

Approved

**BOARD OF FINANCE
MINUTES
MAY 9, 2013**

CALL TO ORDER

Chairman Hammers called the Board of Finance meeting to order at 7:07 p.m. at the Town Hall, Trumbull, Connecticut. All those present joined in the Pledge of Allegiance.

PUBLIC COMMENT

Steve Castro
Bull Frog Lane

Mr. Castro indicated that repairs, maintenance, road paving, fleet equipment, highway equipment and lawn mowers should not be in the bonding for capital projects but a part of the operating budget.

ATTENDANCE

Board of Finance members:

PRESENT

Andrew Palo
Cindy Penkoff, Alternate
Susan LaFrance, Alternate
Tom Tesoro (arrived at 8:35 p.m.)
Vincent DeGennaro, Alternate
Elaine Hammers

ABSENT

Paul Lavoie
Dave Rutigliano
Steve Lupien

Also present: Maria Pires, Finance Director; John Ponzio, Treasurer; John Marsilio, Public Works Director; Attorney Joseph Fasi, Bond Counsel; Ralph Iassogna, Superintendent of Schools; Attorney Floyd Dugas; Jim Henderson, Internal Auditor; Mary Moran, Tax Collector

Chairman Hammers indicated that Mr. DeGennaro would be voting for Mr. Tesoro; Mrs. LaFrance for Mr. Lavoie and Mrs. Penkoff for Mr. Rutigliano

TOWN TREASURER'S REPORT – John Ponzio

Mr. Ponzio presented his report, as follows:

- We are still on track for the budgeted ROI of \$300,000 for the year.
- April is one of our lowest months for cash balances.
- \$10m transfer on 5/2/2013 into an interest bearing account for the next 2 months.
- We picked up \$11m in cash March for tax collections; \$3.5m above last April.
- Bonding and interest payment coming due 6/1/2013 for \$977,000.
- Met with TD Bank – over the next year we are looking at a lock box for Tax Collections – not sure of cost since Munis will need to be updated; will streamline the tax collection process.
- The stock market is doing very well over the last few months; the Pension Board is meeting 5/21 and he expects to see our fund grow significantly.
- Pension contributions made in the first week of April as follows: \$880,000 to the Town plan and \$400,000 into the Police plan, the entire amount for each. Will report on pension fund activity at next Board of Finance meeting.
- No rate movements with our investment firms or on the Fed level; none are expected over next several years. Unemployment applications at 5 year low.
- Rate of Return of 2.09 with Morgan Stanley is better than the 1.93 Merrill Lynch rate of return.

Mr. Ponzio indicated, in answer to Mr. Palo's question, that the credit rating agencies look at a town's performance over the last several years, which includes their Fund Balance and is probably the most important indicator. Ours is considered very healthy at nearly 13%, up from 11.5 -12% last year, and is probably the most important indicator.

They also look at our Tax Collection rate and our bonded debt. In addition, they check our capital plan projections looking to make sure there are no significant increases in the future. Once the sewer and high school projects are done, there won't be more than \$6-8 million in capital projects per year going forward. The Pension funding is a problem area with the Rating Agency; however, since we have increased our pension funding over the last few years, they have seemed pleased.

Mr. Palo asked how the 7.5% return on the Pension is determined. Mr. Ponzio indicated that 7.5% is a growth rate number that the Pension Board provides to the Actuaries.

The Chair indicated that this percentage is then used to make the assumptions regarding how much we need to put into the Plan. The Chair went on to add that at one point the rate was 8%. The Pension Board is very conservative and they do not have the liberties of the Board of Finance. These are funds they are dealing with, not stocks, and there are between 6-7 managers.

BOARD OF EDUCATION – Ralph lassogna and Attorney Floyd Dugas regarding negotiations with the Trumbull Education Association

Mr. lassogna indicated that they were here tonight under state statues which required them to come before the Board of Finance to discuss the upcoming teacher negotiations in June and to find out if one of the members of the Board of Finance wanted to be a part of the Board of Education negotiating team headed by Attorney Dugas.

Mrs. La France moved, seconded by Mr. DeGennaro, to have the Board enter into a non-meeting.

By unanimous consent, the Board entered into a non-meeting at 7:36 p.m. with Ralph lassogna and Attorney Floyd Dugas; the meeting reconvened at 8:06.

The Chair indicated that Mrs. LaFrance would be the Board of Finance representative on the Board of Education negotiating team.

TAX COLLECTOR SUSPENSION REPORT – Mary C. Moran

Mrs. Moran presented the Suspension Report. She indicated that the \$50,000 on the 2009 list she submitted has been reduced to \$37,000. Of the \$37,000, \$23,000 was part of a bankruptcy for a company called OLM. The Motor Vehicles has increased from \$65,000 in 2008 to \$76,000 in 2009. The grand total has dropped from \$115,000 to \$113,000. They will continue to try to collect and once it is put into the suspense book the accounts will be turned over to a collection agency.

Mrs. LaFrance moved, seconded by Mr. DeGennaro, to approve the Tax Collector's Suspense List in the amount of \$113,691.47.

Mrs. Moran presented the Board approved Tax Collector's Suspense list to the Chair for signature.

Vote: 5-0

BONDING RESOLUTION

Mrs. La France moved, seconded by the Board of Finance, to read the title only of the 2013-2014 CIP bond resolution and to waive the reading of the full resolution, incorporating its full text into the minutes of the meeting.

Vote: 5-0

RESOLUTION APPROPRIATING \$6,070,000 FOR THE TRUMBULL (TOWN) CAPITAL IMPROVEMENT PLAN 2013-2014 AND AUTHORIZING THE ISSUE OF \$6,070,000 BONDS OF THE TOWN TO MEET SAID APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE

Section 1. The sum of \$6,070,000 is appropriated for the planning, acquisition and construction of the Town of Trumbull (Town) Capital Improvement Plan 2013-2014, as adopted and amended by the Town Council from time to time, and consisting of: (i) roadways; (ii) work on Public Facilities including the Trumbull Library, Town Hall, Police Headquarters, the Senior Center, the Public Works Yard and the EMS Building; (iii) Fleet and equipment; (iv) other projects, consisting of recreation, roads, and environment projects; and (v) enterprise (WPCA), and for appurtenances, equipment and services related thereto, or for so much thereof or such additional improvements as may be accomplished within said appropriation, and for administrative, advertising, printing, legal and financing costs to the extent paid therefrom. Said appropriation shall be in addition to grant funding and all prior appropriations for said purpose. The Town Council may by resolution transfer funding herein authorized among projects within the 2013-2014 Town CIP.

Mrs. Penkoff moved, seconded by Mrs. LaFrance, to adopt the resolution as presented.

Discussion: Mr. Marsilio addressed the following areas:

Roadways – The total bonding amount is \$2,158,782.

- The list of roadways includes paving for contract IV roads less the funding available in the WPCA funding package of \$2 million.
- He feels the work can be completed by Thanksgiving.
- The funding for roads last year approved by the Board of Finance was not done. This is in addition to those funds. When you get the bonding portion for the WPCA there is money in the package for the WPCA to do their remedial work.
- The WPCA portion has not been spent yet.
- The bid package needs to go out and the remedial work can be done.
- It is an ambitious project to get done by the end of the paving season.
- We do have a schedule in place for getting this done.

Mr. Palo indicated that since the North Nichols paving has been pulled out of the project and is now part of the capital plan it is going to be paid for by all the tax payers through bonding, not just the residents getting the sewer work done. The underlying question is should this have been part of an assessment or bonding. Mr. Marsilio indicated that the roads are used by everyone in town and the WPCA is paying for that portion of the roads they disturbed. We can do it right now, or we can come back in 10 years in order to repair these same roads.

The Chair indicated that we have an obligation to maintain the town and the roads and we have been remiss over the last 20-30 because we never put in a paving plan. We can pay for it all at once or we can bond it over what we feel will be the life of the road - hopefully 20 years. We need to start looking at all

the roads. Once we finish all that we have in the capital plan and the roads where sewers were put in 10 years ago and we will be faced with how to deal with the rest of the roads.

Mr. Marsilio indicated that the budget number was originally in the WPCA budget was close to \$7million. The reason the town is doing this is to be able to avail ourselves of the state municipal bid, so we are saving a few million dollars by taking this portion of the work out of the contract and doing this drainage work on the town side. The original \$7million was a curb to curb and mill overlay and we are doing this to deliver a 20- 25 year road.

Mrs. Penkoff indicated that the WPCA is not required to pave roads, only to fix what they disturb. If we are going to do this, we should do it correctly, and by doing it this way we are in agreement with state statute.

Public Facilities – The bonding amount is \$876,000

The Chair noted that there are areas which are not receiving grant funds for sustainable/energy conservation for lighting.

Mr. Marsilio indicated that we apply to the UI for grants but unless they meet a threshold for energy saving they do not become eligible. We will continue to try for eligibility. He went on to address the following:

Police Station:

- Request for new carpeting \$47,500. Original carpeting is over 30 years old. Once the lighting was upgraded (\$10,000) it became obvious that the carpet needed to be replaced and the walls need painting. The carpeting was in the 5 year capital plan.
- There is a request for \$100,000 for a server room that he is not able to discuss since it is not his area. The Chair indicated that the \$100,000 for the server room item in the Police Department related to technology should be placed in the technology portion of the bond.
- Total: \$157,500

Attorney Fasi addressed the concerns expressed regarding a 20 year bond. He indicated that the average maturity is 8 years. He went on to add that you can pay the lesser items off in the beginning years. The Chair indicated that every year interest is paid only on the outstanding balance. She went on to add that you can have separate resolutions for a bond.

The Chair called for a recess at 8:55 pm. The meeting reconvened at 9:05 pm.

Once the meeting reconvened, the Chair indicated that discussion would continue on public facilities; however, they were only going to direct attention to those issues that were directly related to Public Works that Mr. Marsilio could address for this discussion. The remaining issues would be backed out of the bond and addressed at a later time.

Mr. Marsilio indicated that he has no knowledge of the server room request for the Police. He went on to add that the remaining items will be overseen by our Facilities department, as follows:

Library

- New boiler installation \$54,000

Town Hall:

- Security system and camera of \$150,000
- \$10,000 for a portion of the HVAC system.
- Total \$ 160,000

Public Works Yard

- A 30 year roof and insulation over the administrative section \$135,000.
- Flooring \$12,000.
- Locker room renovation \$20,000 is for the design only. They need a place for 10-15 guys to sleep, shower and get a hot meal during an emergency.
- Interior lighting \$29,500.
- New wash bay \$280,000.
 - The existing wash bay is coming down. There will be a total reconfiguration of the yard.
 - A new garage will be built, since the new equipment doesn't fit properly and can be damaged. In addition, the workers can sustain injuries.
 - There will be funds left over from the salt shed, which we can then use for additional sand and salt storage.
- Total: \$476,500

EMS Building

- New electrical panel \$28,000

Fleet and Equipment – The bonding amount is \$953,000.

Highway:

- Truck for junk pick-up needs to be replaced \$204,000
- John Deere mower – mower used to move over the guard rail \$165,000
- Snowplow sander replacement of 20 year old plow \$170,000
- Truck lifts in the mechanics bay \$5,000
- Loader – Payloader/backhoe used to pull plows when stuck \$170,000
- Total for Highway: \$754,000

Parks:

- John Deere Backhoe \$124,000
- Toro – ground mower \$75,000
- Total for Parks: \$199,000

Other – The bonding amount is \$593,000

Economic Development:

- Long Hill Green – business district enhancement; studies done to put in sidewalks and connect to Indian Ledge and enhance Long Hill Green so corner property can be improved. Need commitment to get a grant. \$100,000. Not sure if surveys are involved.
- Merritt Blvd – traffic safety needed. \$20,000. Need to do something – lights or speed bumps.
- Quality Street micro-grid can be removed from the list \$100,000. Collaboration with Town Hall. Library and surrounding businesses to get a generator. Grant application will probably not go through.
- Nature Center renovations \$50,000 for light and safety issues as well as cosmetic renovations. It will possibly be moving in a few years. Some renovations need to be made for safety issues, but not all. The Chair indicated the Nature Center is a non-profit and therefore should pay this. There is no back-up to support this project.
- Rails-to-trails grant money; to take it down to Beardsley Park.
- Reservoir Avenue \$40,000 for design of existing Henderson property. Mrs. LaFrance indicated that she would like to see more information on this. Mr. Tesoro indicated that he would like to see all of Economic Development removed. He feels that Economic Development should be here to discuss their request.
- Total: \$310,000

Park Improvement:

- Ranger Station – Relocation to Quarry Road \$100,000
- Tennis Court resurfacing – maintenance for the warranty \$36,000
- Twin Brooks – WPCA budget
- Abraham Nichols Barn - \$20,000 to restore the greenhouse on the property; otherwise, demolish. It can be used once it is restored for perennial and plant storage. Possible to use for growing plants for town use. As is stands, it is a possible liability. The cost can be justified through use.
- Tashua Knolls – Basketball court – maintenance of existing court \$40,000.
- Total: \$196,000

Mrs. Penkoff indicated that these items do not appear to be bondable. The Chair indicated that she agreed with the exception of the \$100,000 for the ranger station renovation. It is currently on White Plains road in a prime commercial location which was once a nursery.

Other Projects – The Bonding amount \$87,000

These include the following:

- Moose Hill Road – 10% contribution by the town; not in bond.
- Old Town Road – \$15,000 in bond; this is our match money. Project has now expanded into 4 towns and is complex.
- Brock Street Bridge – design money \$12,000 in bond to determine what is wrong and what needs to be repaired. If there is no grant money available we will need to come back.
- Old Mine Park – continuation from last year \$70,000 not in the bond.
- Horse Tavern Brook – Flood plain analysis \$20,000.
- Mary Bill Property – Barn repair or demolition. We can make it structurally safe by adding wall \$15,000 in bond. This is town property and it is our obligation to make it safe.
- Canoe Brook Road – leak off \$15,000.

Mrs. Penkoff indicated that she did not agree with putting the Brock Street Bridge repair design funds into the bond. The Chair indicated that the expense for the repair would follow. Mr. Marsilio indicated that we don't have funds for the bridge design work or the barn repair in the budget. Structurally the barn is fine but he doesn't know what it will be used for. He indicated that there should be a liability account set up to accommodate these types of things.

WPCA – The Bonding amount is \$1,424,886

- Mr. Tesoro asked why the WPCA wasn't here. Mr. Marsilio indicated that the Engineer reports to him and he reviewed these numbers. The Chair indicated that these are projects that the WPCA wants to maintain the current system and these costs and debt service will be passed onto the users.
- Mr. Marsilio indicated that streets indicated with an asterisk were repairs from last year of \$300,000. We made a policy after Strobel Road not to pave without camera testing and these roads did not pass testing.
- Wright Pierce Phase II – defects – \$308,300.
- Wright Pierce Phase II – recommended repairs (leaks) \$252,556.
- Sanitary Video Inspection – additional roads that need video testing \$21,000
- Strobel Road Repairs - \$350,000 – video tested and a number of repairs need to be made.
- 2014 road paving sanitary system video inspection \$13,000.
- Pump Stations – Analysis to centralize pump station monitoring system - \$120,000.
- Park Avenue Pump Station – Generator - \$60,000.

Mrs. LaFrance questioned the monitoring system. Mr. Marsilio indicated that without the analysis you cannot centralize the system. It is necessary to centralize; only one man is needed on duty; system is monitored electronically and if there is a problem it can shut down. We have no comprehensive way to monitor our pump stations. Currently when the alarm goes off, someone needs to physically “look” for the reason why. It is necessary to fix these problems in a timely manner for the safety and liability of the Town.

Mr. Palo moved, seconded by Mrs. La France, to extend the Board of Finance meeting past 10:00 p.m.

Vote: 5-1-0 (against: Tesoro)

The Chair indicated that we needed to decide what changes we wanted to make. The following was decided:

Proposed deductions:

- \$157,500 – Police Department request – remove for now. They can come back to us.
- 100,000 – Micro-grid
- 50,000 – Nature Center – need more information
- 40,000 – Reservoir Avenue design analysis – need more information
- 36,000 – Tennis Court – should have been in budget; will need a supplemental
- 40,000 – Basketball Court – should have been in budget; will need a supplemental

Total Reduction: \$423,500

Attorney Fasi indicated that \$5,646,500 is not a bondable amount. The proposed amended bond amount should be divisible by 5,000.

Mrs. LaFrance moved, seconded by Mrs. Penkoff, to reduce the bond amount by \$420,000 to \$5,650,000.

Vote: 5-0-1 (Abstained: Palo)

All those in favor of the Bond Resolution of \$5,650,000, as follows:

	AYES	NAYS
Cindy Penkoff	x	
Susan LaFrance	x	
Tom Tesoro		x
Andrew Palo		x
Vincent DeGennaro	x	
Elaine Hammers	x	

VOTE: 4-2-0 (Against: Tesoro; Palo)

TRANSFERS

5-13-03

Mrs. LaFrance moved, seconded by Mr. Palo, to amend the Agenda by adding the transfer of \$26,430 from 01030101-534402 Program Supplies to 01030101-522203 Ancillary Services, to contract street sweeping.

By unanimous consent the Board of Finance voted to amend the Agenda and to transfer funds as requested.

Mr. Marsilio indicated that the amount of sand that needs to be swept up is quite extensive and need three weeks additional outside labor.

5-13-01

Mrs. LaFrance moved, seconded by Mr. Tesoro to transfer from 01014200-522202 Serv & Fees– Professional \$2000; 01014200-522205 Program Expenses \$2000; 01014200-545501 Comm–Legal Notices to 01014200-501102 Part time Salaries \$6000 to cover the shortfall in the PT account.

Vote: 5-1-0 (Against: Tesoro)

Mrs. Pires spoke for Mrs. Bratt indicating that she will have a shortfall in her part time salary account and would like to transfer funds to cover this shortage.

5-13-02

Mrs. LaFrance moved, seconded by Mr. Tesoro, to transfer from 01011000-556601 Prof. Dev-Seminars \$1000 to 01011000-556603 Prof Dev-Inservice \$1000 to cover in-house Munis training.

Vote: 6-0

Mrs. Pires indicated that this would cover in-house Munis training.

AUDITOR'S REPORT – Jim Henderson

Mr. Henderson indicated that he has additional items that he would like to add to the Plan for next Fiscal Year. He sent information indicating what was going on around the country, and the Chair has a copy of the Plan as it now stands.

The Chair indicated that in the Audit Plan. Mr. Henderson indicated the following:

- Audit of Public Works
 - Spare Parts costs and inventory levels on hand
 - Audit of fuels and consumption costs associated with the usage
 - Follow up of operational review per finding and recommendations of external audit

The Chair indicated that if anyone has an item to be addressed during the next year please forward it so it can be made a part of the schedule and approved at the June meeting.

Mr. Henderson indicated that he and Mrs. Pires met on the Special Agency Funds and he is in the process of putting together a draft report and will meet again on the 29th of May with the expectation that it will also be presented at the June meeting.

Mrs. La France moved, seconded by Mr. Tesoro, to have the Board enter into a non-meeting.

By unanimous consent, the Board entered into a non-meeting at 10:29 pm with Jim Henderson and Maria Pires, the Director of Finance; the meeting reconvened at 10:58.

Vote: 6-0

ADJOURNMENT

Mr. Tesoro moved, seconded by Mrs. LaFrance, to table the remaining items on the Agenda until the next meeting.

Vote: 6-0

By unanimous consent, the meeting adjourned at 11:05 pm.

Respectfully submitted,

Phyllis C. Collier
Board of Finance Clerk