

Approved Minutes
BOARD OF FINANCE
MINUTES
November 8, 2012

CALL TO ORDER

Chairman Elaine Hammers called the Board of Finance meeting to order at 7:03 p.m. at the Town Hall, Trumbull, Connecticut. All those present joined in the Pledge of Allegiance.

PUBLIC COMMENT

There was no public comment.

Members present and absent as follows:

PRESENT

Chairman, Elaine Hammers
 Paul Lavoie
 Dave Rutigliano
 Tom Tesoro
 Andrew Palo
 Vincent DeGennaro, Alternate
 Cindy Penkoff, Alternate
 Susan LaFrance, Alternate

ABSENT

Steve Lupien

Also present: Maria Pires, Finance Director; John Ponzio, Treasurer; James Henderson, Auditor

The Chairman indicated that Mr. DeGennaro would be voting for Mr. Lupien.

Vote: 6/0/0 motion carries

FY 2013 TRANSFER

| | | | |
|----------|--|--|----------|
| 11-08-01 | Jamie Bratt Director of Planning & Development | FROM: 01014200-552202 Services Professional | \$ 4,000 |
| | | TO: 01014200-556601 Prof. Dev-Seminars | \$ 4,000 |

Mr. Lavoie moved, seconded by Mr. Rutigliano, to transfer \$4,000 from the Services Professional account 01014200-552202 to the Prof. Dev-Seminars account 01014200-556601.

Vote: 6/0/0 motion carries

Ms. Bratt indicated that the funds would be diverted from the blight remediation line item of the Professional Services account of \$5,000, leaving a balance of \$1,000. The funds will then be used to replenish the Professional Development-Seminars Account, only budgeted with \$400.

Mr. Tesoro asked how much of the \$4,000 is for training that is legally mandated versus professional development. Ms. Bratt did not believe that any was legally mandated by State Statute; however, she indicated CAZEO Certification is an important training for full-time zoning enforcement officers to be able to do his or her job in compliance with local and state regulations and also to know about best practices.

You will see a couple of budgeted line items for legislative training sessions. That is something that the Staff has universally said is very valuable to them. It is put on by the Connecticut Bar Association once every two years, so you won't see the expense next year.

The laws relating to local planning and zoning do change; in fact there has been a significant change this year due to bonding and it is universally important for them to stay up-to-date. Mr. Tesoro indicated that in the past professional development had normally been limited to mandated items.

Ms. Penkoff asked Ms. Bratt if the \$1,000 left in the account would be sufficient based on the last two years usage. Ms. Bratt replied that it was sufficient. She went on to add that the Town Council had just passed a resolution regarding blight remediation, which would allow the Town to perform work on property with a waiver signed by the owner. This would include cutting overly long grass, brush and weeds, as it pertained to harboring rodents. When it goes into effect, sufficient funds will be allocated.

The Chair asked Ms. Bratt to explain the ICSC Conference. Ms. Bratt indicated that a piece of her job description now relates to business growth and Mr. Lavernoich feels that it would be very beneficial for her to attend.

TOWN TREASURER'S REPORT – John Ponzio

Mr. Ponzio presented his monthly report:

- Cash balances are very healthy now. October is the second best collections month of the year, after July and that is why the TD bank account is so high; it was swept out the next day.
- No payables went out last week; due to the storm, we sent out twice as many this week and no vendors should be complaining.
- Large cash balances in investment accounts; it is becoming harder to find government investment accounts due to the interest rate. Janney has found a \$250,000 Fannie Mae mortgage backed security. We should settle on the by the end of next week. The rate will be in the low 2's.
- Merrill Lynch is getting out of the institutional investment business. They are no longer going to handle government securities. The Bank of America bought out Merrill Lynch a few years ago. We will move out of Merrill Lynch probably to Morgan Stanley shortly.
- We are on budget with our earnings year to date and we will be able to meet our budget this year.
- Pension Board report will give us a better idea of how pension funds are doing through the 3rd quarter and will report at the next meeting.
- In connection with the State reimbursements for the Trumbull High School project, we appear to have cleared up \$30 million of costs that the state had suspended and has now been approved; we should receive between \$7-8 million in December. We are funding bills from the town funds.

Ms. Penkoff asked what we will lose in interest by funding the school bills and the extension of tax payments until November 15. Mr. Ponzio indicated that he did not feel that the interest lost was a significant amount. She then asked if the Town has taken any additional financial hits due to the storm. Mr. Ponzio indicated that he was fairly certain that there was no damage.

Mr. Tesoro asked if there is a significant amount of lost opportunity by funding the school bills. Mr. Ponzio indicated that \$800,000 was paid today from the Town funds and he would need to look at those bills and get back to him; however, any lost interest would not be recoverable from the state.

AUDITOR'S REPORT – Jim Henderson

Mr. Henderson presented his monthly report:

- The summary sheet shows all the special funds accounts that were set-up for a special purpose or a special event. Some of these purposes or events have gone away. The summary shows the department, fund number, fund name, fund balance, and fund use.

- Looking for opportunities for closure or consolidation of accounts.
- Will make recommendations in the final report as to what should be done.

Ms. Penkoff requested the following information be supplied for each fund: who is in charge, who can authorize expenditures, and when was the last time it was used. In addition, she requested that all the variables that will be used to determine what should be done with these accounts be provided to the Board of Finance.

Mr. Palo requested that the status be included, indicating whether the account is active or inactive.

The Chair asked if there is a procedure for establishing an account and one for deleting it. In the event of a negative balance, what do we need to do to close the account from an accounting standpoint? Ms. Pires suggested combining different accounts that we want to close and hopefully the negative balances will be eliminated; if not we will have to go to the Board of Finance for a supplemental.

The Chair indicated concern that when we do a budget, we do not see that there are additional funds being disbursed via a special fund; for example, the recreation department. All monies spent by a department must come through the Board of Finance; otherwise, it is comparable to keeping a second set of books. The Chair went on to add that there are certain accounts that cannot go into the general fund and must be kept separate; however, there are far more now that there should be.

Ms. Penkoff indicated that she wants to see the detail on the specific use of accounts such as the Police Department Seizures account.

Mr. Tesoro indicated that he would like to know when these accounts were created; if they were created before Munis was implemented.

In addition, it was agreed that any special accounts that also have a budget need to be addressed. It appears that a second set of books is being kept and the Board of Finance should be aware if there is additional funding in addition to the approved budget.

The Chair asked that Mr. Henderson group the special accounts by department for analysis and presentation.

DISCUSSION ITEMS

- The Chair congratulated Mr. Rutigliano on his election to Trumbull's 123rd District seat in the state House of Representatives.
- Year to Date Budget to Actual Report – Expenditures FY 2013
Ms. Pires indicated that the expenses are in line and directed everyone to page 6 where she pointed out that the actuarial expenses are currently over budget. Ms. Pires explained that this occurred because we are currently using both actuarial services as we transition to BPS&M. In addition, she added that FEMA would be coming in on Friday, November 9, 2012 to go over our reimbursement.

Mr. Tesoro asked if we had any structural damage with town buildings; Ms. Pires indication that we did not.

Mr. Rutigliano asked how town employees were paid, since they did not come to work. Ms. Pires indicated that the town paid employees for the lost time.

Ms. Penkoff noted the tax collector overtime was over budget. Ms. Pires indicated that the account needs to be reviewed and increased for next year.

APPROVAL OF MINUTES – September 24, 2012

Mr. Tesoro moved, seconded by Mr. Rutigliano, to amend the September 24, 2012 minutes, as follows, on page 3:

Mr. Kennedy indicated that the pool has been tested, and we have a very good solid pool that will last for quite a while once the repairs are completed. Mr. Tesoro then asked Mr. Kennedy, “How long is quite a while”. Mr. Kennedy did not respond.

Vote to amend the minutes: 5/0/1 (Palo abstained)

Mr. Lavoie moved, seconded by Mr. Rutigliano, to approve the September 24, 2012 minutes as amended on page 3

Vote to approve the minutes: 5/0/1 (Palo abstained)

ADJOURNMENT

By unanimous consent, the meeting adjourned at 7:50 p.m.

Respectfully submitted,

Phyllis C. Collier
Board of Finance Clerk