

**Litchfield Board of Finance
Regular Meeting Minutes
August 14, 2017**

Call to Order: Chairman David Wilson called the meeting to order in First Selectman Leo Paul's office since the LIS is closed for the summer at 7:00p.m. with Ed Gadomski, Matt Terzian, Jim Stedronsky and Sky Post (Alt.) present.

Late: Helen Bunnell (Alt.) and Anne Dranginis arrived at 7:06p.m.

Absent: Rose Blondin (Alt.)

Also Present: Leo Paul, Amaechi Obi, Raz Alexe, Francis Carpentier, David Fiorillo

Chairman Wilson appointed Sky Post as a full member until the arrival of Helen Bunnell.

Approve Meeting Minutes

Motion: Jim Stedronsky moved to accept the 6-12-17 regular meeting minutes. Ed Gadomski seconded the motion. All voted aye and the motion carried.

Matt Terzian called attention to pg 2, ¶3 of the 6-12-17 meeting minutes "Use of Fund Balance to Pay Down 2017-2018 CIP", noting this was an important topic.

Public Comment

There was no public comment. Chairman Wilson noted that Ed Gadomski was pictured in the newspaper with the Green Team after receiving an award for the energy update at LHS and Jo Ann Jaacks was featured in the news about her Little Free Library project.

Upon the arrival of Anne Dranginis and Helen Bunnell, Sky Post returned to his Alternate position.

Director of Finance Report of Revenues & Expenditures

Director of Finance Amaechi Obi distributed copies of the Financial Overview as of June 30, 2017 with audited figures. The town has collected 102% of revenue compared to 101.1% the same time last year. Total expended of the BOS budget is 96.6% compared to 96.0% last year. Encumbrances total \$545,601 and the Ending Fund Balance is \$4,655,377.10 which is at 15.33%. Current year property taxes collected are 100.7% compared to 100.6% same time last year. All Tax Collector revenue collected was 109.5%. He answered questions about line items and encumbrances not yet spent, and said invoices are still coming in. He said the BOE has not yet given him their unspent dollar amount.

Since the BOF did not hold a regular meeting in July, Director of Finance Amaechi Obi distributed copies of the Financial Overview as of July 31, 2017 with audited figures. For the new budget year, the town has collected 31.4% of revenue compared to 46.0% the same time last year. Total expended of the BOS budget is 7.0% compared to 10.5% last year. Encumbrances total \$1,430,541.83 and the audited Fund Balance is \$4,655,377.10 which is at 15.33%. Current year property taxes collected are 34.3% compared to 51.3% same time last year. All Tax Collector revenue collected was 33.7%. He noted that Nancy Southard has changed the way the collections are tracked.

In reply to Matt Terzian's question about how the ambulance service would impact the new budget, Leo Paul said the town is still working on this arrangement. Leo Paul answered a question about the state trooper expense being encumbered in July.

Progress on Bonding this August

The most recent bonding report was distributed and Treasurer Francis Carpentier said the town is maintaining a good rating of Aa2, which is the highest rating the town could receive without making considerable changes. He discussed monies that would come from the state and noted the fund balance rate is expected to remain stable for the next 2-3 years. He said the town is keeping capital funding at a reasonable level. The Moody's credit rating report recognized that the town did not use reserves for the operating budget and the town's financial situation is considered to be very good, with healthy reserves.

Pension Plan transfer \$500,000 from fund balance (tabled at June 12, 2017 meeting)

At the June 12, 2017 BOF regular meeting, Anne Dranginis had moved to move \$500,000 from the Fund Balance into the Pension Plan to bring it close to 80% coverage. There was discussion about the unknown factors in previous years for the Capital Improvement Program. Helen Bunnell had then moved to table this motion to the August 14, 2017 regular BOF meeting. Anne Dranginis had seconded the motion. All had voted aye with Ed Gadomski voting nay and the motion carried.

Motion: Helen Bunnell moved to continue to table the issue of transferring \$500,000 from the fund balance into the Pension Plan since the town does not know what action the state will take on this. Matt Terzian seconded the motion. All voted aye and the motion carried.

Treasurer Francis Carpentier noted that the town has this liability which will not go away. He advised that it would be to the town's advantage to put any extra monies into the Pension Plan sooner rather than later.

Financial Transfers

There were no financial transfers.

Board of Education request for additional maintenance funds

Chairman Wilson said there was a request from the Superintendent to add this agenda item and several BOE members were present. Wayne Shuhi noted that \$117,500 was budgeted for school external maintenance contracts for f/y 2017-2018 since the BOS was to return this amount from the \$196,896 initially budgeted. The BOF agreed to that amount several months ago, but this amount is not deemed to be sufficient for external maintenance costs. The BOE now has determined they need \$190,000 for this purpose. It was noted the BOE had not requested the external maintenance service to be returned. Copies of a memo from Director of Business Operations David Fiorillo outlining this position were distributed.

A report depicting school maintenance contracts vs Public Works budgeting for f/y 2017-2018 was also distributed by Public Works Director Raz Alexe. There was discussion about the exact amount that would be required prior to school openings.

Motion: Helen Bunnell moved that, for discussion purposes, the BOF would make a onetime transfer equal to \$190,000 from the town of Litchfield undesignated reserve account into a non-lapsing BOE account for f/y 2017-2018. Anne Dranginis seconded the motion. All voted aye and the motion carried.

Helen Bunnell withdrew her motion and Anne Dranginis withdrew her second.

There was discussion about the fact that the schools do not have skilled workers to perform external maintenance, requiring them to hire contractors. The BOE had requested David Fiorillo to monitor these expenses. After tracking the expenses for external maintenance, it was realized that they would be going over budget and wanted to notify the BOS and BOF timely about this eventuality. It was noted that any unexpected repairs or replacements could not be funded. David Fiorillo said he will provide more details to the BOF on encumbered amounts.

Raz Alexe said the BOE needs to be clear on what the town pays for and what the BOE will pay for. He said, for example, a new boiler would be covered in capital. Leo Paul outlined the types of buildings & grounds items that would be handled by the town.

The cost of snow events for the schools was discussed. Jim Stedronsky said the BOE needs to take into account all items listed under the town, and thus, not part of their budget. He said the BOE should then return to the BOF with more exact figures.

Motion: Jim Stedronsky moved to table this discussion for the next BOF regular meeting. Matt Terzian seconded the motion.

Matt Terzian withdrew his second to the motion to allow Helen Bunnell to speak. She said both budgets need to be reviewed. Leo Paul said in the past there was a joint effort between the BOE and the town for repairs or snow removal and that had resulted in cost savings. There was discussion about monies in the building and grounds budget and how costs were separated between the town and the schools. Raz Alexe noted there is more efficiency and some savings for joint lawn mowing for both the town and the schools.

Wayne Shuhi said the BOE will try to get as much information as possible on this issue and return to the BOF. Chairman Wilson noted that recent news showed there will probably be a 25% reduction on the state side so the BOF will need to deal with that before going to the taxpayers. Also, teachers' pensions are still being considered to be given back to the towns for funding

Jim Stedronsky withdrew his motion.

New Business

- a. Correspondence:
 - i. Chairman Wilson said he had received a request from BlumShapiro to fill out a survey and he will take no action on this
 - ii. Chairman Wilson said he signed off on the second year audit by Clermont & Associates LLC and they have begun.
- b. Payment of Bills: There were no bills for payment.

Future Agenda Items

- a. It was noted that a future discussion with the BOE will be held.
- b. Ed Gadomski asked about progress on the injunction for the Rod & Gun Club on McBride Road.

- c. Anne Dranginis requested a list of Fund 60 projects (previously Pay-as-you-go): name of project, if and when it was completed. Amaechi Obi said the auditors recommended how to handle this. He can ask Stacey Dionne and Naomi Boccio at Public Works for more details about these funds being spent. He said unused funds went to other projects.

Adjournment

Motion: Jim Stedronsky moved to adjourn the meeting at 9:16p.m. Matt Terzian seconded the motion. All voted aye and the motion carried.

The next regular meeting is on Monday, September 11, 2017.

Respectfully submitted,

Jo Ann Jaacks
Recording Secretary