

Board of Finance Quarterly Review Meeting
Tuesday, February 22, 2022
7:30 pm
Via Webex

A Quarterly Review Meeting of the Board of Finance was held via Webex on Tuesday, February 22, 2022 at 7:30 pm in Fairfield, Connecticut.

A recording of this meeting can be found here: [youtube.com/watch?v=IAyyEKfQDkM](https://www.youtube.com/watch?v=IAyyEKfQDkM)

FINAL MINUTES

MEMBERS PRESENT: Lori Charlton-Chair, John Mitola-Vice Chair, Sheila Marmion-Secretary, Craig Curley, Christopher DeWitt, Mary LeClerc, Kevin Starke, Jack Testani, James Walsh

OTHERS PRESENT: Eric Newman-JRIB, CFO Jared Schmitt, Controller Caitlin Bosse, Budget Coordinator Frank Mangieri, Director of Special Education and Student Services Rob Mancusi, Superintendent of Schools Mike Cummings, Director of Finance and Business Services Courtney Leborious, BOE Chair Christine Vitale, BOE Liaison to the Board of Finance Jeff Peterson, Executive Director of Operations Angelus Papageorge, Tax Assessor Ross Murray

1. Call to Order-Chair Lori Charlton called the meeting to order at 7:32 PM.
2. Pledge of Allegiance-Chair Charlton led the Pledge of Allegiance.
3. To review the current status of the Town's Pension and OPEB funds
Mr. DeWitt motioned to put Item 3 before the Board. Mr. Curley seconded the motion.

Eric Newman presented this report in Carolyn Trabuco's absence. The complete report is located online with the backup documents. Total Pension and assets are on page 9 and there is a breakdown of the assets on page 10. The OPEB and allocations breakdown is on page 14 of the report. There was a discussion regarding gains, private equities and allocations which can be accessed on the link to the meeting recording above.

4. To review the BOE FY23 first quarter financial update
Mr. DeWitt motioned to bring Item 4 before the Board. Mr. Mitola seconded the motion.

Director of Finance and Business Services for Fairfield Public Schools, Courtney Leborious went through her Second Quarter Financial Report. She said her report mimicked the Town report so it would be easier to read and referred to page 39 of the report. There are large gaps in Pupil Personnel as reimbursement from the state hasn't kept pace with need. Speech and homebound services increased. Net revenue decreased and the cost reimbursement rate was lower. Open choice revenue hadn't been budgeted but it is now. They had trouble filling vacancies. Transportation savings will offset Special Education expenses and that will be refined in the third quarter report. Magnet school tuition was adjusted to reflect an unencumbered balance. She referred to the Munis report on page 43 and on pages 47-50 is a breakdown of all the grants.

Director of Special Education and Student Services Rob Mancusi said he has tried to be as transparent as possible as to the deficit in the SPED budget and the role of Covid. They have struggled filling positions and have had to use outside sources causing significant increases especially in outplacement and unilateral placement. Mr. Mancusi suggested emailing Mr. Cummings is Board members had additional questions and Mr. Mancusi would address them as best he can.

There was a discussion about this report and the budget for next year. There was frustration shared by both the BOE and BOF. Special Education is increasing across the state, but funding is decreasing.

Mr. Testani wanted to know what steps were being taken to resolve the deficit in SPED. Ms. Laborious and Mr. Mancusi are meeting monthly together and also with the BOE Finance Committee. They will budget more appropriately for next year. Staffing shortages have been challenging as they've had to contract out and it leads to higher costs. Board leadership and district leadership have met with Legislators to discuss funding and the rise of costs.

5. To review the Town FY23 first quarter financial update

Mr. DeWitt motioned to put Item 5 before the Board. Ms. Marmion seconded the motion.

Controller Caitlin Bosse reviewed the report which is in the backup for this meeting on page 51. The numbers are up from the first quarter as the tax collection rate is higher. We are at 74.9% of collectable taxes which trending higher than last year. Expenses are slightly lower. Overall, they expect a \$10M surplus. Mr. Curley asked about the Newport Academy settlement and where it showed on the report. Ms. Bosse said the Newport Academy settlement will not effect these numbers as that comes out of Internal Service Funds.

6. To hear, consider and act upon a recommendation from the BOF Senior & Disabled Tax Relief Subcommittee to convene a joint committee with the RTM to consider potential changes to the Senior & Disabled Tax Relief program

Ms. Marmion motioned to put Item 6 before the Board. Mr. DeWitt seconded the motion.

Chair Lori Charlton referred to an email that was received from Mr. Urb Leimkuhler and the Fairfield Senior Advocates. Mr. Leimkuhler read the following letter to the Board.

Members, Fairfield Board of Finance Re. Senior/Disabled Tax Relief (SDTR) Program

Dear BOF Members:

From FSA's on-going interactions with Fairfield seniors we know the cost of property taxes to be a major factor in their ability to remain in our town and state. For this reason, we support continuing improvements in our SDTR program. FSA appreciates the work undertaken by the BOF SDTR Committee to improve the program for FY21, including making it more responsive to the needs of lower income seniors. We also appreciate the tireless efforts of the RTM SDTR Committee. FSA believes important work remains to be done for future program years:

♣ The current program incorporates inequities in the way that seniors with differing forms of retirement compensation - annuity vs. IRA - are treated. We have demonstrated this to the Committees.

♣ Similarly, the asset (QTAV) test should be reevaluated. For example, a senior who has no traditional pension and a \$700,000 IRA throwing off \$30,000 in income is automatically ineligible. In the future more and more of our residents will fall into this situation. This said, any revision to or replacement vehicle for the QTAV should also bear scrutiny for fairness and financial impact.

♣ Deferral program features should be studied. A modified deferral vehicle - better explained - has the potential to more effectively leverage the Town's investment in SDTR.

♣ What drives use of the program and how it may retain seniors remain a mystery. We need to seek answers through research, which may not be easy work. This would help resolve the continuing debate over whether the income cap should be raised.

♣ A streamlined process to study future program changes is needed. We agree that establishment of a joint BOF/RTM Committee would greatly improve review. An agenda,

action plan and timeline should be established. Supporting resources will be needed, and FSA will continue to offer our assistance.

Sincerely,

Urb Leimkuhler

Urban E. Leimkuhler, Jr.

Coordinating Director, Fairfield Senior Advocates

Mr. DeWitt then shared his presentation with the Board, which begins on page 97 of the backup documents. Mr. DeWitt said the recommendation by the Senior & Disabled Tax Relief Committee was to reopen the ordinance and form a joint committee with the RTM. Mr. DeWitt voted against this, but Ms. Marmion and Mr. Curley voted in favor of it, so it is being brought before the Board of Finance for a vote.

Ms. Marmion said she voted to reopen because the process has changed. If re opened it will be a committee of BOF and RTM members. The RTM is a legislative body with writing ordinances and should be involved at the beginning. She is pleased with the results of last year but feels the process needs to change.

Mr. Curley said forecasting on last year was very good. The program is working and successful but can be further examined. If the program is evaluated, it will go into effect for fiscal year 23. The deferral program can be better utilized, and it should be reevaluated and include the RTM.

Mr. Mitola said that before changing the program there needs to be data and board members agreed that there wasn't enough data to show that there needed to be a change in the process. Tax assessor Ross Murray said he is accepting applications for fiscal year 23 to 24 and nothing can be changed now. If there should be a change of plan, it should be in place by January 2023, so the applications accepted from February 1st through May 15th of 2023 will have the new program in place.

Mr. Walsh said the RTM was involved in the last committee. He said some seniors make \$12,000 a year to live on and they should get the most benefit. Mr. Walsh agreed there needs to be more data and should be data over five years before it's opened up for change.

Mr. Testani said the program that has been implemented is one of the best in the state of Connecticut. It doesn't feel there is any need to change it.

Ms. Charlton wanted to know how it compared to other towns and what is the data that's saying ours the town of Fairfield is the best program in the state. Mr. Murray said there was a report done by the state and Fairfield has the most generous program.

Due to technical issues, the BOF had to take a short recess.

Mr. Testani motioned to take a 10-minute recess. Miss Charlton seconded the motion. The motion carried unanimously. The recess began at 10:00 PM

Mr. DeWitt motioned to come out of recess. Mr. Testani seconded the motion.

The meeting resumed at 10:11pm.

The motion to form the SDTR Committee with the RTM failed 3-6-0 (Curley, Marmion, Starke in favor)

7. To hear, consider and act upon the draft minutes of December 7, 2021 (7 pm), January 4, 2022, January 18, 2022, February 1, 2022

Mr. DeWitt motioned to put Item 7 before the Board. Ms. Marmion seconded the motion.

The backup includes the original and revised minutes of 12/7/21 that had been tabled at the 1/4/22 meeting and it was questioned whether or not they could be amended at this point. Town Attorney James Baldwin advised BOF Chair Lori Charlton to vote on the minutes as they will need to be approved.

Mr. Walsh read from Robert's Rules, the definitions and differences of the Correspondent and Recording Secretaries.

- 12/7/21 Minutes

Ms. Marmion made a motion to amend the original minutes of 12/7/21 and recommended adding two paragraphs in Item 10 after the second paragraph:

Various Board members noted the change in scope from the original Gould Manor Park presentation made to the Board of Finance at the June, 2021 meeting, including the addition of a pickle ball court and a score board. Mr. Bremer and Mr. Calabrese noted that discussions related to the pickle ball court and score board were part of original discussions held during the June, 2021 Board of Finance meeting.

Ms. Charlton noted that discussions and debates over what was and was not originally discussed and proposed as part of the Gould Manor Park remediation project could be avoided if the Board were provided with detailed project back up, including descriptions and cost estimates. She noted that the original Gould Manor Park backup from the June Board of Finance meeting lacked specificity, and that this was a bad process. Mr. DeWitt suggested that future proposals include the 14-point description format the Board has received for other projects.

Mr. DeWitt asked to remove the last sentence from the second paragraph added by Ms. Marmion.

Ms. Marmion amended her original motion and made a motion to amend the original minutes of 12/7/21 and by adding the two paragraphs into item 10 after the second paragraph, excluding the last sentence by Mr. DeWitt.

Ms. Charlton noted that discussions and debates over what was and was not originally discussed and proposed as part of the Gould Manor Park remediation project could be avoided if the Board were provided with detailed project back up, including descriptions and cost estimates. She noted that the original Gould Manor Park backup from the June Board of Finance meeting lacked specificity, and that this was a bad process.

Mr. DeWitt seconded the motion

The motion carried 5-4-0 (Walsh, Testani, LeClerc, DeWitt opposed)

Mr. DeWitt made a motion to add his sentence to Item 10 after the second paragraph, but to have it separate from Ms. Marmion's added paragraphs:

Mr. DeWitt suggested that future proposals include the 14-point description format the board has received for other projects.

Ms. Marmion seconded the motion.

The motion carried 8-1-0 (Testani opposed)

Mr. Walsh made a motion to add the following to the minutes of 12/7/21:

The contractors that contaminated our fields and did not properly perform the work were hired by Fairfield American Little League. The Flatto and Tetreau administrations did not require any type of performance bond or surety bond which would have allowed the town to recover sums for the improper work we are paying for with this bond before us.

New bathrooms are necessary for various recreational uses including two baseball fields, tennis, fishing and ice-skating hundreds and hundreds of people tend this field on a weekly basis. The bathrooms need to be replaced as part of this project. Little League baseball has

been part of this town for many years after sending multiple teams to the Little League World Series.

Mr. Testani seconded the motion.

The motion carried unanimously.

- January 4, 2022 minutes:

Mr. Walsh made a motion to amend the minutes of 1/4/22 to include the following:

There was a lively discussion of Ms. Marmion seeking to table the Recording Secretary's minutes of this meeting. Ms. Marmion said she wanted more balanced minutes of this meeting. Mr. Walsh advised the board that Roberts rules only requires taking attendance recording motions and votes. Mr. Walsh stated that we have always in the past followed the secretary's minutes. Mr. Walsh stated that he does not want verbatim minutes. If anybody wanted to see the details of the meeting, they can watch the entire recording of every meeting either on fair TV or on YouTube. Mr. Walsh and Mr. Testani both separately stated that they thought the minutes for this matter were getting political and it should never have been this way.

Mr. Testani seconded the motion.

This amendment will be added to Item 5, paragraph 6 of the 1/4/2022 minutes.

The motion carried unanimously.

Mr. Walsh motioned to approve the amended minutes of 1/4/22. Mr. Testani seconded the motion.

The motion carried unanimously.

- January 18, 2022 Minutes

Mr. DeWitt motioned to approve the minutes of 1/18/22 as presented. Mr. Walsh seconded the motion.

The motion carried 8-0-1 (Charlton abstained)

- February 1, 2022 Minutes

Mr. DeWitt motioned to approve the minutes of 2/1/22 as presented. Mr. Starke seconded the motion.

The motion carried 8-0-1 (Marmion abstained)

8. To hear, consider and act upon any communications

- Ms. Marmion requested presenters share reports on the screen so they are easier to follow. Mr. Walsh agreed and would also like the presenter to stop sharing once the report is finished so it is easier to see the attendees in the meeting.
- Mr. Mitola wanted to confirm with CFO Jared Schmitt that the BOF will get budget books once the BOS vote on it. Mr. Schmitt confirmed that is correct. Mr. DeWitt asked to have the reports in loose leaf binders as they did last year and the board agreed that was better.

9. Adjourn

Mr. Walsh motioned to adjourn. Mr. Testani seconded the motion.

The meeting adjourned at 10:51pm.

Respectfully submitted,

Pru O'Brien
Recording Secretary