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**BOARD OF FINANCE  
MINUTES OF REGULAR MEETING  
January 5, 2010**

The Regular Monthly Meeting of the Board of Finance was held in Seminar Room 300, Board of Education Administrative Offices, 501 Kings Highway East, Fairfield, CT on Tuesday, January 5, 2010 at 7:30 p.m.

**MEMBERS PRESENT**

Chairman Thomas Flynn, Robert Bellitto, Ken Brachfeld, James Brown, Christopher DeWitt, Mary LeClerc, Robert Stone, Michael Tetreau

**MEMBERS ABSENT**

Kevin Kiley

**ALSO PRESENT**

Paul Hiller, Chief Fiscal Officer and Clerk of the Board of Finance  
Kenneth Flatto, First Selectman, Town of Fairfield  
Mary Carroll-Mirylees, Director of Human Resources, Town of Fairfield  
Bonnie McWain, Director of Finance, Board of Education, Town of Fairfield  
Roger Autuori, Registrar of Voters, Town of Fairfield  
Caitlyn Bosse, Controller, Town of Fairfield  
Joseph Centofani, Kostin, Ruffkess & Co., LLC  
Elizabeth Churney, Hooker & Holcombe, LLC

**ACTION TAKEN:**

1. Approved the minutes of the Regular Monthly Meeting of the Board of Finance held on December 1, 2009.
2. Approved the minutes of the Organizational Meeting of the Board of Finance held on December 1, 2009.

**REQUESTED ITEMS**

- Mr. Kiley requested Mr. Hiller to add the item of report writing from the MUNIS system to the agenda for the January Quarterly Review meeting.
- Mr. Flynn asked Mr. Hiller for a schedule for revenues and any extraordinary expenses for the December BOF meeting.
- Chairman Flynn asked Mr. Hiller to provide the Board a report showing if any funds have been given to the GBTA for agenda item #3 since July 2009 and also, any portions of the detailed contract that might be informational for the Board.
- Mr. Bellitto asked Mr. Hiller for an explanation of the asset holdings in the Town's pension funds. Mr. Bellitto added that a forward look at the Town's pension fund requirements would be helpful going into the budget process.
- Mr. Kiley asked Mr. Hiller to provide the Board with an accounting of the Recreation Fund transfer of money that was discussed at an earlier meeting. Mr. Kiley noted that this transfer was initiated in order to reduce the balance in the Recreation Fund to its \$200K limit.
- Mr. Flynn asked Mr. Hiller to provide with a report showing how other AAA towns in the area are managing their Heart & Hypertension and Workman's Compensation accounts either via an Internal service Fund or a General Fund.
- Mr. Hiller was asked to distribute to the Board the updated Disaster Recovery Plan mentioned by Mr.

Board of Finance

Minutes of Regular Meeting January 5, 2010

Centofani.

- Mr. Centofani was asked to define the small differences in the Payroll account Bank Reconciliation that were found during the audit and report that information back to the Board.
- Mr. Hiller was asked to provide the Board with a current State Labor Report on Unemployment.
- Ms. Churney, Hooker & Holcombe, LLC was requested to provide the Board with data on how incentive retirements impact pension liability going forward.
- Ms. Churney was asked to provide amortization schedules for 5 additional years.

Chairman Flynn called the meeting to order at 7:34 p.m.

AGENDA

1. To approve the Regular Monthly Meeting Minutes held on December 1, 2009 and the Organizational Meeting Minutes held on December 1, 2009.

**On a motion from the Board, the minutes of the Regular Monthly Meeting held on December 1, 2009 and the Organizational Meeting held on December 1, 2009 were approved with a vote of 8 yeas, 0 nays, 0 abstentions.**

2. To receive and consider the Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ended June 30, 2009 as prepared by Kostin, Ruffkess & Co., LLC.

Mr. Joseph Centofani presented this report to the Board. Chairman Flynn reviewed a handout regarding the auditor's responsibilities under Auditing Standards Generally Accepted in USA (GAAS) and OMB Circular A-133. Mr. Centofani then reviewed a power point presentation with the Board.

Mr. Flatto noted that he would like to move the accounting for the Workman's Compensation from the Risk Fund to a separate line in the General Fund.

Mr. Centofani reported that during the course of the audit an updated Disaster Recovery Plan was reviewed. Mr. Centofani also stated that a recommendation of his firm was that the medical versus general liability should be separated within the Internal Services Fund (as Mr. Flatto noted earlier in the meeting).

Mr. Flynn reviewed a list of questions regarding the audit results as follows:

- Which rating agencies look for undesignated fund balances of 5 – 10% of the total budget? Mr. Flatto replied that it is difficult to say because both agencies (Moody's and Standard & Poor's) determine their recommendations differently but they both average out that about 5 – 10% is best.
- On page 26, the \$250K liability from 1987 creates a variable in the report
- In the report, hedge funds are listed as about 9.5% of assets. Is this the current situation? Mr. Flatto stated that currently the Town has about 2% of assets in hedge funds. Mr. Hiller noted that the recommendation of the consultant is to have about 5 – 10% in hedge funds.
- On page 38, the balance as of June 30, 2009 needs to be cleaned up so the closed projects are reflected in the long-term debt status.
- On page 50, item B, employer contributions are actuarially determined on an annual basis. This will be discussed during the budget process proceedings.

Mr. Flynn recommended that the Audit Committee allow more time to review this report with the auditors in the future.

PUBLIC COMMENT

None

3. To hear an updated report from the Town Actuaries, Hooker & Holcombe, LLC on the Town Pension Plans and the related Cash Contribution Requirements as of July 1, 2009.

Elizabeth Churney presented this report to the Board. Ms. Churney reported that the Town has two plans, Police & Fire and Town Employees. Ms. Churney also stated that an 8% assumption is tied to the value of the asset mix currently held by the Town.

Mr. Bellitto asked that Hooker & Holcombe prepare a comparative study for the Board and Mr. Flynn offered to discuss this with the Town administration since there will be additional costs involved to produce this type of report.

PUBLIC COMMENT

Richard Joslin – Why not fund normal costs?

Brian Vahey – How are the actuarial assumptions of the liabilities determined? Ms Churney reported that they are derived from current amortization and mortality tables; 2000 tables for pension data with projections built-in were used for this report.

4. To hear an updated report from the Town Actuaries, Hooker & Holcombe, LLC on the GASB 45 Results and the Actuarial Valuation Review for the Town and the Board of Education as of July 1, 2009.  
Elizabeth Churney, Hooker & Holcombe, LLC presented this report and reviewed it with the Board. It was noted that this report will be done every other year

PUBLIC COMMENT

None

5. To hear, consider and act upon any communications.

None

6. To hear consider and act upon any other business which shall properly come before this meeting.

Chairman Flynn noted that, due to the lateness of the hour, a review of the requested items list will be deferred until the Quarterly Review Meeting.

The meeting was adjourned at 11:00 p.m.