

**APPROVED  
BOARD OF FINANCE  
MINUTES  
MAY 8, 2014**

**CALL TO ORDER**

Chairman Hammers called the Board of Finance meeting to order at 7:06 p.m. at the Town Hall, Trumbull, Connecticut. All those present joined in the Pledge of Allegiance.

**PUBLIC COMMENT**

There was no public comment.

**ATTENDANCE**

**Present**

Elaine Hammers, Chairman  
Andrew Palo  
Paul Lavoie (entered at 7:36)  
Thomas Kelly  
Roy Molgard  
Vincent DeGennaro, Alternate  
Karen Egri

**Absent**

Bill Haberlin

**Also present:**

Maria Pires, Finance Director; John Ponzio, Treasurer; Dr. Gary Cialfi; Attorney Floyd Dugas; Debra Herbst, Chairman of the Board of Education; Jim Henderson, Internal Auditor; Mary M. Moran, Tax Collector.

**TREASURE'S REPORT** - John Ponzio

Mr. Ponzio presented his report and noted the following:

- Cash position is about \$63.5 million, the same as last year at this time. This is a significant increase over last month.
- We had about \$24 million in tax collections in the last quarter.
- Very good return on the April tax collections.
- There has been no discernible change in rates. As we buy new, the rate of return is between 1.8% - 2.5%.
- Next Bond payment is \$95,000 due on June 1.
- Pension contributions have been made for the Town and the Police.
- We put out an RFQ for a Police Pension Plan administrator; Wells Fargo was the only responder. The Town currently uses Wells Fargo.
- We had 11 replies for an Investment Consulting Services. The Police Pension comes under the Police Commission, not the Town Pension Board.
- Looking into on-line tax bills and tax payments with Quality Data. Will provide ease with collections in the tax office.

Mr. Palo asked what function the Investment Advisor performed. Mr. Ponzio indicated that the Advisor recommends changes and keeps us apprised of what is going on in the market. He presents proposals for changes and we make the decision to accept or not. We do not pay him directly; he is paid on assets.

The Chair indicated that at one time the Town Treasurer was a member of the Police Pension Board and perhaps it should be changed with the Charter revisions.

**BOARD OF EDUCATION** – Dr. Cialfi and Attorney Floyd Dugas regarding negotiations with the Trumbull Administrators' Association

The Chair indicated that Ms. Egri would be voting for Mr. Haberlin and Mr. DeGennaro would be voting for Mr. Lavoie until he arrived.

Mr. Kelly moved, seconded by Ms. Egri, to change the Agenda item from the Trumbull Education Association to the Trumbull Administrators' Association.

Vote: 6-0

Dr. Cialfi indicated that the current contract would expire in June 2015. It is our practice to start negotiations one year in advance; therefore, we will commence on June 10, 2014.

Attorney Dugas indicated that we are required to start negotiations on or before June 10, 2014; we must then settle or go into mandatory mediation by July 30, and we need to reach an agreement by August 24, or we will be in Arbitration. The BOE must seek input from the BOF and the BOF has the right to have an observer participate.

Mr. Palo moved, seconded by Ms. Egri, to go into executive session at 7:22 p.m. The following individuals remained in the executive session: Dr. Cialfi, Attorney Dugas, Members of the Board, Debra Herbst, Chairman of the Board.

Vote: 6-0 motion carries

Ms. Egri moved, seconded by Mr. Molgard, to come out of executive session at 7:26 p.m.

Vote: 6-0 motion carries

Mr. Lavoie entered the meeting at 7:36 p.m.

**SUSPENSION TAX BOOK** – Mary Moran

Mrs. Moran spoke to the Board regarding this year's Suspension Tax Book. There is a slight increase from last year; Personal Property taxes went up \$6,000 and Motor Vehicles went up \$4,000. Motor Vehicle tax bills are returned for inability to deliver; while we are collecting taxes we are also trying to find new mailing addresses. We continue to try to collect and we continue to try even if we have suspended them.

Ms. Egri asked why small amounts as small as \$1.00 appear on the list. Mrs. Moran indicated to Ms. Egri that even small incidental amounts must be reported. The Chair indicated that at times checks are written incorrectly and then move or go out of business. Mrs. Moran indicated that most people don't leave forwarding addresses.

Mr. Lavoie moved, seconded by Mr. Palo, to accept the additions to the Suspension Tax Book as presented.

Mr. DeGennaro asked if these are carried over from year to year and then questioned the large amount - \$22,000 - due from OLM LLC. Mrs. Moran indicated that the company filed bankruptcy and we are listed as a creditor.

Mr. Lavoie moved, seconded by Mr. Palo, to accept the additions to the Suspension Tax Account as presented by the Tax Collector.

Vote: 6-0 motion carries

**INTERNAL AUDITOR'S REPORT** – Jim Henderson

Mr. Henderson presented his report regarding the Mary J. Sherlach Counseling Center and noted the following:

- The report was complete in January 2014; however, this was the first opportunity to present it.
- There were 3 findings and recommendations; some changes have already been made, as follows:
  - The painting is being done.
  - The security is being looked into before the end of the budget year. There is no safe; currently using a filing cabinet.
  - Parking lot is dark and secluded with no lights; this is being looked into.
- There is no sign to indicate that the building is ahead on the road and you cannot see the plaque. It was recommended that a sign identifying the Counseling Center be installed.
- There are times when the building was left unattended and unlocked, leaving it susceptible to burglary and vandalism. This issue has been corrected, since there is now an administrative assistant working there.

The Chair indicated that although there is an administrative assistant on the premises, she has a serious concern that she is left alone at times. The Chair went on to add that she feels that an alarm system with a panic button needs to be installed, since it is not always feasible to have 2 people there.

**AUDIT PLAN – FY 2015**

Mr. Henderson asked that the Board review the Audit Plan and advise him of any changes at the June meeting. The Chair asked that all suggestions for next year for the Auditor be sent to her via e-mail. In addition, she requested that previous audits be reviewed for follow-up.

The Chair called for a recess at 7:55 p.m.; the meeting resumed at 7:57 p.m.

**5-14-02 - BOND RESOLUTION**

RESOLUTION APPROPRIATING \$3,505,000 FOR THE TRUMBULL BOARD OF EDUCATION CAPITAL IMPROVEMENT PLAN 2014-2015 AND AUTHORIZING THE ISSUE OF \$3,505,000 BONDS OF THE TOWN TO MEET SAID APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE

The Chair indicated that the Board of Education Bonding request 5-14-02 was withdrawn by Debra Herbst, Board of Education Chairman and Dr. Gary Cialfi, Superintendent of Schools. It will be put back at a later time.

Mr. Lavoie moved, seconded by Ms. Egri, to withdraw item 5-14-02 Resolution Appropriating \$3,505,000 for the Trumbull Board of Education Capital Improvement Plan, per request of the Board of Education.

Vote: 6-0 motion carries

## **5-14-01 - BOND RESOLUTION**

Mr. Lavoie moved, and the motion seconded by Ms. Egri, to read the title and Section 1 of the following proposed resolution in its entirety and to waive the reading of the remainder of the resolution, incorporating its full text into the minutes of this meeting.

Vote: 6-0 motion carries

RESOLUTION APPROPRIATING \$8,210,000 FOR THE TRUMBULL (TOWN) CAPITAL IMPROVEMENT PLAN 2014-2015 AND AUTHORIZING THE ISSUE OF \$8,210,000 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 \$8,210,000 is appropriated for the planning, acquisition and construction of the Trumbull (Town) Capital Improvement Plan 2014-2015 , 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 economic development, recreation, roads, and public safety; 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 2014-2015 Town CIP.

The Chair indicated that she spoke with Bond Counsel today to determine what could be done with extra funds that have not been used. Bond Counsel advised that extra funds could be used towards an item already in the bond that may have had cost overruns; cannot be used for anything not included in the bond. We have money bonded that cannot be used; therefore, do not fund the next bond completely when going for a new bond issue. He did indicate that there are exceptions, e.g. when the wall fell at the school it was necessary to fix it prior to fixing the roof that was in the bond. There are options available: Issue a new bond for a (generator) or re-do the existing bond. You cannot just move things around. Attorney Fasi indicated that he would provide an explanation in writing. In addition, he pointed out that you have 2 years to use the funds.

Mr. Lavoie asked if the amount for BANS could be changed. Mrs. Pires indicated that short-term borrowing begins immediately and you can pay off the short-term note and then bond less. Mr. Kelly asked what the rate differential would be between the two. Mrs. Pires indicated the short-term notes are less. The Chair indicated that there is a cost of using the short-term note and then bonding. The Chair went on to add that you must be very specific about what you are going to do with the bond funding.

The Chair asked the Board if there was any discussion relative to the list of items to be bonded. Mr. Palo indicated that he wanted to remove \$300,000 for the Highway Department Design and add the paving of the roads at Stern Village. He went on to describe how bad they were, indicating that there is an agreement between the Town and the Housing Authority that the Town would maintain the roads even though it is private property. The Board members were given a copy of the Agreement and Exhibit A. He suggested adding \$400,000 for the paving.

The Chair indicated that she thinks we need to step back from bonding; doesn't want to add more than is coming off. She understands that it is necessary to maintain buildings; however, she would like to see some control exercised. She went on to add that there are items that she would like to remove:

- Emergency Generator at the library: we have a new one at the Town Hall and two schools. \$45,000
- Police Department: flooring and exhaust (prefer to keep PD items together): \$87,500
- Senior Center: \$16,000
- Public Works: \$340,000
- Ambulance: \$175,000 Ambulance Placeholder (add \$1.00)
- Field Irrigation: \$25,000
- Police Cell Block : \$100,000
  
- Net reduction: \$788,499

The Chair indicated that Mr. Laucella would like to have 4 ambulances; they currently have 4; the 2003 ambulance is very bad; we gave him funds to buy a Sprinter to replace the 2003; now he needs 2 full body ambulances. We can give him one for \$175,000, and hold off on the second, since there is a possible donation coming in. We cannot use funds in the first bond left over from the sprinter, since it wasn't in the Bond. We need to leave wording of 2 in this bond so we can use funds in the event the donation does not materialize and he will then have 3 on the road and one for rotation.

Mr. Palo reiterated that he is concerned with the paving at Stern Village; he is concerned with people being injured. The Chair indicated that Stern Village is independent so she doesn't understand why anyone would agree to have the Town responsible.

Mr. Lavoie indicated that by adding to the paving schedule, we would be adding to Mr. Marsalis's workload and if he cannot get to it, we have bonded it for nothing.

Mr. Palo asked if a street could be swapped out of the list and another street added. The Chair indicated that there is a \$63,000 Bobcat request and we have the funds from another bond to fund it, but we cannot use these funds unless we specify the Bobcat in this bond; therefore, based on this she did not think we could change the streets.

Mr. Lavoie moved, seconded by Mr. Molgard, to reduce the bond by \$788,500 to \$7,421,500. This includes the following: Emergency Generator \$45,000; Police Department \$87,500 Senior Center \$16,000; Public Works: \$340,000; Ambulance: \$175,000; Field Irrigation: \$25,000; Police Cell Block \$100,000 and leave the ambulance.

It was then decided to disregard the motion and leave \$1.00 for the ambulance:

Mr. Lavoie moved, seconded by Mr. Molgard, to reduce the bond by \$788,499 to \$7,421,501. This includes: a \$1.00 expense for the ambulance; Emergency Generator \$45,000; Police Department \$87,500 Senior Center \$16,000; Public Works: \$340,000; Ambulance: \$175,000; Field Irrigation: \$25,000; Police Cell Block \$100,000.

Vote: 6-0 motion carries

Ms. Egri indicated that the Agreement needed to be reviewed by a town Attorney given that it is dated 1999.

Mr. Palo indicated that he will motion for Stern Village to be repaired, using \$1.00.

The Chair also feels that there might be an issue with the paving of Stern Village, since Mr. Marsilio would have to take other streets off the list and we are not in any position to tell him how to reorganize his work. The Chair went on to add that once Mr. Marsilio has had a chance to do an estimate and can give us a price we could amend the bond.

Ms. Egri indicated that the backlog is a result of extreme weather. Mr. DeGennaro indicated that we have a backlog of roads that are waiting to be paved and have been on the list for years.

Mr. Lavoie indicated that Mr. Marsilio plans carefully as to what he can get done in a year, and if he is falling short a certain percentage each year, we can reduce it his funding by that percentage; however, if he does catch up we won't have the funds to finish the road repair.

The Chair indicated that a schedule of roads to be done over the next 5 years should be provided. Mrs. Pires indicated that it is given to the Town Council – 5 year Capital Plan. The Chair went on to add that the Board has approved funding of \$12 million in roads over the last 5 years. Since the last meeting, the road request has increased by approximately \$700,000. Mr. Lavoie indicated that we are actually funding to the Capital Plan that has been approved by the Town Council.

In reviewing the list of roads in the Capital Plan, it was noted that Hedgehog Road is not listed, and that is where Stern Village is located. The Capital Plan is providing for \$2.5 million per year for roads over the next 5 years. We can table the Bond until we get an estimate or we can amend the bond. Tabling will hold up every project in the Bond while we wait for answers.

The Chair called a recess at 8:55 p.m. Meeting resumed at 9:00 p.m.

Mr. Lavoie moved, seconded by Ms. Egri, to reduce the bond from \$8,210,000 to \$7,403,000, a reduction of \$807,000, which will allow for the Bonding cost.

Vote: 6-0 motion carries

Mr. Palo moved, seconded by Mr. Kelly, to add \$1.00 in order to add Hedgehog Circle to the list for paving.

Vote: 5-1 motion carries (Against: Hammers)

The Chair indicated that we would have to come back to amend the bond once we find out the cost. Mr. Palo indicated that he wanted to show that the Board of Finance recognizes the need for paving.

Mr. Lavoie moved, seconded by Mr. Palo, to approve the resolution as amended to \$7,403,001.

	<b>AYE</b>	<b>NAY</b>
Roy Molgard	x	
Andrew Palo	x	
Thomas Kelly	x	
Paul Lavoie	x	
Karen Egri	x	
Elaine Hammers		x

Vote: 5-1 motion carries (Against: Hammers)

## **DISCUSSION**

Year to Date Budget to Actual Report FYE 2014

- The medical insurance is up to 94%, since we have 5 large claims. Unless something changes we will go over budget, but not sure how much at this point. Stop loss is \$120,000 per claim. Instead of \$368,000 a month in claims, we are seeing \$425,000. This is the first year we have been self-insured.
- Some of the departments have exceeded their overtime accounts due to employees who are out on Workers Compensation and existing vacancies.

## **APPROVAL OF MINUTES – April 10, 2014; March 4, 2014**

By unanimous consent, the Board approved the minutes of the March 4, 2014 minutes.

The Chair moved to approve the amended minutes of the April 10, 2014 meeting, correcting the spelling error on page 9. (Paol to Palo)

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

## **ADJOURNMENT**

By unanimous consent, the meeting was adjourned at 9:25.

Respectfully submitted:

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Phyllis C. Collier, Finance Board Clerk