

**BOARD OF FINANCE
MINUTES OF SPECIAL MEETING
November 13, 2014**

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The Special Meeting of the Board of Finance was held in the Seminar Room 295A&B, Board of Education Administrative Offices, 501 Kings Highway East, Thursday, November 13, 2014 at 7:30 p.m.

MEMBERS PRESENT

Catherine Albin, David Becker, Ken Brachfeld, James Brown, Christopher DeWitt, Thomas Flynn, Mary LeClerc, Robert Stone, James Walsh(7:40),

MEMBERS ABSENT

None

ALSO PRESENT

Robert Mayer, Chief Fiscal Officer, Town of Fairfield
Caitlin Bosse, Controller, Town of Fairfield and Clerk of the Board of Finance
First Selectman Michael Tetreau, Town of Fairfield
Selectman Kevin Kiley, Town of Fairfield
Gerry Lombardo, Director Parks and Recreation, Town of Fairfield
Joseph Michelangelo, Director Department of Public Works, Town of Fairfield
James Bradley, Chair, Penfield Building Committee (PBC)
Robert Bellitto, Vice Chair, Penfield Building Committee
Ian Bass, Penfield Building Committee
Jane Nelson, Penfield Building Committee
Kevin Chamberlain, Project Engineer, Penfield Building Committee

ACTION TAKEN

1. Mrs. Albin moved and Mr. Stone seconded to move A RESOLUTION APPROPRIATING \$4,558,399 FOR COSTS ASSOCIATED WITH THE REPAIR AND RESTORATION OF PENFIELD PAVILION AND AUTHORIZING THE USE OF \$1,750,000 OF INSURANCE PROCEEDS TO FUND SUCH APPROPRIATION AND THE ISSUANCE OF BONDS TO FUND THE PORTION OF SUCH APPROPRIATION NOT FUNDED BY INSURANCE PROCEEDS.
2. Mr. Walsh moved and Mr. DeWitt seconded to table this Agenda Item #1 and go back to the Penfield Building Committee in order to vet the new numbers presented tonight and also possibly go back to the Board of Selectmen.
3. Mr. Walsh moved and Mr. DeWitt seconded to amend their previous motion to add until the PBC has time to reconsider Option 7 with and without the lockers option and work with the CFO,
4. After some discussion regarding proper Robert's Rules of Order procedures, Mr. Walsh and Mr. DeWitt withdrew their motions concerning Agenda Item #1 for discussion.

5. Mr. Walsh moved and Mr. DeWitt seconded to take no action on Agenda Item #1. Motion passed unanimously.
6. Mr. Brown moved and Mrs. LeClerc seconded to move Agenda Item #2 for discussion and possible approval.
7. Mr. Flynn moved and Mr. Brachfeld seconded to change, on page 3 of General Fund Balance Policy document, **GUIDELINES**, #2 to read, Transfer such excess to the Town's Internal Service Fund, Pension Fund and OPEB. Motion carried unanimously
8. Mr. Walsh moved and Mrs. LeClerc seconded to move the sentence on page 3 of the General Fund Balance Policy document, "Further, once the Unassigned fund balance is greater than 8% the Board of Finance may transfer any excess above the 8% to the Town's Internal Service Fund." To the end of the first paragraph on page 3 of the General Fund Balance Policy document. Motion carried unanimously.
9. Mr. Walsh moved and Mr. Flynn seconded to change to wording of the last paragraph of the General Fund Balance Policy document to read as follows: If the Unassigned fund balance is projected to go or actually goes below the Floor, the Board of Finance needs to be advised of this fact at its next scheduled meeting. If at the end of a fiscal year, the Unassigned fund balance falls below the Floor, the Board of Finance shall prepare and submit a plan for expenditure reductions and or revenue increases. The Board of Finance shall take action necessary to restore the Unassigned fund balance to acceptable levels within one year or the next budget cycle. Motion carried unanimously.
10. The motion made by Mr. Brown and seconded by Mrs. LeClerc to move Agenda Item #2 for discussion and possible approval was carried unanimously and the General Fund Balance Policy document was approved as amended.

Chairman Flynn called the meeting to order at 7:31 p.m.

Mr. Bradley led the Pledge of Allegiance.

Chairman Flynn offered best wishes for a speedy recovery to Police Chief Gary McNamara.

AGENDA

1. To hear, consider and adopt a bond resolution appropriating funds for the repair of Penfield Pavilion and authorizing the issuance of bonds to finance such appropriation, a copy of which is attached hereto.

Chairman Flynn thanked the Penfield Building Committee for all their hard work and efforts on behalf of the Town.

Mr. Tetreau also thanked the Penfield Building Committee for their dedicated efforts and diligence. Mr. Tetreau stated that the Penfield Building Committee was impaneled in December 2013; they reviewed a tremendous amount of information; they were charged with the development of the right solution for the community for the long term. Mr. Tetreau stated that the Board of Selectmen passed this resolution unanimously at their last meeting.

Mr. Bradley reviewed the handouts with the Board and then presented a PowerPoint program which explained the entire process that took place over the course of this committee's research and deliberations.

Mr. Chamberlain then explained the proposed project option as recommended by the Penfield Building Committee.

Mr. Mayer explained that the FEMA amounts have changed recently and he distributed a handout detailing the revised costs and FEMA reimbursement figures.

Chairman Flynn asked Mr. Mayer if the resolution passed by the Board of Selectmen last week reflected the revised FEMA numbers to which Mr. Mayer replied that the resolution did not reflect the new numbers. Mr. Mayer asked the Chairman if he could to make his presentation concerning the new FEMA amounts as his presentation would probably clear up any confusion. Chairman Flynn asked Mr. Mayer to wait to make his presentation.

Chairman Flynn then asked Mr. Lombardo to explain to the Board his reasons for not asking the Building Committee to pursue Option 7 which would have included the portion of the building housing the lockers. Mr. Lombardo informed the Board that the project was estimated to cost \$7M with the locker portion of the building included versus \$4M without the lockers and Mr. Lombardo could not justify the \$3M differential between having lockers and not having lockers. The option if the lockers were to be included is Option 1B (FEMA compliant) in Mr. Mayer's handout. Mr. Lombardo also stated that the lockers have generated approximately \$38K in revenue each season.

Mr. Walsh moved and Mr. DeWitt seconded to table Agenda Item #1 and go back to the Penfield Building Committee in order to vet the new numbers presented tonight and also possibly go back to the Board of Selectmen.

Mr. DeWitt questioned the various options being discussed tonight. Mr. DeWitt asked if Option 1B has the different pilings option since the PBC did not label any of their possible options as 1B and it is now confusing the discussion. Mr. Mayer explained that Option 1B in his handout is the same as PBC Option 3C.

Chairman Flynn asked any of the members of the PBC who would like to make a comment to please come forward at this time.

Mr. Bass stated that he heard this new information at the Board of Selectmen's meeting and he stated that he is hearing more new information tonight and he applauded the BOF for calling it out.

Ms. Nelson stated that Option 3C was considered by the PBC but not to the extent of other options due to the cost factors among other items. Ms. Nelson further stated that there appears to be a disconnect with the options presented and that is causing confusion tonight.

Mrs. Albin asked Mr. Bradley, through the Chair, if the PBC still stands by their option choice that was presented to the BOS for consideration and approval. Mr. Bradley stated that the PBC stands with their decision as presented to the BOS.

Chairman Flynn asked Mr. Bellitto for his comments. Mr. Bellitto noted that there appears to be a disconnect between the PBC presentation to the BOS and Mr. Mayer's handouts from tonight. Mr. Bellitto also noted that the Bonding Resolution that is before the BOF tonight is the one that was approved by the BOS at their last meeting. Mr. Bellitto also noted that all the other options that were discussed tonight are for comparison purposed only.

Chairman Flynn asked Mr. Bradley if the PBC had the new numbers when the decision was made for the recommendation of an option to recommend to the Town. Mr. Bradley stated that the PBC will stand by the numbers produced in their committee based on due diligence done with commercial estimating guidelines and procedures. Mr. Bradley further stated that the PBC believes that Option 7 is the best for Fairfield's needs and monetary requirements even in light of the new FEMA numbers.

Mrs. Albin stated that, according to Robert's Rules of Order, the resolution has not yet been moved to be discussed and this needs to be done before discussion should take place. The Chair agreed.

Mrs. Albin moved and Mr. Stone seconded to move A RESOLUTION APPROPRIATING \$4,558,399 FOR COSTS ASSOCIATED WITH THE REPAIR AND RESTORATION OF PENFIELD PAVILION AND AUTHORIZING THE USE OF \$1,750,000 OF INSURANCE PROCEEDS TO FUND SUCH APPROPRIATION AND THE ISSUANCE OF BONDS TO FUND THE PORTION OF SUCH APPROPRIATION NOT FUNDED BY INSURANCE PROCEEDS.

Mr. Walsh moved and Mr. DeWitt seconded to table this matter and go back to the Penfield Building Committee in order to vet the new numbers presented tonight and also possibly go back to the Board of Selectmen.

Mr. DeWitt noted that it appears the Parks and Recreation Department made a recommendation based on old numbers and they should be able to vet that option with the new numbers.

Mr. Walsh noted that everyone involved needs time to look at all of this information before any action is taken. Mr. Walsh further stated that, after a quick calculation, it appears that the lockers do generate about \$38K a season and that income would assist in the operation of that facility in the future therefore the PBC should revisit the option of including the lockers in the plan.

Mr. Brown asked Mr. Mayer if there is any documentation available regarding the FEMA numbers change. Mr. Mayer stated that the new numbers were related to the Town via a telephone call on October 23, 2014 and that telephone call was followed up with an email on November 4, 2014.

Mr. Mayer informed everyone present that his Option 1A is the PBC Option 3C and he apologized for any confusion this may have caused. Mr. Mayer reported that the Town submitted to FEMA in July 2013 the cost estimates for the damages and FEMA developed their numbers from that information. On October 23rd a conference call took place with FEMA and the First Selectman and FEMA informed the Town that 75% of the cost to repair and replace the facility as it was before the storm would be covered and also, possibly mitigation costs; the new numbers are not for mitigation. The Town is waiting to hear from FEMA to verify the \$4,188,000 figure and FEMA is waiting for the Town to inform them of the Option the Town will pursue.

Mrs. Albin noted that she personally doesn't want the BOF to become a building committee and therefore the BOF should rely on the PBC for all their hard work already done on this project.

Mr. Bradley noted that the PBC purposely stayed out of the finance area and he would like to have the PBC explore Option 7 with the lockers included based on the new FEMA information.

Mr. Walsh moved and Mr. DeWitt seconded to amend their previous motion to add until the PBC has time to reconsider Option 7 with and without the lockers option and work with the CFO,

After some discussion regarding proper Robert's Rules of Order procedures, Mr. Walsh and Mr. DeWitt withdrew their motions concerning Agenda Item #1 for discussion.

**Mr. Walsh moved and Mr. DeWitt seconded to take no action on Agenda Item #1.
Motion passed unanimously.**

2. To hear, consider, and adopt an updated Fund Balance Policy.

Mr. Brown moved and Mrs. LeClerc seconded to move Agenda Item #2 for discussion and possible approval.

Mr. Walsh reviewed all changes with the Board.

Mr. Flynn moved and Mr. Brachfeld seconded to change, on page 3 of General Fund Balance Policy document, GUIDELINES, #2 to read, Transfer such excess to the Town's Internal Service Fund, Pension Fund and OPEB.

Motion carried unanimously.

A discussion on the ceiling being set at 11% versus 10% resulted in a consensus to keep the ceiling at 11%.

Mr. Walsh moved and Mrs. LeClerc seconded to move the sentence on page 3 of the General Fund Balance Policy document, "Further, once the Unassigned fund balance is greater than 8% the Board of Finance may transfer any excess above the 8% to the Town's Internal Service Fund." To the end of the first paragraph on page 3 of the General Fund Balance Policy document.

Motion carried unanimously.

Mr. Walsh moved and Mr. Flynn seconded to change to wording of the last paragraph of the General Fund Balance Policy document to read as follows:

If the Unassigned fund balance is projected to go or actually goes below the Floor, the Board of Finance needs to be advised of this fact at its next scheduled meeting. If at the end of a fiscal year, the Unassigned fund balance falls below the Floor, the Board of Finance shall prepare and submit a plan for expenditure reductions and or revenue increases. The Board of Finance shall take action necessary to restore the Unassigned fund balance to acceptable levels within one year or the next budget cycle.

Motion carried unanimously.

The motion made by Mr. Brown and seconded by Mrs. LeClerc to move Agenda Item #2 for discussion and possible approval was carried unanimously and the General Fund Balance Policy document was approved as amended.

On a motion made by Mr. Stone, seconded by Mr. Walsh and passed unanimously, the meeting was adjourned at 10:15 pm.

Respectfully submitted,

Deborah J. Garavel
Recording Secretary