

**Litchfield Board of Finance
Meeting Minutes
December 8, 2014**

Call to Order: Chairman David Geiger called the meeting to order in the LIS Art Room at 7:04pm with Ed Gadomski, Anne Dranginis, David Wilson, Mitchell Fishman and Ed Weik (Alt.) present. Brenda Barnes arrived at 7:09pm.

Absent: Sky Post (Alt.)

Also present: Rose Bouchard, David T. Wilson

Appointment of Alternates:

Chairman Geiger appointed Ed Weik to full member until Brenda Barnes' arrival.

Approval of Minutes:

Motion: Ed Weik moved to approve the 11-10-14 regular meeting minutes. Ed Gadomski seconded the motion.

David Wilson requested one correction: On page 2, ¶4, it should read "David Wilson offered his resignation to the BOF and left the meeting." He said he has now withdrawn his resignation. Ed Weik amended his motion to include this change. All voted aye with Anne Dranginis, David Wilson and Ed Weik abstaining and the motion carried.

Public Comment:

There was no public comment.

Director of Finance's Monthly Report:

As of November 30, the Town has collected 52.2% of revenue (compared to 53.3% same time last year but revenue is \$165,803 higher in the new year) and has spent 36.7% of the BOS Budget (compared to 36.7% last year) 42% through the fiscal year. The Town is also 56.6% committed (compared to 51.2% committed same time last year.)

Rose Bouchard said the current year property taxes collected are 55.1%. vs. 55.6% same time last year but the amount to collect last year was only \$24,554, 549 which is \$766K less. On the Revenue Report, she has listed the month that the following are expected to be received: Circuit Breaker, Disability Exemption, Telephone Access Line Grant, Veterans Exemption, Pequot, Educational Transportation, Other Non-Public School Transportation and Premium on Bond Sale.

On the Expense Report, Rose said that Planning & Zoning has \$8,916/\$9,000 in legal fees to date and Zoning Board of Appeals has \$3,345/\$3,500 in legal fees to date.

David Wilson noted that Bantam Fire Department is now charging for their ambulance service, which will have an impact on line item #4201 (Ambulance) on the Expense Report.

Progress Report on Audit for Closing Out School Buildings Project:

Chairman Geiger said the State BOE has to perform an audit before this close-out can be done. Rose Bouchard will follow up with Peg Perusse on this.

Status of 2013-2014 Annual Town Audit and RFP for Next Three Years:

Rose Bouchard said BlumShapiro will be attending the January meeting. The new BOE Superintendent and Financial Manager are hesitant to sign off on the BOE budget since they are interims who were not in place on June 30 when the fiscal year ended.

David T. Wilson said having the town file its audit timely conveys a favorable impression to Moody's credit ratings. Rose is recommending an RFP for the next three years and Chairman Geiger agreed. She distributed a timeline for the Selection of an Auditor Schedule, beginning February 9, 2015 with distribution of the RFP and list of firms for approval and ending on June 1, 2015 with appointment of the auditor to OPM.

Motion: Mitchell Fishman moved to direct Rose Bouchard to initiate the process of selecting an auditor in accordance with her proposed schedule. Anne Dranginis seconded the motion. All voted aye and the motion carried.

Pension Accounts and OPEB Trust Actuarial Valuation Reports

Several Hooker & Holcombe reports were distributed. Mitchell Fishman was present at the Pension meeting and shared highlights including that the town must have an approved funding policy for the pension plan and the annual determined contribution. The analysis was done using the same procedures as in the past and the actuaries agreed with that. For the coming year, the contributions required for the town to make are less. In F/Y 2016 there will be changes for employee contributions for those in unions.

In the Municipal (town) Plan (total of \$669,000), there were 95 employees two years ago and currently there are 80 employees. In the Merit Plan (total of \$107,000) 170 active employees are covered, 50 vested and 53 retired. An additional \$746,600 would be required to bring up the pension funding from 75% to 80%. There was discussion on the merits of increasing pension funding.

Mitchell Fishman said the OPEB accrued liability is at \$3.124M with an annual contribution of \$290,000.

Use of Fund Balance: Further Discussion of Pay-as-We-Go Capital Expenditure Items and Other Possible Designations

David T. Wilson said the Fund Balance is currently 17.82% or \$4,927,000. If the town moved to 12%, there would be a difference of \$1.6M. He said the current bonding rate is 2.5%.

Rose Bouchard distributed a report depicting useful life of capital expenditure items.

Anne Dranginis left the meeting at 8:20pm and Chairman Geiger appointed Ed Weik a full member.

There was discussion about the Public Works replacement of underground oil tanks at a cost of \$500,000 and David T. Wilson recommended that this amount be approved for bonding.

Chairman Geiger advised putting the Public Works capital items of Repointing/Resealing (\$60,000), Ext. /Int. Door Replacements (\$30,000), ADA & Restroom Upgrades (\$50,000), Window Replacement (\$10,000), Gym Upgrades (\$95,000), Exterior Concrete Stairs & Walkways (\$40,000), Recycling Center Facility (\$80,000) and Public Works Facility (salt shed) (\$200,000) totaling \$565,000 plus the new fire truck (\$290,242) be put in pay-as-you-go rather than bonded. He also suggested using the Fund Balance to pay down the budget total.

It was noted the \$500,000 for oil tank replacements is contingent on a town meeting's action.

Motion: Brenda Barnes moved to put these items in pay-as-you-go to reduce the Issue Debt to \$1,187,272. David Wilson seconded the motion. All voted aye and the motion carried.

Motion: Mitchell Fishman moved to amend this motion to delete the salt shed (\$200,000) since this should be bonded as it will last a long time. Ed Weik seconded the motion. All voted aye and the motion carried.

Motion: Mitchell Fishman moved to use \$250,000 to fund the Municipal Pension Plan. Ed Weik seconded the motion. All voted aye with one nay and the motion carried.

New Business:

- a. **Financial Transfers:** There were no financial transfers.
- b. **Correspondence:** There was no correspondence.
- c. **Payment of Bills:** There were no bills for payment.

Points of Order:

- a. Mitchell Fishman inquired about the BOE Finance Committee reporting at a BOF meeting and Chairman Geiger said he has communicated with the Committee and will confirm they will attend the February 9 BOF meeting.

Adjournment:

Motion: Ed Weik moved to adjourn at 9:10pm and Brenda Barnes seconded the motion. All voted aye and the motion carried.

Respectfully submitted,

Jo Ann Jaacks
Recording Secretary