Call to Order / Pledge of Allegiance

Alderman Stanley Kudej, Chairman, called the meeting to order at 6 p.m. All those present rose and pledged allegiance to the flag.

Roll Call - Finance Committee

Alderman Stanley Kudej, Chairman, present
Aldermanic President John F. Anglace, Jr. - present
Alderman Christopher Panek - present

Public Session

Alderman Kudej asked if any member of the public wished to address the Finance Committee.

Judson Crawford, Member, Board of A & T

I see on your agenda tonight an item for the overexpenditure of the Fuel Account – Highways and Bridges. The Board of Aldermen purchased a system for the Police Department – it’s called the Gasboy System. To this point, I feel it is not being used to its peak potential. The system is used where I work. The City should be able to come up with any person that goes to that pump to get fuel for a certain City vehicle. It should be punched in and come up saying what Department, what car, what person and for the Finance to be able to charge it to the individual department. I feel it is not being utilized and something should be done to look into it.

Alderman Kudej asked if any other member of the public wished to address the Finance Committee. Being none, he declared the Public Session closed.
Add-On

Alderman Anglace MOVED to add as agenda Item 6 – Open Space Ordinance Amendment; SECONDED by Alderman Panek. A voice vote was taken and the MOTION PASSED 3-0.

1. Approval of Minutes

Alderman Anglace MOVED to recommend to the full Board to waive the reading and approve the minutes of the regular Finance Committee meeting of March 28, 2006; SECONDED by Alderman Panek. A voice vote was taken and the MOTION PASSED 3-0.

2. April Statutory Refunds

Alderman Anglace MOVED to recommend to the full Board that the report of the Tax Collector relative to the refund of taxes for a total amount of $2,723.72 be approved and that the Finance Director be directed to make payments in accordance with the Certified List received from the Tax Collector. Funds to come from the Statutory Refunds Account #001-0000-311.13.00; SECONDED by Alderman Panek. A voice vote was taken and the MOTION PASSED 3-0.

3. Suspense List

Alderman Anglace MOVED to recommend to the full Board of Aldermen that the report of the Tax Collector relative to the Grand List, for a total of $60,902.50 be transferred from the Grand Lists into Suspense per State Statute Section 12-165:

<table>
<thead>
<tr>
<th>GRAND LIST</th>
<th>TAX</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>$182.78</td>
</tr>
<tr>
<td>2000</td>
<td>$1,133.44</td>
</tr>
<tr>
<td>2001</td>
<td>$8,204.52</td>
</tr>
<tr>
<td>2002</td>
<td>$21,776.15</td>
</tr>
<tr>
<td>2003</td>
<td>$29,605.61</td>
</tr>
</tbody>
</table>

SECONDED by Alderman Panek. A voice vote was taken and the MOTION PASSED 3-0.
4. **Highways & Bridges – Request to Over-Expending Gasoline/Diesel Account**

Alderman Anglace MOVED, per the recommendation of the Finance Committee, to recommend to the full Board to approve the over expenditure of the Highways & Bridges Gasoline/Diesel Account 001-3200-712.40-01 through the end of fiscal year 2005-06; SECONDED by Alderman Panek. A voice vote was taken and the MOTION PASSED 3-0.

5. **Elderly Tax Relief – Amendment to Ordinance #693**

Alderman Anglace stated, we had taken our final draft and sent it to the Assessor and after that to Corporation Counsel Welch for final review. Corporation Counsel Welch has given us tonight his suggestions and is here to discuss it.

When Gloria came back, she has been taking applications since February. The information is not all inclusive given the changes that we’ve made. She said that it can’t possibly get in this year, because she’d have to go back through a number of applications that she has already taken. She asked if we would consider, and we did, and we made it so that the eligibility starts next year. That is written into the ordinance.

Corporation Counsel Welch stated, on page 1 paragraph 2b – to took that out per the wishes of this committee. My initial notes reflected that was to be included. In reviewing your revised amendments, you had not included that.

In this amendment is your version, put into a form that basically follows the current ordinance, trying to make it as clear as possible. It is everything that Alderman Anglace had in his proposal now just put into a form that mirrors the current ordinance form, for sake of clarity.

All the other items in Alderman Anglace’s proposal and discussed at the last meeting were incorporated into this. I found no legal objection to this.
Alderman Anglace stated, this is the draft we had following the last meeting – this is an earlier draft and I don’t think it mirrors the latest one.

Corporation Counsel Welch noted, that there is not one item that is in Alderman Anglace’s that is not in the draft ordinance.

Alderman Anglace stated, since this isn’t going into effect and there is no urgency, let’s table this and review both copies. If we find that we believe and agree it is the same, then let’s go ahead. I see a lot of different wording, and I just want to be sure. I just got this today.

Alderman Anglace MOVED to TABLE; SECONDED by Alderman Panek.

If the committee feels there is no change, we can bring it to the full Board with a recommendation. We had better look at it first, just to be sure.

A voice vote was taken and the MOTION PASSED 3-0.

Corporation Counsel Welch stated, if the request is to have a proposed amendment to the current ordinance to increase the benefit to $300, then that should go to the May agenda because the Tax Office and the Assessor’s Office will have some work to do. If you’re going to do it then it needs to be done in May – have the public hearing or a special after that, if you intend to pass it that evening so the tax office – if they’re sending it out, and they have to give credits of $150 and now you’ve doubled it to $300, you don’t want them sending out tax bills with $150 credit, refunding money.

Ms. Onderko stated, if this ordinance goes through it will increase it to $300. The Ordinance would be Grand List 06 but the increase in the credit would happen immediately?

Corporation Counsel Welch replied, correct.

Alderman Anglace stated, we will table it and continue to talk.

Corporation Counsel Welch stated, I want to be clear. If you intend to increase the benefit from $150 to $300 it has to be done immediately because they have work to do if that is the case.
Alderman Anglace stated, the Assessor has got more than half of her applications already in, and they don’t include much of the information that this change would require. She has asked that we not put her under the gun, because she would have to go back and contact all of the people that have already filed. So we’ll go with the benefit that exists for this year, and make this change effective next year.

6. Amendment to Open Space Ordinance

Alderman Anglace explained that the full board asked to bring this back to Finance and I could meet with the chairmen of Conservation and Open Space to work it out. I have met with them and Tom Harbinson is here tonight. I will read this letter for the record and explain how this will work.

We should put out this document at the time we adopt or vote on it.

Alderman Anglance read:

OPEN SPACE ORDINANCE FUNDING AMENDMENT

What we did and why we did it! April 2006

The goal of the currently proposed change to funding of the Open Space Ordinance was to simplify the Open Space Trust Account formula making it easily understood without reference to Grand List Growth, etc., to provide enough funding to get the Open Space program administrative requirements accomplished from this account and finally, to restructure the purchase mechanism to finance our Open Space property and Development Rights purchases from reliance on a specific trust account funded annually to a combination of trust and bonding allocations.

The Grand List formula currently in use to fund the Open Space Trust Account is, by everyone’s admission … (Open Space Committee & Conservation Commission included) … out of control and yielding more money than is needed to fund the administrative requirements of the Open Space Ordinance. This needs to be reigned in with a simple dollar contribution. It appeared that a budgeted contribution based on a minimum of $50,000 plus, for the first time, a codified fee-in-lieu-of (F-I-L-O) contribution, would generate about $125,000 annually and, based upon recent annual Open Space “administrative expenditures” over the last several years; this would be exactly the amount of money needed to carry out this function.
After speaking with program volunteers and constituents and examining this account’s experience, we realized the need to “guarantee” F.I.L.O. funding of at least $125,000 annually. Therefore, we are modifying the original ordinance to provide that the City make up the difference in those years when the F-I-L-O process does not generate $125,000 and that the City receives a credit to the Open Space account in those years following a year when the F-I-L-O process contribution generates money in excess of $150,000 thereby making it possible for the fund to accrue up to $200,000 in good F-I-L-O years.

To understand why this concept will work, one must realize that we will no longer use the Open Space Trust Account as the primary vehicle to purchase smaller Open Space properties. The primary purchasing method will be to utilize BOA bonding initiative. This will allow us to compete more effectively with other land buyers; and it will spread the cost over a minimum of five (5) years thereby not burdening any one group of taxpayers with a big hit in one fiscal year.

A by-product of this financing adjustment will be to retain more money in the General Fund and reaping the credit rating agency benefits of a lower interest rate when we bond. An example of this appears in a CT Post article dated 3/31/06 titled, “Monroe not concerned with lower bond rating.” This article tells that Monroe’s bond rating was lowered because of not maintaining adequate General Fund balances. It quoted Moody’s as saying “The downgrade is largely attributed to the decline in the town budget’s general fund reserve balance over the last six years.”

Those who think that a “funding compromise of some type” must be reached have presented no fiscal facts to support their position and may not understand the complex nature of the finances we are dealing with here or they may be looking for an easy solution versus a sound financial remedy.

Think about it. Why must the City budget big bucks (in excess of $500,000) into an account where we only need to spend $125,000 to get the job done? Oh yes, there are those who say, we trust you John but we don’t trust those who might come after you. Consequently, we want the fund to grow now while you’re in office. Hog wash! With the cost of land escalating as it is in Shelton today, those who come after John will have no choice but to use the bonding mechanism provided in the city Charter to acquire future Open Space properties. And, as you well know, that process allows for up to $1.8 million annually under BOA control with amounts above that being available subject to voter approval at referendum.

No one can predict with certainty when Open Space property will become available for sale. However, this ordinance change will better position the city to respond in a timely fashion to such opportunities and will help ensure that we are able to bond at the best possible rates. It will codify the method by which future generations continue to meet our Open Space goals and meet the quality of life standards this generation has established.

Shelton has been an Open Space acquisition leader throughout the state. We have an outstanding team in place to acquire, manage and utilize the continued development of our program. Our program has a history of change to better prepare us for the challenges of tomorrow and this change will do no less.
Alderman Anglace stated, that gives the general overview. The specifics would work like this – at budget time we budget $50,000. Run through the fiscal year. If the fee in lieu of process doesn’t generate $125,000 then the City will make up the difference – we’ll plug that in the next year’s budget into the Open Space Trust Account. You have to cover your administrative costs and we anticipate that $125,000 is what we’re going to need. We’ll also build in, if the fee in lieu of process generates more than $150,000, then everything over $150,000 will come into the general fund.

Tom Harbinson, Conservation Commission

The Open Space Committee and Conservation Commission were concerned about the reduction in funding the Open Space Trust Account – there had been research done on what should be going into it according to the current ordinance. We realized that the dollar amount going into it was in excess of what has commonly been expended from it in the past. In addition to the Board of Aldermen looking to change how they structure the financing or acquisition of land rather than the cost coming entirely out of the Open Space Trust account, to bond the acquisition costs through bonding and the administration costs, surveys, studies and appraisals to come out of the Open Space Trust Account. $125,000 annual contribution is something we compromise and think will be adequate to do those tasks. The $125,000 would come from two components – one would be the budgeted minimum annual amount of $50,000 and the fee in lieu of which is required by state statute to go into a restricted account. We are codifying this on the local level.

If you could give us the latitude to bring this to our next Conservation Commission meeting and can come back to you next month with what the full Commission’s opinion is.

Alderman Anglace stated, we want all the boards – Open Space, Conservation, Board of Aldermen – we want everybody to review it and to understand it.
Dave Zamba, Open Space Committee

Going forward then, even if you bond for an open space parcel that money will first go into the Open Space Trust Account and then be purchased from that account? That just gives us a better way to track.

Mr. Harbinson stated, we talked about how we can better document the amount of expenditure and commitment made to Open Space by the City of Shelton and when we make acquisitions, although they may come through bonding, if the money were put into the account and expended from the account it allows better documentation of all the Open Space expenses and acquisition costs.

Alderman Anglace stated, our intent is to write up in Ordinance form what we just explained, and give everybody a copy of the explanation what we did and why we did it – to try to help.

Alderman Anglace MOVED to TABLE; SECONDED by Alderman Panek. A voice vote was taken and the MOTION PASSED 3-0.

Adjournment

At approximately 7:45 p.m., Alderman Anglace MOVED to adjourn; SECONDED by Alderman Panek. A voice vote was taken and the MOTION PASSED 3-0.

Respectfully submitted,

Patricia M. Bruder
Clerk, Board of Aldermen