

Litchfield Board of Finance
Regular Meeting Minutes
July 9, 2012

Call to Order: Chairman David Geiger called the meeting to order in the LIS Art Room at 7:05pm with David W. Wilson, Ed Gadowski, Mitchell Fishman, Ed Weik, Brenda Barnes and Anne Dranginis (Alt.) were present. David Pettinicchi (Alt.) was absent.

Also present were Karl Fisher, Tony Crowe, Lori Shuhi, Wayne Shuhi, John Bongiorno, Frank Simone, Deborah Wheeler, Jeff Zullo, David T. Wilson, Jason Lathrop, Michelle Merlin and John McKenna from the media, and others.

Approval of Minutes:

Motion: Ed Weik moved to accept the 6-11-12 meeting minutes. Brenda Barnes seconded the motion. All voted aye and the motion carried.

Public Comment: Jeff Zullo spoke about the large BOE surplus of \$350,000 and noted the BOE should go through the process of putting this surplus into the fund balance, then going to a town meeting for approval on how to spend it.

Board of Selectmen Update:

Leo Paul said he informed the BOS at Tuesday's meeting that there are two separate groups of investors interested in the Bantam Annex. If this is to be for a housing complex, it would probably require a zoning change. The state of Connecticut intends to release the courthouse in 2014 and in the meantime, talks with the investors will be held to determine if there is a mutual interest in proceeding. Mr. Paul said he is also speaking with the Bantam post office on re-negotiating the new lease. The annex building houses 8-9 municipal employees on this property.

Mr. Paul said the BOS is currently negotiating contracts with CRRA and USA Hauling. He has not attended meetings of the Town Hall Building Committee, but member Jeff Zullo said the committee is in the final phases of confirming space needs. A building schematic will be developed as well as a preliminary budget. One of the features will be remote access to town documents.

Year-to-Date Financial Review:

Karl Fisher, Director of Finance, presented the financial overview as of May 31, 2012. The Town has collected 98.7% of revenue and has spent 73% of the BOS Budget approximately 91% through the fiscal year. The Fund Balance after the transfer of funds for Pay as You Go Capital (\$327,698) is 12.5% of Total expected revenues of FY2012 (\$27,077,386).

The Town has collected 92.6% of revenue as of May. The largest percentage was the collection of current year property taxes with 99.7% being collected by May. In May of FY 2011, the Town collected 96.6% total revenue and collected 99.4% of property taxes. Another revenue line of interest is the Prior Year Taxes which is 132.5% collected (106.3% collected in May 2011).

Pertaining to Expenditures, the BOS budget currently shows the Town being 76% committed and 73% spent through the fiscal year. In FY 2011, the BOS was 91.6% committed and 87.3% spent. One of the biggest reasons for the difference in the fiscal years is that the total pension amount was paid at the end of May of 2011 whereas the pension in FY12 was paid at the beginning of June (The BOE portion was paid to the Town at the end of May which makes the Total Available amount slightly higher). This is evident in the fringe benefits line items. One of the larger debt service payments is paid in June as well.

BOE YTD Performance Against Budget:

Jason Lathrop, new BOE Director of Business Operations, and Deborah Wheeler presented an Historical Comparison for Litchfield Public Schools for 2008-09, 2009-10, 2010-11 Actual Figures and 2011-12 Estimated year-end budget figures. Superintendent Wheeler said she believes the BOE has followed the same budgeting process for the last 4 years: the budget is discussed at Board meetings and committee meetings.

Ms. Wheeler said included in the Actual 2010-11 figure of \$444,407 in Total Returned to Town is \$211,000 received from the ARRA Stimulus Grant. She said the BOE consulted with their own legal counsel who approved their entering into a contract for the wireless project.

Mr. Fishman asked if the BOE had included funding this year for a wireless project which was not approved by the voters and Superintendent Wheeler said no, but the BOE believed they should be spending this money to benefit schoolchildren and they have followed this procedure in the past – beginning projects not in the budget but believed to be worthwhile.

John Bongiorno spoke about details of the new wireless project and noted the state has a new rating system for schools’ technological advancement and those with a high rating receive state funding.

David Wilson said this Historical Comparison is a different format than that presented to the BOF in the past and more details about the wireless project are needed so the BOF can properly manage taxpayer funds. Also, the wireless project is a capital expenditure and should go through the bonding and / or capital request committee. He said all budget surpluses go into the fund balance and are *not* to be used against tax increases as reported in the recent media articles.

Wayne Shuhi noted that for the past 8 years he has been a BOE Board member, their budget has never been in the red and they have always been transparent in the process. He welcomed BOF members to attend BOE meetings if they wish. Chairman Geiger also welcomed more BOE attendance at BOF meetings.

Chairman Geiger reiterated that unspent budget funds should go back to the town and the BOF should decide how they would best be spent.

New Business:

- a. **Financial Transfers:** There were no financial transfers. Chairman Geiger noted that the BOF will not hold an August meeting so any transfers will be handled at the September regular meeting.
- b. **Payment of Bills:** There were no bills for payment.

c. **Correspondence:**

- i. **Blum-Shapiro Engagement Letter** – Karl Fisher said there are no changes from last year’s contract. This is the last year of the 3-year contract and they will be getting proposals from other fiduciaries.
- ii. **Edward J. Miller, 110 Goodhouse Road, Litchfield Letter** – Chairman Geiger said the BOF accepts receipt of this letter expressing the writer’s opinions on the BOE surplus.

Committee Reports: There were no Committee reports. Chairman Geiger requested that BOF members consider serving as a BOF liaison on the Plumb Hill Playing Fields Board.

Future Agenda Items:

There will be no regular meeting held in August.

Adjournment:

Motion: David Wilson moved to adjourn at 9pm and Ed Gadomski seconded the motion. All voted aye and the motion carried.

Respectfully submitted,

Jo Ann Jaacks
Recording Secretary