

**BOARD OF FINANCE
MINUTES
April 11, 2012**

CALL TO ORDER

Chairman Elaine Hammers called the Board of Finance meeting to order at 7:00 p.m. at the Town Hall, Trumbull, Connecticut. All those present joined in the Pledge of Allegiance. Mr. Palo joined the meeting at 7:05 p.m.

PUBLIC COMMENT

There was no public comment.

Members present and absent were as follows:

PRESENT

Chairman, Elaine Hammers
Andrew Palo (entered meeting at 7:05)
Dave Rutigliano
Tom Tesoro (Left meeting at 7:55)
Susan LaFrance, Alternate
Vincent DeGennaro, Alternate

ABSENT

Steven Lupien
Paul Lavoie
Cindy Penkoff, Alternate

Also present: Timothy Herbst, First Selectman; Maria Pires, Finance Director; Allen White, Facilities Director; John Ponzio, Treasurer; Jim Henderson, Internal Auditor; Al Barbarotto, AFB Construction Management; James Nugent, Chairman -THS Building Committee; Brian Holmes, O&G; Greg Smalley, JCJ Architecture; Ron Dray, Chairman-Golf Commission; Jonathan Turk, Golf Commission; Dick DeLibro, Golf Commission.

The Chair indicated that Ms. LaFrance would be voting for Mr. Lavoie and Mr. DeGennaro would be voting for Mr. Lupien.

FISCAL YEAR 2011-2012 TRANSFER

04-12-04	Building Maintenance	FROM:	01030200-501101 Salaries Full-Time	\$25,000.00
		TO:	01030200-578802 Building & Equipment Repair/Maintenance Re-design Purchasing and the Economic Development Offices	\$25,000.00

Mr. Rutigliano moved seconded by Mr. Tesoro to approve a transfer of \$25,000 from 01030200-501101– Salaries Full-Time to 01030200-578802–Building & Equipment Repair/Maintenance.

Mr. Herbst indicated that the funds for the renovation are being transferred from unused salary funds, originally budgeted for the Facilities Director. The renovation will provide offices for the Purchasing Agent, Internal Auditor, Economic Development Director and an administrative area. Mr. White, the Director of Facilities, presented the plans and answered questions.

Mr. Tesoro indicated that he was in favor of the renovations, but questioned being able to transfer salary funds to “other than salary” accounts. He made a formal request that counsel provide an interpretation of the Charter, more specifically Chapter 3, Section 6, Paragraph G – Purchasing contracts and expenditures.

Vote: 6–0–0

TOWN TREASURER’S REPORT – John Ponzio

Mr. Ponzio presented the Treasurer’s Report, as follows:

- January was a very good month.
- Cash position is healthy at +/- \$44 million.
- Rates are starting to pick up; the Short-Term Investment Fund (STIF) has been averaging 10-12 bps going as high as 20 bps.
- We recently refinanced a +/- \$26 million bond, which saved the town \$2 million over course of the life of bond. In order to do this, we needed to meet with the rating agencies, who asked about Economic Development, the Budget, and the Pension Fund and Debt Service. These rating agencies thought our General Fund was very healthy and our plans for Pension Fund increase met with their approval, enabling us to sustain a Rating of AA+.
- Banking fees are now 1/2 of those accrued in other years. We are investing funds where fees are negligible. Currently, we are earning 25 bps on deposited funds in TD Bank, which is at a higher yield than STIF.
- Funds we have invested with Janney, Montgomery and Scott and Merrill Lynch can be liquidated quickly.
- We will exceed our interest budget for this year and have increased it for next year.

FISCAL YEAR 2011-12 SUPPLEMENTAL APPROPRIATION

04-12-01	Golf Course	FROM:	21-315200 Golf Course Retained Earnings	\$65,000.00
		TO:	21100000-581888 Golf Capital Outlay Renovation to maintenance barn	\$65,000.00

Mr. Rutigliano moved seconded by Mr. Tesoro to approve a supplemental appropriation of \$65,000 from account 21-315200–Golf Course Retained Earnings to account 21100000-581888–Golf Capital Outlay in order to renovate the maintenance barn

Mr. Dray described the deteriorated condition of the existing barn. He indicated that it is necessary to renovate in order to provide adequate storage for the maintenance equipment. In addition, it is necessary to pave in front of the barn to divert a growing water problem, which contributed to the deterioration of the building. He indicated that they have already obtained preliminary cost estimates – three independent bids were obtained – and a site engineer has reviewed the plans to divert the water. There is some concern about what they will find once they start to remove the rot during the renovation.

Vote: 6–0–0

FISCAL YEAR 2011-12 SUPPLEMENTAL APPROPRIATION

04-12-02	Town Council	FROM:	Undesignated Fund Balance	\$ 790.00
		TO:	01010000-522202 Professional Fees Redistricting costs for a stenographer	\$ 790.00

Mr. Rutigliano moved seconded by Mr. Tesoro to approve a supplemental appropriation of \$790 from the Undesignated Fund Balance to 01010010-522202 Professional Fees.

Mrs. Pires stated that there was a memo in the package from Attorney Walsh to substantiate the stenographer expense for a public hearing; however, Mr. Tesoro recommended that the transfer be put on hold until we have an explanation from Attorney Walsh explaining why we needed a court stenographer.

Mr. Rutigliano moved seconded by Mr. Tesoro to table the request to approve a supplemental appropriation of \$790 from the Undesignated Fund Balance to 01010000-522202 Professional Fees until we have we have an explanation as to why we needed a court stenographer.

Vote: 6-0-0

FISCAL YEAR 2011-2012 TRANSFER

04-12-03	Highway Department	FROM:	01030100-534402 Program Supplies	\$ 1,521.00
		TO:	01030100-545503 Public Relations AllMac Signs – for sign replacements	\$ 1,521.00

Mr. Rutigliano moved seconded by Mr. DeGennaro to approve a transfer of \$1,521 from 01030100-534402 Program Supplies to 01030100-545503 Public Relations.

Mrs. Pires indicated that signs are paid for out of Public Relations.

Vote: 6-0-0

04-12-05	Director of Finance	FROM:	See Attached	
		TO:	Director of Finance Transfers	

Mr. Tesoro moved seconded by Mr. Rutigliano to approve the Director of Finance transfers, as presented.

Vote: 6-0-0

INTERNAL AUDITOR'S REPORT – Jim Henderson

The Chair spoke about Mr. Henderson's upcoming projects, a list of which was previously provided to all board members. Mr. Henderson will be looking for input and he will provide a tentative list for the next Fiscal Year at the June meeting. This will be e-mailed to each individual for his or her input.

Mr. Henderson presented the Time and Attendance audit and made recommendations, as follows:

- He indicated that we are currently using a manual system whereby the sheets are prepared and signed by the employee and are then reviewed and signed by a supervisor. In some instances, employees are using a time clock.
- Human resources and payroll then checks the time sheets for accuracy, making sure they are signed by the supervisor and employee. It currently takes 1.5 days for one person to check for accuracy and there are usually 15-18 errors found for each payroll period. The information is then input into Munis where additional errors do occur.
- Based on this, he is recommending a software program where each employee inputs his or her own information or another type of automated system.
- There is a system that would bridge to the Munis System and that was well over \$100,000.
- We are currently printing the stubs and funds are then direct deposit.
- We can outsource the procedure.
- We only input the exceptions to the regular payroll.
- The error rate is worth the cost of implementing an automated system.
- Due to the errors, he recommends a back-up reviewer and a separation of duties so once the information is input a different person reviews for errors.
- There are some individuals have access and authority that they should not have due to a software upgrade. He recommends correcting this as soon as possible.
- Some individuals have the time sheet preprinted, making changes if necessary for sick or vacation time, etc. He recommends not allowing this procedure.
- He recommends reviewing the policy on time sheets.

DISCUSSION ITEMS

Trumbull High School Building Committee

The following individuals were present to represent the THS Building Committee: Al Barbarotto, AFB Construction Management; James Nugent, Chairman; Brian Holmes, O&G; Greg Smalley, JCJ Architecture.

Mr. Nugent indicated that the initial request at the time the High School renovations were approved was \$68 million, and that amount was reduced by \$4 million by the Town Council. The expectation at the time the bid numbers were presented was that the project could be completed at the \$64 million. It was explained at the time, that a "like-new" renovation evolves over time. There were two contingencies, total about 10% of the \$68 million.

We are currently 72%-74% completed. Each week there are change orders for items that could not be foreseen. The original project was \$68m based on the plans drawn up by a different architectural firm. An additional \$11 million pool and lockers was added and then the Town Council decided to reduce the pool allocation to \$ 5m. Additional drawings were done for the change and the Town then decided to eliminate the pool bringing it back to the original \$68m.

We did not renovate the auditorium, we built new and used the old space for swing space and saved by not renting modular classrooms for swing space. The space was then converted into 8 classrooms.

We are now talking about \$3.4. We are in the process of working with Mr. Marsilio to reduce the cost of paving that is needed.

The concession stand came in over what the town authorized – with bathrooms it is \$350,000 more than the original design. The project is supposed to be done by September.

The paving lot is now twice the original size and the concession stand is at \$700,000, when it was originally at \$350,000. The original design did not work and changes have affected the cost.

The Chair asked why it is so late into the project that we are finding this out about the concession stand, when this is not a new use, and yet it doesn't work so now we have to pay another firm to correct the design we have already paid for.

The additional items we are discussing tonight are those that were put aside in the beginning when the project was begun. The town council did not bond the \$4m, which essentially reduced the budget to \$64. We need to keep the contingency of \$2.3. In making changes as you go, it really is reinventing the wheel.

In saving the \$2.3 million in modular costs, which are not reimbursed, we used the space for classrooms and moved the admin suites, which did not work out the way it was hoped.

We are currently 75% through and only used 25% of the contingency. The question is now do you want to proceed with the rest of these items.

The \$700,000 concession stand also includes ADA Compliance, and bathrooms. The parking lot was originally only going to be resurfaced but now we need to replace the soil, Mr. Marsilio is reviewing and will come back with a recommendation.

The other item, the \$1.4m for bonding, must carry legal fees, interest and fees. This would not have been enough to cover the short term.

We need to go back to the Town Council and report the concession stand. We would like to see bathrooms since we have to rent portalets. The seniors use the concession stand to raise funds for school functions. The wanted stand to be renovated to accommodate handicapped children so they can also help in the kitchen. The kitchen must be brought up to code or you cannot cook in it. This should have been done in 1996.

The meeting recessed at 9:50 p.m. and resumed at 10:00 p.m.

Year to Date Budget to Actual Report – Expenditures

Mrs. Pires indicated that there is nothing new to report. It was mentioned that the Fire District does reimburse the Town for fuel. In addition, we are still waiting for Overtime reimbursement from the feds.

APPROVAL OF MINUTES – February 9, 2012 and March 14, 2012

Mr. Rutigliano moved seconded by Ms. LaFrance to approve the minutes of the February 9, 2012 meeting.

Vote: 3–0–2 (abstained: LaFrance; DeGennaro)

Mr. Rutigliano moved seconded by Mr. Palo to postpone the approval of the March 14, 2012 minutes until the next meeting.

Vote: 5–0–0

ADJOURNMENT

By unanimous consent, the meeting was adjourned at 10:25 pm.

Respectfully submitted

Phyllis Collier
Board of Finance Clerk