

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

MINUTES

Board of Finance Regular Meeting
Wednesday, December 21, 2011
7:30 PM
New Fairfield Community Room

Members present:

Wes Marsh, Chairman
Don Blackwell
Doug Connelly
Tom Edwards
Robert Klick (arrived 7:37 pm)
Jane Landers
Michael Cammarota, Alternate
Tom Quigley, Alternate
Brian Shea, Alternate

Other Town Officials Present:

John Hodge, First Selectman
Jay Waterman, Finance Director
Ed Sbordone, Accounting Manager

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

Pledge of Allegiance

Appointments

None

Correspondence and Announcements

None

Approval of Minutes

Don Blackwell made a motion to approve the minutes of the November 16, 2011 regular meeting as presented. Doug Connelly seconded the motion.

Vote: 4-0-1 (Motion approved- Tom Edwards abstained)
(Robert Klick arrived at 7:37 pm and did not vote on this motion)

Jane Landers made a motion to approve the minutes of the November 30, 2011 special meeting as presented. Wes Marsh seconded the motion.

Vote: 4-0-1 (Motion approved- Tom Edwards abstained)
(Robert Klick arrived at 7:37 pm and did not vote on this motion)

Don Blackwell made a motion to approve the minutes of the November 16, 2011 audit subcommittee meeting as presented. Jane Landers seconded the motion.

Vote: 4-0-1 (Motion approved- Tom Edwards abstained)
(Robert Klick arrived at 7:37 pm and did not vote on this motion)

Jane Landers made a motion to approve the minutes of the November 30, 2011 audit subcommittee meeting as presented. Wes Marsh seconded the motion.

**Vote: 4-0-1 (Motion approved- Tom Edwards abstained)
(Robert Klick arrived at 7:37 pm and did not vote on this motion)**

Budget Transfers- None

Update-cost of the town's emergency declarations due to Winter Storm Alfred and Hurricane Irene

Finance Director Jay Waterman spoke of the costs associated with Winter Storm Alfred and Hurricane Irene. The cost of Hurricane Irene was approximately \$74,000. FEMA will reimburse 75% of the eligible expenses. The town is still waiting to hear the exact number from FEMA.

It is hopeful that all of the brush from Winter Storm Alfred will be cleaned up this week. The cost of this storm to the town was approximately \$400,000. Money was taken from the General Fund to cover expenses related to this storm.

School Building project progress

Chairman Wes Marsh spoke of information that he received regarding the school projects from the School Business Manager, Chairman of the Permanent Building Committee and the Board of Education. Do date; \$3.6 million has been reimbursed for the Meeting House Hill School project. The job is within budget.

Audit subcommittee

Chairman Wes Marsh noted that the audit subcommittee met with Scott Bassett (partner for audit firm of McGladrey & Pullen) on December 20th. The town passed the audit and internal controls are good. The General Fund has approximately \$8.4 million.

Finance Director Jay Waterman spoke of some deficiencies as noted by the auditors and cited controls to correct them:

1. Purchase orders were sometimes being filled out subsequent to the invoice being received.
(School Business Manager sent a letter to the administrators to restate the policy)
2. The town needs more systematic policy for fixed assets- too many spreadsheets
3. Cash needs to be controlled more closely.
(Each department received a stamp to stamp checks immediately. The Finance Dept. has a machine from Union Savings Bank that allows deposits to be made directly from the Finance Dept.)

Approval of Audit

Wes Marsh made a motion to approve the New Fairfield Town audit for the fiscal year 2010/2011 as prepared by the audit firm of McGladrey & Pullen. Robert Klick seconded the motion.

Vote: 6-0-0 (Motion approved)

Operational Review

The audit subcommittee discussed doing an operational review of cash accounts and spoke to Scott Bassett from McGladrey and Pullen regarding this. The cost for such review would be approximately \$7,500 to \$10,000. Wes Marsh noted that he spoke with the Superintendent of Schools regarding such operational review. The review will include seven funds with five being from the school and two from the town. It is estimated that this review would start by the end of January and will be completed by the end of February. Chairman Marsh will speak to the Superintendent to make sure the administration is aware of the review.

Wes Marsh made a motion to accept the proposal of McGladrey & Pullen to do an operational review of the following seven funds: Athletic fund, Varsity sports fund, school store, Drama Club, DECA, Land Use office and Drop-off center for a total price range of \$7,500 to \$10,000 to be funded out of the Board of Finance contingency fund. Jane Landers seconded the motion.

Vote: 6-0-0 (Motion approved)

Fiscal year 2012/2013 budget planning and discussion

There was a discussion among the board members regarding the budget for 2012-2013 and it was the consensus that they would like to see a 0% increase from the 2011-2012 budget. It was noted that medical costs and debt service will increase and thus it was discussed whether or not the 0% increase would be just for the operational budget or would it be a 0% increase for the total budget. The board spoke of different scenarios and will discuss this further at future meetings.

Contingency Fund

There was a discussion of the BOF contingency fund and the optimal amount that should be in the fund. It was noted that the contingency fund is \$33,000. First Selectman John Hodge spoke of the role of the contingency fund. Finance Director Jay Waterman will find out how surrounding towns handle their contingency funds.

Wes Marsh made a motion to increase the Board of Finance contingency fund from \$33,000 to \$50,000. Don Blackwell seconded the motion.

Vote: 6-0-0 (Motion approved)

ONGOING UPDATES

Medical update- Medical claims are down 24% from October. The year-end projections are up and is currently at \$1,938,000.

Legal update – Jay Waterman went over the legal report as of December 9, 2011.

Year to date expenses review- Jay Waterman spoke of five months of actual excluding the expenses from the two storms

Current year revenue update- Property taxes are on target and the revenues are tracking on track

Cap & Non report review- The Muskett Ridge project has been submitted to the state. First Selectman Hodge will call DOT to follow up on this.

Public Comment- None

Future agenda items

Items for future agendas include: 2012-2013 budget planning and Operational review audit

Board member comments

The board wished everyone “Happy Holidays”

Adjournment

Jane Landers made a motion to adjourn the meeting at 9:34 pm. Don Blackwell seconded the motion.

Vote: 6-0-0 (Motion approved)