

**BOARD OF FINANCE
FINAL MINUTES OF MONTHLY MEETING
JANUARY 30, 2013**

This monthly meeting of the Board of Finance held its Monthly Meeting on Tuesday, January 30, 2013 at 7:30 p.m. 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, Secretary, Mary LeClerc, Robert Stone, James Walsh and Ken Brachfeld

MEMBERS ABSENT

Christopher DeWitt and Cathy Albin.

BOARD OF SELECTMAN

First Selectman Michael Tetreau, Robert Mayer, Chief of Staff and Chief Fiscal Officer, Selectman Christine Vahey

ALSO PRESENT

Caitlin Bosse Controller, Interim Clerk of the Board of Finance, Richard DeAngelis, President of the Fairfield Citizens Association; Selma Cohen, Human Services Commission; Palma Senatore; Claire Grace, Director, Fairfield Senior Services; Brian Vahey, Member of the Town's Pension Board, Phil Dwyer, Chairman for the BOF,

Chairman Flynn called the meeting to order at 7:30 p.m.

1. To approve the minutes of the Special Meeting of the Board of Finance from January 15, 2013.

Robert Bellitto *moved* and James Brown *seconded* to approve the Special Meeting of the Board of Finance from January 15, 2013, as submitted. *Motion passed unanimously.* Mary LeClerc abstained

2. To hear Top Ten Committee Report on The Fairfield Senior Center.

Richard DeAngelis, Volunteer to the Senior Center President of the Fairfield Citizens Association presented this item to the Board. Mr. DeAngelis addressed the Top Ten Committee report, which the group looked at area senior centers and compiled a report on what is most needed to upgrade the Fairfield Senior Center. He noted when the center opened it had its own, fulltime director. Since then, that changed and the duties were given to town Human Services Director Claire Grace, who plans to

retire at the end of the year. Mr. DeAngelis stated Mrs. Grace has done an absolutely outstanding job running the Fairfield Senior Center and has carried out the task with limited resources.

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The group would like to see funding for a full-time director solely for the center in the budget for fiscal year 2013-14, as well as a feasibility study on the Mona Terrace building. The study is to determine if it would make more sense to renovate the building or start from scratch with a completely new building.

First Selectman Tetreau noted he would be interested to know if the commission's priority would be upgrading the senior center or expanded tax relief.

Mr. Walsh asked Mr. Tetreau if a fulltime Director is being proposed in budget.

First Selectman Tetreau noted the budget is still under development and a full time director is being proposed into the budget.

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

Brian Vahey, Member of the Town's Pension Board presented this item to the Board. He noted the only changes are the fixed income managers and this change will take place by the next review. The plan is to take the money from the equity strategy.

Mr. Vahey stated recent retirements in the Fairfield Fire Department won't require an increase in the town's police and fire pension fund contributions for 2013-2014. He also stated the retirements could have a significant impact on the pension fund contributions in the future.

Mr. Vahey also noted that the town's annual required contribution, or ARC, to the pension fund could be lower than expected because of the market performance of the pension funds. He further noted, for this year, if there is no change in the experience study numbers, you won't see any change in the ARC and if the markets continue this way, you're probably going to see less.

Chairman Flynn would like to see a revised calculation for the ARC because of the firefighter pensions and would like to hear from the actuaries and what impact the recent retirements will have on the town's contribution rate before making a decision.

Kenneth Brachfeld agreed that firefighter pensions will not have an impact on this year's ARC.

4. To review the BOE financial position versus budget as of Q2 FY13.

Phil Dwyer, Chairman for the BOE presented this item to the Board.

Mr. Walsh questioned the staffing level, which is over budget by a total of 4.65 F.T. E.'s in Ms. Munsell's Quarterly Financial Report under, "Personnel Services". He asked Mr. Dwyer if those positions are being maintained in next year's budget.

Mr. Dwyer noted no positions are being maintained.

Mr. Walsh also questioned why the security expenses seem to be over 23% and is the security improvements caused by the recent events in Newtown.

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Mr. Dwyer noted the BOE has been over spending money on security improvements. Also, the BOE has agreed to defer installation of the new lockers at Fairfield Woods Middle School as a way of balancing that out. When the school year ends they will adjust the budget adjustments to zero the two line items out. He also noted the line items were over spent because of the cost associated with Super Storm Sandy and as a result of the RTM's decision on Monday. Mr. Dwyer is comfortable the budget will be in balance at the end of the year.

Mr. Dwyer further noted Ms. Munsell has not indicated that she projects that the excess cost reimbursement the BOE we will get for this fiscal year is going to be substantially off budget in a way that they can't balance it with something else.

5. To review Town financial position versus budget as of Q2 FY13.

Mr. Mayer presented and discussed the Town financial position versus budget as of Q2 FY13 with the Board. He addressed the timing and examination information. The intent is to send out MUNIS material along with the schedule of revenue by source and expenditures by object. The Board will receive this information by the 15th to review and to follow up with any questions they may have.

6. To review follow-up request documents.

Mr. Mayer presented and discussed the following follow-up request documents with the Board.

1. Develop work plan and policy to address Tax overpayments (for April)
a. Can we include a website

Mr. Mayer noted the intent of the Tax Collector is to implement the outline of policies and procedures for tax refunds. This will require approximately \$3,000.00 for extra temporary help.

Chairman Flynn asked Mr. Mayer to inquire with Town Attorney as to who approves the policies and approvals.

2. Provide copy of passed adjustments for FY12 when received.

Chairman Flynn asked why payroll and revenue recognition was not included on this item.

Mrs. Bosse noted it wasn't because the entries were already made.

3. Inquire as to why \$900kn accrual from PMA for Worker's Comp had not been included in their year-end reserve.

Mr. Mayer noted there is a State Statute now that requires excess policies so this can't happen again. This claim occurred when the Town was fully funded without an excess policy.

Mr. Walsh noted this letter doesn't address why and how the Town got into this situation after they were paid to monitor this claim. He also noted PMA should come fully prepared to address any and all questions on the history of this account when they come before the Board during budget.

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4. Provide RTM info regarding pension plan contribution budget increase documents.

Mr. Mayer noted per the Board's request, the RTM was provided with the three (3) year pension plan contribution.

5. Determine incremental cost of Business Interruption Insurance and schedule of what are covered events.

Mr. Mayer noted the insurance broker will expand on this item at the February 5th. BOF meeting.

6. Develop financial cost impact schedule of Paul Hiller's resignation and retirement.

a. What are Paul's intentions after December 31st.

Mr. Walsh asked Mr. Mayer if the Board could get a revision on Mr. Hiller's salary savings to take into account why Mr. Hiller is working two (2) days and getting paid for five (5).

Mr. Walsh requested an updated lost opportunity cost list and to show that the same document is recalculated.

7. Schedule Capital Planning Workshop tentatively for Feb. 7, 2013

No comments.

8. Prepare schedule of legal costs for FY12 by service/project type

a. Specifically looking for cost drivers/extra –legal work-cost overrun by 50%

Mr. Belitto noted in the past, the Board received more detailed information on what specific project the town attorneys are working on. He requested a more detailed breakdown to be brought back to the Board.

9. Work with Housing Authority regarding collection of \$65k receivable.

a. Should this have come before the boards before approved?

Mr. Mayer noted this item is still under investigation. He also noted Ms. Martin would be happy to appear before the board to answer any questions the Board may have.

Chairman Flynn noted the Charter was broken and it's this Board's job to protect the taxpayers' rights.

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

None heard.

There being no further business to come before the Board, Robert Bellitto *moved* and James Brown *seconded* to adjourn the meeting at 10:43p.m. *Motion passed unanimously.*

Respectfully submitted,

Josephine M. Keogh