BOARD OF FINANCE  
REGULAR MEETING  
JULY 8, 2008

MEMBERS PRESENT:  
Neil Budnick  
Mary Davis Cody (arrived 8:04 p.m.)  
Kathleen Corbet  
Robert DiPanni (arrived 8:05 p.m.)  
John Emert  
John Laird  
Robert Spangler (arrived 8:09 p.m.)  
Roger Smith  
C. Daniel Ward  
Jeb Walker, Chairman

MEMBERS ABSENT:  
Ms. LaPerla and Mr. Giusti.

ALSO PRESENT:  
George Maranis, Administrative Officer; Gary Conrad, Chief Financial Officer; William Brock, Investment Consultant; Mike Pastore, Town Engineer; Dr. David Abbey, Superintendent of Schools; Roy Walder, Transportation Coordinator, New Canaan Public Schools; Vincent Socci, Chairman, and Frank Manzella and Barry Kesselman, members, School Bus Operations Facility Committee; Kathleen Holland, Director of Inland Wetlands and Watercourse Department; Mr. and Mrs. Kevin Taylor; John Murphy, Treasurer, Republican Town Committee; Colleen Flaherty, New Canaan Advertiser.

Mr. Walker convened the meeting at 8:03 p.m., called the roll, and noted the absence of Ms. LaPerla, Ms. Cody, Mr. DiPanni, Mr. Giusti and Mr. Spangler. Ms. Cody, Mr. DiPanni and Mr. Spangler subsequently arrived. Mr. Emert and Mr. Budnick were seated, and Mr. Smith was appointed Acting Secretary.

The Board addressed Item 2., Approval of the Minutes of the Regular Meeting of June 10, 2008 and the Special Joint Meeting of June 14, 2008.

On the motion of Mr. Ward and the second of Mr. Smith, the minutes of the Regular Meeting of June 10th, after correction of the name of the Recording Secretary, were approved unanimously, Mr. Budnick, Ms. Corbet, Mr. DiPanni, Mr. Laird and Mr. Spangler abstaining. The draft minutes of the Special Joint Meeting of June 14, 2008 were not presented for approval.

The Board addressed Item 3., Presentation by William Brock, Investment Consultant, on the investment performance and asset allocations of the Town of New Canaan’s Pension Trust and the Myledred Marcely Memorial Scholarship Fund.

Mr. Conrad introduced Mr. Brock, who explained that he assists bodies such as the Board of Finance in managing their pension funds and other investments. He said that he had the following recommendations with respect to the Town’s Pension Fund investments:

- He suggested that the approximately $9 million of Treasury “strips” maturing in August 2008 be moved to a Vanguard Short Term Bond Index Fund. Mr. Smith, while agreeing with this suggestion, observed that it should be the responsibility of the Board and its consultants to “manage the managers” and not make specific investment recommendations, which should be done by the Investment Committee of the Board. After some discussion, it was the consensus of the Board to move the “strips” to Vanguard.
- He recommended that the present bond portfolio be moved to a Vanguard Bond Index Fund.
- He suggested that all of the Pension Fund investments be consolidated in one location, and that the securities still being held at Wachovia be consolidated with those at Vanguard.

Mr. Brock then commented on the performance of the Pension Fund, observing that these were difficult times for investments. He noted that international stocks were performing above the index, while mid and small cap stocks have done less well. Mr. DiPanni suggested that a meeting be scheduled for the Investment Committee, to which Mr. Brock would be invited. Mr. Conrad agreed to so.

Upon motion of Ms. Corbet and second of Mr. Smith the Board voted unanimously to move all pension fund investments held at Wachovia to Vanguard.
The Board addressed Item 4., Approval of a request from Kevin and Patricia Taylor of 129 Elm Place to connect to the Town’s sewer system.

Mr. Pastore presented this request. The property is a parcel eight-tenths of an acre in size, with the home in the front and wetlands in the back. The property is adjacent to the sewer district but not in it. Connecting to the sewer will not cost the Town anything, and there is no further proposed development of the property, except for the addition of a family room. The current septic system is failing and the proposed sewer connection has been approved by all the necessary Town departments. Upon motion of Mr. Smith and second of Mr. DiPanni, the Board voted unanimously to approve the request.

Mr. Walker asked that an agenda item be added, a request from the Inlands Wetlands and Watercourse Department for a special appropriation for an Emergency Watershed Protection project for a section of the Noroton River. Upon motion of Mr. Ward and second of Mr. DiPanni, the Board voted unanimously to add the item to the agenda.

The Board addressed Item 5., Approval of a request from the School Bus Operational Facility Committee for a special appropriation from General Funds of $346,250 for a school bus operations facility at New Canaan High School.

Mr. Socci introduced Mr. Walder who reviewed the history of the search for the site for parking the school buses, and how the High School location was ultimately selected. He described the four components comprising the facility and how three of them (traffic flow, fueling station, and traffic control) have been implemented, leaving only the operations center. Mr. Walder described the proposed building and the uses to which it would be put, principally as a facility for school bus drivers and as a control center for operations. Discussion ensued on the proposed cost of the facility, $346,250, and other available options, including renovation or replacement of the existing two trailers. Mr. Manzella explained why the trailers would not be a suitable substitute for a building, noting also that it was hoped the new building would be constructed by September 30, 2008, in time for the new school year.

The members asked why the building had not been included in the 2008-2009 capital budget where it could have been vetted in a timely and thorough manner, and were told that there was no reasonable cost estimate of the structure at the time of preparation of the budget.

Several Board members suggested that this issue be tabled and considered as part of next year’s budget discussion. A motion was made by Mr. Smith, seconded by Mr. Spangler, that the item be deferred for reconsideration during next year’s budget process. In the ensuing discussion, Mr. DiPanni asked for an explanation of the daily operations of the facility, and Mr. Emert and other members complained that not enough information had been presented to allow for a considered vote on the request. Mr. Smith withdrew his motion, and Mr. Ward and Mr. DiPanni requested that the School Bus Facility Committee gather additional information and return before the Board of Finance to present it. Mr. Walker offered to coordinate the requests for additional information, to be ready in time for presentation by the Committee at the August 12th Board of Finance meeting.

The Board then addressed the Item added to the Agenda, a request from the Inlands Wetlands and Watercourse Department for a special appropriation from General Fund for an Emergency Watershed protection project for a section of the Noroton River.

Ms. Holland described the damage done along portions of the River during the rains of April 2007, including the significant erosion to the southernmost section abutting Old Stamford Road. Property owners contacted Ms. Holland, and it was determined that funding would be available from the U. S. Department of Agriculture, Natural Resources Conservation Service (NRCS), and the State of Connecticut to defray the $422,000 cost of the remediation. The Agreement with NRCS covers only the 75% federal portion of the work, $316,500, and reimbursement will be sought for this amount in accordance with the terms of the Agreement. The Town will separately seek reimbursement from the State for the remaining 25%, $105,500, and Ms. Holland represented that, in addition to underwriting the engineering costs, a property owner would also provide a check in escrow covering the reimbursement from the State. The Town would act as a sponsor, paying for and administering the project, and then seek the reimbursements. Among the conditions included in the Agreement with NRCS is the requirement that all “in-stream” work will be completed by September 30, 2008, with all remaining work completed by October 31, 2008. Mr. Pastore said that there is a list of eligible bidders for this restoration project.

Upon motion of Mr. Ward and second of Mr. DiPanni, the Board voted unanimously that an amount not to exceed $422,000 be appropriated from General Fund for the purpose of the Watershed Protection Project on the Noroton River, on the conditions that these monies be reimbursed as described above, and that a homeowner provide an escrow check in the amount of the State reimbursement.
The Board addressed Item 6., Approval of a request from the New Canaan Public Schools to transfer $6,780 from the East School Roof Project surplus funds to cover the excess over the budgeted amount of $230,000 for the Saxe Middle School Roof Project.

Mr. Conrad explained that the request for $230,000 had gone through the 2008-2009 budget process, and that a contract for $236,780 had been approved by the Board of Selectmen to repair the Saxe School roof. The funds to cover the excess cost of $6,780 are available from underexpenditures on the East School Roof Project. Upon motion of Mr. DiPanni and second of Mr. Spangler, the Board unanimously approved the transfer $6,780 from the East School Roof project surplus funds to cover the excess of $6,780 over the budgeted amount of $230,000 for the Saxe Middle School Roof Project.

The Board addressed Item 7., Approval of a request from the Selectman’s Office for a special appropriation from General Fund of $20,000 for consulting services in connection with the implementation of a Quiet Zone along the Metro North commuter railroad tracks in New Canaan.

Mr. Maranis explained that the Federal Railroad Administration provides for the installation of a “Quiet Zone,” subject to certain requirements and conditions. Achievement of this status would allow for the dispensing of the blowing of railroad horns as trains approach railroad crossings. The two crossings in New Canaan that would be assessed are those at Richmond Hill Rd. and Grove St., both in, or on proximity to, residential areas affected by the train horns. The necessary technical expertise to accomplish this is not available within Town Hall, and the consulting firm of Railroad Controls, Ltd. (RCL) has proposed to administer the project for a fee of $20,000. An initial survey was done by RCL at a cost of $3,000 and it was determined that New Canaan was a good candidate for a Quiet Zone. Different horn calming options include channelization, median strips, wayside horns and four quadrant gates, and RCL would examine combinations of these for the most cost effective method of achieving a Quiet Zone.

Upon motion of Mr. Spangler and second of Ms. Corbet, the Board voted unanimously to approve the request from the Selectman’s Office for a special appropriation of $20,000 from the Contingency Fund for consulting services in connection with the implementation of a Quiet Zone along the Metro North commuter railroad tracks in New Canaan.

The Board addressed Item 8., Approval of year-end capital carryovers from the 2007-08 fiscal year to the 2008-09 fiscal year.

Mr. Conrad distributed a schedule of capital carryovers from the 2007-08 to the 2008-2009 fiscal year and offered explanations of each carryover item on a line-by-line basis. The Board reviewed and briefly discussed his report. Upon motion of Mr. DiPanni and second of Mr. Smith, the Board voted unanimously to approve year-end capital carryovers from the 2007-08 fiscal year to the 2008-09 fiscal year.

The Board addressed Item 9., Approval of a request from the Finance Department to enter into a four year lease agreement in the amount of $750,000 with Commerce Commercial Leasing, LLC., for the leasing of computer equipment and associated software for the Board of Education. The first year lease payments are included in the 2008-09 budget.

Mr. Conrad explained that four qualified bids for the leasing of computer equipment and associated software for the Board of Education had been received, and Commerce Commercial Leasing, LLC was the low bidder. Upon motion of Mr. Ward and second of Ms. Corbet, the Board voted unanimously to approve a four year lease agreement in the amount of $750,000 with Commerce Commercial Leasing LLC, for the leasing of computer equipment and associated software for the Board of Education. The first year lease payments are included in the 2008-09 budget.

The Board addressed Item 10., Approval of resolution entitled “Resolution approving a four year lease agreement between the Town of New Canaan and Commerce Commercial Leasing, LLC. in the amount of $750,000 for the leasing of computer equipment and associated hardware for the Board of Education, and authorizing Gary G. Conrad, Chief Financial Officer, to execute such Agreement on behalf of the Town of New Canaan.”

Upon motion of Mr. Smith and second of Ms. Corbet, the Board voted unanimously to approve the resolution entitled “Resolution approving a four year lease agreement between the Town of New Canaan and Commerce Commercial Leasing, LLC. in the amount of $750,000 for the leasing of computer equipment and associated hardware for the Board of Education, and authorizing Gary G. Conrad, Chief Financial Officer, to execute such Agreement on behalf of the Town of New Canaan.”

Before adjourning, Mr. Laird initiated a discussion on what measures the Town is taking to address escalating energy costs. There being no further business, The Board voted unanimously to adjourn at 10:21 pm.

Respectfully submitted, ____________________________ Robert DiPanni, Secretary