

**BOARD OF FINANCE
SPECIAL MEETING
The Metropolitan District
555 Main Street
Hartford, Connecticut 06103
Thursday, October 19, 2017**

PRESENT: Commissioners Luis Caban, Allen Hoffman and Pasquale J. Salemi; Citizen Members Ron Angelo and Martin Courneen; and District Chairman William A. DiBella (6)

ABSENT: Citizen Member Ram Aberasturia and Linda King-Corbin (2)

ALSO

PRESENT: Commissioner Denise Hall
Commissioner Georgiana Holloway
Commissioner Whit Osgood
Commissioner Domenic Pane
Scott W. Jellison, Chief Executive Officer
John M. Zinzarella, Deputy Chief Executive Officer, Business Services
Christopher Stone, Assistant District Counsel
John S. Mirtle, District Clerk
Robert Constable, Director of Finance
Sue Negrelli, Director of Engineering
Kelly Shane, Director of Procurement
Tom Tyler, Director of Facilities
Christopher Levesque, Director of Operations
Lisa Remsen, Financial Analyst
Kerry E. Martin, Assistant to the Chief Executive Officer
Carrie Blardo, Assistant to the Chief Operating Officer
Cynthia A. Nadolny, Executive Assistant

CALL TO ORDER

Chairman Salemi called the meeting to order at 1:04 P.M.

PUBLIC COMMENTS RELATIVE TO AGENDA ITEMS

Judy Allen, 25 Fowler Drive West Hartford, spoke regarding the following:

Questions for the Special Meeting of the Board of Finance, Oct. 19, 2017

As evidenced by the recent primary in Bloomfield where a brand new slate of Democrats was voted in, running primarily on opposition to Niagara, the public is still very concerned and angry about it. So these questions seem especially important.

1. Last year Chairman DiBella was able to tell how much our water rates would be reduced for 2017 if Niagara had been buying water at their limit of 1.8 million gallons of water a day. Now that Niagara is buying water, how much has that contributed to proposed rates for 2018?
2. Is Niagara being charged the Sewer User Charge or have you verified that the property tax break given by Bloomfield is reflected in the amount of property tax received for the purpose of calculating the 2018 ad valorem tax?
3. Are you going to give discounts on water and/or the Clean Water Project for large volume water users in 2018?
4. Are there plans for any new large volume water users?

Please excuse that I am not a financial expert and so some of my questions may seem naive, but they come from a place of truly wanting to understand the financial challenges the MDC faces. As a consumer of a public water supply I think I have a responsibility to understand what goes into the workings of a utility that delivers such an important resource.

1. In the draft budget published in the agenda for this meeting, the 5 year plan for water, sewer, and combined CIP was not included. When will that be available?
2. Will any projects in the 5 year plan include expansion of capacity for delivering water to Niagara? Last year it was called the Bloomfield Transmission Main Extension. Will money approved for this extension be included in the 5 year plan?
3. In reading the descriptions for Capital Improvements to sewers, I am confused by what looks like overlapping purposes described on pages 11, 12, 15, and 16. All have to do with some aspect of replacing and rehabilitation of the sewer system as a result of aging and deteriorating infrastructure or infrastructure exceeding useful life. Could you explain the differences among the 4. Can funds from one be used for another? Are these funds expected to be used only within 2018?
4. The General Purpose Sewer program in last year's budget was projected to be \$3 million in 2018 but this year the amount is \$5 million. The Sewer Rehabilitation Program was projected to be \$3 million but this year is \$4.6 million. And the Various Sewer Pipe Replacement Program was projected to be \$3 million in 2018 but is now \$4 million. If I'm reading this right, that's \$4.6 million more than was projected. Why so much?
5. What happened to all the sewer projects in last year's budget that were projected for 2018?
6. Where in the budget will the expense of the MDC Consumer Advocate for 2018 be?
7. Where in the Budget time line will public hearings be held? Will there be just one hearing for covering changes to both the water ordinances and the CWP ordinances?

Thank you
Judy Allen
West Hartford

APPROVAL OF MINUTES

On motion made by Citizen Member Courneen and duly seconded, the meeting minutes of the Board of Finance meeting of September 11, 2017 were approved.

APPOINTMENT OF AUDITORS FOR FISCAL YEAR 2017

To: Board of Finance for consideration on October 19, 2017

The financial auditors are appointed annually by the Board of Finance. In 2014, the District solicited competitive proposals from qualified auditing firms on the State of Connecticut Department of Administrative Services contract and awarded a one-year contract, with the option for two one year renewals to the firm of Blum, Shapiro & Company P.C.. Following past practice, annually, the Board of Finance has reappointed the incumbent auditor in the interim years, although this practice is not obligatory. The single-year term has been retained so that performance of the auditor may be evaluated annually; with the option of change should the finding be negative.

Staff plans to solicit competitive proposals for auditing services in the spring of 2018 to execute a new contract. For the Fiscal 2017 audit, District staff recommends that the Board of Finance appoint the firm of Blum, Shapiro & Company, P.C. to conduct the audit.

If, after discussion, it is the consensus of the Board of Finance that the firm of Blum, Shapiro & Company, P.C. be appointed for fiscal year 2017, it may be

Voted: That the Board of Finance appoints the firm of Blum, Shapiro & Company, P.C., to audit the financial statements of the Metropolitan District for the year ending December 31, 2017, based upon the hourly rate fee schedule contained within State of Connecticut Department of Administrative Services Contract, not to exceed \$140,000.

Respectfully submitted,

Scott W. Jellison
Chief Executive Officer

On motion made by Commissioner Hoffman and duly seconded, the report was received and the resolution adopted by unanimous vote of those present.

DISCUSSION RE: 2018 PROPOSED ANNUAL BUDGET

Robert Constable, Director of Finance presented the 2018 Proposed Annual Budget.

The Board of Finance recessed at 2:49PM

The Board of Finance resumed the meeting at 3:02PM

Commissioner Caban exited the meeting at 4:07PM

Commissioner Salemi exited the meeting at 4:46PM

OPPORTUNITY FOR GENERAL PUBLIC COMMENT

Judy Allen, 25 Fowler Drive West Hartford, spoke regarding the integrated plan and the state water plan.

ADJOURNMENT

The meeting was adjourned at 5:02 P.M.

ATTEST:

John S. Mirtle, Esq.
District Clerk

Date of Approval