

Minutes

Board of Finance Meeting

July 26, 2011

Room 119 7:30 PM

CALL TO ORDER

The meeting was called to order by Vice Chairman Martha Banks at 7:35 PM. All members of the Board of Finance were present except Chairman Liz Mao. Also in attendance was Kate Clarke Buch, Finance Director. The meeting was taped for broadcast over Channel 79.

NOROTON FIRE DEPARTMENT – BOAT ENGINE REPLACEMENT

Chief Al Hyatt and a colleague from the Noroton Fire Department presented a proposal for replacing the two motors on the Department's fire boat. They made the following points:

- The boat is in the water and used year-round, either in training or in response to emergency calls, and is closely coordinated with the Darien Police boat.
- Emergency calls include rescue and fire suppression as well as searches for missing people and responding to boat flares; the fire boat is one of the few in the area capable of fire suppression.
- The two current motors are 250 hp Evinrudes, approximately 8-10 years old, with significant maintenance and downtime issues.
- Cost estimate is \$50,000 for both motors (new Yamahas), installed, which includes a one-year warranty (best available). This reflects a government purchase discount (\$18,000 per motor, versus \$25,000 retail). Installation and refitting costs of up to \$16,000 are included in the estimate. Replacement time would be one week.

Lori Bora moved approval of the proposal. The motion passed 6-0.

TRANSFERS UNDER \$5,000

- **Board of Assessment Appeals** – overtime – \$1,507.

The number of hours required to provide staffing for the Board of Assessment Appeals hearings exceeded budgetary estimates. A transfer from part-time salary and training

to overtime was needed to cover the expense. Murry Stegelmann moved approval, passed 6-0.

- **Registrar** – correction of payroll transfer error – \$1,482.

When preparing the payroll transfer that was previously approved, the Finance Department used the incorrect number of remaining payrolls to calculate the transfer needed for the Registrar’s Office staff. A transfer from Seasonal and Temporary to Part-time Salary was needed to correct this. Gwen Mogenson moved approval, passed 6-0.

- **Parks & Recreations** – overtime – \$4,617.

Winter storms caused the Parks & Rec Facilities overtime budget to be exceeded. A transfer from Full-time to Overtime was needed to cover this added expense. Joe Duwan moved approval, passed 6-0.

TRANSFERS OVER \$5,000

- **Risk Management** – various insurance accounts and other programs – \$59,219.

Overall, the risk management accounts are within budget. However, some individual lines of coverage exceeded the budget (right side of the chart below), where others were below budget (left side).

Transfer from	Amount	Transfer to	Amount
General property	\$25,223	Workers Comp	\$20,096
Auto	\$25,210	General liability	\$9,677
Accident/fire	\$8,786	Umbrella liability	\$13,260
		Public official liability	\$16,164
		Safety program	22
	\$59,219		\$59,219

These transfers reallocate the funds appropriately. Murry Stegelmann moved approval, passed 6-0.

- **Finance Department** – credit card fees – \$8,123.

Credit card processing fees have exceeded budgetary estimates. The fees are incurred by different departments when citizens use credit cards, but paid out of the Finance Department budget.

The Department has considered ways to mitigate the costs, one of which is to impose a convenience fee. It was decided not to do this, as many like the convenience of paying in person or on-line by credit card. Joe Duwan noted that should credit cards ever be accepted for large amounts (e.g., taxes due), a fee should be imposed. Mr. Duwan also suggested exploring the idea of budgeting these fees in the Departments that incur them.

A transfer from BOF-Audit to Professional Services was needed to cover this added expense. Lori Bora moved approval, passed 6-0.

Gwen Mogenson stepped out at 8:03 pm to participate in the Democratic Town Committee nomination meeting.

CONTINGENCY TRANSFERS

- **Professional services** – RBI Consultants – \$10,744.

RBI Consultants was hired to assist the Town in re-filing change orders and other documents with the State of Connecticut after the results of the audit of the Darien High School project were received. The expense was not anticipated in the budget, and additional expense may be required going forward.

Murry Stegelmann asked whether the costs can be capitalized; they cannot, as the projects are already closed.

A transfer from Contingency to Professional Services was needed to cover this added expense (note that the transfer is to be included in the FY 2011 budget, not the current FY 2012 budget). Murry Stegelmann moved approval, passed 5-0.

- **Department of Public Works** – Hoyt Street sidewalk – \$8,500.

The Board of Selectman determined that the next step in the process of evaluating the feasibility of constructing a new sidewalk adjacent to Hoyt Street (US 106) is a property line survey on the east side of Hoyt from Country Club Road north to Barringer Road.

Murry Stegelmann stated his belief that the Town should first consider its overall strategy and policy for sidewalks. He noted that many schools do not have sidewalks, some sidewalks simply stop without continuing to a logical end point or are in need of repair, and that the Town has added no new sidewalks in many years. He suggested that a sidewalk plan, with a decision process for prioritizing projects, should be developed before the Town moves forward with the Hoyt Street sidewalk.

Joe Duwan suggested that private funds should be raised to support a portion of the project's ultimate costs.

Lori Bora made a motion to approve the \$8,500 request, but withdrew her motion. Murry Stegelmann moved to table the request, which passed 4-0, with Lori Bora abstaining.

- **Debt service** – surpluses – \$56,061.

As a result of changes in financing plans, there are positive balances in the debt service accounts. Kate Buch recommended that these be swept into the Contingency accounts.

Transfer from	Amount	Transfer to	Amount
Town Bonds – interest	\$27,792	Contingency	\$56,061
Sewer Bonds – interest	\$28,269		
	\$56,061		\$56,061

These transfers result in a credit to Contingency (FY 2011). Murry Stegelmann moved approval, passed 5-0.

FINANCIAL REPORT

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

- As reported previously, Police overtime will be over-budget by approximately \$120,000 (\$420,000 versus \$300,000 planned).
- Sewer fees have run below budget. In addition, a consultant was hired to do work related to the Stamford agreement (not included in the budget).

Gwen Mogenson returned to the meeting at 8:24 pm.

- It appears that there may be a surplus for FY 2011, depending on much is returned by the Board of Education.
- Contingency account close-outs for FY 2011 will be discussed at the next BoF meeting.

DISCUSSION AND APPROVAL OF FUND BALANCE POLICY

Kate Buch presented the latest iteration of the Fund Balance Policy. The Board decided to study this version in more detail and discuss during the August meeting.

MINUTES

The Board reviewed the draft minutes from the June 21, 2011 meeting and made minor corrections. Joe Duwan moved approval as amended; passed 5-0-1 (Lori Bora abstained due to absence at the June meeting).

SPECIAL ASSIGNMENTS, COMMITTEE REPORTS, CHAIRMAN'S REPORT

The Weed Beach project is moving forward. Bids were received (under budget) and a contractor was selected. The project will begin in August. The committee will consider using some of the bid savings to improve the project (e.g., better roof).

SPECIAL ITEM

Murry Stegelmann announced his resignation from the Board, effective at the end of the meeting. He expressed his gratitude for the opportunity to serve and praised the Board for its professionalism and collegiality, saying that, "any one of its members could be Chairman." Several members thanked him for his service, and he received a sustained round of applause. It was noted that at the August meeting, someone would be considered and voted upon as his replacement to serve out the remainder of his term, which ends later in 2011.

ADJOURNMENT

There being no further business, Murry Stegelmann made his final motion, which was to adjourn. The motion was seconded and approved 6-0.

Respectfully submitted,

Jon Zagrodzky
Clerk