

**BOARD OF FINANCE
TOWN OF BRANFORD, BRANFORD, CONNECTICUT 06405**

JOSEPH W. MOONEY, CHAIRMAN
VICTOR J. CASSELLA
ROBERT IMPERATO
CHARLES F. SHELTON, JR.
JEFFREY E. VAILETTE
LORRAINE K. YOUNG



EX-OFFICIO
JAMES B. COSGROVE,
First Selectman

CLERK
LISA E. ARPIN, CCTC
Town Clerk

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 BRANFORD, CONNECTICUT

**BOARD OF FINANCE
SPECIAL MEETING MINUTES
December 18, 2017**

The special meeting was called to order by Chairman Joseph Mooney at 7:30 p.m. at Fire Headquarters, 45 North Main Street. Board of Finance members present were: Victor Cassella, Robert Imperato, Charles Shelton and Jeffrey Vailette; Lorraine Young was absent. Also in attendance were First Selectman Jamie Cosgrove, Finance Director Jim Finch and Town Clerk Lisa Arpin. RTM reps in attendance were Ed Prete, Robin Sandler and Frank Twohill.

- To consider, and if appropriate, approve a request from the Board of Police Commissioners for the following FY2018 budget transfer:

From:	10149040-588802	Contingency	(\$38,400)
To:	10142010-517000	Regular Wages & Salaries	38,400

Chairman Mooney recalled the last budget cycle (May 2017) when the Board of Finance made some adjustments in the police request and moved a portion of the request for deputy chief funding into contingency. Based on the Board coming back with some discussion with the First Selectman with regards to a succession plan, Chief Kevin Halloran and Commissioner Rick Goodwin presented the request to commence the search. First Selectman Cosgrove added comments in support of the request. Mr. Cassella made the motion to approve, seconded by Mr. Imperato. Request approved unanimously.

RESOLVED: That the Board of Finance recommends to the RTM the FY18 transfer of \$38,400 as requested by the Board of Police Commissioners.

- To consider a recommendation from GYL Financial Synergies, Hightower Advisors and the Finance Director to rebalance the Police Pension Plan.

Chairman Mooney referred to a discussion last month with the investment professionals and Jim Finch with regards to any risk in the market and the potential of doing some advance rebalancing knowing what we may need for cash requirements before June 30th. Finance Director Jim Finch presented a handout recommendation in conjunction with the advisors based on a December 15th close, to take from S&P500 i-Shares Fund (a large cap fund) and move it to cash.

The amount is \$350,000. Mr. Valette made a motion to approve this rebalancing request, seconded by Mr. Imperato. Vote was unanimous.

RESOLVED: That the Board of Finance approves a rebalance of the Police Pension Plan per the recommendation of the financial advisors as noted above.

3. To hear an overview presentation from the Finance Director regarding capital projects and related financing.

The Board heard a presentation from Mr. Finch as he referenced the attached memo and worksheets. In response to last month's meeting request, Finance Director Jim Finch worked with the First Selectman to update the debt picture, capital projects, financing and other outstanding projects, in advance of considering the request from the Blackstone Library. Chairman Mooney thanked him for his efforts.

4. To consider and act on the following proposed resolution:

"RESOLUTION APPROPRIATING \$5,245,000 FOR THE BLACKSTONE MEMORIAL LIBRARY RENOVATION (2018) AND AUTHORIZING THE ISSUE OF \$5,245,000 BONDS OF THE TOWN TO MEET SAID APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE"

and to recommend the resolution for adoption by the Representative Town Meeting.

Chairman Mooney introduced the resolution and Mr. Finch addressed questions regarding the timing of grant reimbursement which needs to be further clarified. Library Director Karen Jensen, and Blackstone Board of Trustee members Robin Sandler and Rick Mahoney contributed. Construction Manager, David Heer of Downes Construction Company answered questions on the bid process and value engineering.

Chairman Mooney asked for a motion to waive the reading of the entitled resolution and incorporate its full text into the meeting minutes. Mr. Cassella made the motion, seconded by Mr. Shelton. Vote unanimous. Chairman Mooney re-read the resolution and Mr. Cassella made a motion to approve it, seconded by Mr. Valette. The vote was unanimous to approve the resolution and recommend adoption by the RTM.

5. Adjournment – Chairman Mooney adjourned the meeting and with a motion by Mr. Cassella, seconded by Mr. Imperato, the meeting was adjourned at 8:50 p.m.

Dated this 26th day of January, 2018

Lisa Arpin

Lisa E. Arpin, CCTC
Clerk, Board of Finance

**BRANFORD BOARD OF POLICE COMMISSIONERS
33 LAUREL STREET
BRANFORD, CONNECTICUT 06405**

Item #1

Jill Marcus (Chair)
Jon Grossman
James Ryan
Richard Goodwin
Anthony Lasala
Peter Hugret

James B. Cosgrove
First Selectman



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Kevin Halloran
Chief of Police

Mr. Joseph Mooney
Chair, Board of Finance
Town of Branford
1019 Main St.
Branford, CT 06405

The Board of Police Commissioners respectfully requests an appearance before your board at your meeting on Monday **December 18, 2017**. At that meeting we will seek your approval for the following transfer in our FY 2017 – 2018 budget, totaling Thirty-Eight Thousand Four Hundred Dollars. (\$38,400.00)

From:			To:		
Account	Description	Amount	Account	Description	Amount
101.49040.588802	Contingency	\$38,400.00	101.42010.517000	Regular Wages & Salary	\$38,400.00

During the budget presentation for the fiscal year 2017-2018, the Board of Police Commissioners requested to reinstate the vacant Deputy Chief's position and requested the salary be included in the Police Department's operating budget under the line item "Regular Wages & Salary". It is our understanding that the Board of Finance recognized the fact that a search for a candidate would take time; therefore 33% of the proposed salary, \$38,400.00, of DC position was put into contingency for future use. In an effort to move forward with a search for a Deputy Chief we are requesting that these funds be transferred to Regular Wages & Salary. With the knowledge the line item will be funded we can begin our search.

Respectfully Submitted,

Jill Marcus
Chair
Branford Police Commission

OFFICE OF THE TREASURER
BRANFORD, CONNECTICUT

Item #2



1019 MAIN STREET
POST OFFICE BOX 150

(203) 315-0663
FAX (203) 315-3736
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Date: December 15, 2017

To: Joseph Mooney
Board of Finance

From: James P. Finch
Finance Director

Re: Pension Rebalance

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BRANFORD, CONNECTICUT

During our advisors' presentation on the Police Pension Fund, the Board expressed concern about the market risk in light of the recent run up in equities. Our advisors acknowledged that risk is always present, however being sensitive to the Board's concern they suggested rebalancing to increase the cash position. The basis for the recommendation is to provide enough cash to meet projected net outflows through the end of the fiscal year. This approach will avoid the risk of raising cash in a declining market.

I concur with the recommendation and I will be seeking the Board's approval on the rebalance strategy. Additionally I requested that we use Friday's market value as a starting point and I will present the rebalance worksheet at the meeting.

Cc J. Cosgrove.
L. Arpin

**Town of Branford Police
 Reallocation of Assets
 December 18, 2017**

Investment	Market Value*	% of Assets	Current Policy	Interim Policy	Recommended Balance	Amount to /buy
Fixed Income	\$10,126,375	43.2%	44.9%	43.2%	\$10,126,375	\$0
High Yield	\$1,857,589	7.9%	8.0%	7.9%	\$1,857,589	\$0
Fixed Income acct TOTAL	\$11,983,964	51.1%	52.9%	51.1%	\$11,983,964	\$0
Cash	\$67,304	0.3%	0.0%	0.3%	\$67,304	\$0
EAFE ishares	\$1,270,935	5.4%	5.0%	5.4%	\$1,270,935	\$0
Emerging ishares	\$1,568,949	6.7%	6.0%	6.7%	\$1,568,949	\$0
Russell 2000 ishares	\$1,725,945	7.4%	7.0%	7.4%	\$1,725,945	\$0
S&P Midcap 400	\$1,225,217	5.2%	5.0%	5.2%	\$1,225,217	\$0
S&P 500 ishares	\$3,530,202	15.0%	14.1%	13.6%	\$3,180,202	(\$350,000)
iShares Dow Jones US Real Estate	\$695,468	3.0%	3.0%	3.0%	\$695,468	\$0
Alteian MLP	\$935,668	4.0%	5.0%	4.0%	\$935,668	\$0
Equity acct TOTAL	\$11,019,687	47.0%	45.1%	45.5%	\$10,669,687	(\$350,000)
Cash	\$459,216	2.0%	2.0%	3.4%	\$809,216	\$350,000
Cash acct TOTAL	\$459,216	2.0%	2.0%	3.4%	\$809,216	\$350,000
	\$23,462,868	100.0%	100.0%	100.0%	\$23,462,868	\$0

*Portfolio Values obtained from People's United Bank and are as of 12/15/2017 close of business.

Approved by


 Date 12/15/17

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BRANFORD TOWN CLERK

Item # 2

OFFICE OF THE TREASURER
BRANFORD, CONNECTICUT

Item #3

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(203) 488-8394
FAX 481-5561
2017 DEC 15 P 2:42
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BRANFORD, CONNECTICUT

Date: December 15, 2017
To: Joseph Mooney, Chairman Board of Finance
From: James Finch, Finance Director
Re: Future Borrowing Plans

Background

Over the years I have prepared, and the Board has reviewed, a series of debt plans in advance of considerations for large capital appropriations. In addition we were proactive in restructuring debt to expand the town's debt capacity. Pursuant to these efforts the Board approved funding for the Walsh Intermediate School Project and the Community Center renovation. However, a variety of projects still remain and the Board has wisely deferred action on these projects until we had a clearer sense of the impact of the state budget on Branford's operating budget and capital needs.

Looking Ahead

At the last meeting we discussed the state impact on the town finances and we concluded Branford will fare better than planned as we budgeted worst case scenario, nevertheless, we remain cautious given the state's continued budgetary weakness and long term liabilities. After the board meeting we learned that funding for the middle school and central office received bonding commission approval which provides considerable ballast to move forward with the project and to approach previously unfulfilled capital requests.

Financial Impact

Following the November meeting I was charged with providing an update to the debt plan taking into consideration the previously authorized yet unfinanced projects along with anticipated projects. My purpose is to provide a funding scenario that is logical and budget sensitive while maintaining the current bond rating. Please note that the attachment is not intended to analyze and account for every possible situation and undoubtedly changes in interest rates, construction costs will alter the projections. On a positive note, the town maintains reserves in the general fund as well as other funds which under the right conditions can be used to positively impact our efforts.

I will discuss the attached handouts at your meeting.

CC J Cosgrove
Board of Finance

Project	Status	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Total
Blackstone Library	Anticipated	1,500,000	1,700,000	245,000			3,445,000
Vol Fire Station Upgrade	Anticipated	750,000	250,000				1,000,000
Town Capital	Approved	125,000	200,000				325,000
BOE Capital	Approved	51,000					51,000
Energy Conservation	Approved	105,000					105,000
WIS Middle School	Approved	11,500,000	19,000,000	17,000,000	7,750,000		55,250,000
Community Center	Approved	7,285,000	1,000,000				8,285,000
Contingency / Various/DPW	Anticipated		-	4,905,000	5,900,000	10,850,000	21,655,000
		21,316,000	22,150,000	22,150,000	13,650,000	10,850,000	90,116,000
6/30/2017 Debt Outstanding		29,988,115	52,790,973	68,353,636	83,919,966	90,854,331	95,234,477
Add							
September 2017 Sale (FY 2018)		15,000,000					
September 2018 Sale (FY 2019)		21,316,000					
September 2019 Sale (FY2020)			22,150,000				
September 2020 Sale (FY2021)				22,150,000			
September 2021 Sale (FY2022)					13,650,000		
September 2021 Sale (FY 2023)						10,850,000	
Total		44,988,115	74,940,973	90,503,636	97,569,966	101,704,331	95,234,477
Less							
Paydowns Existing Debt		6,901,519	4,387,337	4,383,670	4,515,635	2,769,854	2,769,854
Paydown FY 2018		5,061,623	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
Paydown FY 2019		1,550,000	1,100,000	1,100,000	1,100,000	1,100,000	1,100,000
Paydown FY 2020			1,100,000			750,000	1,150,000
Paydown FY 2021						750,000	750,000
Paydown FY 2022							650,000
Total		6,901,519	6,587,337	6,583,670	6,715,635	6,469,854	7,519,854
Net		38,086,596	68,353,636	83,919,966	90,854,331	95,234,477	87,714,623

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FY	Existing Payments	Sale					Debt Service Total	Estimated Budget	Debt %
		September 2017	September 2018	September 2019	September 2020	September 2021			
2019	5,737,608	1,991,625	373,013				8,102,246	112,119,016	7.23%
2020	4,926,333	1,488,625	1,826,775	443,000			8,684,733	115,258,349	7.54%
2021	4,776,708	1,444,625	1,788,275	886,000	470,687		9,366,295	118,485,583	7.91%
2022	4,760,458	1,400,625	1,749,775	886,000	941,375	290,063	10,028,296	121,803,179	8.23%
2023	2,865,407	1,356,625	1,711,275	1,621,000	1,675,438	581,125	10,054,995	125,213,668	8.03%
2024	524,556	1,214,625	1,672,775	1,983,000	1,643,563	1,216,313	10,013,832	128,719,651	7.78%
2025	524,556	1,174,625	1,634,275	1,937,000	2,003,188	1,727,000	10,163,519	132,323,801	7.68%
2026	524,556	1,144,625	1,595,775	1,891,000	1,954,313	1,676,000	9,915,394	136,028,867	7.29%
2027	399,839	1,124,625	1,557,275	1,845,000	1,905,437	1,625,000	9,552,551	139,837,676	6.83%
2028	75,204	1,104,625	1,518,775	2,044,000	1,856,563	1,574,000	9,234,792	143,753,130	6.42%
2029		1,084,625	1,480,275	1,988,000	2,052,375	1,523,000	9,156,150	147,778,218	6.20%

Assumptions

Budget Increases 1.028
Rates 2-4.5%

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OFFICE OF THE TREASURER
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(203) 315-0663
FAX (203) 315-3736
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Date: December 15, 2017
To: Joseph Mooney
Board of Finance
From: James P. Finch
Finance Director 
Re: Bond Authorization Blackstone Library

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2017 DEC 15 A 10: 07
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BRANFORD, CONNECTICUT

As per discussions with yourself and the First Selectman, I submit to the board an authorization prepared by bond counsel to support the renovation of the James Blackstone Memorial Library.

As the Board is aware, the trustees of the library have attended multiple Board of Finance meetings to update the board as to their renovation plans, fundraising efforts, and state commitments. The authorization reflects the sum of all those funding sources with a small amount added for issuance costs. It is also important for the Board to understand that the loan component will offset shortfalls in other revenue areas.

As in the past you may wish to waive the full reading of the resolution since all members will have a copy in their possession at the meeting.

Cc J. Cosgrove
J. Plaziak
L. Arpin

Blackstone Estimate for BOF Request

Total Construction Costs	4,336,147
Soft Costs	681,651
Add Debt Issuance Costs	7,202
 Total Project	 5,025,000
 Alternate Costs	
Repair of Roof	120,000
Repair of Elevator	100,000
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	220,000

Total Costs	5,245,000
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Non Debt Funding Sources	
State Grant	(1,000,000)
Capital Campaign	(800,000)
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	(1,800,000)

Bonding Requirement	3,445,000
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2017 DEC 15 A 10:08

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RESOLUTION APPROPRIATING \$5,245,000 FOR THE BLACKSTONE MEMORIAL LIBRARY RENOVATION (2017) AND AUTHORIZING THE ISSUE OF \$5,245,000 BONDS OF THE TOWN TO MEET SAID APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE

Section 1. The sum of \$5,245,000 is appropriated for the planning, acquisition and construction of the renovation of the Blackstone Memorial Library, including approximately 2,000 additional square feet, reallocation of existing interior space, code and accessibility improvements, computer area and lab, dedicated teen area, public meeting spaces, expanded lobby and circulation areas, new exterior terrace, technology improvements and resources, and for engineering, consultant fees, equipment, administrative, printing, legal and financing costs related thereto, or so much thereof or such additional improvements as may be accomplished within the appropriation. The appropriation shall be inclusive of grants and capital campaign funding contributions.

Section 2. The total estimated cost of the project is \$5,245,000 and is expected to be paid from an estimated \$1,000,000 State grant, \$800,000 to be raised for the project pursuant to a capital campaign of the Library's Board of Trustees, and the bonds authorized herein.

Section 3. To meet said appropriation, \$5,245,000 bonds of the Town or so much thereof as shall be necessary for such purpose, shall be issued, maturing not later than the twentieth year after their date. Said bonds may be issued in one or more series as determined by the First Selectman and the Town Treasurer (the First Selectman and the Town Treasurer hereinafter the "Town Officials"), and the amount of bonds of each series to be issued shall be fixed by the Town Officials. Said bonds shall be issued in the amount necessary to provide funds sufficient with other funds available for such purpose to pay the principal of and the interest on all temporary borrowings in anticipation of the receipt of the proceeds of said bonds outstanding at the time of the issuance thereof, and to pay for the administrative, printing and legal costs of issuing the bonds. Capital project revenues, including bid premiums and income derived from the investment of proceeds from bonds issued pursuant to this resolution (and net investment income derived from the investment of note proceeds) are authorized to be credited by the Director of Finance to the project account and expended to pay project expenses customarily paid there from, provided that such expenditures shall be applied against the appropriation, and the bond authorization shall be reduced by the amount of capital project revenues so credited. The bonds shall be in the denomination of \$1,000 or a whole multiple thereof, or, be combined with other bonds of the Town and such combined issue shall be in the denomination per aggregate maturity of \$1,000 or a whole multiple thereof, be issued in bearer form or in fully registered form, be executed in the name and on behalf of the Town by the manual or facsimile signatures of the Town Officials, bear the Town seal or a facsimile thereof, be certified by a bank or trust company designated by the Town Officials, which bank or trust company may be designated the registrar and transfer agent, be payable at a bank or trust company designated by the Town Officials and be approved as to their legality by Bond Counsel. They shall bear such rate or rates of interest as shall be determined by the Town Officials. The bonds shall be general obligations of the Town and each of the bonds shall recite that every requirement of law relating

to its issue has been duly complied with, that such bond is within every debt and other limit prescribed by law, that the full faith and credit of the Town are pledged to the payment of the principal thereof and the interest thereon and shall be paid from property taxation to the extent not paid from other funds available for the payment thereof. The aggregate principal amount of the bonds to be issued, the annual installments of principal, redemption provisions, if any, the date, time of issue and sale and other terms, details and particulars of such bonds, shall be determined by the Town Officials, in accordance with the General Statutes of the State of Connecticut, as amended.

Section 4. Said bonds shall be sold by the Town Officials in a competitive offering or by negotiation, in their discretion. If sold at competitive offering, the bonds shall be sold upon sealed proposals, auction, or similar competitive process at not less than par and accrued interest on the basis of the lowest net or true interest cost to the Town. A notice of sale or a summary thereof describing the bonds and setting forth the terms and conditions of the sale shall be published at least five days in advance of the sale in a recognized publication carrying municipal bond notices and devoted primarily to financial news and the subject of state and municipal bonds.

Section 5. The Town Officials are authorized to make temporary borrowings in anticipation of the receipt of the proceeds of said bonds. Notes evidencing such borrowings shall be executed in the name and on behalf of the Town by the manual or facsimile signatures of the Town Officials, bear the Town seal or a facsimile thereof, be payable at a bank or trust company designated by the Town Officials, be approved as to their legality by Bond Counsel, and be certified by a bank or trust company designated by the Town Officials, pursuant to Section 7-373 of the General Statutes of Connecticut, as amended. They shall be issued with maturity dates which comply with the provisions of the General Statutes governing the issuance of such notes, as the same may be amended from time to time. The notes shall be general obligations of the Town and each of the notes shall recite that every requirement of law relating to its issue has been duly complied with, that such note is within every debt and other limit prescribed by law, that the full faith and credit of the Town are pledged to the payment of the principal thereof and the interest thereon and shall be paid from property taxation to the extent not paid from other funds available for the payment thereof. The net interest cost on such notes, including renewals thereof, and the expense of preparing, issuing and marketing them, to the extent paid from the proceeds of such renewals or said bonds, shall be included as a cost of the project. Upon the sale of said bonds, the proceeds thereof, to the extent required, shall be applied forthwith to the payment of the principal of and the interest on any such notes then outstanding or shall be deposited with a bank or trust company in trust for such purpose.

Section 6. Resolution of Official Intent to Reimburse Expenditures with Borrowings. The Town (the "Issuer") hereby expresses its official intent pursuant to §1.150-2 of the Federal Income Tax Regulations, Title 26 (the "Regulations"), to reimburse expenditures paid sixty days prior to and after the date of passage of this resolution in the maximum amount and for the capital project defined in Section 1 with the proceeds of bonds, notes, or other obligations ("Bonds") authorized to be issued by the Issuer. The Bonds shall be issued to reimburse such expenditures not later than 18 months after the later of the date of the expenditure or the substantial completion of the project, or such later date the Regulations may authorize. The

Issuer hereby certifies that the intention to reimburse as expressed herein is based upon its reasonable expectations as of this date. The Director of Finance or his designee is authorized to pay project expenses in accordance herewith pending the issuance of reimbursement bonds, and to amend this declaration.

Section 7. The Town Officials are hereby authorized to exercise all powers conferred by section 3-20e of the general statutes with respect to secondary market disclosure and to provide annual information and notices of material events as enumerated in Securities and Exchange Commission Exchange Act Rule 15c2-12, as amended, as may be necessary, appropriate or desirable to effect the sale of the bonds and notes authorized by this resolution.

Section 8. It is hereby found and determined that it is in public interest to issue all, or a portion of, the Bonds, Notes or other obligations of the Town as qualified private activity bonds, or with interest that is includable in gross income of the holders thereof for purposes of federal income taxation. The First Selectman and the Treasurer are hereby authorized to issue and utilize without further approval any financing alternative available to municipal governments pursuant to law including but not limited to any "tax credit bonds" or "Build America Bonds" including Direct Payment and Tax Credit versions.