

BOARD OF ESTIMATE & TAXATION MEETING ACTIONS

DECEMBER 4, 2006

ATTENDANCE: Mayor Richard Moccia, Fred Wilms, Chairman; James Clark, James Feigenbaum, Michael Lyons, Leo Mellow and Stuart Wells

STAFF: Mary Roman, City Clerk; Thomas Hamilton, Director of Finance; Ossie Lewis, Director of Management and Budgets

OTHERS: Hal Alvord, DPW Director; Vincent Grillo, Jr.; Oak Hills Golf Course; Attorney Randall Avery, Oak Hills Golf Course.

CALL TO ORDER

Chairman Wilms called the meeting to order at 7:34 p.m. Ms. Roman called the roll and announced that all were present.

1. APPROVAL OF THE MINUTES

November 6, 2006 Meeting

**** MAYOR MOCCIA MOVED THAT THE MINUTES OF THE NOVEMBER 6, 2006 MEETING BE APPROVED AS SUBMITTED.
** THE MOTION PASSED UNANIMOUSLY.**

2. SPECIAL APPROPRIATIONS AGENDA (SECTION A)

LIST OF RESOLUTIONS

ADVERTISED ITEM -1

Ms. Roman read the advertised item.

**** MAYOR MOCCIA MOVED TO APPROVE THE FOLLOWING RESOLUTION:**

RESOLVED, THAT A SUM ONT TO EXCEED \$10,000 BE AND THE SAME IS HEREBY TRANSFERRED FROM CONTINGENCY TO THE DEPARTMENT OF PUBLIC WORKS TO PAY FOR THE CITYWORKS TECHNICAL SUPPORT SERVICES (ACCOUNT NO. 01-4080-5255).

Mr. Lewis presented the overall project. He stated that the IT Department does not have a staff member with the current skill set to maintain the Customer Service system.

Mayor Moccia stated that the Customer Service Center was working well. While they are not always able to tell the residents what the residents want to hear, issues and problems are being solved and the system is now in place. There are some tracking issues that need to be addressed.

Mr. Lyons commented that the feedback from the neighborhood has been good.

Mr. Alford came forward and addressed the Board. He said that Lisa Bardon is currently the person who is trying to troubleshoot the system and this is tying up a significant portion of Ms. Bardon's time. An RFP was not issued because the technician needs to be system specific, which is always why the IT Department can not repair the system.

**** THE MOTION PASSED UNANIMOUSLY.**

REPORT ON SPECIAL APPROPRIATIONS

JUSTIFICATION/BACK-UP MATERIAL.

3. TRANSFER AGENDA (SECTION B)

Ms. Roman read the request for transfer regarding the establishment of Cityworks Technical Assistance for the Customer Service system.

**** MAYOR MOCCIA MOVED TO APPROVE THE FOLLOWING RESOLUTION:**

A TRANSFER \$20,000 FROM 01-4021-5241 (ELECTRIC) TO 01-4080-5255 (IT SERVICES) TO COVER THE COST OF TECHNICAL SERVICES FOR THE CITYWORKS PROGRAM.

**** THE MOTION PASSED UNANIMOUSLY.**

4. OTHER BUSINESS (SECTION C)

a. Review of Oak Hills Park Financial Statements.

Mr. Grillo came forward to the podium. Mr. Hamilton stated that he was concerned regarding the fact that it appeared that there was a pattern that showed a deteriorating financial position for the golf course. He pointed out that the net assets decreased.

Mr. Hamilton also pointed out that on page 5 of the report, the unrestricted assets appeared as a deficit. He also expressed concerns about the restricted asset figure.

Mr. Grillo explained that what appeared to be a \$116,000 lost actually covered \$100,000 that is currently in escrow for the City along with \$16,000 that went towards course improvements. He also commented that nationwide, the amount of golf rounds that have been played have dropped approximately 15%. There are plans to raise the course fees.

This past year was also a very wet year. The greens and the courses are in good condition, but the sand traps and the cart trails need work.

Mr. Wilms asked about the possible fee changes. Mr. Grillo explained that the financial year for the course ends on March 31st. On April 1st, the fees will have a modest increase. Mr. Mello asked how the fees are calculated and Mr. Grillo reviewed the process with him. During December, January and February, the course is run on cash reserves. The average fee rate, calculated between both resident and non-resident fees, is approximately \$28.00 per round.

Mr. Hamilton returned to his earlier comment about the restricted and unrestricted assets. Mr. Grillo apologized and said that he would have to speak to the accountant directly, because he was not able to answer Mr. Hamilton's question.

Mr. Hamilton noted that there was some equipment financing on page 13 under Note 6. Mr. Grillo explained that the course had leased some golf carts and that the revenue from the carts goes directly back to the course.

Mr. Hamilton stated that regarding the Restaurant Debt on page 13, that the payment is not annual, but semi-annual. Interest payments are only for the first three years and that it was important to note that this is not really a double payment on the debt service for the restaurant.

Mr. Hamilton then went on to comment that the figure for Interest Expense on page 15 was different from what the City had on its ledgers. Mr. Grillo explained that the \$8,805 figure was for the interest on the water irrigation system.

Mr. Wilms stated for the record, that as a banker, he had some difficulty with the way the accountant prepared the statement on page 9 regarding the cash flow. He stated that he disagreed with the accountant's decision to put three items in the Net Cash Provided by Operating activities category. Mr. Wilms felt that the Decrease (increase) in restricted cash; the Increase (decrease) in current long-term debt and the Increase in restricted funds did not belong in the Operating Activities category because they are investing activities. When those three items are netted out, the cash flow is reduced from \$150,000 to \$100,000. This is important because that in a few years, the course will be responsible for paying off the principal on the loan.

Mayor Moccia asked if there were additional opportunities for income to look at for Oak Hills. Mr. Grillo stated that a golf course architect would be coming in to look the facility and course over. If a driving range is possible, this will be done.

Mr. Feigenbaum asked about the three loan items listed on the financial report from November. Mr. Grillo stated that these were three items that had been approved by the Authority for loans. One item was the leasing of the golf carts, and another was the specialty mowers used for the course. He was not sure what the third lease agreement was for, but said he would check into it.

Mr. Grillo concluded by stating that he would have the course's auditor call Mr. Hamilton on the following day to clarify any remaining questions for Mr. Hamilton. Mr. Wilms commented that the course would need to raise at least another \$100,000 per year. Mr. Grillo agreed and said with the modest increase in fees, the course was expecting to raise approximately \$92,000. The Mayor asked Mr. Grillo if he knew what the driving range in Stamford generated. Mr. Grillo stated that Stamford's range generates approximately \$600,000 per year, but that the range in Fairfield only nets \$100,000 per year.

Mr. Avery then came forward and asked permission to address the Board. He stated that he was the attorney for the golf course. The course management wants to have total transparency and that all members of the Board are encouraged to speak with the auditor whenever they have a question. He also reminded the Board that the Course management had investigated having a driving range on the property and that after a significant amount of money had been expended towards this project, it was not possible to pass the resolution.

b. Fund Balance Projection

Mr. Hamilton reported on the current Fund Balance projection and said that the bottom line is that the actual revenues are currently exceeding the expenditures. He said there is a health Fund Balance and that the revenue is coming in on budget.

5. ADDITIONAL INFORMATION (SECTION D)

Oak Hills Park Financial Status – October 2006
Summary of Special Appropriations – FY 2006-07
Status of Contingency – FY 2006-07
Capital Budget Report
Financial Reports
Year-to-date Capital Budget Report (FY 2006-07)
Year to date Operating Budget Report (FY 2006-07)
Board of Education Budget Report (FY 2006-07)
Salary Accounts
Dispatch Overtime

There was some concern expressed by Mr. Hamilton about the amount of overtime for the combined dispatch salaries. Mayor Moccia informed the Board that this problem is being worked on. The contract, which was signed during the previous administration, had some very weak guidelines in terms of overtime. This will be addressed in the upcoming negotiations.

Police Overtime

This continues to be another area of concern for Mr. Hamilton. Mayor Moccia stated that he is aware of the situation and is working towards finding a solution.

ADJOURNMENT

** MR. CLARK MOVED TO ADJOURN.
** THE MOTION PASSED UNANIMOUSLY.

The meeting adjourned at 8:25 p.m.

Respectfully submitted,

Sharon L. Soltes
Telesco Secretarial Service

