

“Draft”

**BOARD OF FINANCE
MONTHLY MEETING**

The Board of Finance held its Monthly Meeting on Tuesday, December 4, 2012 in Seminar Room 300, Board of Education Administrative Offices, 501 Kings Highway East, Fairfield, CT.

MEMBERS PRESENT

Members of the Board of Finance present were, Thomas Flynn, Chairman Robert Bellitto, Jr., Vice Chairman, James Brown, Mary LeClerc, Robert Stone, James Walsh and Cathy Albin.

MEMBERS ABSENT

Christopher DeWitt and Ken Brachfeld

BOARD OF SELECTMAN

First Selectman Michael Tetreau, Robert Mayer, Chief of Staff/Acting Chief Fiscal

ALSO PRESENT

David Title, Superintendent of Schools, Board of Education; Jeffrey Hamel and Lisa Campe, principals, with Woodard and Curran

Following the organizational meeting the monthly meeting started at 7:50 p.m.

1. To approve the minutes of the Special Meeting of the Board of Finance from November 13, 2012.

Robert Bellitto *moved* and Robert Stone *seconded* to approve the Special Meeting of the Board of Finance from November 13, 2012, as submitted. *Motion passed unanimously.* Cathy Albin abstained.

2. To hear PCB presentation from Woodard and Curran

Dr. Title introduced Jeffrey Hamel and Lisa Campe, principals, with Woodard and Curran, to the Board.

He noted this issue is not only with the schools it's also a Town wide issue.

Mr. Hamel and Ms. Campe gave a brief presentation on the issues with PBC's.

Mr. Hamel noted the town hired Woodard & Curran to do preliminary tests for at least eight schools that were built or saw major renovations during the same time period as Osborn Hill. The crews will look for construction materials that might contain polychlorinated biphenyls, or

PCBs, which might increase the risk of cancer. PCBs were banned in the United States in 1979, so schools built after that date will not be tested.

Their crews found PCBs while doing required tests for a renovation project at Osborn Hill this summer. The town cleaned up the majority of the school, but the gymnasium has been closed indefinitely. A temporary gym was installed outside the school late last month.

Mr. Hamel also noted they will start with a series of low-cost, simple tests to see whether the town needs to do further studies. One method is a screen for chlorine, which can't confirm that PCBs exist but can rule them out. He also noted, if you don't have chlorine, you don't have PCBs.

Ms. Campe noted even if the group finds signs of PCBs, a school might not need a cleanup on the scale of Osborn Hill. The chemicals are harmful only if ingested over long periods of time and are safe as long as the particles don't become airborne. Ms. Campe compared PCBs to asbestos, which can remain in buildings as long pieces remain intact. She also noted if you have something in good condition that isn't releasing into an air duct and causing high exposure potential, there's not going to be a health risk.

It was further noted, the cleanup at Osborn Hill has already cost the town more than \$700,000, while estimates for work in the gymnasium are expected to be higher. The town is paying Woodard and Curran \$33,000 for its work. The company will return to town in January with a risk assessment and recommendations for what to do at other schools.

3. To hear, consider and act upon a series of Transfers of Funds to correct overdrafts in department budgets per attached document.

A. Audit Sub-Committee comments

Mr. Mayer discussed the schedule of Adjustments Fund Balance adjustments and the Transfer s of Funds to correct overdrafts in department budgets with the Board at length.

Following discussion: James Walsh made reference to an employee of the housing authority who left.

Mr. Mayer noted the authorities are pursuing this person who allegedly absconded with some funds.

Selectman Tetreau said he doesn't know how much money was involved in the suspect transactions. As for the housing authority's ability to repay the \$65,000 it owes the town in the near future.

Mr. Mayer noted the authority, which manages the Trefoil Court and Pine Tree Lane housing complexes for seniors and the local housing voucher program, has a \$327,000 federal deficit. He doesn't know if they can pay it before clearing that up.

Mr. Walsh felt it would be appropriate to get an agreement between the housing authority and the town that acknowledges the payroll-processing debt to the penny.

James Brown noted the town does have a letter dated October 29th from FHA Executive Director, Carol Martin, asking that the agency be released from the \$65,000 payroll-processing obligation. Mr. Brown asked if the town had any intention of writing off the debt.

Mr. Mayer replied that the town has no intention of writing off the debt, and that the authority's director and chairman have been informed.

Selectman Tetreau noted the housing authority has been very cooperative. They had some internal issues that they had to clear up. He said the agency brought in a new manager, who is phenomenal.

Following discussion: Chairman Flynn *moved* and Robert Bellitto *seconded* to adjust the last paragraph of the schedule of fiscal year 2012 transfers to read as follows: In addition, the Chief Fiscal Officer is hereby given authority to adjust the transfer amounts as necessary, to address any minor rounding adjustments under \$1,000 necessary that may be required as a result of the audit and/or report presentation *Motion passed unanimously.*

Robert Bellitto *moved* and James Brown *seconded* to approve the Schedule of Adjustments Fund Balance for 6-30-12 as amended. *Motion passed unanimously.*

B. 60 Day Rule Impact comments

Mr. Mayer presented this item to the Board. He noted the Town's current year levy revenue line item currently represents revenue collections each year for the months September 1st through August 31st. This is allowed by state statute and is in compliance with GASP, however; it does not match the accounting of the Town's expenses and other revenues, which are recorded on a FY basis.

Mr. Mayer noted the Town would like to improve their accounting records to better match their revenues with their expenditures. They would like to do this in two steps, which they would like to make effective June 30, 2012. This would be to transition from the current sixty day

difference to a thirty day difference. The second step would be to recognize current year levy tax revenue in a FY basis. This would be accomplished at a future date when the year-end results make it reasonable to do so.

In further discussion, Mr. Mayer stated under – FY 2012 net fund balance-general fund expenditures is 5.255%; adjusted pro-forma FY 2012 adjusted general fund balance is 5.106%; fund balance –general fund expenditures , June 30, 2011 is 5.12%. He also stated if the current year budget ends with a balanced budget with no surplus and no deficit the ratio would stay above 5%.

James Brown had concerns about slipping below 5% and is uncomfortable with taking a step back; they need to take the surplus to a higher end of 5% or 6%.

James Walsh agreed with Mr. Brown and is not in support of a surplus going in the opposite direction.

Chairman Flynn asked Mr. Mayer's advice on how to address this in the budget process.

Mr. Mayer noted the way to address this issue would be to budget the surplus in next year's budget.

4. To hear update on Pension Contributions

Mr. Mayer presented and discussed the Pension Summary and the estimated Pension Plan Contribution Projections.

Following discussion: Chairman Flynn asked that the same documents be forwarded to the RTM for their review.

5. To review follow-up request documents.

The Board questioned and discussed the follow-up documents they requested at length.

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

Chairman Flynn noted if the Board wishes to attend; the Board of Education will be meeting on December 11th at the Board of Education Administrative Offices, to hear a discussion and a presentation on AON.

There being no further business to come before the Board, Robert Stone *moved* and Robert Belitto *seconded* to adjourn the meeting at 10:45 p.m. *Motion passed unanimously.*

Respectfully submitted,

Josephine M. Keogh