

Board of Finance Quarterly Review Meeting Final Minutes
Tuesday, May 18, 2021
7:30 pm

The Quarterly Review meeting of the Board of Finance was held on Tuesday, May 18, 2021, at 7:30 pm via Webex in Fairfield, CT.

MEMBERS PRESENT: Vice-Chair Christopher DeWitt, Secretary Mary LeClerc, David Fogel, Sheila Marmion, Jack Testani, Jim Walsh

MEMBERS ABSENT: Chair Jim Brown, Lori Charlton, John Mitola

OTHERS PRESENT: JRIB Chair Carolyn Trabuco, CFO Jared Schmitt, Interim DPW Director John Marsilio, Senior Civil Engineer Laura Pulie, Attorney John Stafstrom, WPCF Superintendent Bill Norton, FPS' Executive Director of Finance & Business Services Doreen Munsell, Schools Superintendent Mike Cummings, Special Education Director Rob Mancusi, Controller Caitlin Bosse, FairTV

1. Call to Order

Vice-Chair Chris DeWitt called the meeting to order at 7:31 pm.

2. Pledge of Allegiance

Mr. DeWitt led the Pledge of Allegiance.

Mr. DeWitt welcomed new BOF member David Fogel and thanked Ed Bateson who left the Board to fill a vacancy on the RTM.

3. To review the current status of the Town's Pension and OPEB Funds

Ms. Marmion made a motion to put Item 3 before the BOF. Ms. LeClerc seconded the motion.

JRIB Chair Carolyn Trabuco gave a review and update on the Town's pension and OPEB funds. She said as of March, pension assets were at \$448 million, OPEB assets were at \$70 million and both have gone up since December 2020. She said the JRIB updated its Investment Policy Statement and made two changes: include language in the proxy section emphasizing the importance of the long-term investor and make fiduciary duties consistent with values and principles around ESG (Environmental, Social and Governance) considerations. Ms. Trabuco said JRIB wants the Town to know these things are important. She said JRIB also updated the Target Asset Allocations which is posted on the JRIB webpage. Ms. Trabuco said the July 28th meeting will include discussions on the discount rate. Mr. Schmitt said he will send the information about that meeting to the Board. Mr. Walsh asked for a Sensitivity Analysis before that meeting. Ms. Trabuco agreed to do that. Other BOF members had discussions with Ms. Trabuco regarding the funds.

4. CFO and DPW DIRECTOR (*requires RTM approval*)

To hear, consider and act upon a resolution as recommended by the Board of Selectmen pending its approval on May 17, 2021 on further amending and restating a resolution entitled,

“A resolution appropriating \$3,088,000 for the costs associated with construction of berm and pumping station and authorizing the issuance of bonds to finance such appropriation” to increase the amount of the appropriation to \$9,607,765 and the bond authorization to \$5,975,663.

Mr. Testani made a motion to put Item 4 before the BOF. Ms. Marmion seconded the motion.

Mr. DeWitt directed the Board and public to the backup, specifically slide 40, and asked Mr. Schmitt to continue with the presentation. Mr. Schmitt said the first authorization for this project was in 2015. He said the step-by-step approvals are on page 40 and it shows how the project increased from \$3+ M to \$6+M. He said WPCA will pick up the bulk of the cost. Mr. Schmitt said \$3.7 million will be funded through grants. He said this is an increase in authorized spending appropriations by \$1.3 million due to PCB contamination. Mr. Schmitt said the Town will pick up an additional \$1.88 million. He said in the end, WPCA will cover 68% and the Town will cover 32%. Ms. Marmion asked for clarification on the landscaping funding and timing. Mr. Schmitt said the project is 80% complete. Senior Civil Engineer Laura Pulie said the bulk of the money is for a remediation plan for the entire site. She said once it is capped, the landscaping can be done, but not until remediation. Mr. Pulie said the Town is waiting for direction from DEEP and the EPA. Mr. Walsh made a motion to waive the reading of the bond resolution. Mr. Testani seconded the motion which carried unanimously.

The original motion carried unanimously.

5. CFO and DPW DIRECTOR (*requires RTM approval*)

To hear, consider and act upon a supplemental allocation resolution as recommended by the Board of Selectmen pending its approval on May 17, 2021 regarding WPCA funding Pending BOS Approval on May 17, 2021

Mr. Testani made a motion to put Item 5 before the BOF. Mr. Walsh seconded the motion.

Attorney John Stafstrom said to clarify the Town’s portion of the project, this bond specifies that the WPCA and the Town will enter into an understanding that the WPCA will pay 68% and the Town will pay 32%. He said the WPCA will reimburse the Town for its portion of issued bonds. He said the Town spending for this project is capped at \$2,273,500 and there is also \$3.6 million in grants.

The motion carried unanimously.

6. To review the BOE FY21 third quarter financial update

Ms. Marmion made a motion to put Item 6 before the BOF. Mr. Testani seconded the motion.

Ms. Munsell gave an overview of the BOE projection. She said there is no longer a deficit. She said the second quarter deficit was \$1.4 million. Ms. Munsell said the BOE implemented a hiring freeze and restricted district purchases. She said it moved RLA expenses to a personnel category. She said the BOE is projected to be in a positive situation of \$393,000 by June 30, 2021. Ms. Munsell said it will be \$593,000 overall, but the BOE is giving \$200,000 to food service which will leave a net balance of \$393,000.

Special Education Director Rob Mancusi said Special Ed struggled with the pandemic because it had to provide services that students were unable to access: tutoring, behavior performance, psych evaluations and outplacements. He said Special Ed is over-budget. Superintendent Mike Cummings added there was support for an early learning academy to reduce outplacement costs and the BOE had to restructure programs due to the loss of learning from COVID.

7. To review the Town FY21 third quarter financial update

Mr. Walsh made a motion to put Item 7 before the BOF. Mr. Testani seconded the motion.

Controller Caitlin Bosse said the Town's \$3.3 million surplus jumped to \$4.8 million. She went over the Town revenue report which included an increase in the conveyance tax paid, the Parks and Recreation revenue which was up significantly due to high activity at the golf courses and the tax deferment in March. She also went over the Town expenses. Ms. Bosse said vacancies are being filled as the Town hires people, but it is still saving money. She said the Town had an almost \$200,000 savings in electricity. She said most expenses are from storm costs and COVID. She said the Town might get some of the storm expenses back. She said there was also money transferred out for the litigation expenses and the Pequot Library roof. Ms. Bosse said she included the entire expense report in the backup.

8. To hear, consider and act upon any communications

There is nothing additional to report.

Mr. DeWitt said the next meeting is June 1st and it will be the last meeting before the July/August break.

9. Adjourn

Mr. Testani made a motion to adjourn the meeting at 9:21 pm. Ms. Marmion seconded the motion which carried unanimously.

Respectfully submitted,

Pru O'Brien
Recording Secretary