

Minutes

Board of Finance Meeting

November 19, 2013

Town Hall Room 206 7:30 PM

CALL TO ORDER

Liz Mao, Chairman, called the meeting to order at 7:30 pm. All members were present except for Bruce Orr. Also in attendance was Finance Director Kate Clarke Buch. The meeting was broadcast live over Channel 79.

ELECTION OF OFFICERS

Jon Zagrodzky nominated Liz Mao for Chairman. Passed 6 – 0. Gwen Mogenson nominated Jon Zagrodzky for Vice Chairman. Passed 6 – 0. Jamie McLaughlin nominated Dave Lopiano for Clerk. Passed 6 – 0.

REQUEST FROM NOROTON FIRE DEPARTMENT FOR PURCHASE OF VEHICLE

Alan Hyatt, a member of the Noroton Fire Department joined the meeting to answer questions on the department's pumper truck replacement request. The issue is that the tanker refurbishment will include a new chassis. The request had been reviewed multiple times, and it was clear to the board that the department needed this new truck. Mr. Hyatt estimated that the new truck would cost approximately \$500,000. Jamie McLaughlin moved to approve the pumper truck replacement. Passed 6 – 0.

DISCUSS AND TAKE ACTION ON HIRING INDEPENDENT AUDITORS FOR CONSULTING; ENGAGEMENT RELATED TO SPECIAL EDUCATION EXCESS COST REIMBURSEMENT REPORTING

Kate Buch provided a summary of the qualifications of the two firms proposed for the assignment, Blum Shapiro and CohnReznick. Jon Zagrodzky highlighted that CohnReznick had more of a fraud and forensics background than Blum Shapiro. He also mentioned that the estimated cost of CohnReznick's engagement was more favorable to the town and that their independent view would be better given the fact that they haven't worked with the town before. Mr. Zagrodzky moved to approve the hiring of CohnReznick to perform the Board of Education Special Audit. Passed 6 – 0.

CONTINGENCY TRANSFER – INFORMATION TECHNOLOGY

Kate Clarke Buch provided some background regarding the request. Ms. Buch mentioned that the request was due to a system outage and to an air conditioner issue with water leaking into the systems. Dave Lopiano volunteered to meet with the Board of Education's IT Director to get more information on this request, determine the criticality of the request, and get a better understanding of the Town's overall IT strategy.

After further discussion, the board decided to table the decision until more information on the outage is obtained and whether what is being requested could avoid future down time.

Mr. Lopiano moved to table the decision on the contingency transfer for the IT Department. Passed 6 – 0.

FINANCIAL REPORTING

Kate Clarke Buch and Liz Mao provided some insight on how the Board of Finance appropriates money for projects in a set amount, including the fact that the board reviews how the funds are being spent and can determine that unspent funds can be swept back into the general fund after they determine that enough time has passed. Mrs. Buch also mentioned that a retirement is expected by year end. The accrued leave payout for this person will total \$100,000, but there is just \$45,000 in the accrued leave account.

APPROVAL OF THE MINUTES

The Board reviewed the draft minutes for the October 15, 2013 and October 31, 2013 meetings. Gwen Mogenson moved to approve without edits. Passed 4 – 0 (Dave Lopiano and Frank Huck were not yet on the board at the time of these meetings, so they abstained).

DISCUSS AND TAKE ACTION ON FIVE YEAR FORECAST

Liz Mao and Kate Clarke Buch provided a summary on some of the items mentioned during the meetings on the Five Year Forecast. Ms. Mao noted the ongoing issues with Special Education. Ms. Mao highlighted Darien's AAA rating, noting that the town keeps a fund balance that is, at a minimum, 10% of prior year audited general fund revenues. Mrs. Buch compared Darien to similar towns and the excellent job Darien does to ensure the funds are available for emergencies. The board was informed by the Board of Education that addressing the Special Education problems may result in expenditures of up to \$2 million.

Jamie McLaughlin pointed out that the town doesn't have control over the increases in the existing employee contracts.

Gwen Mogenson highlighted the Town's debt refinancing, resulting in savings due to lower interest rates on the debt.

Jon Zagrodzky moved to approve the draft Five Year Forecast. Passed 6 – 0.

SPECIAL ASSIGNMENTS/COMMITTEE REPORTS

Gwen Mogenson informed the board that **the proposed additions** to both Tokeneke and Royle Schools to support additional capacity, with estimates of between \$6 and \$7 million each. She noted that, **as a member of the committee**, she attends the building committee meetings, where the committee is in discussion with two architectural firms regarding high level bids around structure changes to the schools.

CHAIRMAN’S REPORT

Liz Mao stated that she asked First Selectman Jayme Stevenson about the progress of the property revaluation and was told that the first indication is that there will likely be a drop in valuation of between 3% and 8%. **As a result, the mill rate would most likely increase, though this, by itself doesn’t necessarily mean an increase in taxes to the individual taxpayer.**

ADJOURNMENT

There being no further business, Jon Zagrodzky made a motion to adjourn. Dave Lopiano seconded the motion. Passed 6 – 0 at 9:05 p.m.

Respectfully submitted,
David Lopiano
Clerk