.

Adjournment - There being no further business, the meeting was adjourned at 10:44 P.M. by unanimous consent.

Respectfully submitted,

Penny Young
Councilman and Secretary