

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

MINUTES
Board of Finance Regular Meeting
Wednesday, May 15, 2013
7:30 PM
New Fairfield Community Room

Members present:

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

Other Town Officials Present:

John Hodge, First Selectman
Susan Chapman, Selectman
Mike Gill, Selectman
Jay Waterman, Finance Director
Ed Sbordone, Accounting Manager
Marcia Marien, O'Connor Davies, LLP-Auditor
Steve Rinaldi, Everett James, Inc.

Members not present:

Michael Cammarota, Alternate

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

Pledge of Allegiance

Appointments- None

Correspondence and Announcements

Chairman Wes Marsh noted that the budget for both the Town and the BOE passed on April 27th

Public Comment- None

Approval of Minutes

Don Blackwell made a motion to approve the minutes of the April 17, 2013 regular meeting as presented. Jane Landers seconded the motion.

Vote: 6-0-0 (Motion approved)

Budget Transfer- A summary of budget transfers to date has been included in the packet.

Auditor's Presentation

Marcia Marien from the audit firm of O'Connor Davies, LLP spoke of the audit process for the Town of New Fairfield and gave a handout to the board members with the pertinent information. Ms. Marien spoke of the five areas of controls and what the auditors will look for. Specific factors include the segregation of duties, risk assessment and what is done by the Town to monitor and process controls.

Board members asked questions of Ms. Marien and spoke specifically about the Municipal audit questionnaire and the Fraud survey.

The audit firm will hopefully come before the BOF again at the November monthly meeting. Board members were encouraged to contact the auditors with questions and concerns by October 15th.

Wes Marsh made a motion to authorize the Board of Finance chairman to sign the auditor's engagement letter for auditor services for the fiscal year 2012-2013. Jane Landers seconded the motion.

Vote: 6-0-0 (Motion approved)

Presentation by Steve Rinaldi regarding the change in start date for the Medical Plan

Steve Rinaldi from the firm of Evertt James, Inc. spoke of the change in the start date for the new Medical Insurance for both the Town and the Board of Education. Historically the start date for medical insurance is July 1st and coincides with the start of the fiscal year but due to request from the union, the start date for this year will be August 1st. The start date for next year will be July 1st. Steve Rinaldi spoke of the ramifications of changing the date and having an 11 month cycle vs. a 12 month cycle. It was noted that the deductible for the year won't change.

Discussion of audit subcommittee meeting that discussed corrective actions for a repeated significant deficiency identified in the fiscal year 2011-2012 audit

Chairman Wes Marsh gave a summary of the audit subcommittee meeting that took place immediately prior to this meeting. The audit subcommittee went over the engagement letter for the firm of O'Connor Davies and voted to recommend it to the full BOF.

The audit subcommittee also spoke of corrective action for a significant deficiency from last year's audit which occurred due to invoices being created before Purchase Orders. Chairman Marsh explained the difference between a significant deficiency and a material deficiency and noted that a significant deficiency occurs more than once. Business Manager Craig McClain attended the subcommittee meeting and explained reasons for the violations and noted that many were duplicates. A monthly report with violations is reported to the Superintendent of Schools.

Set Mill Rate for 2013-2014 budget

Wes Marsh made a motion to set the Mill rate for the fiscal year July 1, 2013 through June 30, 2014 at 25.64 mills. Don Blackwell seconded the motion.

Vote: 6-0-0 (Motion approved)

Vote to approve Suspense List

Chairman Marsh explained that the suspense list is a listing of taxes owed that have been deemed uncollectible. They are now being turned over to a collection agency. If any money is collected, the agency will receive approximately 18% of the monies. The taxpayer is charged a surplus of 15% for any money collected that is received by the town.

Wes Marsh made a motion to approve the Suspense List for the Tax Collector for the Town of New Fairfield dated May 9, 2013 in the amount of \$36,898.31. Tom Edwards seconded the motion.

Vote: 6-0-0 (Motion approved)

ONGOING UPDATES

Medical update- Jay Waterman will forward the medical report to the members. He noted that claims are down this month. There are 16 high claims for the year which is fewer than last year but the total amount of claims is approximately \$400,000 more than last year.

Legal update- Tom Quigley asked about the retainer for Town Counsel and asked that the board receive a copy of the retainer agreement for the next BOF meeting. First Selectman John Hodge spoke of various lawsuits and noted that the town needs to defend anything that might arise.

Year to date expenses review- Jay Waterman noted that it is hopeful that the budget surplus for the fiscal year will be approximately \$130,000. The budget freeze enacted a few months ago has recently been lifted. The town is still waiting for the amount of reimbursement from FEMA from Hurricane Sandy and Snow Storm Nemo.

Current year revenue update- Jay Waterman noted that the property tax collection rate is almost 100%. The town has received more money than anticipated for licenses and permits and the motor vehicle supplement tax. The town is still waiting for a commitment letter for the school construction grant. Interest income is down and the third quarter payment for the Sherman tuition has been held up. The overall shortfall for revenue is projected to be between \$25,000 and \$40,000.

Cap & Non- No questions

Public Comment- None

Future Agenda Items- Tom Quigley suggested going over the Medical Reserve fund.

Board Member Comments- Tom Quigley thanked First Selectman John Hodge for all his hard work and wished him well in his future endeavors.

Adjournment

Don Blackwell made a motion to adjourn the meeting at 9:16 pm. Tom Edwards seconded the motion.

Vote: 6-0-0 (Motion approved)