

**BOARD OF FINANCE PUBLIC EXECUTIVE SESSION
MINUTES OF MEETING
MARCH 31, 2010**

Pursuant to the call and written notice, a Public Executive Session of the Board of Finance was held on Wednesday, March 31, 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, Mary LeClerc, Robert Stone, Michael Tetreau

MEMBERS ABSENT

Kevin Kiley

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
Dr. Ann Clark, Superintendent of Schools, Board of Education, Town of Fairfield
Bonnie McWain, Director of Finance, Board of Education, Town of Fairfield

Chairman Flynn called the meeting to order at 7:04 p.m.

Mr. Flatto reviewed the changes that were made by the BOS at their meeting yesterday. Mr. Flatto noted that 4 changes were made to the amounts in 4 accounts:

1. Line 58920(Benefits & Risk Management) is now at \$675K
2. Line 58930(Benefits & Risk Management) is at \$567K
3. Line 58940 (Worker Compensation) is at \$1.5M
4. Line 58500 (RYASAP) is now at \$15K

Mr. Flatto stated that he would like to discuss accounting changes for Worker Compensation with the BOF before June so possible changes can be used in the new fiscal year if agreed upon by everyone. Mr. Flynn stated that he would like to see Worker Compensation budgeted back to each department in a line item for upcoming budgets.

Mr. Flatto explained that he cut the BOE budget by \$100K and he feels strongly that the BOE can accomplish this without affecting program. Mr. Bellitto Jr. asked the First Selectman if this was a punitive move or fiscally relevant in nature and the First Selectman said both were part of his decision. When asked where he thought the \$100K would be cut, the First Selectman stated that account 131 (Wage & Benefits) is used like the Town's Contingency Account. Mr. Flatto told the BOF that he had sent a letter to the BOE concerning the salary for the new Superintendent of Schools. Mr. Flatto said he felt strongly that the new salary should not be above the current level especially in light of current salary situations with other employees. The subject of the operational audit was discussed and Mr. Flynn stated that it has always been his opinion that the 2 audits should be done as a joint project with the Town and the BOE in order to provide logistical benefits. Mr. Flynn said that he had a meeting with Mr. Flatto and Mrs. Iacono of the BOE and he would be in favor of going back to the BOE to reconsider their decision to do the operational audits individually. Mr. Bellitto Jr. stated that, in his opinion, for

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transparency and full disclosure, both audits should be done together by a third party or they shouldn't be done at all.

Mr. Cullen reported on the windows project proposed by the BOE. Mr. Cullen said that 8 year bonding was recommended for this project. A discussion on how the cost of this project went from \$1.5M to \$3M did not result in any resolution.

Mr. Richard White discussed with the BOF the details of the work that needs to be done at the Senior Center.

Mr. Flynn asked Mr. Hiller for an updated waterfall model for Capital Improvement Project bonding items for next week's BOF meeting.

Mr. Flynn noted that the following items should be discussed at this meeting:

1. Public Safety OT – Fire Department
2. Recalculate interest and dividends
3. Overall revenue

Item #1

FY 2010 Holiday Pay (51090) should be \$9,660,000 with the new ladder truck initiative. The Fire Department is \$114K under budget for next year. Assistant Chief Reid stated that 94% of OT is bound by contract and Chief Felner stated that 94.5% of the budget is contractual. Mr. Flynn noted that overtime costs has gone up over the last 2 years when they should have gone down so cutting this budget might not be advisable. Mr. Brown said the Board should be aggressive but at the same time realistic. Mr. Flatto said that overspending in the overtime accounts is usually covered by other accounts in the budget that are under spent. Mr. Bellitto Jr. asked if it wouldn't be better to hire employees rather than keep the vacancy funding going forward since there is more certainty with employees. Assistant Chief Reid said that studies have indicated little if no savings long term; it is still less expensive to keep 3 vacancy positions; he would prefer to keep the vacancies in the budget. Mr. Flatto distributed a letter from Town Attorney Richard Saxl regarding the side letter agreements and he reviewed them with the BOF. A discussion of the 4th vacancy position funding followed. Mr. Bellitto Jr. stated that in the Firefighters contract, Article 10, Section 3, the dispute is over increasing the minimum manpower from 16 to 17. Mr. Tetreau asked Mr. Flatto if the Town is obligated to fund this item and Mr. Flatto stated that it would be morally correct to do so. Mr. Bellitto Jr. stated that, in conversations with the Assistant Town Attorney and others, it is his opinion that there is no valid statutory obligation to fund that item.

Item #3

Mr. Hiller reviewed a handout detailing the revenue adjustments. Mr. Hiller stated that the delinquent tax collection rate has been very good this year; the Park & Recreation Department did not raise fees as was expected resulting in a \$152,072 reduction in projected revenue. A discussion followed on reducing the Park & Recreation Revolving fund Balance from \$200K to \$100K.

Item #2

Mr. Hiller reported that estimates remain stable at \$400K for next year. Mr. Hiller noted that there will be a bond sale this summer (\$25M) and bond anticipation notes will produce more income. Mr. Brachfeld said that, in his opinion, a defensible, realistic number for interest income is what should be approved for the budget. Mr. Hiller stated that the Conveyance Tax numbers are through tonight and the Town is only \$2K behind last year's amounts.

The meeting was adjourned at 11:07 p.m.