

Town of Montville Finance Committee

Regular Meeting Agenda for

August 30, 2011

6:00 p.m. –Town Hall Room 203

1. Call to Order

Murphy called the meeting to order at 6:00 p.m. Present were Gary Murphy and Billy Caron. Also present were Terry Hart, Finance Director and Brian Lynch, WPCA Administrator.

2. Murphy led the Pledge of Allegiance

3. Remarks from the Public

None

4. Minutes

Caron moved to approve the minutes of the 5/31/11 meeting. Murphy second. Motion passed. Hart informed the committee that Russ Beetham has concerns about minutes going back to April 2010 and he would like to have this added to the next agenda.

Agenda Items as follows:

a) Discussion of Purchasing Policy

The committee discussed the purchasing policy. This policy has not been amended since 2000 and some of the dollar thresholds should be revised. Caron moved to have the Finance Director make a recommendation to the committee on what changes should be made to this policy. Murphy second. Motion passed.

b) Discussion of Sale of Surplus Equipment Resolution 98-97

The committee discussed the recent sale of surplus equipment. Everyone felt that the town should hold auctions more often. The committee would like the Finance Director to review the current policy with the Public Works Director and check how other municipalities handle their surplus equipment.

c) Discussion of WPCA repayment

Brian Lynch explained that the WPCA is willing to repay the town their scheduled payment of \$80,000 plus an additional payment of \$220,000 for a total of \$300,000 in the 2011-12 Fiscal Year. The only concern is that they want Resolution 2005-86 to remain in effect. This will ensure that they will have funds available in the event of an emergency. Caron moved to recommend the Town Council accept the \$300,000 from the WPCA and keep resolution 2005-86 in place. Murphy second. Motion passed.

d) Bond Update

Hart updated the committee on the recent BAN sale. The town received an interest rate of 1.03%. There was some concern from investors regarding the town's top tax payer, AES Thames, filing for chapter 11 bankruptcy. The Mayor has contacted AES Thames. They are currently working on a plan to restructure and have a hearing scheduled for mid September.

The committee discussed the need for additional bonding for the school projects. Over the past two years, the auditor has informed the town that this would be necessary. Hart has been working with Kathy Lamoureux, BOE Business Manager, to calculate how much will be needed. This is somewhat difficult because it is not known what will be eligible for reimbursement from the state until the projects are audited. It is not the case of the projects being over expended. It's that the town is not getting as much reimbursement from the state. Lamoureux estimated that \$3.5 mil was needed. Hart explained that she does not want to have cash flow issues, so the town bonded an additional \$4 mil for the school projects. The committee would like to meet with Lamoureux and the School Building Committee for further information.

5. Remarks from the Public

None

6. Adjournment

Motion to adjourn at 6:45 p.m. by Murphy. Caron second. Motion passed.

Theresa Hart, Director of Finance