

*Minutes*

# Board of Finance Meeting

June 21, 2011

Room 206 7:30 PM

## CALL TO ORDER

The meeting was called to order by Chairman Liz Mao at 7:35 PM. All members of the Board of Finance except Lori Bora were present. Also in attendance was Kate Clarke Buch, Finance Director. The meeting was recorded for broadcast over Channel 79.

## TRANSFERS UNDER \$5,000

- **Public Works** – seasonal and temporary help – \$1,100.

In April, a transfer request was submitted for \$1,000 to supplement funding for seasonal and temporary help in the Department Office. The request failed to take into account the need for additional help related to processing dump sticker requests (someone is out on medical leave).

Joe Duwan moved approval of the transfer. The motion passed 5-0 (Gwen Mogenson arrived a few minutes after the vote was taken).

## TRANSFERS OVER \$5,000

- **Fire Commission** – various transfers – \$6,085.

The Commission proposed transfers to cover (1) over-budget costs of \$1,650 for water and hydrant charges for the drill tower facility, (2) excess wireless costs of \$235 for vehicle laptops and (3) estimated costs of \$4,200 to clean oil/water separator for the flammable liquids pit at the fire training facility.

Murry Stegelmann moved approval of the transfer. The motion passed 6-0.

## CONTINGENCY TRANSFERS

- **Harbor Master** – operating supplies – \$675.

This is to cover an invoice from Jeff Eng, who placed the center channel buoys in Darien harbor – there are insufficient funds in the Harbor Master accounts to cover this. It was noted in the request, however, that the Town is now receiving revenue from buoy mooring fees.

Martha Banks moved approval of the transfer. The motion passed 6-0.

- **Tax assessor** – software support – \$4,045.

The support costs for the Assessment and CAMA systems came in slightly higher than budgeted for both departments. The budget was based on the old software, and costs increased after an upgrade was completed. Jon Zagrodzky expressed concerns about the department’s budget process, asking how it was that this higher cost was not anticipated.

Gwen Mogenson moved approval of the transfer. The motion passed 5-1.

- **Department of Public Works** – Town Hall alarm charges – \$1,668.

This request was pulled from the agenda.

## **FINANCIAL REPORT**

Kate Buch presented the monthly financial report. She offered the following highlights:

- As reported in May, the BoS budget is running over due to fees paid to rehire the Owner’s Agent used on the Darien High School project to assist the Town in appealing the State’s audit findings, which showed Darien entitled to less grant funding that was anticipated.
- In the Finance Department, credit card fees are running higher since they are now accepted for, among other things, beach stickers. Kate Buch will seek to bid out credit card fees in the fall in an attempt to lower costs.
- Legal Department spending continues to run over due to unanticipated costs.
- Police Department overtime was high due to Memorial Day-related staffing requirements.

## **MINUTES**

The Board reviewed minutes from the May 17, 2011 meeting. A minor correction was made. Joe Duwan moved approval as corrected; approved 5-0 (Murry Stegelmann was absent May 17<sup>th</sup> and abstained).

## **DISCUSS AND APPROVE CONSOLIDATION OF FUNDS TO COMPLY WITH GASB 54**

Kate Buch presented an overview of the new requirements under GASB 54. These requirements change the terminology for classifying fund balances and require that committed funds can only be un-committed by the same process. To be compliant, the Town will need to transfer some fund balances.

Kate Buch proposed the following motion:

Whereas GASB 54 has changed the criteria for Special Revenue Fund designation and

Whereas the Special Education Reserve Fund, Land Purchase Option Fund and Animal Control Fund no longer meet the criteria to be considered Special Revenue Funds and

Whereas GASB 54 is effective for FY June 30, 2011 and

Whereas it is the desire of the Board of Finance to comply with GASB 54 and generally accepted accounting principles,

Now therefore be it resolved that the Special Education Reserve Fund, Land Purchase Option Fund and the Animal Control Fund be consolidated into the General Fund in accordance with GASB 54 and generally accepted accounting principles and

Be it further resolved that the amounts of fund balance in the Special Education Reserve Fund and the Land Purchase Option Fund, \$100,000 and \$69,917 respectively, be Committed Fund Balance for those designated purposes in the General Fund.

After some discussion and editing of the motion (final version reflected above), Murry Stegelmann moved approval. The motion passed 6-0.

## **DISCUSS AND APPROVE FUND BALANCE POLICY REVISIONS**

Further to the GASB 54 requirements, Kate Buch proposed revisions to the Town's fund balance policy that would specify how committed funds could be uncommitted. After discussion, it was decided to table the proposal pending a further review of the draft policy language by Town Counsel Wayne Fox.

## **CHAIRMAN'S REPORT AND SPECIAL ASSIGNMENTS/COMMITTEE REPORTS**

- Liz Mao met with a health benefits consultant in preparation for upcoming teachers contract negotiations.

- Liz Mao reported on Police building progress. She indicated that a retaining wall may need to be added to the plans, but that the project remains on track for fall 2012 completion.
- Gwen Mogenson reported on answers to questions asked at the May 17<sup>th</sup> meeting about the tax collector suspense list. She indicated that amounts moved to suspense for the years 2003-2006 were in fact part of a “catch-up” effort, and that the suspense account transfers are now up-to-date (amounts cannot be moved to suspense sooner than three years after they are incurred/recorded). She also indicated that one particularly large delinquency (>\$20,000) was owed by a corporation no longer in existence. She said that the Town would look into pursuing a successor entity for the tax owed.
- Gwen Mogenson also indicated that the Technology Committee had lapsed, as its mission had expired. An effort is now underway to incorporate technology topics in to the DETC.
- Joe Duwan reported that Town Hall gas line project (from the Post Road) is estimated to cost \$116,000. He also said that the solar project will not be undertaken since no state funds will be available. It was suggested that the \$28,000 appropriated for the solar project be re-purposed to the gas line project.

## **NEW BUSINESS**

Murry Stegelmann moved taking up new business; approved 6-0. He proposed adding a new BoF meeting to the calendar for July 26<sup>th</sup> at 7:30 PM. This meeting is intended to replace the meeting currently scheduled for July 19<sup>th</sup>, which will be canceled before this date. Murry Stegelmann moved the approval of the new meeting; approved 6-0.

## **ADJOURNMENT**

There being no further business, Jon Zagrodzky made a motion to adjourn. The motion was seconded and approved 6-0 at 8:50 PM.

Respectfully submitted,

Jon Zagrodzky  
Clerk