

**Approved Minutes
BOARD OF FINANCE
December 13, 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.

PUBLIC COMMENT

There was no public comment.

Members present and absent as follows:

PRESENT

Chairman, Elaine Hammers
Dave Rutigliano
Paul Lavoie
Andrew Palo
Cindy Penkoff, Alternate
Susan LaFrance, Alternate

ABSENT

Steve Lupien
Tom Tesoro
Vincent DeGennaro, Alternate

Also present: Maria Pires, Finance Director; John Ponzio, Treasurer; Lt. Kirby, Trumbull P.D.

ELECTION OF OFFICERS

Mr. Lavoie moved, seconded by Mr. Rutigliano, to nominate Ms. Hammers as Chairwoman.

Vote: 4-0 motion carries

Mr. Rutigliano moved, seconded by Ms. Hammers, to nominate Mr. Lavoie as Vice Chairman.

Vote: 4-0 motion carries

Mr. Palo moved, seconded by Mr. Lavoie, to nominate as Mr. Rutigliano Secretary.

Vote: 4-0 motion carries

RULES OF PROCEDURE - TRUMBULL BOARD OF FINANCE

The Chair indicated that the Board needed to change item number 7 of the Rules of Procedure in order to be in compliance with State statutes. The Board agreed that item 7 should read as follows: "If a regular member is absent and does not designate an alternate to act the regular members present shall vote on the alternate, subject to the provisions of section 9-167a of the Connecticut General Statutes, to act in the absent members place. In all matters, except voting, alternative members of the Board have the same rights, privileges and responsibilities as sitting members."

Mr. Rutigliano moved, seconded by Mr. Palo, to accept the Rules of Procedure with the change to item 7 as presented.

Vote: 4-0

Mr. Rutigliano moved, seconded by Mr. Palo, to accept the Rules of Procedure with the change as presented.

Vote: 4-0

The Chair moved, seconded by Mr. Palo, to have Ms. LaFrance vote for Mr. Lupien.

CALENDAR YEAR 2013 - BOARD OF FINANCE MEETINGS

Mr. Lavoie moved, seconded by Mr. Palo, to approve the 2013 Calendar of Meetings as presented.

Vote: 5-0 motion carries

INTRA-DEPARTMENTAL TRANSFERS LESS THAN \$1,000

Mr. Lavoie moved, seconded by Mr. Palo, to approve the Intra-Departmental Transfers Less Than \$1,000 policy with the changes as presented.

Vote: 5-0 motion carries

Discussion followed, and it was decided that the new policy would be in effect as of December 1, 2012 and expire on December 12, 2013.

F/Y/E 2013 TRANSFER

12-12-01	Chief Thomas Kiely	FROM: 01023400-578801 Emergency Management – Maintenance & Service	\$5,628
		TO: 01023400-534402 Emergency Management – Program Supplies	\$5,628
		Hurricane Sandy expenses and supplies	

Mr. Lavoie moved, seconded by Mr. Rutigliano, to transfer \$5,628 from 01023400-57880 Emergency Management – Maintenance & Service to 01023400-534402 Emergency Management – Program Supplies.

Vote: 5-0 motion carries

Lt. Kirby indicated that the emergency center open the day before the storm and stayed open for almost a full week. The center was staffed 24 hours a day. The emergency staff worked 16 hour shifts for one week and it was necessary to supply them with food and water, etc. since they could not get out to go home for meals.

Ms. Penkoff asked what would be left in the account once the transfer was made. Lt. Kirby indicated that those funds were not going to be used at all. Last year after the allocation for Code Red was made the State made changes which when implemented cost less than previously anticipated.

Mr. Lavoie questioned the Home Depot expense. Lt. Kirby indicated that 2 generators were purchased. He went on to add that the cost of the shower heads purchased for Hillcrest did not come out of the emergency funds.

TOWN TREASURER'S REPORT – John Ponzio

Board of Finance – Minutes – December 13, 2012

Mr. Ponzio presented his report, as follows:

- On target for ROI for the year; November was a good month.
- No longer with Merrill Lynch as of December 7th. They are no longer in the institutional business. We have moved all funds and investments to Morgan Stanley. We have an advisor on board; the sub-firm we were using with Merrill Lynch, Dana Investments, is now with Morgan Stanley.
- The Fairfield County Bank balance is down from the usual \$300,000+ that was earning 8 bps. The current balance is \$27,555. Since Fairfield County Bank did not follow through with a better rate as promised, we moved the funds into 2 CD's at Infinex, one for \$250,000 and another for \$100,000, earning about 40-45 bps each. We are seeing a slight increase in rates, maybe 5 bps, per term of one year, slightly higher than we have been receiving. Maybe we have seen the bottom and things will begin to turn.
- We are still waiting for \$7.5-7.7 million dollars in reimbursement for Trumbull High School. We were notified today that we should have the funds in our account by tomorrow, which is good news. The recent disclosure regarding the finances of the State had caused us some concern regarding these funds.
- We met with new Actuary the Pension Board meeting in November. They gave us a presentation and based upon their preliminary evaluation as of July 1, the funding levels for both the Police and the Town have gone up. We have increased the Town funding 59% over the last 2 years and the Police Pension realized an 18% increase.
- The third quarter was a good one for the ROI fund returned a little over \$1 million and there is now a balance of \$20 million in the Town's Pension Fund. This is only the second quarter where we paid out less than we actually put into the fund.
- The market is coming back; however, since the election, the market has been flat due to the fiscal cliff.
- We made a small interest payment on December 1st of \$50,000. We have a \$2.2 million interest and bond principal payment due January 1st.
- This is the slowest collection time of the year in the tax office. January is the second highest month for collections.
- The report shows the TD bank balance is \$31 million this year vs. \$35 million from last year, since we are using our funds to finance the high school. That should turn around and increase our return.
- WPCA approved the assessments for the No Nichols sewer project. We have been paying bonds on this project for 3 years without collecting anything from the homeowners. Tax collection will begin in July.

Mr. Palo asked about our tax collection rate. Mr. Ponzio indicated that it was around 98% and once the audit was complete he would have an exact figure. Mr. Palo asked where the \$7.7 million would be invested once it is received. Mr. Ponzio indicated that the funds would be split among TD bank, Janney and Morgan Stanley. Since we invest in mortgage backed securities, we need to wait until the investments become available. We will make it known that we are looking to invest; however, we are also competing with other towns for the same securities.

AUDITOR'S REPORT – Jim Henderson (not present)

Ms. Pires indicated that Mr. Henderson prepared a report for the Board of Finance based upon the findings in the Gibson Report for the town side. Although he could not be present tonight, his report is included in the package for review. She indicated that some of the items are currently being addressed and there is a cost involved. We have instituted an energy system here to monitor the heat, etc., but we won't know the results for at least 2 years.

DISCUSSION ITEMS

- Discussion of preliminary Hurricane Sandy expenditures

\$515,000 was spent for debris removal. We met with FEMA and we will be reimbursed up to 75% of our expenses. We will be reimbursed for the usage of our equipment using the number of man hours. We are still gathering information and are not sure of any deadlines they might have.

- Year to Date Budget to Actual Report – Expenditures FY 2013

Ms. LaFrance questioned the high percentage used YTD in a number of accounts. These included one-time items, reimbursable expenses and encumbrances that have not been paid. A detailed accounting for the Recreation Department overtime expense of 187% is to be provided at the January meeting. Mr. Rutigliano requested a detailed accounting for all overtime expenses.

- The Chair handed out the preliminary schedule for the budget hearings for review.
- Mr. Palo asked when the WPCA audit would be available and was told that it would follow once the annual audit was complete.

APPROVAL OF MINUTES – November 8, 2012

Mr. Rutigliano moved, seconded by Mr. Palo, to approve the minutes of the November 8, 2012 meeting as presented.

Vote: 5-0 motion carries

ADJOURNMENT

By unanimous consent, the meeting was adjourned at 8:10 p.m.

Respectfully submitted,

Phyllis Collier
Board of Finance Clerk