

*Minutes*

# **Board of Finance Meeting**

**August 25, 2011**

Room 206 7:30 PM

## **CALL TO ORDER**

The meeting was called to order by Chairman Liz Mao at 7:30 PM. All members of the Board of Finance except Gwen Mogenson were present. Also in attendance was Kate Clarke Buch, Finance Director. The meeting was recorded for broadcast over Channel 79.

## **ELECTION OF A NEW MEMBER**

Joe Duwan presented a brief biographical overview of Jaime McLaughlin, a proposed new member of the Board of Finance, who would replace Murry Stegelmann. He mentioned that Mr. McLaughlin is a 12 year Darien resident and former Connecticut State Representative and Senator. Mr. McLaughlin was not in attendance.

Mr. Duwan made a motion to elect Mr. McLaughlin to the Board. The motion passed 5-0. Mr. McLaughlin will become a Board of Finance member once he is sworn in by the Town Clerk.

## **TRANSFERS UNDER \$5,000**

Kate Buch reviewed several minor adjustments for personnel accounts totaling \$3,619 that fell below the normal BoF threshold, but were brought to the BoF because they involved personnel. They entailed, among other things, the buyback of accrued leave.

Several members commented that a vacation policy requiring 5-10 days away from the office for personnel with control over funds would be an appropriate fiscal control policy.

Martha Banks moved approval of the transfer; passed 5-0.

## **TRANSFERS OVER \$5,000 – HOYT STREET SIDEWALK SURVEY**

The BoF debated at length the survey related to the proposed Hoyt Street sidewalk project.

- Joe Duwan commented that the proposed sidewalk does not meet the needs of Barringer Street residents, as the sidewalk would not extend north of Barringer to the Talmadge Hill station, which is part of New Canaan (officials in New Canaan have made

it clear that they will not fund this portion of the sidewalk). Mr. Duwan also expressed concerns about liability, as the sidewalk might encourage more pedestrians who would be taking a risk in walking to the station past the point where the Dairen sidewalk would end. Finally, Mr. Duwan reminded everyone that we had not heard from homeowners benefitting from the sidewalk as to whether they would contribute to the project.

- Martha Banks, who earlier supported the survey, indicated that she would vote ‘no.’ She indicated that the preliminary cost estimate of \$310,000 was too much to spend given the limited number of residents (~16) who would benefit. She therefore thought that the survey would be a waste of taxpayer money. She further indicated that more project thinking was needed (i.e., potential easement to help move pedestrians safely, more pressure on the State to help with costs) and that police should do a better job controlling traffic speed in the area.
- Liz Mao indicated that the survey could be expanded to consider easements and other options.
- Jon Zagrodzky echoed Joe Duwan’s concerns, indicating further that the survey could be helpful but that he could not ultimately support the sidewalk project if the New Canaan section is not included.

Jon Zagrodzky moved approval of \$8,500 from the BoF Infrastructure Reserve to fund the survey; passed 4-1.

#### **TRANSFERS OVER \$5,000 – OTHER**

- **Public Works** – \$32,917.

There was an overrun in transfer operating fees caused by more waste being delivered than planned. The Department noted that the BoF cut the Department’s FY 2011 budget by \$100,000, so it believed that running over by ~\$30,000 was not unreasonable. Jon Zagrodzky moved approval; passed 5-0.

- **Administrative Officer support services** – \$6,911.

Copier lease and usage rates were higher than budgeted. Several BoF members commented that this should have been anticipated during the budget process. Jon Zagrodzky moved approval; passed 5-0.

- **Fire Hydrants** – \$24,296.

Budget estimates were low, and rates increased during the year. Again, several BoF members commented that this should have been anticipated during the budget process. Martha Banks moved approval; passed 5-0.

- **Sewer Operating Fund** – various accounts – \$205,101.

This transfer was to clean up over-budget accounts in the Sewer Operating Fund. The Fund YTD report showed positive balances available for the transfer. The transfer leaves a deficit (versus budget) of \$137,942 in the Sewer Fund Balance. Jon Zagrodzky moved approval; passed 5-0.

## CONTINGENCY TRANSFERS

- **Public Works** – winter storms – \$139,490 (\$102,009 from Contingency; the remainder from various department accounts in surplus).

Winter storms caused the Public Works budget to be exceeded in overtime and in ice control materials. Personnel shortages in the office due to medical leaves increased the need for seasonal help. Additionally, electricity usage at the garage exceeded estimates. Martha Banks moved approval; passed 5-0.

After discussion of the transfers, Martha Banks recommended that future budgeting be based in part on anticipated volumes (fuel oil, kilowatts) rather than dollars alone.

- **Police Department** – various – \$149,363 (\$116,686 from Contingency; the remainder from various department accounts in surplus).

The Police Department exceeded budget in a number of accounts, primarily in overtime. Contributing factors included medical-related leaves or light duty, training absences and an unexpected retirement. Jon Zagrodzky moved approval; passed 5-0.

- **Legal Counsel** – \$217,377 (\$160,229 from Contingency; the remainder from various department accounts in surplus).

The number of cases and the hours required to address them have exceeded budget. Lori Bora moved approval; passed 5-0.

- **Public Works** – part-time staffing – \$2,000 (to be transferred from the Department's Building Electricity fund)

The Department proposed a contingency transfer of \$24,794 to cover part-time help for clerical work. Kate Buch indicated that there are a number of issues with this request. She suggested that the BoF approve a \$2,000 transfer to fund the part-time help through the end of September, while a longer-term solution is being developed. Martha Banks moved approval; passed 5-0.

## **FINANCIAL REPORT**

Kate Buch did not prepare the usual monthly financial summary since she is in the process of wrapping up all of the year-end FY 2011 adjustments. She did offer a number of comments, however:

- The Sewer Operating Fund ran a significant deficit, more than planned. Primary causes included Collection System Rehab expenses (budgeted in FY 2010, but paid in FY 2011) and lower-than-expected sewer use fees. She anticipated that a request will need to go to the RTM for additional funds from the Sewer Fund Balance.
- She indicated that the General Fund will run a surplus for FY 2011, in the range of \$500,000-\$600,000, driven by lower debt service costs and employee benefits as well as higher tax collections and Town Clerk fees (versus budget).

Liz Mao thanked town employees and the citizens of Darien for their support in achieving this surplus. She also commended Kate Buch and members of the BoF for efforts to reduce debt service costs through refinancing.

## **FUND BALANCE POLICY**

The Board continued its discussion of revisions to the Fund Balance Policy. Several members expressed concerns that the proposed policy changes allow too much flexibility, and that additional work is required to ensure that any changes comply with GASB 54.

The BoF Audit Committee agreed to convene prior to the September meeting to address these concerns.

## **MINUTES**

The Board reviewed minutes from the July 26, 2011 meeting, making minor corrections. Lori Bora moved approval as corrected; passed 4-0-1 (Liz Mao was absent July 26<sup>th</sup> and abstained).

### **SPECIAL ASSIGNMENTS, COMMITTEE REPORTS, CHAIRMAN'S REPORT**

- The Weed Beach project has begun. Several add-backs to the project, related to building longevity and reduced maintenance, were approved by the Board of Selectmen.
- A BoF review of progress on the Police Building project was suggested for September. Liz Mao will contact Chief Duane Lovello to schedule.
- Chairman's report: Liz Mao indicated that teacher contract negotiations are moving forward, and that the Board of Education is mindful of costs.

### **ADJOURNMENT**

There being no further business, Jon Zagrodzky moved adjournment; passed 5-0 at 9:05 pm.

Respectfully submitted,

Jon Zagrodzky  
Clerk