

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

MINUTES

**Board of Finance Regular Meeting
Wednesday, March 13, 2013
7:30 PM
New Fairfield Community Room**

Members present:

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

Members not present:

Don Blackwell
Tom Quigley

Other Town Officials Present:

John Hodge, First Selectman
Susan Chapman, Selectman
Mike Gill, Selectman
Jay Waterman, Finance Director
Ed Sbordone, Accounting Manager
Steve Rinaldi, Everett James, Inc.
Dr. Alicia Roy, Superintendent of Schools
Barbara Mechler, Assistant Superintendent of Schools
Mariana Coelho, High School Principal
Christine Baldelli, Middle School Principal
Sarah McLain, Meeting House Hill School Principal
Craig McClain, Business Manager
Kim Hanson, BOE Chairman
Scott Akam, BOE member
Steve Burfeind, BOE member
Vic Flagello, BOE member
Peter Ohring, BOE member

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

Pledge of Allegiance

Appointments

Wes Marsh noted that Tom Quigley asked that Alternate Cheryl Reedy be appointed in his absence and Don Blackwell asked that Michael Cammarota be appointed in his absence for tonight's meeting.

Correspondence and Announcements- None

Public Comment

BOE Chairman Kim Hanson spoke in support of the BOE budget and spoke of increases over the last ten year and cost spent per pupil in New Fairfield.

Linda Norris thanked the BOF and spoke in support of BOE budget.

Joe Carlucci spoke in support of hiring a full time Athletic Director in the schools. Currently this is a part-time position.

Approval of Minutes

Jane Landers made a motion to approve the minutes of the February 20, 2013 regular meeting as presented. Tom Edwards seconded the motion.

Vote: 6-0-0 (Motion approved)

Cheryl Reedy made a motion to approve the minutes of the March 2, 2013 regular meeting as presented. Mike Cammarota seconded the motion.

Vote: 6-0-0 (Motion approved)

Discussion of Medical Plan and Medical Reserve Funding for 2013-2014

Steve Rinaldi from the firm of Everett James, Inc. spoke of the Medical Plan for the current fiscal year and spoke of claims experience for last year and the current year. Claims for the current year are running approximately 1% below expectations.

Mr. Rinaldi spoke of funding of the Medical Plan for the upcoming fiscal year 2013-2014 and compared premiums based on the amount of ASL (Aggregate Stop Loss) and ISL (Individual Stop Loss). It was noted that the town will assume more risk the higher the ASL and thus the premiums are lower. There was a lengthy discussion regarding the right amount of ASL and ISL for the town. Mr. Rinaldi spoke of the possibility of having medical coverage without including prescription drug coverage in the ASL. It was noted that the amount of ASL and ISL has no effect on the health coverage for employees. The board discussed the pros and cons of including prescription coverage.

Wes Marsh made a motion that the BOF approve the Medical Plan for the fiscal year 2013-2014 with a 125% ASL and \$200,000 ISL with a prescription drug plan. Jane Landers seconded the motion.

Vote: 3-3-0 (Motion denied- Mike Cammarota, Wes Marsh and Keith Landa in favor, Tom Edwards, Jane Landers and Cheryl Reedy opposed)

Tom Edwards made a motion that the BOF approve the Medical Plan for the fiscal year 2013-2014 with a 125% ASL and \$200,000 ISL without a prescription drug plan. Keith Landa seconded the motion.

Vote: 5-1-0 (Motion approved- Mike Cammarota opposed)

Discussion and vote on GASB 45 Funding

Wes Marsh noted that the GASB 45 scheduled contribution for 2013-2014 is \$350,000 and will increase to \$400,000 next year for the next several years. It was noted that it is best practice to adhere to the schedule but not required. Finance Director Jay Waterman noted that New Fairfield is ahead of other towns in regard to GASB 45 contributions.

Wes Marsh made a motion that the BOF fund GASB 45 at \$350,000 for the 2013-2014 fiscal year. Jane Landers seconded the motion.

Vote: 5-1-0 (Motion approved- Tom Edwards opposed)

Discussion of the Board of Selectmen's requested 2013-2014 budget including Capital and Nonrecurring funding

Finance Director Jay Waterman spoke of three areas of the budget that may affect non taxpayer revenue: Paramedic Revenue in the current year is significantly less than anticipated and the town is still waiting for information from the vendor. Revenue for Paramedics was put in the budget for \$220,000 but may be approximately \$30,000 or \$40,000 less. Interest Income is projected to be approximately \$80,000 less than the budgeted number for this year. This number could be as high as \$120,000. The budgeted number for next year is \$300,000 but it is believed that this may be too high and should be approximately \$250,000. Sherman Tuition- Jay Waterman noted that he met with the Superintendent of Schools and it is anticipated that revenue for the Sherman tuition could be increased by approximately \$50,000. The current budgeted amount is \$575,000. The combined areas could potentially create a hole of approximately \$30,000 in non taxpayer revenue.

Chairman Wes Marsh gave worksheets that compares budgeted numbers for 2012-2013 and 2013-2014 for the following areas- Operating budget, GASB 45, Medical Insurance, Debt Service and Capital and Nonrecurring. There was a worksheet that showed the amount needed to be raised from Property Taxes and the Mil Rate calculation and the percentage increase for the past five years. Another worksheet showed the effects of budget reductions and how these reductions affect the Mil Rate. Chairman Marsh noted that the Capital and Nonrecurring fund was funded last year from the unappropriated Capital and Nonrecurring account last year but it was decided not to do that this year.

Discussion of the Board of Education's requested 2013-2014 budget including Capital and Nonrecurring funding

Members of the Board of Finance asked questions of Superintendent of Schools Dr. Alicia Roy regarding the proposed Board of Education budget. There was a discussion in the decrease in enrollment and how that would potentially affect the budget and if having fewer students could equate to fewer staff members or if the same amount of staff would be necessary.

Dr. Roy spoke of cost saving initiatives such as going "Green" that save electricity and saving money with the new HSA Health Savings Plan.

There was a brief discussion of the Director of Technology position and how having more technology could affect that amount of staff needed.

Public Comment

BOE Chairman Kim Hanson spoke of the possibility of slightly underfunding GASB 45 for next year.

Board of Education members Scott Akam and Vic Flagello spoke in support of the education budget.

Future agenda items-The BOF will continue to discuss both the BOS and the BOE requested budgets for 2013-2014. The next regular meeting is scheduled for Wednesday, March 20th at 7:30pm.

Board member comments- None

Adjournment

Jane Landers made a motion to adjourn the meeting at 9:57 pm. Keith Landa seconded the motion.

Vote: 6-0-0 (Motion approved)