Litchfield Board of Finance
Regular Meeting Minutes
May 11, 2015

Call to Order: Chairman David Geiger called the meeting to order in the LIS Art Room at 7:03pm with Anne Dranginis, Mitchell Fishman, David Wilson, and Ed Gadomski present.
Absent: Ed Weik (Alt.)
Brenda Barnes arrived at 7:10pm and Sky Post (Alt.) arrived at 7:16pm.
Also present: Stacey Dionne

Approval of Minutes:
Motion: David Wilson moved to approve the 4-13-15 regular meeting minutes. Anne Dranginis seconded the motion. All voted aye with Ed Gadomski and Brenda Barnes abstaining and the motion passed.

Motion: David Wilson moved to approve the 4-17-15 special meeting minutes. Mitchell Fishman seconded the motion. All voted aye with Ed Gadomski and Brenda Barnes abstaining and the motion passed.

Motion: David Wilson moved to approve the 4-29-15 special meeting minutes. Anne Dranginis seconded the motion. All voted aye and the motion passed

Motion: David Wilson moved to approve the 4-29-15 Budget Hearing minutes. Anne Dranginis seconded the motion. All voted aye and the motion passed

Public Comment:
There was no public comment.

Assistant Director of Finance's Report of Revenues & Expenditures:
Stacey Dionne, Assistant Director of Finance, distributed the financial overview as of April 30, 2015. The Town has collected 98.97% of revenue compared to 100.8% same time last year and has spent 90.4% of the BOS Budget (compared to 93.5% last year.) The estimated fund balance is $3,689,728 (12.91%).

Current year property taxes collected are 98.6%. vs. 99.4% same time last year and all tax revenue collected was 98.5%. Stacey Dionne responded to questions about the premium on bond sales, the BOE inside and outside maintenance expenses and overtime and told David Wilson she will get details about the cost/revenue ratio for school outside events such as basketball games, dances, etc. that require custodians. She said Jack Healy is working on raising the event fees to cover the costs. David Wilson noted that other towns had part-time, shared building officials and that might be a possible cost savings.

To Consider and Act Upon a Resolution:
Chairman Geiger introduced and read the follow resolution:

RESOLVED: That the resolution entitled 'RESOLUTION APPROPRIATING $5,745,000 FOR THE TOWN OF LITCHFIELD 2015-2016 CAPITAL IMPROVEMENT PROGRAM, INCLUDING SCHOOL, PUBLIC SAFETY AND PUBLIC WORKS IMPROVEMENTS AND AUTHORIZING THE ISSUE OF $5,745,000 BONDS OF THE TOWN TO MEET SAID APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE," is hereby approved and recommended for adoption by the Town.

Motion: Mitchell Fishman moved to waive the reading of the entitled resolution and that its full text be incorporated into the minutes of the meeting. Ed Gadomski seconded the motion. All voted aye and the motion carried.

Stacey Dionne explained that the Town must ask the taxpayers to bond the total amount of the capital budget appropriation even though that full amount may not be spent.

Motion: Mitchell Fishman moved that said resolution be adopted as introduced. David Wilson seconded the motion. All voted aye and the motion carried.

Chairman Geiger noted that the $25,000 listed for BOE's new sign can be deleted from the budget at the town meeting, as can any line item in the budget be deleted or reduced.

Discuss and Take any Action Needed on Auditor's Recommendations from June 30, 2014 Report:
Chairman Geiger said that BlumShapiro agreed to attend a future BOF meeting at no cost. In the meantime, the BOF should respond to their recommendations.

a. Reconciliation between Town and Board of Education: BlumShapiro recommended that the Town and the BOE formalize the reconciliation process for all BOE activity by individual fund and that timely reconciliations are completed monthly. Anne Dranginis said the failure in the BOE budgeting system after Jason Lathrop left needs to be addressed and the BOF needs to give the BOE a budget timeline. David Wilson agreed that the delay and confusion this year with the BOE budget was due to Jason Lathrop's departure and the fact that no one else knew what he had done.
b. Fraud Risk Assessment: BlumShapiro recommended that Management consider conducting a formal fraud risk assessment to determine if adequate fraud prevention exists. Chairman Geiger said this should be conducted by the First Selectman or the new Finance Director and we should wait for the new Finance Director before taking action. There has been an interview but Amaechi Obi said the town would probably have to raise the salary to hire a qualified candidate.
c. Grant Receivables/Deferrals: BlumShapiro recommended that communication be strengthened between Public Works and the Finance office so that grant activity (within

the Capital Improvement Fund) is identifiable at year end for financial statement purposes as well as compliance reporting.

Motion: Anne Dranginis moved that Chairman Geiger write to Leo Paul asking for a policy assuring such communication about grants between Public Works and the Finance office and to report to the BOF in June. Brenda seconded the motion. All voted aye and the motion carried.

Discuss any Changes Recommended for Next Year's Annual Budgeting Process:
Chairman Geiger said the BOF has the authority to recommend changes in budgets presented at the town budget hearing. Anne Dranginis said the BOF is missing valuable information from the First Selectman on strategic issues raised at the town budget hearing on 4-29-15. She also noted that the BOF did not receive a preliminary BOE budget for proper review.

Chairman Geiger said he will send a letter to the BOE Chairs, the Superintendent and the new Business Manager requesting they attend quarterly BOF meetings, beginning in August 2015 and including November and February, to discuss their performance against budget and make a progress report in February. Additionally, to improve the annual budgeting process, the Capital Committee and BOS should also come regularly to BOF meetings.

Motion: Mitchell Fishman moved that Chairman Geiger write to the BOE Chair and the new Superintendent noting that BlumShapiro recommended that she respond to BOF about her position and action to be taken on this. Anne Dranginis seconded the motion. All voted aye and the motion carried.

Mitchell Fishman said the BOE reporting format is not helpful and a breakdown of salaries/wages by school and area of learning would be more useful. Chairman Geiger said the BOF members should decide what formulation we prefer the BOE uses to provide information.

New Business:

a. **Financial Transfers:** Stacey Dionne presented three budget transfers for BOF approval.
   Motion: Mitchell Fishman moved to approve Budget Transfer #3 which will transfer $9,000 from the Contingency to the Paramedic Intercept Account (4201-54123), leaving a Contingency balance of $57,000. Anne Dranginis seconded the motion. All voted aye and the motion carried.
   Motion: Anne Dranginis moved to approve Budget Transfer #4 which will transfer $350.00 from the Contingency to the Municipality Liability Insurance Account (1802-52401), leaving a Contingency balance of $56,650. Ed Gadomski seconded the motion. All voted aye and the motion carried.
   Motion: Anne Dranginis moved to approve Budget Transfer #5 which will transfer $8,000 from the Contingency to the Fire Department Physical Line Item Account (2202-52102), leaving a Contingency balance of $48,650. Ed Gadomski seconded the motion. All voted aye and the motion carried.
b. **Correspondence:** There was no correspondence.
c. **Payment of Bills:** There were no bills for payment.

Adjournment:

Motion: Anne Dranginis moved to adjourn at 9:04pm and Mitchell Fishman seconded the motion. All voted aye and the motion carried.

Respectfully submitted,

Jo Ann Jaacks
Recording Secretary