

**Litchfield Board of Finance
Regular Meeting Minutes (DRAFT)
September 10, 2018**

Chairman Burgess called the meeting to order in the First Selectman's office in town hall at 7:00 p.m. with Erich Marriott, Ed Gadomski, Richard Quay, Sky Post, and Richard Furniss (Alt.) present. Absent: James Stedronsky, Rose Blondin (Alt.)

Chairman Burgess appointed Richard Furniss a full member in place of James Stedronsky.

Public Comment

There was no public comment.

Approve Meeting Minutes

Motion: Richard Quay moved to approve the August 13, 2018 regular meeting minutes as amended. Erich Marriott seconded the motion. All voted aye with Richard Furniss abstaining and the motion carried.

Chairman Burgess noted the 2017-18 closing revenues & expenditures report was discussed at the 8-13-18 meeting but was not approved.

Motion: Sky Post moved to accept the 2017-18 closing revenues & expenditures report presented by the Finance department. Richard Quay seconded the motion. All voted aye and the motion carried.

Director of Finance Reports

An August 2018 financial overview and year-to-date budget report had previously been sent to BOF members and copies of a new document entitled Revenue and Expenditure dated 9-10-18 that included Revenue and Expenditures by Departments was distributed and discussed. Amaechi Obi noted the Tax Office has collected 54% of their budget amount and as of July, the town has not received any State funding. He answered questions about the cost of the August 14 primary election and status of the audit.

Chairman Burgess noted that Sky Post will be coordinating with Amaechi to present a summary report that will be more concise for BOF review and will depict any variances that may require action to be taken.

In response to a question about the bond report, Amaechi discussed the Moody's rating, noting the town has a very good interest rate of 2.8. Chairman Burgess said financial management policy is very important in order to move up in the ratings, and long-term financial forecasting is also important; both of these actions would come from the finance director, treasurer and first selectman.

Motion: Richard Quay moved to accept the Revenue and Expenditure Presentation report dated 9-10-18. Ed Gadomski seconded the motion. All voted aye and the motion carried.

Town Fund Balances

- a. Self-Funded Medical Insurance – Chairman Burgess met with BOE members, Leo Paul and Amaechi Obi to discuss the 2017-18 self-funded medical insurance program, specifically claims

that resulted in a drawdown of \$500,000 on the program that involves town and BOE employees. The drawdown was due to serious health issues. The outcome of this subcommittee meeting, which also involved the insurance actuary, was agreement that action needs to be taken to prevent another drawdown. The goal is to devise an estimate of future health claims for budget purposes and that amount would be funded in a separate reserve account. The town attorney's counsel will also be sought and there will be a meeting at the end of October and again in February.

- b. General Operating Fund – A draft of a BOF policy with the purpose of preserving the credit worthiness of the town for bond funding and to provide working capital to meet cash flow needs was distributed. There was discussion about the General Operating Fund being totally separate and 15% is the standard that Moody's, S&P and others hold to be a crucial factor for favorable interest rates. -

There was discussion about being prepared for unexpected emergencies and funding for the pension program, which is currently funded at 76%. Chairman Burgess requested feedback from BOF members for Amaechi, Fran Carpentier and Leo Paul. Richard Furniss said a third choice would be to put more funding into the pension..

Annual Budget Process

David Fiorillo said he would like to meet with the BOF to discuss the 2019-20 budget process. Chairman Burgess said the BOE should come earlier to the BOF for the budget process, ideally in August rather than September in order to close the year at the August BOF meeting.

Chairman Burgess will be investigating other meeting locations and requested input on start times. The calendar year for the BOF meeting schedule and Budget schedule should be finalized by the October meeting.

New Business

1. Correspondence –A copy of a memorandum from Schools Director of Business Operations David Fiorillo dated 9-4-18 addressed to Superintendent Sherri Turner was distributed and discussed. It contained an outline of the status of the BOE 2017-18 fiscal year-end showing \$14,229 in unexpended funds.
2. Payment of Bills and 2017-18 Year-End Transfers
 - a. There were no bills for payment.
 - b. Budget Transfer #3 for 2017-18 in the total amount of \$217,247 was presented for BOF approval. Finance Director Amaechi Obi said the year-end transfer is needed to adjust General Fund department budgets, including salaries, to be within approved spending limits. The total of \$217,247 is .000697% of the original BOS budget of \$31,153,450.
Motion: Sky Post moved to approve Transfer #3 in the amount of \$217,247. Richard Quay seconded the motion. All voted aye and the motion carried.
3. Upcoming Meetings/Events
 - a. The next regular meeting will be held on October 15, 2018 (to accommodate the Columbus Day holiday).

Future Agenda Items

1. Action Items & Timing
 - a. Chairman Burgess said by September 19, 2018 there will be a final estimate of costs for the new town hall. The Facilities Committee will provide a recommendation of the budget estimate to the BOS to make a decision on what they propose. It would then go to a town meeting and there will likely be a December referendum.
2. Issues to Address
 - a. The BOF will be approached for agreement with the new town hall decision and to approve bonding for the project. That information needs to be available to voters.

Adjournment

Motion: Sky Post moved to adjourn the meeting at 8:45 p.m. Richard Quay seconded the motion. All voted aye and the motion carried.

Respectfully submitted,

Jo Ann Jaacks
Recording Secretary