

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

MINUTES

Board of Finance Regular Meeting
Wednesday, November 18, 2020
7:30 PM
Virtual meeting via Zoom

Members present via Zoom

Wes Marsh, Chairman
Michael Cammarota
Tom Garben
Jane Landers
Cheryl Reedy
Anthony Yorio
Brian Shea, Alternate
Mark Werner, Alternate
Greg Williams, Alternate

Other Town Officials Present via Zoom

Ed Sbordone, Finance Director and Town Treasurer
Pat Del Monaco, First Selectman
Khris Hall, Selectman
Joan Archer, Candlewood Lake Authority
Tom Kowalchik, USI Insurance
Rich Kalinka, New Fairfield Fire Dept..

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

Anthony Yorio made a motion to approve the minutes of the October 21, 2020 regular meeting as presented. Michael Cammarota seconded the motion. **Vote: 6-0-0 (Motion approved)**

Cheryl Reedy made a motion to approve the minutes of the October 28, 2020 Pension and Bonding subcommittee meetings as presented. Tom Garben seconded the motion. **Vote: 6-0-0 (Motion approved)**

Budget Transfers- None

Update on Boat Replacement request from the Candlewood Lake Authority

Joan Archer from CLA noted that the CLA had asked towns surrounding the lake to contribute to the purchase of patrol boats. In the meantime, First Light has made a donation of \$100,000 for this purpose. The New Fairfield Fire Department has also offered one of their used boats that may be able to be used as a patrol boat. As a result, the CLA is withdrawing their request for emergency funding for the patrol boats. They will be requesting money for an additional patrol boat with next year’s budget. Anthony Yorio asked for how much can be expected for a budgetary increase for CLA. Joan Archer noted that they should have this information by January 2021.

Additional Appropriation for Town Properties Capital

First Selectman Pat Del Monaco spoke of the STEAP grant that will be used for a new ventilation system for both Town Hall and the Annex. She spoke of the need for an upgrade to the system due to COVID 19. The Town received the maximum amount for this grant in the amount of \$128,205. The cost of the project is approximately \$225,000 so there is a balance of approximately \$97,000. This project has already been out to bid and this cost represents the lowest bid. There was a discussion among members of the BOF and the First Selectman about being more transparent and giving more information to taxpayers. It was noted that this additional appropriation would be transferred from the General Fund and to the Cap & Non- Town Properties Capital. This additional appropriation would normally require a Town Meeting if not for the governor’s order during COVID 19. There was a suggestion of possibly using money from the Water System account and it was noted money from the Water System cannot be used until the Town closes on the system.

Wes Marsh made a motion to make the following Additional Appropriation not to exceed \$225,000 (Town Meeting NOT required due to Governor’s Executive order) from General Fund-Unreserved to Cap & Non- Town Properties Capital. Jane Landers seconded the motion.

Vote: 6-0-0 (Motion approved)

\$	Transfer From		\$	Transfer To	
\$225,000.00	E25321	General Fund-Unreserved	\$225,000.00	301-4340-0000-000/700.14	Cap & Non-Town Properties Capital
\$225,000.00			\$225,0.00		

Cheryl Reedy made a motion that upon sale of the Town’s water system to Aquarian that \$50,000 from the 215 Fund be transferred to the Unreserved General Fund. Wes Marsh seconded the motion. **Vote: 6-0-0 (Motion approved)**

Medical Plan Utilization Review

Tom Kowalchick gave a summary of medical claims for the year. It was noted that a lot of employees don’t get as many preventative screenings as they are entitled to. There was a brief discussion of ways to encourage employees to do this.

Mr. Kowalchick spoke of the prescription drug rebate and noted that the town will receive 100% of the rebate. A true-up of this plan will be done in January 2021.

Audit Documents

Wes Marsh spoke of the audit letter that was received from PKF O'Connor Davies that notes that they will begin the audit for the year ending June 30, 2020 in November or December 2020. The report will be issued in either December 2020 or January 2021.

Wes Marsh spoke of the Fraud policy from O'Connor Davies. He noted that there are two options regarding the reporting of fraud. The first option is for the Chairman of the BOF can sign a letter on behalf of the entire Board which would require him to poll the members. The second option is for BOF members to individually report fraud to O'Connor Davies via email. Not sending an email is construed that no fraud is suspected. It was decided that individual members will send an email directly to O'Connor Davies if necessary.

Vote on Board of Finance 2021 Calendar of Meetings

Wes Marsh made a motion to approve the Calendar of Meeting for 2021 as presented. Michael Cammarota seconded the motion. **Vote: 6-0-0 (Motion approved)**

Pension and bonding subcommittee

Mark Werner gave an overview of work that has been done by the Pension and bonding subcommittee. He spoke of observations and recommendations covering the Town and BOE pension plans, the OPEB plan, Fire Department LOSAP plan and Town 457 plan and the bonding process. He thanked the Town's Finance Director and Town Treasurer Ed Sbordone and Financial Assistant and Town Deputy Treasurer Linda Farinha for all their help with compiling documents.

Mr. Werner spoke of the following observations and recommendations that the subcommittee discussed in their recent meetings:

- It was observed that there is a Pension Committee that was formed in New Fairfield in 2010 and noted that they have not met in several years. The subcommittee recommends that this committee be revived and meet at a regular basis.
- It was observed that the current Pension Committee has only three members including the First Selectman, Town Treasurer and Finance Director. Currently the Town Treasurer and Finance Director are the same person. The subcommittee recommends that increasing the number of members to include a representative of all stakeholders. This would include the Town Treasurer, Finance Director, BOE, BOS, NFVFD, a town employee and a school employee.
- The subcommittee recommends that the BOF recommend to the BOS a request to clarify the meaning of the statements in the S&P rating report.
- The subcommittee recommends that the BOS review and possibly update the existing LOSAP plan and clearly define the roles for the BOS, Finance Director, Fire Department and Plan Administrator.
- The subcommittee recommends that the BOS retain an Investment Advisor to provide advice for the Fire Department LOSAP plan and Town 457 plans.
- The subcommittee recommends that the BOS use the same actuary for the Fire Department LOSAP plan that it does for the Town and BOE Pension and OPEB plans.

- The subcommittee recommends that the BOS negotiate with Webster Bank to combine trust agreements for the Town, BOE plans and OPEB plans
- The subcommittee recommends that the BOE formally delegate signing authority to one of its own members or a non-BOE person to sign pension plan documents on behalf of the BOE.
- The subcommittee recommends that the BOF, BOS and BOE include multi-year cost projections of the Pension plans in the Town budgeting process.
- The subcommittee recommends that the BOS create a summary for each plan that will be clear to all members of the BOE that will clearly describe each plan's goals and the allocation strategy to meet those goals.
- The subcommittee recommends that "Commercial Crime" insurance covering employees be expanded to include fiduciary insurance for all applicable employees.
- The subcommittee recommends that the BOF discuss and review the role of Town Boards in the bonding process and to invite bond counsel to a meetings

There was also a discussion of the establishment of the New Fairfield Pension Commission Ordinance and the membership and roles and responsibilities.

Discussion of Fraud Policy status

This will be discussion at the December regular BOF meeting.

ONGOING UPDATES

Medical update- There is currently \$2.2 million in the Medical Reserve Fund.

Legal update- Pat Del Monaco spoke of legal fees related to the Town entering into an agreement with surrounding towns to intervene with Eversource's response to Tropical Storm Isaias. She further spoke of legal fees regarding challenges to the reassessments and noted that Stop and Shop is the only outstanding issue.

Year to date expenses review- Police Department overtime will continue to be reviewed.

Current year revenue update- Many accounts are currently above budget. This especially includes licenses and permits and real estate conveyance revenues.

Cap & Non- No report

Public Comment

Selectman Khris Hall asked members of the BOF to be flexible with requests made to Town employees since many are overwhelmed with work related to COVID 19. She also spoke of the probability of the Town coming to the BOF with requests for money due to COVID 19 related expenses especially the distribution of the vaccine when it becomes available.

Future Agenda items

Pension and Bonding subcommittee

Fraud policy

Possible recap of money from the water system being put back in the General Fund.

Board Member Comments

Members of the BOF thanked Selectman Khris Hall for letting the Board know ahead of time that the Town may need funds for COVID 19 related expenses.

The Board members wished everyone a Happy Thanksgiving and encouraged everyone to remain vigilant and practice COVID protocols.

Adjournment

Wes Marsh made a motion to adjourn the meeting at 9:48 pm. Jane Landers seconded the motion. **Vote: 6-0-0 (Motion approved)**