

**APPROVED BOARD OF FINANCE MINUTES – REGULAR MEETING
TUESDAY, OCTOBER 18, 2016**

A regular meeting of the Board of Finance was held on Tuesday October 18, 2016 in the large conference room in Town Hall at 7:30 p.m.

Members Present: Paul Sutherland, Vice Chairman; Marty Heiser; Jessica Mancini, and Mike Raduazzo
Members Absent: David Ulmer, Chairman
Town Officials: Kevin Redmond, Controller; Jane Berendsen-Hill, Tax Collector; Molly McGeehin, Treasurer; Mike Rettger; Assistant Treasurer
BOE: Karen Baldwin, Supt. Of Schools; Board of Education; Paul Hendrickson; BOE Business Manager; Fran Walton, Chairman, Board of Education
GUESTS: Anthony Raduazzo – Working on his Citizenship Merit Badge

A G E N D A

Comments From the Public
Approval of Minutes – September 20, 2016
Treasurer's Report
BOE FY Financial Report
Tax Collectors Report
Controller's Report
 FYTD 2017 Revenues and Expenses
 Year-end Transfers
New Business
Old Business
Adjournment

Mr. Sutherland called the meeting to order at 7:30 p.m.

COMMENTS FROM THE PUBLIC

None.

Ms. Mancini made and Mr. Raduazzo seconded a motion to add School Superintendent, Dr. Karen Baldwin to the agenda after the Treasurer's report.

Vote: 4-0. **APPROVED**

APPROVAL OF MINUTES

Ms. Mancini made and Mr. Sutherland seconded a motion to approve the BOF Minutes for the September 20, 2016 meeting with changes.

VOTE: 4-0 **APPROVED**

TREASURER'S REPORT

SEPTEMBER 30, 2016

	Balance	Month int/div.		30-day Yield Rate	Y-T-D Interest
Fairfield County Bank					
Money Market (...0134)	\$ 4,300,733	\$ 993		0.23%	
NOW (...0142)		\$ 466		0.21%	
Ambulance Fees (...0222)	\$ 80,648	\$ 9		0.23%	
Subtotal	\$ 4,381,381	\$ 1,468			\$ 4,413
STIF					
(CT- Short-Term Invstmnt Fnd)	\$ 8,630,281	\$ 3,341		0.47%	\$ 9,799
People's United Bank					
Municipal (...0055)	\$ 500,493	\$ 206		0.50%	\$ 493
Union Savings Bank					
Investment (...0501)	\$ 2,000,000				
Investment Repo (...0501)	\$ 6,985,771	\$ 3,472		0.45%	
Tax Collector (...2672)	\$ 10,000				
Analyzed CKG (...2525)	\$ 29,127				
Repurchase (...2525)	\$ 9,502,819	\$ 4,352		0.43%	
Subtotal	\$ 18,527,717	\$ 7,824			
					\$ 26,796
Wells Fargo					
24-mo CD 4/6/2018 (...7870)	\$ 246,130	\$ 229		1.10%	\$ 679
TOTAL	\$ 32,286,002	\$ 13,068			\$ 42,180

Assistant Treasurer, Mike Rettger explained the handout as two and a half years of monthly balances fully verified to the bank statements and tied to MUNIS. He and Ms. McGeehin intend to disaggregate the amounts shown to reveal their component parts and give the BOF a more informed view of what monies are available for investment. They said they would return at the next BOF meeting with the breakdown and would be looking for the BOF's opinion on the risk- versus-returns merits of longer-term (2/3 years) investments. It was noted that the account balances appear to be trending up over the last seven months which is at least partially attributable to the proceeds from the December bond issue that have yet to be fully expended.

BOE FINANCIAL REPORT

Dr. Baldwin stated that she and Mr. Hendrickson would like to attend the BOF meetings every month to keep the BOF updated and informed.

Mr. Hendrickson's financial review: Salaries: the BOE realized \$660k in turnover savings; three classroom teachers were hired post budget plus a long-term substitute in fourth grade at Veterans Park; five new

paraprofessionals at the elementary schools and a couple of substitute paraprofessionals, all rolled together for a deficit of \$55k in the salaries.

Settlements: now a separate line in the special education budget, giving greater transparency and focus, has a \$950k budget and, as of today, \$800k has been expended and \$150k remains. There are six settlements ongoing, four of which have reached settlement (totaling \$339k) and two more are still outstanding.

Employee Benefits: To date on budget.

Transportation: Two large bills each school year, one in the fall, the second in the spring which together account for 85% of the total cost. The fall bill, which was in the neighborhood of what was predicated, was paid last week.

Energy: Running fairly even at this time but always depends on how severe the winter weather will be. Last winter was fairly mild and the BOE budget was \$100k positive. The year before that was \$300k negative.

Mr. Sutherland asked if the State covers any of the overage in the special education settlements and Mr. Hendrickson responded that it depends on how the settlements are structured. Dr. Baldwin noted that they already know they will exceed the \$950k budgeted amount. She added that the BOE is considering a freeze on the budget whereby department heads could only expend 75% of what remains in their lines. That freeze is scheduled to go into effect next week.

Dr. Baldwin reiterated her goal of increasing staff skills and knowledge and adopting best practices. "We can make improvements so that we don't have to budget so much money for settlements. There are some themes that are emerging. It's about getting better."

Dr. Baldwin informed the BOF that the BOE is in the middle of a capacity study. The BOE hired the consulting firm of Milone and MacBroom of Cheshire, CT to conduct the study and expects it to present the BOE with configuration options, i.e. redistricting, school closure. Ms. Mancini asked if the consultant's report would be ready by the November 15th tri-board meeting and Dr. Baldwin responded that it would not. Mr. Raduazzo asked if redistricting could be completed before next September and Dr. Baldwin responded that "a small one probably could".

Mr. Heiser reiterated his frustrations with the continuing trend of lower enrollment and higher head count, noting this year's eleven full-time-employee increase. Mr. Heiser said he would like the BOE to exercise restraint on hiring teachers stating it would be better than closing a school or redistricting.

Dr. Baldwin: "I do understand that it is not sustainable, but education has changed. We need to find ways to create efficiencies. One important piece about the capacity study, we'll make sure that we know how to organize ourselves to deliver that world-class education to all of our students."

TAX COLLECTOR'S REPORT

Ms. Berendsen-Hill: "We are doing very well. I pulled together numbers through yesterday and we are on target (current taxes)." She added that the collection rate continues to improve, citing the improved economy as a contributing factor, as well as the delinquent notices sent in preparation for the tax sales. "The thing about a tax sale is that most of the money comes in ahead (of the sale)." So far this fiscal year the Ms. Berendsen-Hill has collected \$865k in prior-year taxes and interest, a small amount of which (\$60k)

is sewer related. \$834k remains open on the remaining properties slated for tax sales. From twenty-seven properties the tax-sale properties have decreased to 13 properties. The tax auction is scheduled for November 14th.

Ms. Berendsen-Hill stated that real estate sales were very strong in September. In anticipation of Mr. Heiser's query, she noted that there have been four foreclosures so far this year.

Fiscal Year
Ending
30-Jun-17

						%					
	Budg et	July	Augu st	Sept.	Y-T-D	Clctd	Prior	13-14	12-13	11-12	10-11
Current Taxes	\$ 123.3	\$ 33.5	\$ 3.9	\$ 2.1	\$ 39.5	32.06 %	31.45 %	31.21 %	31.30 %	30.53 %	30.38 %
Supplemental MV	\$ 0.8	\$ -	\$ -	\$ -	\$ -	0.00% %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %
Prior Year	\$ 0.9	\$ 0.3	\$ 0.4	\$ 0.3	\$ 1.0	107.0 6%	43.80 %	48.76 %	52.69 %	66.71 %	38.70 %
Interest & Lien Fees	\$ 0.5	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.3	68.66 %	27.36 %	30.48 %	33.84 %	53.20 %	21.32 %
As of 09/30/2016	\$ 125.5	\$ 34.0	\$ 4.5	\$ 2.4	\$ 40.8	32.53 %	31.58 %	31.37 %	31.55 %	31.17 %	30.42 %

CONTROLLER'S REPORT

Revenue: Mr. Redmond stated that taxes will be a big driver for the forecast.

Mr. Sutherland asked about the Intergovernmental revenue line #10901-43445 "Municipal Sharing Bonus Pool" and was told it represents the State's sales tax sharing.

Expenses: Mr. Redmond noted that part-time salaries in the Town Clerk's office are running high due to a full-time person being out on medical leave.

Mr. Raduazzo asked about the Fire Department's overtime budget line. Mr. Redmond said the eight-man minimum staffing will start in January. New people have been hired and costs for their training and uniforms have been incurred.

Mr. Redmond explained the increased costs for electricity at Animal Control saying that there has been at least one dog in residence at any given time which necessitated running the air conditioning all the time.

Mr. Sutherland asked about the workmen's compensation budget line and Mr. Redmond responded that it was the annual insurance premium based on the Town's experience and there will not be any more expense related to it.

TRANSFERS

TRANSFER #2016-1

Revenues (and associated Program Costs) came in higher than budget. Overall P&R revenues will exceed budget by over \$250,000.

The following transfer has no net impact on Fund Balance.

INCREASE:

10456-52317	PROGRAM COSTS	\$65,000
10345-51012	SEASONAL DAY CAMP	\$40,000

INCREASE:

10903-44260	RECREATION CENTER REVENUES	\$105,000
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Mr. Heiser made and Ms. Mancini seconded a motion to approve TRANSFER #2016-1 as presented.

VOTE: 4-0 **APPROVED**

TRANSFER #2016-2

Police Special Services Revenue is budgeted at \$125,000 and special Duty Expense is budgeted at \$100. The \$125,000 represents an estimate of the annual net "profit" related to this activity. This year, Special Services Revenue was \$530,000 and the Special Services Expense was \$335,000, for a net "profit" of \$195,000.

The following transfer has no net impact on Fund Balance.

INCREASE:

10401-51020	POLICE SECIAL SERVICES EXPENSE	\$100,000
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INCREASE:

10903-44230	POLICE SPECIAL SERVICES REVENUE	\$100,000
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Mr. Raduazzo made and Mr. Heiser seconded a motion to approve TRANSFER #2016-2 as presented.

VOTE: 4-0 **APPROVED**

TRANSFER #2016-3

Building Maintenance is higher than budget due to higher than anticipated repairs across numerus town and school buildings.

The following transfers are necessary so that Town Building cost centers do not cloe the year over budget.

The following transfer has no net impact on Fund Balance.

INCREASE:

10680-52012	BUILDING MAINT – GENERAL	\$5,000
10680-53017	BUILDING – SCHLUMBERGER	\$30,000
10682-52012	BUILDING MAINT – VENUS	\$7,000
10691-52013	BUILDING MAINT – SCHOOLS	\$10,000

DECREASE:

10501-51001	FIRE – FT SALARIES	\$52,000
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Ms. Mancini made and Mr. Sutherland seconded a motion to approve TRANSFER #2016-3 as presented.

VOTE: 4-0 **APPROVED**

TRANSFER #2016-4

Revenues (and associated Seasonal Salary Costs) came in higher than budget. Overall golf Revenues will exceed budget by more than approximately \$130,000.

The following transfer has no net impact on Fund Balance.

INCREASE:

10281-51010	SEASONAL SALARIES	\$25,000
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INCREASE:

10903-44250	GOLF COURSE REVENUES	\$25,000
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Mr. Heiser made and Mr. Raduazzo seconded a motion to approve TRANSFER #2016-4 as presented.

VOTE: 4-0 **APPROVED**

TRANSFER #2016-5

We budget Probate costs based on estimates. Our share of the actual costs was higher than estimated. The following transfer is necessary so that the Probate cost center does not close the year over budget.

The following transfer has no net impact on Fund Balance.

INCREASE:

10160-53001	PROBATE- OPERATING SUPPLIED	\$300
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INCREASE:

10030-52400	LEGAL – PROF SERVICES	\$300
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Mr. Raduazzo made and Mr. Sutherland seconded a motion to approve TRANSFER #2016-5 as presented.

VOTE: 4-0 **APPROVED**

NEW BUSINESS

OLD BUSINESS

Ms. Mancini asked what is going on at the Slumberger property now. It appears that the Town has recouped \$5.55mm of the \$7mm purchase price. Mr. Redmond stated there are still costs associated with the property to maintain the buildings that will not be demolished.

Mr. Sutherland reminded the BOF that the Pension Committee meeting will be held October 24, 2016.

ADJOURNMENT

A motion was made by Ms. Mancini and seconded by Mr. Heiser to adjourn the meeting at 9:00 p.m.

Vote 4-0. **Motion APPROVED**.

Respectfully submitted,
Karen Rodgers, Recording Secretary