

<https://www.youtube.com/watch?v=Pecnj8dFlfw>

*****FINAL*****
BOARD OF FINANCE
SPECIAL MEETING MINUTES
June 4, 2020

The Virtual Board of Finance Special Meeting was held at 7:30 p.m. on Thursday, June 4, 2020.

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

MEMBERS ABSENT: Edward Bateson

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

1. Call to Order – Chairman Brown called the meeting to order at 7:31 p.m.
2. Pledge of Allegiance – Mr. Brown led the Pledge of Allegiance.

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

3. To Consider and Set the Mill Rate for the Fiscal Year Beginning July 1, 2020 and Ending June 30, 2021

Mr. DeWitt motioned to approve the item. Mr. Walsh seconded the motion.

Ms. Gardiner presented Schedules for setting the Mill Rate based on the approved budget and the final BAA.

Schedule A Expenditures and Required Tax Levy and Mill Rate:

Ms. Gardiner said the RTM approved expenditure is \$317,177,779 with a total required tax levy of \$298,618,085. She said this will set the Mill Rate at 26.79%, the same rate as the current fiscal year; therefore the tax rate increase is 0%.

Schedule B Current Year Tax Levy and Tax Revenue

Ms. Gardiner said this restates the same information as Schedule A, but also demonstrates a Collection Rate of 98.61% which was decided upon to factor in any COVID-19 risk.

Schedule C Fund Balance Projection

Ms. Gardiner said this document has minutely changed because the RTM decreased expenses. She said it is 10.936%.

Schedule A-1 State Revenue

Mr. Walsh asked if the Town has heard if the State is threatening any of these revenues lines. Ms. Gardiner replied no. She said the Town had conversations with CCM last week and they confirmed there is no talk of this.

Schedule D Alternative Collection Rate and Impact

Ms. Gardiner said this reflects the impact on the homeowner. She said the tax rate proposed is the current rate of 26.79%, a 0% increase and a 98.61% Collection Rate. She provided alternate mill rates to see the impact to homeowners with cost adjustments.

Mr. Walsh cautioned that the Fund Balance may need to be used. Mr. Brown said the budget process is a bi-partisan effort and he then reviewed the budget process and gave thoughts on the future. Mr. DeWitt thanked Linda Gardiner for her years of assisting the BOF.

Mr. Brown motioned to set the Mill Rate at 26.79% and the tax increase is 0%. Mr. DeWitt seconded the motion which carried unanimously, 8-0.

4. To Hear, Consider and Act Upon the Suspense List for Tax Collector

Mr. Mitola motioned to approve the item. Mr. Walsh seconded the motion.

Mr. Kluczowski requested that the BOF approve the transfer of tax accounts amounting to \$112,153.40 to the Suspense Tax Book. He said this means they are suspending the collection of certain accounts and explained various reasons they are no longer pursuing. He noted it is still collectable for 15 years and the number is in line for past lists.

Mr. Walsh asked why JP Morgan Chase Bank cannot be collectable. Mr. Kluczowski said it is a motor vehicle tax and he will look at the account for more information and provide an answer.

The motion carried unanimously, 8-0.

5. To Hear, Consider and Act upon Approving a Memorandum of Understanding in Regards to Establishing a Non-lapsing Account between the Board of Finance and Board of Education for Fiscal Year 2021

Mr. Walsh motioned to approve the item. Ms. Charlton seconded the motion.

Mr. Brown thanked Mr. Mitola and Mr. Walsh for working on the language to enable the BOE to continue to provide educational services. Mr. Mitola briefed the BOF on the thought process as he had drafted the MOU. He said he sent the draft to Mr. Walsh, Mr. Brown and Mr. Baldwin for review, input and comments and he said he also believes the BOE should review the draft MOU.

Mr. Mitola said he thinks the draft MOU reflects the BOF's intent and gives the BOE money for education purposes and COVID-19-related expenses. Mr. Walsh said he reviewed the MOU details and explained his direction.

Mr. DeWitt questioned the default. Mr. Mitola said it goes back to the Town by default so the language doesn't have to be in the MOU. Mr. Walsh said this is being set so it all doesn't go back to the Town. He said the MOU has the exact dollar amount not to exceed 2% and this was in there, but with edits, may have been omitted in error. He said the amount is 3,633,459.14. Mr. Baldwin explained he omitted the amount because it's not a number the Town is relying on - it is just a statement and he felt it was unnecessary and could lead to confusion. Mr. DeWitt said he doesn't understand why it would cause confusion. He said he thinks the document as a whole accomplishes what the BOF wants and it now diverts the first \$3.6 million and the rest goes back to the Town.

Ms. Vitale said the language says the BOE has to prove any expense that comes out of the non-lapsing account. She said the BOE received the document just 24 hours ago and will discuss it at its next meeting. Ms. Vitale expressed concerns about language in Exhibit A. She remarked that if there is a crisis, the Superintendent may not be able to act quickly. Mr. Cummings followed up with his concerns around flexibility and language referring to timing of meetings. He said COVID-19-related expenses could be broad and the BOE will bring everything before the BOF. There was further discussion on specifics on what are potential COVID-19-related expenses. Mr. Walsh said it should be a similar broader definition and clarified the intent of the language. The BOF suggested possible amendments. Ms. Munsell added her concerns.

Mr. Walsh motioned to amend Paragraph 6 in the MOU to read "The Fairfield BOE and BOF understand and agree that if there are unanticipated expenses related to the COVID-19 pandemic above and/or different than the amounts detailed in Exhibit A, any amounts remaining in the Nonlapsing Account can be used to pay for these expenses. Mr. Mitola seconded the amendment which carried unanimously, 8-0.

Mr. DeWitt clarified that after the BOF approves the MOU, it goes to the BOE for approval and both the BOF and the BOE sign the MOU. Mr. Mitola remarked that if the BOE makes changes then the BOF would have to meet again. Mr. Baldwin said he would determine if there are significant changes and if there aren't any then he said Mr. Brown could sign and the BOF wouldn't have to meet again. Mr. Brown said he will contact Ms. Vitale tomorrow regarding next steps.

The main motion, as amended, carried unanimously, 8-0.

6. To Hear, Consider and Approve the Appointment of Auditors for Fiscal Year 2021

Mr. Walsh motioned to approve the item. Ms. LeClerc seconded the motion.

Ms. LeClerc reported that the BOF Audit Subcommittee recommended the current auditors for this fiscal year.

The motion carried unanimously, 8-0.

7. To Appoint the Clerk and Assistant Clerk of the BOF for the Next Year Ending May 2021

Mr. Walsh motioned to approve the item. Ms. Charlton seconded the motion.

Mr. Brown motioned to nominate Ms. Bosse Clerk and Jennifer Carpenter Assistant Clerk to the BOF. He noted there were no other candidates.

The motion carried unanimously, 8-0.

8. Private Executive Session – Discuss Possible Third Party Recovery Effort regarding Certain Investment Losses with Town Attorney

Mr. Walsh motioned to move into Private Executive Session at 9:08 p.m. Mr. DeWitt seconded the motion.

Mr. Brown invited Mr. Baldwin, Mr. Vahey, Mr. Brachfeld and Ms. Bosse into Private Executive Session with the BOF.

Public session reconvened at 9:35 pm and no action was taken.

Mr. Brown said Ms. Carpenter will post the July 7, 2020 agenda. He said Mr. Centofanti's DPW procedures report will be included in the backup and Mr. Centofanti will attend the July 7, 2020 meeting. Mr. Brown said he will also invite Town Auditor Connie Saxl. Mr. Brown said he will set up a BOF meeting for August 4, 2020.

9. Adjournment

There being no further business to come before the Board, Mr. Walsh motion to adjourn the meeting at 9:38 p.m. Ms. Charlton seconded the motion which carried unanimously, 8-0.

Respectfully submitted,

Sheila Tesei
Recording Secretary