

*Town of New Fairfield*  
**Board of Finance**  
**4 Brush Hill Road**  
**New Fairfield, CT 06812**

**MINUTES**  
**Board of Finance Regular Meeting**  
**Wednesday, January 19, 2022**  
**7:30 PM**  
**Virtual meeting via Zoom**

***Members present via Zoom***

Wes Marsh, Chairman  
Mark Bennison  
Michael Cammarota  
Thora Perkins  
Cheryl Reedy  
Claudia Willard  
Greg Williams, Alternate

***Members not present via Zoom***

Dave Coleman, Alternate  
Chris D'Esposito, Alternate

***Other Town Officials Present via Zoom***

Olga Melnikov, Finance Director  
Terry Friedman, Town Treasurer  
Pat Del Monaco, First Selectman  
Lori Bennison, Selectman  
Khris Hall, Selectman  
Dr. Rich Sanzo, BOE Director of Business and Operations

**Call To Order** Chairman Wes Marsh called the meeting to order at 7:30pm.

Paul Gouveia gave a brief overview of the rules and procedures for having a virtual meeting.

**Pledge of Allegiance**

**Appointments**- None

**Correspondence and Announcements**- None

**Public Comment**- None

**Approval of Minutes**

Michael Cammarota made a motion to approve the minutes of the December 15, 2021 regular meeting as presented. Thora Perkins seconded the motion. **Vote: 6-0-0 (Motion approved)**

Michael Cammarota made a motion to approve the minutes of the Audit subcommittee meeting of January 13, 2022 as presented. Claudia Willard seconded the motion. **Vote: 6-0-0 (Motion approved)**

**Budget Transfers**- None

**Vote to accept audit for fiscal year 2020/2021**

Wes Marsh noted that the Audit subcommittee met on January 13<sup>th</sup>. He gave a brief description of the audit for the fiscal year 2020/2021.

- There were no deficiencies or material weaknesses.
- The tax collection rate was 99.43%.
- The unemployment rate or the pandemic did not seem to affect the tax collection rate.
- The unassigned fund balance is 19.36% of budgetary expenditures.

- The Town's pension fund is funded at 99.29%
- The Education pension fund (excluding teachers) is funded at 97.55%.
- The OPEB is funded at 80.34%
- Long term debt has increased due to the school building projects.
- The Town continues to maintain its AAA bonding.

Wes Marsh made a motion to accept the audit for fiscal year 2020/2021 as prepared by the PKF O'Connor Davies, LLP. Cheryl Reedy seconded the motion. **Vote: 6-0-0 (Motion approved)**

### **Audit recommendations to Management**

Finance Director Olga Melnikov spoke of recommendations for audit controls and noted that many of the recommendations are based on last year's audit and have since been rectified. She spoke of how the Town is addressing each recommendation and best practices.

The recommendations include:

- Restricting the Account payable clerk from entering new vendors into the system.
- Restricting the Payroll clerk from adding new employees and updating pay rates in to the software.
- Assigning each employee in the Tax Department their own log in ID.
- Revenues from the school cafeteria should be recorded in the accounting system based on daily sales instead of deposits on the bank statement.
- The amount received from the cafeteria should be reconciled with the third-party vendor.
- The Parks and Recreation Department should record credit card payments based on the register and reconcile with the amount received.
- The Town should record at least on a monthly basis the activity of the various funds to ensure proper accountability.
- The Town should implement controls to make sure that only eligible employees medical claims are paid. The Town should request that the claims processor specify Town employees vs. Board of Education employees.
- The Town should review capital assets to make sure they are used for their useful life.
- The Town should work with the software provider to ensure that capital assets depreciation is recorded properly.
- Investments should be recorded based on the market value in accordance with Generally Accepted Accounting Principals.
- Deficits should be investigated and resolved with a transfer from the general fund before the end of the fiscal year.
- Outstanding checks should be investigated on a regular basis.
- Review and approval of the Town bank account reconciliation should be documented.
- Reconciliation of accounts receivable and unearned revenue balance should be included in the year-end closing process.

### **Discussion of 2022/2023 Budget planning**

#### **Ten-Year budget planning**

Cheryl Reedy spoke of a document that she created that focuses on a Ten-year budget plan. She spoke of "what if" projections and long range planning. This document calculates the Mil Rate and yearly tax increases and can be adjusted based on different percentage increases. Having a long range plan will help the Town in budgeting and bond ratings.

Town Treasurer Terry Friedman spoke of how this spreadsheet is used to determine bonding of approximately \$80 million for the school building projects. There was a discussion of how this spreadsheet can be used for the operating budget, medical expenses and capital projects. There was a brief discussion of ARPA funds and how it could affect the capital projects.

### **Bonding ( Debt Service)**

Town Treasurer Terry Friedman noted that everything is on track for the March 1, 2022 date for the next phase of bonding for the school projects of approximately \$35 million. There is an assumed rate of approximately 2.1%. This initial interest rate projection was 2.0%. The additional .1% would equal an additional \$35,000 in interest.

### **Medical**

Wes Marsh spoke of Medical as one of the five major components of the budget. The Medical consultant will make a presentation regarding projections for Anthem insurance rates and claims at the February meeting.

### **BOE expenditure status report and transfers**

There was a discussion of monthly expenditure reports for the BOE for August, October and November 2021 that was requested by Thora Perkins. It was noted that the Board of Finance does not have line item control over the BOE budget and cannot control BOE expenses. There was a discussion of whether or not this report is necessary and whether or not it should be requested for future meetings. Board members Mark Bennison and Thora Perkins expressed interest in receiving this report on a monthly basis. It was suggested that the BOF send a liaison to the BOE Business Operations subcommittee meetings. It was decided that Wes Marsh will contact BOE Director of Business and Operations Dr. Rich Sanzo and ask him to send this report to Mark Bennison and Thora Perkins.

### **BOF Budget workshop with the Board of Education- February 1, 2022**

The BOF will have a budget workshop with the Board of Education on Tuesday, February 1<sup>st</sup> via Zoom. The Superintendent of Schools Dr. Pat Cosentino will present her budget to the BOE on Thursday, January 20<sup>th</sup> at 6:30pm. The BOE will hold budget workshops on Tuesday, January 25<sup>th</sup> and Thursday, January 27<sup>th</sup>. The budgets will formally be presented to the Board of Finance on Saturday, March 5<sup>th</sup>. The BOF will meet every Wednesday in March to review the budget.

### **Discussion of adding BOF email addresses to the BOF website**

Cheryl Reedy explained that the current process for retrieving emails from the public is that they are sent to the Town's website and retrieved by BOF members Cheryl Reedy and Michael Cammarota. Thora Perkins asked about the possibility of adding individual email addresses of the BOF members to the Town website for use by members of the public. Other members of the BOF expressed concerns with having their email addresses so readily available. There was a discussion of ways to increase transparency and communications with the public. It was suggested that the BOF column in the Town Tribune be revived. This will be discussed further at the February regular meeting.

### **Permanent Building Committee presentation on the school building projects**

Wes Marsh noted that Don Kellogg has been elected to be the new Chairman of the PBC due to the relocation of George Martignetti. Mr. Kellogg will give a presentation about the building projects to the BOF at a meeting in the near future. It was requested that specific questions about the project be sent to Chairman Wes Marsh to be sent to the PBC.

### **Discussion of Paramedic contract**

First Selectman Pat Del Monaco noted that there is no intention of going out to bid for the Paramedic contract at this point. It was decided that this might be discussed in Executive Session at a future meeting.

### **ONGOING UPDATES**

Wes Marsh made a motion to table ongoing updates until the next meeting. Thora Perkins seconded the motion. **Vote: 6-0-0 (Motion approved)**

**Public Comment-** Selectman Lori Bennison thanked the BOF for being thorough with the budget process.

**Future Agenda items**

- 2022-2023 Budget planning
- PBC School building project presentation.
- Medical expense update
- Elected officials salaries

**Board Member Comments**

Members of the BOF thanked everyone for being cooperative at this meeting.

**Adjournment**

Michael Cammarota made a motion to adjourn the meeting at 10:08 pm. Mark Bennison seconded the motion. **Vote: 6-0-0 (Motion approved)**