

**BOARD OF FINANCE
MINUTES OF QUARTERLY REVIEW MEETING**

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 evening, July 24, 2012 at 7:30 p.m.

MEMBERS PRESENT

Members of the Board of Finance present were, Thomas Flynn, Chairman, Robert Bellitto, Jr., Vice Chairman, James Brown, Christopher DeWitt, Ken Brachfeld, Mary LeClerc, Kevin Kiley, Robert Stone,

ABSENT: James Walsh; Paul Hiller, Chief Fiscal Officer

BOARD OF SELECTMAN

First Selectman, Michael Tetreau, Robert Mayer, Chief of Staff

ALSO PRESENT: Linda Gardner, Budget Director, Dr. David Title, Superintendent of Schools, Board of Education, Doreen Munsell, Director of Finance and Business Services, Board of Education and Pamela Iacono, Board of Education, Chairman

Chairman Flynn noted the following: Mr. Stone and Mr. Bellitto will be out of town and will not be able to attend tonight's meeting; Mr. Walsh has a conflict and will be at the following meeting in September; Mr. Kiley was asked to attend this meeting to recognize his fifteen (15) years on the Board, but due to a business obligation, will not be able to attend tonight's meeting. Elaine Gafney submitted her resignation to the Board of Finance. Chairman Flynn stated he enjoyed working with her and thanked her for her service on the Board, especially during budget season. He also stated the Board of Selectman will appoint a new member to the Board, which will be a Democrat.

Lastly, Chairman Flynn gave Selectman Tetreau the opportunity to address Mr. Hiller's absence as Clerk of the Board of Finance

Selectman Tetreau declined to comment on a "personnel matter".

Chairman Flynn asked Selectman Tetreau to provide the Board with updates on Mr. Hiller's status, as soon as he is able.

1. To review the current status of the Town's Pension Funds.

Selectman Tetreau presented this item to the Board. He reviewed and discussed two reports from Callan Associates, INC, (CAI) regarding the Town's Pension Funds. This was discussed at length.

Following discussion:

Chairman Flynn thanked the Pension Board and noted the communication between the Pension Board and the Board of Finance has been much improved and is delighted they updated their own investment policy, which is all good news.

Chairman Flynn was concerned looking back at the actuary analysis report when the budget was approved, there was what was referred to as a "funding mountain" between this fiscal year 2013 and what the next year's projections were, per that actuarial report. The number that comes to his mind was the four and a half million dollar increase from what 2013 projection would be to what all calculations being equal, all assumptions being equal and what the funding requirement would be for 2014 - we had a seven and three quarter percent thirty-year actuarial return on our investment and if this number holds and we got less than a one percent return, that four million dollars will be impacted by that. Chairman Flynn questioned the significance of that impact and if we don't know now when can we know so we can be prepared.

Selectman Tetreau noted they will have a full analysis in January but will follow up with the actuary to see what the impact would be and will get back to the Board this information as soon as possible.

2. To review the current status of the FY'12 budget as of June 30, 2011, (BOE and Town).

Dr. Title, Ms. Munsell and Pamela Iacono presented the FY'12 budget as of June 30, 2011 for the BOE.

They updated the Board on their accounting of 2011-2012 budget transfers and updated balances, as of July 17, 2012. They were also pleased to discuss returning approximately \$345,000 to the Town from its 2011-2012 operating budget. In addition to savings in electricity costs, the BOE also experienced additional staff retirements. Some savings were offset by unanticipated expenditures, such as the replacement of a boiler and Warde High School and fixing the roof at McKinley School. This was discussed at length.

Mr. Mayer and Ms. Gardiner presented the FY' 12 budget as of June 30, 2011 for the Town.

Mrs. Gardner noted the highlights reflect the MUNIS reports as of July 20th and will be receiving invoices and paying on them for the next couple of weeks. She also noted this report only reflects a snapshot in time and is not final. The Board summarized and discussed the highlights presented in the General Fund Revenue, which is \$36k over budget.

Mr. Mayer noted the surplus per MUNIS is \$3,600k. The year end results of which he discussed with the Board at length.

3. Hear a presentation on GASB 67 and 68 regarding pension accounting and funding impact.

Mr. Mayer presented this item to the Board. He gave a brief overview of the new GASB Pension Accounting Standards (statements 67 and 68), which replaces GASB statements 26, 27 and 50. This was discussed at length.

4. To hear a report and update from the Private Agency Sub-Committee of the Board of Finance.

Mr. DeWitt updated the Board regarding the Not-For-Profits Committee. They meet every other week. He noted they have gone through some mechanical workings of the Charter, which they have resolved. The First Selectman will review the Charter at their next meeting. Their main discussion

is to track eligibility and formulate a process to the reporting agencies. They set a time line to complete closure by October 1st.

5. To hear an update from the Building Project Process Review Committee.

James Brown updated the Board regarding the Building Project Process Review Committee. He noted they met June 14th. Their primary discussion was the proposed timing for review and approval of non-recurring projects. The Committee agreed that the following Boards make their presentation on the following dates:

Board of Education (BOE), September voting October; Board of Selectman (BOF), December voting January, Board of Finance (BOF), January voting February and Representative Town Meeting (RTM), January voting February. Mr. Brown noted this will be complete before getting into the operating budget.

Chairman Flynn suggested to hold off until the following meeting in September, to take a sense of the body vote.

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

None heard.

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

None heard.

There being no further business to come before the Board, Christopher DeWitt *moved* and Ken Brachfeld *seconded* to adjourn the meeting at 9:41 p.m. *Motion passed unanimously.*

Respectfully submitted,

Josephine M. Keogh