

*Minutes*

# **Board of Finance Meeting**

**May 17, 2011**

Room 206 7:30 PM

## **CALL TO ORDER**

The meeting was called to order by Chairman Liz Mao at 7:34 PM. All members of the Board of Finance were present except Murry Stegelmann. Also in attendance was Kate Clarke Buch, Finance Director. The meeting was taped for broadcast over Channel 79.

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

The Department of Public Works asked for a transfer from the Full-Time Salary Account to the Seasonal & Temporary Salary Account in the amount of \$1,000 to cover additional costs for temporary help because the Administrative Secretary will be out on extended sick leave.

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

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

The Department of Public Works asked for a transfer from the Electricity Account to the Facility Repair and Maintenance Account in the amount of \$7,000 to cover additional repair costs for Town Hall, including steam piping and actuator valve repairs, air quality testing and calibration/re-programming of energy management software. Also included were Senior Center refrigeration repairs.

Joe Duwan moved approval of the transfer. The motion passed 6-0.

It was noted during the discussion that the Town of Ridgefield engaged Johnson Controls to do an energy audit, resulting in a \$200,000 annual savings. Some Board members suggested that such an audit might benefit Darien.

## **CONTINGENCY TRANSFERS**

The following contingency transfers were discussed and approved:

- Multiple Departments requested transfers totaling \$102,193 to fund wage increases granted by the Board of Selectmen, Police step increases and/or increases due to upgrades or promotions. These increases were approved by the BoS in July 2010; the transfer is being adopted late. Gwen Mogenson moved approval of the transfer. The motion passed 6-0.
- The Tax Collector requested a transfer from Contingency to the Seasonal/Temporary Account in the amount of \$2,048.20 to fund additional personnel needs arising from the retirement of a staff member and another being unavailable because of training. Lori Bora moved approval of the transfer in the amount of \$2,048 (no cents at Kate Buch's request). The motion passed 6-0.
- A proposed transfer by the BoS (item 5c on the agenda regarding the addition of seasonal/temporary help to do attendance survey work at the Senior Center) was not approved by the BoS and was withdrawn from consideration by the BoF.

## **FINANCIAL REPORT**

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

- 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.
- Legal is running over due to unanticipated costs. The account is current 129% expended; it may end up 170% expended.
- Credit card fees are running high and will possibly be put out to bid.
- Tax collections are doing well.
- The Town received ~\$200,000 more in ECS grant money than expected.
- Sewer fees will fall short of budgeted amounts.
- The town received a PILOT grant for the Housing Authority in the amount of \$69,148, which was not budgeted.

In addition to financial highlights, Ms. Buch also discussed a new standard for characterizing fund balances. New rules stipulate that if a majority of revenue for a segregated fund is not

from a distinct source or transfer, the fund cannot be treated as a special revenue fund. She will bring a resolution to the Board pertaining to this rule change in June.

## **MINUTES**

The Board reviewed and approved (with amendments/corrections) minutes from prior meetings:

- April 5, 2011 – Joe Duwan, who asked that comments he provided earlier be incorporated (they were subsequently) moved approval, approved 6-0.
- April 7, 2011 – Lori Bora moved approval, approved 6-0.
- April 12, 2011 – Gwen Mogenson moved approval (no edits required), approved 6-0.

## **DISCUSSION OF FUND BALANCE POLICY**

Kate Buch provided a copy of the BoF's existing Fund Balance policy for review and discussion. The only modifications discussed were to the second paragraph, which are shown in Exhibit A. Jon Zagrodzky agreed to send around an edited version, and to ask Murry Stegelmann specifically for his comments since he missed the discussion. The BoF agreed to consider the policy once again at its June meeting, and to vote on it at that time.

## **APPOINTMENT OF AUDITORS**

The Board discussed re-appointing McGladrey & Pullen, LLP as the town's auditors. Jon Zagrodzky moved approving the appointment. The motion passed 6-0. Kate Buch indicated that a form was required for this appointment, which she would bring to the next meeting.

## **TRANSFER TAXES TO THE SUSPENSE LISTS**

Kate Buch presented certifications prepared by Tax Collector Robert A. Locke, which recommended the transfer of uncollectible property taxes to the suspense tax book. Several Board members asked about Barra Rogers Casey, Inc., apparently a going concern, which owed \$21,253.12 on the 2003 report. Lori Bora asked why the reports for so many years' worth of uncollectible taxes (2003-2006) were only being addressed now. Kate Buch indicated that she would look into these issues.

Martha Banks moved approval of the certifications. The motion passed 6-0. Jon Zagrodzky, as clerk, signed the certifications on behalf of the BoF.

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

- The Weed Beach project is moving forward, with plans to get underway at the end of the summer season.
- The Police Building is in progress, with an 18-month construction time anticipated.
- The Public Works union negotiations are restarting after a 2-3 week hiatus due to a union leadership change.
- Negotiations for the teacher's union contract begin June 6<sup>th</sup>.

### **ADJOURNMENT**

There being no further business, Joe Duwan made a motion to adjourn. The motion was seconded and approved 6-0 at 9:04 PM.

Respectfully submitted,

Jon Zagrodzky  
Clerk

Exhibit A

**GENERAL FUND BALANCE POLICY**

**BOARD OF FINANCE**

DARIEN, CONNECTICUT

The Darien General Fund Balance is an important component in our fiscal strategy. It is the intent of the Darien Board of Finance to maintain the Fund at a prudent level so as to not risk potential financial difficulties or shortages.

We believe that General Fund Balance, adjusted each year through the budget and mill rate process, should be used (i.e., reduced) ~~only~~ primarily **for capital projects and for** special or unanticipated expenses. ~~Any monies spend or committed outside of the budget process should be replaced in the following fiscal year.~~

The audited General Fund Balance at the end of the fiscal year should be in the range of 8% to 12% of the audited General Fund Revenues for the fiscal year. The Fund should never go below the minimum range except under extraordinary events or situations.

Should events occur during the present fiscal year that bring the estimated General Fund Balance below the targeted policy range, the Board of Finance will take measures to restore the fund balance no later than the next fiscal year. During the budget process, the Board of Finance will apply the same test in projecting the General Fund Balance for the upcoming fiscal year.

*Adopted by the Board of Finance – August 17, 2004*

*Amended by the Board of Finance – July 19, 2005*