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*****FINAL*****

**Board of Finance Organizational Meeting
Tuesday, December 1, 2020
7:30 pm**

The Organizational Meeting of the Board of Finance was held virtually on Tuesday, December 1, 2020 at 7:30 pm in Fairfield, Connecticut.

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

ALSO PRESENT: First Selectwoman Brenda Kupchick, CFO Jared Schmitt, Controller Caitlin Bosse, CAO Tom Bremer, Parks and Recreation Director Anthony Calabrese, Fire Chief Denis McCarthy, Building Official Tom Conley, Tax Collector David Kluczowski, Superintendent Mike Cummings, Executive Director of Operations and Processes for FPS Dr. Zakia Parrish, BOE Chair Christine Vitale, BOE liaison to BOF Jeff Peterson, FairTV

1. Call to Order- First Selectwoman Kupchick called the meeting to order at 7:34 pm.
2. Pledge of Allegiance- First Selectwoman Kupchick led the Pledge of Allegiance.
3. To Nominate and Elect Officers for 2021

Jim Walsh made a motion to nominate Jim Brown for Chairman of the Board of Finance. Mary LeClerc seconded the motion which carried unanimously.

Jim Brown made a motion to nominate Chris DeWitt as Vice Chair of the Board of Finance. Jack Testani seconded the motion which carried unanimously.

Chris DeWitt made a motion to nominate Mary LeClerc as Secretary for the Board of Finance. Ed Bateson seconded the motion which carried unanimously.

4. Board of Education: Review of public school withdrawals to private and home school settings

Mike Cummings introduced Dr. Zakia Parrish who presented the item with reports from both October and November for the 2020-2021 school year. She said the total number of student withdrawals from FPS as of November 17, 2020 was 376.

Mr. Brown asked Dr. Parrish how many students we have in our district. Dr. Parrish replied that she did not have the exact enrollment, but she would look it up. She also said there were new registrations in the district this year; last year, at the end of November 2019 there was 261 registrations. She said this year, at the same time, there are 331 and this number reflects July 1, 2020 to the end of November 2020.

Mr. DeWitt asked Dr. Parrish of the 376 children who have withdrawn, if there any financial burdens still on the Town for transportation. Dr. Parrish replied that she thought there would still be a need for transportation if the children are now attending a magnet or charter school. She said for the children who transferred to other districts, those districts would be paying for the transportation. Mr. DeWitt asked if students went to a private school within Fairfield, if the Town is obligated to transport them. Dr. Parrish responded that she was not aware of how transportation is provided to the private schools. Mr. Cummings asked Mr. DeWitt if he was referring to students who have been outplaced. Mr. DeWitt asked if the outplaced students were part of the 376. Mr. Cummings replied that if they are outplaced they can remain duly registered.

Ms. Marmion asked how the data compares to last year, pre-COVID. Referring to the higher number of students who withdrew in the ninth grade, Ms. Marmion said there are many kids who move or go to private school in the ninth grade. She asked if there is documentation on the rationale of why the kids withdrew. Dr. Parrish replied that the reason why students left the district is not typically data that is collected and put into the database. She said Central Office does not collect where students are going as it is required to track where they are going, but the nature of why they left is not something that is in the data. Dr. Parrish said as far as comparison from last year to this year, she hasn't run the same chart that she ran for November 17 for last year. She said she did run the October 23 chart and compared it from last year to this year. She said the total number of kids who withdrew to go to private school last year was 120; this year is 105. She said there was a decrease in the number of withdrawals, but there was an increase in the number of students who withdrew to go to home school. Dr. Parrish said last year there were six students at this time who had gone to home schooling and as of October 23 there are 57. Ms. Marmion asked Dr. Parrish to send last year's equivalent of both charts to see what might be natural changes versus COVID-related withdrawals. Dr. Parrish said she can get it to the BOF.

Mr. Mitola wanted to confirm that as of October 23, 2019 there were 120 students who left to go to private school. Dr. Parrish replied that is was for the entire school year, last year. She said as of October 23, 2020, the number was 105. Mr. Mitola then asked if typically, kids leave in the middle of the school year. Dr. Parrish replied that she will have to pull the data by month to answer this.

Mr. Testani wanted to confirm that there were 331 new registrations for this school year so far and asked how many there were last year for the same time frame. Dr. Parrish responded that there were 261 new registrations. Mr. Testani asked if there is tracking of where the students came from and if they need transportation. He said he wanted to know how much that will cost the Town. Dr. Parrish said they don't track the student's transportation needs. Mr. Testani asked if there is any data to see where the new registrations are coming from. He asked Dr. Parrish if she could get information for transportation costs for new registrations. She replied yes.

Mr. Walsh started with the first report from October 23rd and asked what the acronym LEA stands for. Mr. Cummings replied that it stands for Local Education Agency, which in this case means Fairfield. Mr. Walsh said Out of District All includes Out of District other and Out of District CT, but it doesn't include private. Dr. Parrish replied that it does include private on the 10/23/20 report. She said it also says private withdrawals include Fairfield and outside of Fairfield, but that adding the two double counts the private school numbers. She said the private school numbers are included in the OOD other and the OOD CT because it reflects private schools within and outside of the State.

She said it also does not include those who went to magnet or charter schools or out of the country. Dr. Parrish said the original request didn't ask for extensive information, but the November report is more broken out.

Mr. Walsh said that if he adds the charter, magnet and out of the country and home school amounts in the November report to the number in the October report of total withdrawals, the total number of withdrawals by October 2020 is 275. He said the two reports are very different set ups so doing a straight comparison between the two could result in a double count in some instances. Dr. Parrish stated that within the months of August and September 2020, there were a significant amount of student withdrawals and the majority went to home school, private as well as OOD. Mr. Walsh asked if withdrawals could be compared to last year to which Dr. Parrish said as it has been requested, she will get a report from last year to do a comparison. Mr. Walsh asked Mr. Cummings what the reports show him. Mr. Cummings replied that what he sees is that parents and families are making decisions based on the current educational environment related to the pandemic. He said the increase in the home school, as some parents have told him, is based on structure that the public schools aren't able to offer and it gives them comfort as far as safety too. Mr. Cummings said it reflects the pandemic and is a trend happening across the State. He said there is a great concern across the State that students have withdrawn and they cannot be tracked, but that is not happening in Fairfield. Mr. Walsh then asked Mr. Cummings if he thought students were leaving the district because of the hybrid format and seeking out schools that are in school more. Mr. Cummings said that he does think that is also a choice.

Jeff Peterson thanked Dr. Parrish for putting the reports out and said he understands that it is a theme in discussions as the year moves forward. He said he told the BOF to let the BOE know what they want and the BOE will do its best to accommodate.

Christine Vitale, BOE Chair, reiterated that looking at the younger students, first grade and younger, parents are holding back their children and not starting them or just keeping them home. She said the home school data really stood out to her and it is happening across the State.

5. Quarterly Financial Review Follow-up on Fire Marshal Fees and Building Permit Fees
Mr. Brown said that items five and six stem from discussions at the quarterly meeting last week. He said there is a variance in revenue in Fire Marshal fees this year and the BOF wants to look into how or if it is affecting Building permit fees. CFO Jared Schmitt submitted reports and both Fire Chief Denis McCarthy and Chief Building Official, Tom Conley presented. CAO Tom Bremer and Town Controller Caitlin Bosse were on hand to comment or answer questions.

Mr. Schmitt noted there was a \$300,000 shortfall in Fire Marshal fees on a number budgeted for \$500,000. He said it was still the first quarter and this could change as things are unpredictable and mostly out of our control. He also wanted to reassure everyone that the budget overall is in good shape, but they are looking at smaller things going on.

Chief McCarthy wanted to recognize the three members of the Fire Marshal's office: Fire Marshal Phil Higgins, Deputy Fire Marshal Jeff Edmondson and Inspector Hank Ference for their dedication and commitment. He reviewed a thumbnail of the last five years of fees, concentrating on the comparison of last year versus this year. He pointed out the new fee structure that started in August of 2017. Chief McCarthy said in the last three years, the numbers have jumped dramatically reflecting those new fees. He said there is no trend in commercial construction or defined pattern.

He said the construction at both universities have generated a majority of income received, particularly in 2020. Chief McCarthy went over the procedures used in projecting revenue. He went over the various projects slated for 2021 through plans presented to the Town. Chief McCarthy said it's very different to predict what will happen this fiscal year due to economic complications related to COVID, but he is confident the projects will move forward in the New Year and will have the capacity to reach the budget projection.

Mr. DeWitt said last year, fiscal year 2020, was a booming year for the amount of Fire Marshal fees. He said when the Board is told revenues will be \$300,000 less than the budgeted \$500,000, that's less than the 2018 numbers with building fees. He said in last year's budget, the Board debated on needing an additional Fire Marshal and the late Harry Ackley, as Fire Commissioner, called every other day to say another Fire Marshal was needed. Mr. DeWitt asked if the shortage in fees is related to the Fire Marshal work not getting done.

Chief McCarthy referred to a document that Mr. Schmitt had sent to the Board that was used to review the Fire Marshal workload. He also wanted to recognize Harry Ackley, who devoted 50 years of his life to the town and he will be missed. He said the challenges in the Fire Marshal's office is that there are customers paying permit fees to break ground and build and there is an obligation to do a plan review in 30 days. Chief McCarthy said a lot of effort goes into reviewing the documents so people can keep projects going forward. He said State mandates also need to be in effect for all the residential buildings, condos and assisted living places and educational facilities, daycares and summer camps have to be inspected annually. Chief McCarthy said the Fire Marshals are not able to get to all the 585 various buildings, especially the non-permitted properties. He said the fee structure was set up to offset the cost of adding Fire Marshals and was set up as a one-time fee and it was more than surrounding towns, but it allowed the department to get the money up front and perform annual inspections at no additional cost. Mr. Dewitt commented that in his 14 years here, he never knew the Fire Marshal's office wasn't charging anything other than building permits. The Chief said the Fire Marshals only get involved if it is a three family home or larger, or a commercial property and the Building Department inspects the rest of residential.

Mr. Walsh asked the Chief what was his methodology in coming to the negative \$300,000. Chief McCarthy answered that there was conflicting information since the last meeting. He said he clarified some of the construction that might occur, but projects at FU and SHU were not going to go forward. He said Mr. Conley saw the universities holding back. Chief McCarthy said there were also some big housing contracts being stalled and they were all huge parts of revenue projections and right now, the first quarter only shows \$44,000. Mr. Walsh then commented that according to Chief McCarthy's report it looked like 60% of the projects were not going to be completed, but on the Building Department revenue sheet, he said there was no variance for the same projects. He asked what percent of the budget was from performing inspections. Chief McCarthy went through the various categories for inspections and licenses and the amount that is charged. Chief McCarthy said residential housing is doing extremely well throughout the country and he expects those to go forward in Town. He said he cannot predict if these will happen before or after July 1, 2021. He said 180 out of 585 facilities were inspected; stand-alone three- and four-family homes did not get inspected. Chief McCarthy said when the budget was approved in April, his department didn't anticipate to be in the economic status happening now. He said when Mr. Ackley was calling Mr. DeWitt regarding the position, it was with the thought that the economy would recover by November/December of 2020.

He said Fire Marshals can't get into residences to perform inspections because it is not safe. Mr. Walsh said not filling that position worked out for everyone.

With no other questions for Chief McCarthy, Chair Brown turned the meeting over to Tom Conley, Building Official. Mr. Conley stated he couldn't do his job without the Fire Marshall staff. Mr. Conley stated that the budget will be fine in both the Building department and the Fire Marshall's office. Mr. Conley gave an overview of the document he submitted to the Board. He said he has collected \$859,000 to date from mostly residential properties.

Mr. DeWitt stated that the spreadsheet says \$3.2 million and Mr. Conley replied that it was the total projection for the year, but the actual today is \$859,000.

Mr. Walsh asked if, based on the figures on the spreadsheet, Mr. Conley considered his department to be ahead in residential fees. Mr. Conley replied that he was ahead and very strong. People are staying home adding home offices, playscapes and still submitting pool permits. Demolition permits were strong as well.

Ms. Marmion stated that residential is looking strong in the first quarter, but looking back a year, how does it compare to last year? Mr. Conley replied that last year there was \$2 million in revenue at this time, but the projects were different. He said it is hard to track why people spend money on homes, but he still feels they are doing very well.

Mr. Testani said since last year was an anomaly, if you go back another year, is that more typical for the Town? Mr. Conley said the year before had a very large property that created a large revenue over multiple years. He said it's hard to find a trend as both years were atypical. He added that the last six years were very strong in the beach areas despite the damage caused by Superstorm Sandy.

Ms. Charlton stated there was a lot to go to get to the \$3.2 million from \$859,000 in five months. Mr. Conley discussed the shortfall in getting building to that projected number. He also went over commercial properties that will have permits in Town. He said there are several large projects with the universities that will break ground in the spring and also multi-residential housing complexes. First Selectwoman Kupchick stated that there will be a lot more details in the second BOF quarterly review meeting instead of speculating now what will happen. Mr. Brown said that Mr. Conley sounds confident he will meet his budget. Mr. Conley stated he was confident that he will meet his budget and the Fire Marshal will meet his as well. He also said it is hard to gauge when it will come, but said it will be strong.

6. Quarterly Financial Review Follow-up – Various board requests for additional information:

Mr. Schmitt said there are currently 26 vacancies and most are in the Police Department and there are seven in the ECC. He said the positions were not expected to come online this year, so they are not reflected in the MUNIS list. Mr. Brown said the Board had asked for additional information regarding vacancies. Mr. Schmitt said, for clarification, to let him know what they are looking for and he will get the information. In the forecast, he said vacancies produce approximately \$1 million in positive variance; the numbers were based on actuals. Mr. Schmitt said there is \$1.4 million in vacancies, projecting that it will not roll out and continue to be savings and there could be additional savings.

Mr. Schmitt said the \$1 million savings was projected for the year and not the quarter. Ms. Bosse said 10 of the jobs were based in the ECC and those will remain vacant for the fiscal year.

Ms. Charlton asked if the positions will be will be vacant for half or the full year. Ms. Bosse said eight are police officers and due to the academy being closed, it will take longer. She said some of these savings reflect higher positions leaving and hiring lower positions. Ms. Bosse said he positions at the ECC amount to \$700K-\$800K of savings in addition to the \$1.4 million. Mr. Schmitt told Mr. Walsh that all the DPW staff listed on the report will be hired before the end of the year. Ms. Bosse stated that some of the positions are unfunded positions. Mr. Walsh asked if the BOF had the authority to get rid of the unfunded positions. He also asked for a list of all unfunded positions. Ms. Bosse said that two of the positions were union positions.

Ms. Charlton asked if these open positions had an impact on Town services and if not, what the need to refill them is. First Selectwoman Kupchick answered Ms. Charlton saying she thought the Police Chief or one of the captains should be answering the questions. She also said that DPW is strained, but is doing a great job, especially during the storms.

Mr. Testani asked if there were any resignations over the last 3-6 months pertaining to the Police Accountability Act that was passed in the State. First Selectwoman the Police Department was better suited to answer that, but she was not concerned because many officers in other towns want to make the lateral move to Fairfield.

Mr. Schmitt said that the Police Academy is running a class in January and there are four officers slated for Fairfield. He said by the second quarter, his department will have reports of overtime used to cover the vacancies.

- Golf course revenue projection details

Mr. Schmitt said the numbers have changed a little bit and the projection is \$631,000 over the budgeted amount. He said this is based on a large number of rounds of golf during the first part of the fiscal year. Anthony Calabrese, Director of Parks and Recreation, said 2019 and 2018 were very similar years and the projections were safe. When asked about the pavilion rentals, Mr. Calabrese responded that April, May and June were down due to weddings being shut down with no sign of opening up. He said the budgeted amounts were \$300,000 for Penfield Pavilion and \$125,000 for the Jacky Durrell Pavilion.

- Parking authority revenue update

Mr. Schmitt said there were a few challenges for the Parking Authority. He said the lack of travel has had a severe impact on daily fees and parking permits are down. Mr. Schmitt said the Authority has a sizable fund balance of \$1.9 million and doesn't anticipate cash flow problems.

*There was also a discussion about bonds that the Town has invested which was not on the agenda. Mr. Brown said there is a bond policy that the Town follows and there are three advisors who help with investment policies.

- Accounting for tax collections received after June 30th

Tax Collector David Kluczowski went over dates for the Governor's extension for taxes. He said anything that was postmarked by July 1 was put into FY19-20 and anything postmarked after that was put FY 20-21. He said \$1.5 million was timely even though it was processed through July 1 and anything processed after that, but was due by July 1, went into FY 20-21 as prior year taxes.

7. To Hear, Consider and Act Upon the Minutes of October 6, 2020 and November 5, 2020
Mr. DeWitt made a motion to approve the minutes and Mr. Mitola seconded the motion.

The vote for the minutes of 10/6/20 carried 7-0-2 (abstentions, Mary LeClerc, Jim Brown)

Mr. DeWitt commented on the minutes of 11/5/20 that the top of page two should read 401a and not 401k. **The motion to approve the minutes of 11/5/20 as amended carried unanimously.**

8. To Hear, Consider and Act Upon Any Communications

Mr. DeWitt gave an update on the Purchasing Policy. He said the actual purchasing policy was distributed to the Board with comments. Mr. DeWitt said he drafted a request for quotation to Mr. Centofanti to give an estimate to see how much his firm would charge to develop new purchasing policies. He said Mr. Centofanti will provide a range, but he needs to ask more questions.

Mr. Brown said the BOF Committees need to be filled. He said there are four committees: Fund Balance, Mr. Walsh, Chair; Budget, Mr. DeWitt, Chair; Purchasing, Mr. DeWitt, Chair; Audit, Ms. LeClerc, Chair. He asked the BOF members to think about what Committee they wanted to join next year.

Mr. Brown also said there a Capital Plan Workshop on 12/10/20. He said the Board has been invited to visit the site of the former Giant Steps in Southport. He said there is a deadline for the Town to authorize this purchase and that other parties are interested. Mr. Brown said the BOS will hear a presentation on December 7, 2020, but not act on this until December 14, 2020. He said the RTM will hear this on December 17, 2020 and vote at a special meeting on December 21, 2020. Mr. Brown said the BOF will hold a special meeting on either December 15 or 16.

Ms. Marmion asked about the recommendations coming out of the audit. She said she knew the Audit Committee went over them first and wondered when they'd be available to the full Board. Mr. Brown said the Audit Committee had a meeting at 6:00 pm tonight and only got through 8 out of 75 recommendations. He said there isn't much of an update and the next meeting is on January 5 and members will go over more. Ms. Charlton expressed concern that it would take too long to go through the recommendations if the Audit Committee only meets quarterly.

9. Adjourn

Mr. Testani made a motion to adjourn the meeting at 10:47 pm. Mr. DeWitt seconded the motion which carried unanimously.

Respectfully submitted,

Pru O'Brien
Recording Secretary