

**MINUTES OF WEST HARTFORD PUBLIC HEARING  
Ordinance Repealing the Debt Management Reserve Fund  
MAY 25, 2010 7:00 p.m. LEGISLATIVE CHAMBER**

President Scott Slifka called the Public Hearing to order at 7:14 p.m.

President Slifka: Okay, we're going to call the 7:00 Public Hearing to order. The subject matter is an ordinance repealing the Debt Management Reserve Fund Ordinance in favor of the establishment of a Debt Service Fund. Can I have a roll call please, Ms. Labrot?

Present were Councilors Steven Adler, Shari Cantor, Leon Davidoff, Rob Durbin, Denise Hall, Scott Slifka and Joe Verrengia.

Absent were Tim Brennan and Judy Casperson.

President Slifka: Thank you. Mr. Van Winkle, it's an administration proposal that's been under consideration for quite some time. Would you care to give us the overview?

Mr. Van Winkle: It's a piece of old ordinance that is still on our books. In the early 1980s communities used to issue tax exempt debt and then induct it in taxable debt and earn a spread on that investment. The federal government eventually caught on that they were losing out on a sizable amount of income and stopped what is called arbitrage, this spread. This part of our ordinances was set up in the early 1980s to allow the town to do short-term investing - short-term borrowing and short-term investing to take advantage of that arbitrage. We don't do short-term investing anymore. We don't borrow money short-term anymore and, in fact, the IRS has made and the U.S. Congress has made many rule changes that would actually make the use of this fund in violation of IRS regulations so it's a piece that's been sitting there for awhile and we just brought it forward to say we should take it out of our ordinances simply because sometimes it's confusing when we talk about a fund for debt management and we don't actually use it for the reason it's there.

President Slifka: Thank you, Mr. Van Winkle. Are there any questions for Mr. Van Winkle? This is something that the Finance and Budget Committee has looked at in-depth. Okay. If there are none I won't ask Mr. Leukhardt if you want to get that? The press here but Mr. O'Brien, if you could grab the sign-up sheet. No one is signed up. Is there anyone who did not sign up who wished to speak to the subject matter of this Public Hearing? Okay, seeing none if there is nothing further from the Council we will close the 7:00 Public Hearing. Public Hearing Closed at 7:17 p.m.



Essie S. Labrot  
Town Clerk/Council Clerk  
/sab

**APPROVED AT JUNE 8, 2010 TOWN COUNCIL MEETING**