

<https://www.youtube.com/watch?v=KcZj2KJtvX8>

*****FINAL*****

**BOARD OF FINANCE
QUARTERLY REVIEW MINUTES
May 19, 2020**

A Virtual Board of Finance Quarterly Review was held at 7:30 p.m. on Tuesday, May 19, 2020.

MEMBERS PRESENT VIA TELECONFERENCE: Edward Bateson, Jim Brown-Chair, Lori Charlton, Christopher DeWitt-Vice Chair, Mary LeClerc-Secretary, Sheila Marmion, John Mitola, Jack Testani, James Walsh

ALSO PRESENT VIA TELECONFERENCE: Interim CFO Caitlin Bosse, First Selectwoman Brenda Kupchick, Town Attorney James Baldwin, BOE Member and BOF Liaison Jeff Peterson, Joint Retirement Investment Board (JRIB) Chair Brian Vahey, Superintendent Mike Cummings, BOE Executive Director of Finance & Business Services Doreen Munsell, JRIB Member Ken Brachfeld, BOE Chair Christine Vitale, FairTV

1. Call to Order – Chairman Brown called the meeting to order at 7:35 p.m.
2. Pledge of Allegiance – Mr. Brown led the Pledge of Allegiance.

Mr. Brown reminded everyone that there will be no live public comment and the public is encouraged to email comments pertaining to agenda items to bof@fairfieldct.org and include their names and home addresses.

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

Mr. Vahey discussed marked changes from February to March. Mr. Brachfeld reported the change to the Chief Investment Officer (CIO). Mr. Brachfeld said his intent is to invite the CIO to the next BOF quarterly review meeting since the CIO is a joint fiduciary. He explained markets were up going into February and said they then experienced one of the worst in March since the great depression. Mr. Brachfeld said equities on returns were down. He referred to the pension documents noting a stunning rebound in April. He said the S&P 500 is flat. The equity side and income side numbers and percentages were analyzed. Mr. Brachfeld pointed out that the General Fund performed as expected. Fixed income, hedge funds and real estate were further studied.

Mr. Brachfeld advised paying close attention to the benefits of a diversified portfolio. There was speculation on market strategy. Mr. Walsh questioned the possible conflict of interest of pension board members who worked at investment firms. Mr. Baldwin recommended if the conversation continued the BOF should go in to private executive session. Mr. Walsh requested scheduling a meeting in two weeks to discuss the matter when there is more information. Mr. Brown said he can add the item to the June 4th meeting agenda when the BOF meets to set the Mill Rate. Mr. Brown said he will invite Mr. Brachfeld and Mr. Vahey to attend. Mr. Walsh said he would also like to discuss Callan and any potential liability in private executive session at the June 4th meeting.

Mr. Vahey explained hedge funds to Mr. Walsh.

4. To review the BOE's Q3 FY20 financial position

Superintendent Cummings reviewed the Q3 spreadsheet which he said was similar to the report he reviewed with the BOF a few weeks ago. Ms. Munsell reported no changes since she last discussed this with the BOF a few weeks ago. Superintendent Cummings said the BOE does not have any new finalized numbers yet. He said his office hasn't received all the heat or electricity invoices and that the bi-weekly payroll period is next week so his office will perform another salary analysis then.

Mr. Brown asked if the State has given the school district any additional information on the CARES Act. Superintendent Cummings responded that there is no new information. Mr. Brown asked if the savings hasn't changed either and Superintendent Cummings confirmed there were no changes.

Mr. Baldwin informed the BOF that the Town just received information on a \$185,000 savings. Mr. Walsh said it makes sense to apply this savings to next year's budget season. Mr. Baldwin replied that this has to be reviewed with Ms. Bosse.

5. To review the Town's Q3 FY20 financial position

Ms. Bosse went through the Revenue Operational Variance which she remarked is similar to last time. The 2019 Valuation Review was examined for the Town Pension, Police and Fire Pension and the General Fund. Ms. Bosse said other than a few line items as discussed, the Review is the same as what was projected a few weeks ago and reflects the actuals.

Ms. Bosse said the Town received an ECF Grant in the amount of \$275,000 which was higher than expected and therefore the State Revenue number is a positive \$172,000.

Mr. Testani inquired about collection rates. Ms. Bosse replied that the Town is on track.

Mr. Walsh asked Ms. Bosse about the conveyance tax. She said she will follow up with the Town Clerk and report back to the BOF.

Expenses – Ms. Bosse furnished the added COVID-19 expenses and the Town's projected share. She explained filing and reimbursements and will continue to revisit the numbers.

Mr. DeWitt observed that the Town had FEMA experts assisting with reimbursement for damage incurred by Superstorm Sandy and asked who is handling the COVID-19 reimbursement. First Selectwoman Kupchick said there is a Town staff member working on this. Ms. Bosse concurred with Mr. DeWitt that the Town had hired Witt O'Brien to handle Superstorm Sandy reimbursements, but that reimbursement was in the millions of dollars.

Expenses, town attorney fees, and Police and Fire overtime were reviewed. Mr. Walsh asked about the IT Director's time with all the virtual meetings he's had to set up, give instruction to and host. Ms. Bosse and First Selectwoman Kupchick suggested they could email Mr. Kelly and ask him to respond. Mr. Mitola added that department heads are not entitled to overtime. Mr. Walsh said he would like to find out about the Fire Marshal, Health Director and Building Official's time spent on all the inspections and having to spend an enormous amount of time to get restaurants open and what if anything is being spent financially on this.

First Selectwoman Kupchick noted that the Town has task force meetings, but she's not sure how time is calculated. Mr. Brown said department heads should get comp time. Mr. Walsh said he wants department heads to give projections on supplies and other purchases.

Mr. Walsh said he would like an update on Penfield I reimbursements. First Selectwoman Kupchick said there is no update to give and that the Town filed an appeal and is awaiting an answer. She said the State is not processing anything because of the pandemic and the Town is waiting for the Federal government to respond. Mr. Brown said the BOF can still ask questions and suggested Ms. Bosse come prepared with updates at the next meeting.

Mr. Walsh questioned the variance report expense in increased personnel savings. Ms. Bosse said as of Q2 some positions that would have been filled haven't been due to current circumstances.

Ms. LeClerc gave an update on the internal audit and said the next meeting audit subcommittee meeting is June 4, 2020.

Mr. Brown asked Ms. Bosse to discuss fleet bonding at the Capital Planning meeting.

6. To hear, consider and approve the following meeting minutes: April 9, 2020, April 15, 2020, April 16, 2020, April 21, 2020, April 23, 2020, April 29 2020 and April 29, 2020

Mr. Dewitt motioned to approve the following minutes. Mr. Testani seconded the motion.

The April 9, 2020 minutes passed unanimously, 9-0.

The April 15, 2020 minutes passed unanimously, 9-0.

The April 16, 2020 minutes passed unanimously, 9-0.

The April 21, 2020 minutes passed unanimously, 9-0.

The April 23, 2020 minutes passed unanimously, 9-0.

The April 29, 2020 7:00 p.m. minutes passed unanimously, 9-0.

The April 29, 2020 8:55 p.m. minutes passed unanimously, 9-0.

7. To Hear, Consider and Act Upon Any Communications – none.

8. Adjournment - **There being no further business to come before the Board, Ms. Charlton moved to adjourn the meeting at 10:34 p.m. Mr. Mitola seconded the motion which carried unanimously, 9-0.**

Respectfully submitted,

Sheila Tesei
Recording Secretary