

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

**MINUTES**

**Board of Finance Regular Meeting  
Wednesday, December 19, 2012  
7:30 PM  
New Fairfield Community Room**

***Members present:***

Wes Marsh, Chairman  
Don Blackwell  
Keith Landa  
Jane Landers  
Tom Quigley  
Michael Cammarota, Alternate  
Cheryl Reedy, Alternate  
Brian Shea, Alternate

***Members not present:***

Tom Edwards

***Other Town Officials Present:***

Jay Waterman, Finance Director  
Ed Sbordone, Accounting Manager

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

A moment of silence was observed for the Town of Newtown

**Pledge of Allegiance**

**Appointments**- Chairman Wes Marsh noted that Tom Edwards asked that Michael Cammarato be appointed to a full member for tonight's meeting in his absence.

**Correspondence and Announcements**- None

**Public Comment**- Resident Rudy Bahrens spoke of the enrollment in New Fairfield schools.

**Approval of Minutes**

Don Blackwell made a motion to approve the minutes of the November 14, 2012 regular meeting as presented. Mike Cammarota seconded the motion.

**Vote: 6-0-0 (Motion approved)**

Jane Landers made a motion to approve the minutes of the November 15, 2012 audit subcommittee meeting as presented. Keith Landa seconded the motion.

**Vote: 6-0-0 (Motion approved)**

Jane Landers made a motion to approve the minutes of the December 13,, 2012 audit subcommittee meeting as presented. Keith Landa seconded the motion.

Wes Marsh made a motion to amend the minutes of the December 13, 2012 audit subcommittee meeting with replacing the following paragraph: “A letter that identifies deficiencies in internal controls of financial reporting (control deficiencies) was presented. Specific control deficiencies noted were not properly performing a reconciliation of the capital outlay accounts to the capital assets additions and not filling out purchase orders for certain funds, especially student activities funds” with the following paragraph: “letters that identified control deficiencies and a significant deficiency were discussed. The two control deficiencies noted were: (1) the town is not properly performing a reconciliation of the capital outlay accounts to the capital assets additions and (2) there were a few instances in the student activity funds where checks were written after year-end and improperly included as an outstanding check on the bank reconciliations. The one significant deficiency noted was a repeat from the last audit where the Board of Education created purchase orders subsequent to invoices being received.”

**Vote on amending motion: 6-0-0 (Motion approved)**

**Vote on motion as amended: 5-0-1 (Motion approved-Tom Quigley abstained)**

**Update of FEMA reimbursement to the town due to Hurricane Irene and Winter Storm Alfred**

Jay Waterman noted that all of the reimbursement money from Hurricane Irene and Winter Storm Alfred has been received. \$373,202.40 was received for fiscal year 2011/2012 which is higher than anticipated. Chairman Wes Marsh thanked Director of Emergency Management Jean Flynn for her hard work in obtaining this reimbursement. The town is still waiting to hear about the reimbursement for Hurricane Sandy FEMA reimbursement.

**Budget Transfers**

Wes Marsh made a motion to make the following Inter-Departmental transfer. Don Blackwell seconded the motion. (Such document to be attached to the minutes of this meeting)

**Vote: 6-0-0 (Motion approved)**

\$	Transfer To		\$	Transfer From	
1,008.00	4162-313-2	Intergov't Agencies-CLA	1,008.00	4163-520	General Insurance-P&C
<b>1,008.00</b>			<b>1,008.00</b>		

### **Vote to accept audit for the Town of New Fairfield**

Wes Marsh spoke of the audit for New Fairfield and went over specific points and noted that the assets for New Fairfield exceed its liabilities by \$63.1 million. The Town's governmental funds decrease by approximately \$6.9 million. This was due to expenditures for capital projects. The General Fund balance for New Fairfield is approximately \$7.8 million which represents an increase of \$608,000. The audit firm divided the amount of the General Fund and divided it by the budget for the year with a result of 14.9%. The municipality is considered fiscally healthy if this exceeds 10%.

Wes Marsh made a motion to accept the audit for the Town of New Fairfield for the fiscal year 2011/2012 as prepared by the firm of McGladrey, LLP. Mike Cammarato seconded the motion.

**Vote: 6-0-0 (Motion approved)**

### **Vote on accepting the recommendation of the audit subcommittee for audit firm for 2012-2013**

Wes Marsh noted that the audit subcommittee interviewed three firms and considered municipal experience, references and fee. It was noted that the existing auditor of McGladrey, LLP was the highest bidder. The subcommittee decided to go with the firm of O'Connor Davies for a fee of \$50,000. A one-year contract will be signed with an option of renewing for a second year at the same price.

Wes Marsh made a motion to approve the firm of O'Connor Davies as auditors for the Town of New Fairfield for the 2012/2013 fiscal year. Don Blackwell seconded the motion.

**Vote: 6-0-0 (Motion approved)**

### **Status of teacher contract negotiations meetings**

Keith Landa noted that the teacher contract has been signed. The length of this contract is three years. The BOE and the teacher's union agreed to switch to a high-deductible savings account (HSA). This should save money for both the BOE and the employees. Administrators have adopted the same medical plan.

It was suggested that it would be beneficial to have Insurance Representative Steve Rinaldi come to a Board of Finance meeting to give projections on the cost savings of this.

The board thanked Keith Landa for all his hard work as the Board of Finance representative for the teacher contract negotiations.

### **Discussion of fiscal year 2013/2014 budget planning**

The board discussed the budget planning for 2013-2014 and specifically spoke of revenue for the Town. This includes taxpayer revenue, licenses and permits and intergovernmental revenue such as grants. Finance Director Jay Waterman spoke of the "hole in the budget" due to less revenue from the First Light settlement. An adjustment has already been made for the 2012/2013 fiscal year for the First Light settlement. Mr. Waterman noted that tax collection for property taxes is over 99%. Other areas of revenue discussed were state aid, intergovernmental, town clerk receipts and Sherman tuition payments. It was noted that debt service is going down.

## **ONGOING UPDATES**

**Medical updates**- Jay Waterman reported that the surplus was transferred into the Medical fund thus the fund balance from October to November increased approximately \$443,000. \$300,000 of this increase was due to the surplus.

**Legal update**- No legal invoices were received. A legal report will be forwarded via e-mail to the members.

**Year-to-date expenses review**- Page six shows expenditures for Hurricane Sandy. Fuel oil prices were locked in. The Health Department received a grant that was able to be put towards the "Alert Now" system. There was a brief discussion of the Communications Center salaries. Full-time employees are being used to cover for part-time employees that have left.

**Current year revenue update**- No report

**Cap & Non update**- No report

**Public Comment**- None

## **Future Agenda Items**

The board requested having Insurance Representative Steve Rinaldi at the next BOF meeting on Jan. 16<sup>th</sup> to discuss the budget impact on the HSA Medical Insurance plan.

Budget planning will be discussed at the next meeting.

## **Board Member Comments**

Board members wished everyone Happy Holidays!!

## **Adjournment**

Don Blackwell made a motion to adjourn the meeting at 9:25 pm. Tom Quigley seconded the motion.

**Vote: 6-0-0 (Motion approved)**