

MINUTES SPECIAL MEETING OF THE WOODRIDGE LAKE SEWER
DISTRICT SEWER AUTHORITY AND THE BOARD OF DIRECTORS OF THE
WOODRIDGE LAKE SEWER DISTRICT, MONDAY, MAY 6, 2013, 6:00 P.M.
CONFERENCE ROOM WOODRIDGE LAKE CLUB HOUSE

Call to Order: Ray Turri, Chairman and President respectively of both Boards called the meeting to order at 5:55 P.M.

Present: Ray Turri, Joan Lang, Jim Hiltz. By Phone, Jim Mersfelder and Bob Goldfeld. Also present, Richard Reis Chairman of the WLSA Finance Committee.

Said meeting was called for the following purpose: To review the proposed 2013/2014 Woodridge Lake Sewer District and to give approval of and recommend to the Taxpayers of the District that said proposed 2013/2014 be adopted at the Annual Budget Meeting of the District which is scheduled to be held on Saturday, May 25, 2013 at 9:30 P.M. in the Woodridge Lake Club House.

Woodridge Lake Sewer District Treasurer Jim Mersfelder presented the proposed 2013/2014 Operating Budget dated 5/6/2013 along with the draft letter to be mailed to all Woodridge Lake Taxpayers. Copies of the Budget material along with the draft letter were made available to all Board members.

Jim Mersfelder explained that the starting point in the preparation of the proposed 2013/2014 budget was based on review of the projected June 30, 2013 year-end forecast of the operating and capital budget. Noted and explained were the budgeted line items for personnel which included the insurance quotes for medical, dental, long term & short term disability and life along with any other fringe benefits. Based on review of current and projected legal expense, that line item would remain at the current budgeted amount of \$45,000.00 for 2013/2014. Expected Revenue is down by \$5,000.00 based on a reduction in interest income due to reduction in the amount of back taxes to be collected and a reduction in Sewer permit Connections. Personnel is up by approximately \$89,000.00 primarily due to now having an additional full time employee vs. prior year. Under Fringe Benefits, Health Ins. is up 15% and a 5% salary increase for all employees has been factored into the personnel budget.

Under the proposed operations budget, the line item for Plant Equipment Repair & Maintenance shows a reduction of \$17,493.00 based on the projections of the Plant Superintendent that in house repair and maintenance on the existing old equipment can be done, thus eliminating the cost for new equipment until such time as the plant and collection equipment upgrade. The proposed budget shows a nominal increase of \$910.00 for Office Expenses, a proposed \$2,678.00 increase for Workers Compensation Insurance and a (\$1,800.00) reduction for professional fees, for an overall increase in the Operations Budget for 2013/2014 of approximately \$79,000.00.

Questioned and discussed was, should the \$24,500.00 Clean Water Fund pay down be included in the \$79,000.00 increase in the operating expenses under the 2013/2014 budget? Should the Board raise operating expenses to include the increase in the running rate and what should the Board do with the Clean Water Fund Principal and Interest

Payments? It has been recommended by the accountant for the District that any principal & interest payments should be treated under the same accounting procedure as we do for tractor lease and booking it as capital. It was noted that the Clean Water Funding has the option of being recouped either by Ad valorem, a benefit connection or some mix of the two. It was noted that it has been determined by Legal Council that the Board has the power to decide the method used for the collection of taxes. Also remaining to be determined is the funding of the Capital account. It was felt that once the method of funding has been determined that a public hearing would be held with the Taxpayers of the District informing the taxpayers how the District is planning to fund the SCADA and I & I projects. Funding of a project is not allowed until the actual start of construction and December 2013 is the estimated start of construction.

Bob Goldfeld stated that he believes that when the Board is aware of upcoming future Capital obligations the District should start now to raise taxes to cover those obligations. Bob Goldfeld questioned why the need for the Taxpayers approval of the Budget? Clerk Joan Lang noted that Section 7-388 of the CT State Statutes for Municipalities sets forth the guidelines for the holding of an annual budget meeting and the responsibilities of the budget making authority in the preparation and presenting of an annual budget for adoption by the taxpayers.

It was noted by Richard Reis that there is no designated Capital Fund for the District, the \$24,500 Clean Water Fund Pay down would be coming out of the District's General Fund. Any expenditures come out of the same fund. The Board was in agreement that the \$24,500 be funded under the general fund of the District.

A MOTION WAS MADE BY Jim Mersfelder that the District absorb in the general fund the initial charge of \$24,500 until such time as it is decided otherwise under the Clean Water Fund which is included in the 2013/2014 proposed budget. Ray Turri seconded the motion. There was no further discussion on the motion, the **MOTION CARRIED**. Bob Goldfeld opposed the motion.

Discussed was the setting of the mil rate for 2013/2014. Reviewed was the current mil rate of 3.3 based on a grand list of 285,135,380. The 2013/2014 Grand list of \$239,404,950 which was reduced due to the Town property revaluation and a 3.9 mil rate would be needed in order to bring the budget into a neutral dollar position. Being proposed is a 4.3 mil rate to cover the projected increase of \$78,934.40 for the noted operating 2013/2014 budget line items. A discussion was held on the increase in the mil rate and being able to give the taxpayers a reason for such an increase. Also discussed was increasing the contingency to \$100,000 but be prepared to explain the increase..

A MOTION WAS MADE BY Ray Turri, to increase the mil rate for the 2013/2014 fiscal budget to 4.3 and that Jim Mersfelder and Richard Reis re- work the proposed budget numbers in the changing of the contingency line item to \$100,000. After further discussion, Ray Turri recinded his motion and the following motion was made:

A MOTION WAS MADE Ray Turri, seconded by Joan Lang to recommend to the taxpayers of the District a mil rate of 4.3 to account for the increases in the operating expenses of \$79,000.00 under the proposed 2013/2014 Fiscal Budget. No further discussion, SO VOTED.

2013/2014 PROJECTED CAPITAL BUDGET: The Board reviewed the projected month by month plan of all of the subunits of the scope of work remaining to be done, plus the SCADA project, the engineering behind it, and projected work for a refurbished plant. Reviewed was the cash flow required for those projects and the moving of the dollars needed out to January of 2014. it was noted that the District does not expect to get any funding from the Clean Water Fund until the end of December. Remaining unknown at this time is what the DEEP finally settles out on as to what is to be done relative to what plant /ground water work will need to be done. The remaining work to be done on the collection has been resolved, as well as for the SCADA system and the I & I work. Based on the anticipation of reaching an agreement to move forward with the plant improvements by January 2014 the Board was in agreement to develop a forecast of engineering work as a place holder totaling \$700,000 during the year, noting that the funds for engineering work would be eligible for Clean Water Funds later in the process. A fund Balance of \$475,776 is being projected as of June 30, 2014.

Discussed was the need for the holding of a Benefits Connection Workshop for the purpose of meeting with Bruce Chudwick so he could brief the group on the options, practices and process in considering the use of a benefit assessment in the collection of monies for capital improvements.

Jim Mersfelder was commended for all the financial work that he has been doing in the preparation of the 2013/2014 and the writing of the letter to go out to the taxpayers with the budget mailing. Jim asked the Board Members to review the draft letter and if they had any suggested changes that they contact him as soon as possible. It was noted that the date for the budget mailing should be no later than May 10th and that date would be put on the letter.

There was no other business to come before the meeting. Ray Turri called for a Motion to adjourn, and the meeting adjourned at 7:15 P.M.

Respectfully submitted,

WOODRIDGE LAKE SEWER DISTRICT SEWER AUTHORITY
WOODRIDGE LAKE SEWER DISTRICT

Joan M. Lang, Secretary & Clerk respectively of both Boards