

**BOARD OF FINANCE PUBLIC EXECUTIVE SESSION
MINUTES OF MEETING
MARCH 25, 2010**

Pursuant to the call and written notice, a Public Executive Session of the Board of Finance was held on Thursday, March 25, 2010 at 7:00 p.m. in the Board of Education Administrative Offices, Seminar Room 300, 501 Kings Highway East, Fairfield, Connecticut.

MEMBERS PRESENT

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

MEMBERS ABSENT

None

ALSO PRESENT

Kenneth Flatto, Sherri Steeneck, Board of Selectmen, Town of Fairfield
Paul Hiller, Chief Fiscal Officer and Clerk of the Board of Finance
Linda Gardiner, Budget Director, Town of Fairfield
Bonnie McWain, Director of Finance, Board of Education, Town of Fairfield

Chairman Flynn called the meeting to order at 7:06 p.m.

Mr. Flynn reminded everyone that the BOS will vote on the budgets on March 30th at 3 pm at their meeting, the BOF will meet on March 31st for a working session and then the BOF will vote on the budgets at their meeting scheduled for April 1st.

Mr. Flatto distributed handouts for reference by the BOF. The Board then reviewed the proposed plan for handling the paving costs until the costs can be built into the DPW budget by 2013-2014. Mr. Flynn noted that the current DPW budget is carrying some funds for paving in lines 57002 (\$500K) and line 54340 (\$252K). Mr. Flatto noted that this plan cannot be voted on but the yearly bonding proposal can be addressed each year by the BOF and the RTM. Mr. Kiley expressed his concerns with the approval of bonding issues over 3 years instead of one bonding issue this year for \$5.8M with a plan to increase the DPW budget over 3 years until the paving is fully funded on a yearly basis in the DPW budget. Mr. Bellitto Jr. stated that it really is necessary to balance the need for services such as paving with the tax increase impact that will be created. Mr. Flynn stated that he has 4 overall concerns with this problem:

1. The level of risk related to revenue estimates, contingency investments, and labor contracts.
2. A commitment by and to the unions.
3. The use of experts – 4 sets (actuaries, heart & hypertension, insurance-health, medical costs).
4. The use of one-time funds to balance the budget.

REVENUE

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Mr. Hiller reviewed items with the Board that came in over/under budget in FY 2009-2010. Mr. Tetreau reminded everyone that the conveyance tax law sunsets this year but he noted that there is a measure in Hartford to eliminate the sunset option thereby making the conveyance tax permanent. Mr. Hiller reported that the estimate for the conveyance tax was \$1.2M for FY 2009-2010 and there has been an upward trend in this area since November 2009 with mostly residential sales. It was also noted that sales of town owned property is up significantly. Mr. Brachfeld distributed a handout he had created concerning interest and dividends and he reviewed it with the Board. Mr. Hiller stated that the Fed will most likely increase interest rates in the coming year so the estimated amount for this line item is attainable. Mr. Hiller was asked to provide the Board documentation on interest and dividends to the Board. Mr. Hiller reported that the Grand List was reduced to \$3,738,934 by the Board of Tax Appeals thereby lowering the tax base by \$71K.

A review of budgets followed.

Administrative and General

Registrar of Voters has an item that could be in the Contingency account (\$20,160).

Conservation has a large increase in their Fees and Professional Services line item.

Human Resources has line item 58920 estimated at \$133K lower than the experts recommend.

Miscellaneous (private agencies)

RYASAP – the request is for \$20K and the First Selectman said that \$15K is maximum he would support.

Mr. Bellitto Jr. expressed his concern with the process whereby an agency gets on the list to receive funding and he would like to see the details of how that process is done.

Private School Transportation – there might not be enough in this item; they may be short by \$9-10K.

BOE

Mr. Flatto stated that staffing at the high school level is in excess of the contract and the educational specifications.

Mr. Flynn stated that the delta between the BOE estimate for ECC Grant reimbursement at 70% versus the town's estimate of 84% is \$328,500.

Health Insurance Medical Costs

Mr. Flynn reviewed handouts with the BOS and the BOF. Mr. Flynn noted that to cover AON recommendations would require an additional \$330,258 to cover estimated expenses. Mr. Flatto stated that most savings on this item for the BOE is due to switching from a premium based outside insurance to self-insurance. Mr. Flatto was asked to provide the BOF with a copy of the BOE and Town agreement relative to insurance.

Finance

Mr. Flynn asked Mr. Hiller if he could use an additional accountant in his office. Mr. Hiller said that more of an analyst position would be helpful at a salary of about \$60K. Mr. Hiller expressed his concern about the government making extensions to funding; 40% is the recurring variety.

IT

Line 58100 has a large increase that seems excessive.

Public Safety

Mr. Bellitto Jr. asked the First Selectman if the signed Letter of Agreement for the 4th position for the Fire Department is binding and the First Selectman stated that it is binding and it affects line 51066. Mr. Flatto explained that he cut lines 51061, 51062 and 51065 because, in his

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experience, the overtime accounts are always over budget no matter how much is budgeted. Mr. Flatto also noted that every year overtime is over budget for both the fire department and the police department and the BOF has to fund the overage from the Contingency account upon request from the BOS and the police and fire departments. Mr. Hiller was asked to provide the BOF with an updated analysis of the fire department and the police department payroll. Mr. Flatto also noted that minimum manpower is a negotiated item in the contract

Police

It was noted that the police department line 51055 is already over budget for this year and the next budget has less money allocated to this item.

It was also noted that Capital Item #1 could be reduced by one additional car since that car is being replaced by an outside source due to the circumstances of the accident in which it was damaged.

Public Works

It was reported that a resolution on the disparities of utility costs between the BOE and the Town is currently being worked on and the report on the discrepancies in the costs for green cleaning between the two entities is also being prepared. Mr. Hiller was asked to provide the BOF with a schedule of costs related to vacancies in the DPW.

Health & Welfare

Culture & Recreation

BOE

Retiree Benefits

Mr. Hiller distributed data on the retirement systems for all areas and reviewed the report with the Board.

The meeting was adjourned at 10:30 p.m.

