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MEMBERS OF THE PUBLIC: IN LIGHT OF COVID-19, AND PURSUANT TO EXECUTIVE ORDERS 7B and 9H, THE TOWN IS CONDUCTING THIS MEETING VIA WEBEX AND TAKING LIVE PUBLIC COMMENT VIA WEBEX DURING THE MEETING.

Non-Public Comment – To View Meeting or Listen Only:

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Public Comment:

- ✓ Please email Jennifer Carpenter at jcarpenter@fairfieldct.org by noon on Tuesday, November 24, 2020 if you wish to make a comment during the meeting pertaining to an agenda item. You will then receive Webex instructions via email.
- ✓ The public may also send their comments before or after the meeting to the following email: bof@fairfieldct.org. As you would in a public meeting, please include your name and home address with your comment. All comments received and verified will be included in the minutes with your name and home address, but your email address will be excluded.
- ✓ Back-up documents relating to the agenda items can be found at www.fairfieldct.org/bof.

**Board of Finance Quarterly Review Meeting
Tuesday, November 24, 2020
7:30 pm**

A Quarterly Review Meeting of the Board of Finance was held virtually on Tuesday, November 24, 2020 at 7:30 pm in Fairfield, Connecticut.

FINAL MINUTES

Members Present: Jim Brown, Chair, Chris DeWitt, Vice-Chair, Mary LeClerc, Secretary, Ed Bateson, Lori Charlton, Sheila Marmion, John Mitola, Jack Testani, Jim Walsh
Others Present: First Selectwoman Brenda Kupchick, CFO Jared Schmitt, Joint Retirement Investment Board member Carolyn Trabuco, Superintendent of Schools Mike Cummings, FPS Executive Director of Finance and Business Services Doreen Munsell, FPS Executive Director of Special Education and Student Services Robert Mancuso, FPS Executive Director of Personnel and Legal Services, Title IX Coordinator Colleen Deasy, FPS Executive Director of Operations and Processes Dr. Zakia Parrish, Tax Collector David Kluczowski, CAO Tom Bremer, BOE member and BOF liaison Jeff Peterson

1. Call to Order

Chairman Jim Brown called the meeting to order at 7:30 pm.

2. Pledge of Allegiance

Chairman Brown led the Pledge of Allegiance. He noted this was the first BOF meeting since March that the members can be seen by the public. He then explained how the public can make a comment.

3. To review the current status of the Town's Pension and OPEB funds
Carolyn Trabuco, member of the Town's Joint Retirement Investment Board, presented this item. She said the September 30, 2020 quarter end performance results reflect the September 30, 2020 numbers for equity and fixed income positions. She said private equity and real estate typically report a three-month lag. Ms. Trabuco said the Pension is up 4.71% and OPEB is up 6.36% in this quarter. She said this largely represents a catch back up, post COVID shock. She discussed the allocation of assets on the pension side such as real estate, domestic/international, fixed income and hedge funds. She said OPEB has a little more risk. She discussed the allocation of assets for OPEB including equity, domestic/international, real estate and fixed income.

4. To review the BOE FY21 first quarter financial update
Doreen Munsell presented this item. She said the BOE has been adapting to CDC and State guidelines making things unpredictable and subject to change. She concentrated on the first spreadsheet – the 2021 projections spreadsheet. Ms. Munsell discussed the BOE budget and the non-lapsing fund. Regarding the BOE budget, she talked about hybrid and remote learning and how the shifting of some staff due to remote learning resulted in her putting these expenses in the non-lapsing fund. She said she put these expenses in this fund because the BOE didn't know the extent of expenses or its eligibility for reimbursement. Ms. Munsell said the BOE saw a large savings in certified and non-certified salaries due to the shift of staff in remote learning. Regarding personnel services, Ms. Munsell said the BOE saved pretty significant savings in custodial overtime and interns. She said the deficit in health insurance in the benefits section may be overstated. Ms. Munsell said there is some savings in transportation. She discussed summer school savings, school balances, support, the Magnet School tuition, and the instructional services overage due to summer work related to remote learning. Ms. Munsell also spoke about a savings in maintenance operations. She said this brings a \$3.8 million savings in the BOE budget.

Mr. DeWitt asked about overspending in special education. Mr. Mancusi explained unilateral placement and said COVID has made programming much more challenging resulting in a number of unilateral placements by families. He said there were some out-of-district placements. Mr. Mancusi said the tuition account is in deficit based on what was projected. Mr. DeWitt asked if there will be savings in some lines because some students are not being taught. Mr. Mancusi responded that there will not be a savings in tuition. He discussed the increase in consultation services and how this year is the most challenging in terms of the degree students have been struggling.

Mr. Mitola asked if the deficit amount is the worst-case scenario. Mr. Mancuso said it's a projection of what he thinks the end of the year will look like.

Ms. Marmion asked about additional consultation services since she noted there are in-house counselors. She also asked what the difference is between special education expenses versus personnel expenses. Mr. Mancusi said the increase in consultation services is mainly because a number of positions had to be filled this year and some were hard to come by so additional people were hired to provide support to staff. He said two additional school psychologists were hired.

Mr. Walsh asked how much the transportation prepayment discount is. Ms. Munsell said it's 1% or about \$50,000-\$60,000. Mr. Walsh asked about the legal budget. Ms. Munsell said it's too soon to tell what legal expenses may occur. Mr. Mancusi discussed special education legal expenses. Mr. Walsh asked for out of the matters settled how much was added to the budget.

Mr. Mancusi said he will get that information as well as the cost for rolling over settlement agreements for one year. Colleen Deasy said she doesn't think the legal budget won't be significantly over budget.

Mr. Testani asked about students returning full time. Mr. Cummings said the State Department of Public Health is stressing schools should be reducing the number of students as much as possible and schools should be pursuing the hybrid model.

Based on a document he received from Mr. Peterson, Mr. Walsh asked about the number of students staying home to learn versus students learning in school, students going to private schools. Mr. Brown said this will be discussed at the December meeting when all members have this document.

Ms. Munsell discussed the non-lapsing account. She discussed the first piece which is COVID; the second piece which is maintenance costs; and the third piece which is the remote learning academy.

Mr. Bateson asked about the number of admin at the remote learning academy. Ms. Munsell said it's just the principal. Mr. DeWitt noted page 20 of the backup lists these numbers. Mr. Bateson asked what the plan is for the academy. Mr. Peterson said the remote learning option is required by the State. Mr. Bateson asked about the significant difference in staffing. Mr. Cummings said teachers were switched from in classroom learning to remote learning and the STEAM program teachers were converted to classrooms in the RLA. Mr. Bateson asked about staff attendance. Ms. Deasy said it's become more challenging as the year as progressed with some staff quarantining. Mr. Bateson asked how teachers out are being paid. Ms. Deasy said the money comes out of the substitute line. Mr. Bateson asked his fellow board members how they felt about STEAM teachers not teaching in elementary schools, but in the RLA. Ms. Vitale said there are challenges of running a STEAM program in the classroom. She cited not sharing materials as one example. Mr. Cummings said teachers aren't teaching STEAM in the RLA; they are reassigned to general teaching.

Ms. Charlton asked about the cost of the RLA. Ms. Munsell said a big portion of the \$3.5 million is because of staffing that was moved, but it's also a fluid account when there are leave of absences. Ms. Munsell briefly discussed transportation costs and savings starting in January.

Dr. Parrish discussed cameras in the classrooms and how teachers would have the equipment they would need for remote learning. She said all the equipment has been purchased and almost all materials have been received and distributed. She said the purchases for technology and equipment have been put in the COVID account. Mr. Cummings said he will get a breakout of technology expenses and other expenses in the non-lapsing account for Mr. Walsh. Ms. Munsell discussed the deficit in high school sports.

5. To review the Town FY21 first quarter financial update
CFO Jared Schmitt presented this item. He gave a brief overview on the executive summary. He said the Town is projecting a balance by the end of the year of just under \$1.5 million; tax collections are projected as \$1.3 million above their budgeted amount; there is about 52.4 % of the budgeted amount in terms of property tax collection; and the tax collection this year is at the same level at this time last year.

Tax Collector David Kluczowski said the budgeted amount in terms of property tax collection is good news for the Town and it is on schedule this year despite the deferment that ended October 1, 2020. Mr. Kluczowski said he spoke with the State OPM which confirmed that the Governor will not have an Executive Order to reactivate the deferment. He said he anticipates exceeding the budgeted 98.6% and achieving a 98.8% tax collection rate.

Mr. Schmitt discussed investment income which he said is off and is projected down \$500,000 which most other towns are experiencing. He said the Town is trying to absorb this as best it can and make sound investments as best as possible.

Regarding the conveyance, Mr. Schmitt said he is projecting \$500,000 over the budgeted amount which he said is good news. He said he'll get the budgeted amount for the Board.

Regarding Fire Marshal fees, Mr. Schmitt said these are projected to be down about \$300,000. He said they are mainly related to projects the two universities are doing. Mr. DeWitt said the BOF was told there would be revenue and another Fire Marshal was needed. He said this is a really big number for this to be down. Mr. Schmitt said these fees were projected to be \$500,000 in revenue in the budget. Mr. Mitola asked if the number is down because the work isn't being done. Mr. Schmitt said he'll look into this. Mr. Walsh said he'd like the Fire Chief to explain this to the BOF.

Mr. Bateson said he is concerned with revenue from the Parking Authority being down because of the lack of commuters using the train stations. He said more attention should be paid to this. Mr. Schmitt said he'll follow up and get a response from the Parking Authority.

Ms. Charlton discussed building fees. She said she thinks the building and fire marshal fees should directionally be the same and asked Mr. Schmitt to follow-up on this. Mr. DeWitt said he agreed with Ms. Charlton. Mr. Schmitt said he'll follow up with Mr. Conley.

Regarding expenses, Mr. Schmitt said operating expenses are down about \$1.6 million with a large portion of that related to vacancies. Mr. Brown asked for a list as of tomorrow by next week. Mr. Mitola said that is a huge number. Mr. Schmitt said police are a large portion of this.

Mr. Walsh asked if the Town plans to hire a DPW Director. First Selectwoman Kupchick said she had reached out to John Marsilio who was a long-time DPW Director who's retired and he will start tomorrow. She said he will be the Interim DPW Director. Mr. Testani said he knows Mr. Marsilio through Mr. Marsilio's former role as Trumbull DPW Director and said he will be a terrific addition to the Town.

Mr. Schmitt discussed vacancies noting a lot of that was due to library staff not working due to COVID. Mr. DeWitt said Parks and Recreation's revenue is down in parking attendant expenses, but expenses are up in the Recreation budget and school is in session only half time, but crossing guards expenses are up. Mr. Schmitt said due to the two different times students are attending school – mornings and afternoons – crossing guards were increased.

Mr. DeWitt said he did not know the new ECC location at Sacred Heart University was changing. He asked if the BOF can get an overview of this at its December meeting. First Selectwoman Kupchick said she toured the space SHU was offering to the Town for free and

there were wiring issues that would cause expenses to go up so this led to meetings. She said SHU offered the Town a new location that she said will work well. She suggested the working group which includes Fairfield and Westport police give the BOF an update on this.

Mr. Walsh asked if any of the storm costs were reimbursable. Mr. Schmitt said the Town tried to get reimbursement, but per FEMA the storm didn't rise to a level where the Town would receive reimbursement.

Mr. Schmitt discussed the subtotal that has a slight decrease in revenue and increase in savings. He said the \$1.4 million in operation surplus going to OPEB will increase to about \$2.4 million due to various reasons including cancelled BOE POs, COVID reimbursement, and credits for unemployment through the CARES Act.

Regarding the fill pile, Mr. Walsh asked for services for the fill pile be broken out for the next Quarterly Review meeting. Mr. Schmitt said he'll break out the services. Mr. Charlton asked if there is anything to be concerned about with the selection of vendors and contractors chosen and who is involved in the RFP process given what happened with the fill pile.

First Selectwoman Kupchick said RFPs are responded to appropriately and legally. Town Attorney Jim Baldwin said there has been significant oversight. He complimented the Town's environmental lawyer, Mike Miller, for his oversight of the process. Mr. Walsh asked if Mr. Schmitt can provide to the BOF what was spent and what has been encumbered since April 23rd. He said it would be important to know amounts spent and what amounts may be needed in the future to see what is left of the \$1.6 million.

6. To hear, consider and act upon any communications – None

7. Adjourn

Mr. Walsh made a motion to adjourn the meeting at 11:14 pm. Mr. DeWitt seconded the motion which carried unanimously.

Respectfully submitted,

Jennifer S. Carpenter
Recording Secretary