

Litchfield Board of Finance
Regular Meeting Minutes
January 9, 2012

Call to Order: Chairman David Geiger called the meeting to order in the Litchfield Intermediate School Art Room at 7:04pm with David Geiger, David W. Wilson, Ed Gadomski, Ed Weik, Brenda Barnes, Anne Dranginis (Alt.), and David Pettinicchi (Alt.) present. Mitchell Fishman was absent, so Mr. Geiger appointed Anne Dranginis to full voting status. Also present were Karl Fisher, Leo Paul, Deborah Wheeler, Frank Simone, Jeff Zullo and Joseph Kask.

Approval of Minutes:

David Wilson said the structure of the 12-12-11 minutes was revised in accordance with the template recommended for use to give the town clerk. There was also a correction in the section under **Use of Fund Balance for Pay-as-you-go Capital Projects**. Mr. Paul's statement that "whatever monies are remaining from the capital budget at the end of the year are transferred to Operating Expenses," has been changed to "transferred to Capital Non-recurring Account."

Motion: Ed Weik moved to accept the amended minutes. Anne Dranginis seconded the motion. All voted aye and the motion carried.

Public Comment: Jeff Zullo said that when the BOS reviewed the Bonding Resolution, he suggested that the BOS consider doing a paydown from remaining capital funds rather than doing a bonding resolution to borrow new funds.

Board of Selectmen's Update: First Selectman Leo Paul, Jr. noted that the Town Meeting for approval of the Bond Resolution would be held tomorrow night. He said the reduction of resident troopers to one FT and one PT working with a local constable will eventually result in savings to the Town. In reply to Mr. Geiger's question about FEMA reimbursement, Mr. Paul deferred to Karl Fisher who said an initial meeting with FEMA about brush clean-up has been held. FEMA has not yet revealed the amount that would be forthcoming to Litchfield, but Karl said his administrative time involved in this is reimbursable by FEMA.

Director of Finance's Monthly Status Report: Karl Fisher, Director of Finance, will present January's monthly status report along with February's report at the next BOF meeting. Joseph Kask, Partner in Blum Shapiro & Company, P.C. discussed his company's audit of financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Litchfield for the year ended June 30, 2011.

Karl Fisher provided Board of Finance members with copies of the following:

- Audited Financial Statements
- Federal Single Audit
- State Single Audit
- Audit Communication Letter (SAS 114)
- Management Letter

Highlights of Mr. Kask's presentation included that in Exhibit III on page 15 of the Financial Statements, under Fund Balances, the language has changed to "Assigned" or "Unassigned." Mr.

Fisher or Mr. Paul's office can assign these fund balances and what is left is classified as Unassigned Fund Balances. Also, the classification "Nonspendable" represents floated cash to buy something.

Another change is that the Capital Non-recurring Account is now imbedded in the Capital Projects Fund and the approximately \$450,000 in that Account would be included here.

Proprietary Fund (Exhibit V on Page 19) relates to insurance activity and shows \$561,000 went through this Fund as of 6-30-11. Fiduciary Funds (Exhibits VIII & IX on Pages 22-23) show an increase this year of \$2.1Mil in the Pension Trust Fund which is attributed to ROI. Most of the OBED Benefits activity of \$400,000 represents contributions from BOE. The market value of the Pension Trust Plan was \$10.2Mil and is now \$11Mil, so that shows an uptrend. Under Net Pension Assets on Page 42, the figures of \$311,000 and \$204,000 shows that the Town funded more than annual required contributions. Under Trend Information on Page 43-44, the Pension accounts are being funded by projected salary increases set at 4%.

Other than further clarification in language, Mr. Kask said the footnotes show little substantial change from their last audit.

Brenda Barnes asked about OBED unfunded liability and Mr. Kask said money has been set aside for this. Dr. Wheeler said the town is paying yearly health coverage for BOE retirees but this will change in 2013. She said the BOE November monthly report will be given to Roxanne tomorrow. Mr. Geiger said it would be greatly helpful if a member of the BOE Finance Dept. attend BOF meetings to provide updates.

New Business:

1. **Proposed Budget Meeting Schedule.** The Budgeting Schedule Draft from Feb. 13-May 9 meetings was disseminated. Dr. Wheeler said she could not present her proposed budget prior to receiving BOE approval and she may not have that by the February 13 meeting. Mr. Geiger said there would be some flexibility in this date if necessary. Mr. Fisher said the March 12 date to present the BOS budget will probably be fine for him.
2. **Board of Finance Departmental Budget 2012/13.** The Town of Litchfield Dept. Budget for the Board of Finance was disseminated and discussed. David Geiger, David Wilson and Karl Fisher met to prepare this. Printing costs were discussed and David Wilson suggested a joint meeting with the Pension Commission and Hooker & Holcomb and BOF, thus eliminating \$1000 (52110) from the budget. That change would result in a reduced amount of increase (3.1%) over last year.

Motion: David Wilson moved to drop the Printing cost by \$500. There was no second and the motion was not voted on.

Motion: Anne Dranginis moved to adopt the BOF budget for 2012-2013. Brenda Barnes seconded the motion. All voted aye and the motion carried.

Motion: Brenda Barnes moved to drop the Prof. Serv. Studies budgeted amount by \$1000 (for the Hooker & Holcomb visit). Anne Dranginis seconded the motion. All voted aye with the exception of one nay from Ed Gadomski and the motion carried.

3. **Financial Transfers:** There were no financial transfers.
4. **Payment of Bills:** There were no bills for payment.

5. Correspondence: There was no correspondence for discussion.

Committee Reports:

1. Mr. Geiger said he had received a letter from the Pension Commission thanking him for being a “faithful member.” Anne Dranginis noted there is no longer a BOF member on this Commission.
2. **Motion:** David Wilson moved that the Chairperson reach out to the Chairperson of the Pension Commission to request a joint meeting with the Pension Commission and Hooker & Holcomb. Mr. Wilson withdrew his motion when Mr. Fisher said he would notify everyone when Hooker & Holcomb planned to meet with the Pension Commission.

Future Agenda Items:

1. Mr. Geiger noted that Mr. Gadomski’s request for more details from the BOS on the new material used for road treatment as a cost benefit analysis is still a future agenda item.

Motion: Ed Weik moved to adjourn at 8:50pm and Anne Dranginis seconded the motion. All voted aye and the motion carried. The next regular meeting will be held on February 13, 2012 at the Litchfield Intermediate School, at which time the Board of Education Superintendent’s Proposed Budget will be discussed if it is available.

Respectfully submitted,

Jo Ann Jaacks
Recording Secretary