

**APPROVED
BOARD OF FINANCE
Minutes
July 10, 2014**

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

First Selectman Timothy Herbst
97 Fairview Avenue

Mr. Herbst indicated that he would be joining the discussions this evening for the transfers and appropriations requested from the Building Official and the Labor Relations Director.

ATTENDANCE

Present

Elaine Hammers, Chairman
Andrew Palo
Thomas Kelly
Roy Molgard
Bill Haberlin
Karen Egri, Alternate
Vincent DeGennaro, Alternate

Absent

Paul Lavoie
Edward Murphy, Alternate

Also present:

Maria Pires, Finance Director; John Ponzio, Treasurer Graham Bisset, Building Official; First Selectman Timothy M. Herbst; James Haselkamp, Labor Relations Director; Jack Testani, Chairman of the Trumbull Police Commission.

TREASURER'S REPORT – John Ponzio

Mr. Ponzio gave the following overview for the month ended June 30, 2014:

- At the end of the fiscal year, we were over budget by +/- \$5,000.
- \$305,000 earned interest income, about \$12,000 more than last year; due to negotiation with TD Bank rate increase of 5 bps; average weekly cash balance increased from \$40 to \$44 million, which also helped us have more money out there earning interest.
- No change from May to June.
- Small Bond payment of \$106,000 due in the middle of July and the next one is due in September for \$11 million.
- 1st quarterly Town Pension payment made \$1.173 million. 1st quarterly Police Pension payment made \$512,000.
- Tax bills are ready to go on-line; we are waiting for a means to pay taxes on-line that will probably be available in August.
- We will be borrowing in the fall; Mrs. Pires will put together the Official Statement. He anticipates this to be the lowest debt offering since we took office 5 years ago.
- First Selectman's Golf Classic to benefit students at THS on 8/13/2014. We finally received certification as a 501C3 after 2 years.

The Chair indicated that she would like to put the following 3 motions on the table at one time: 07-14-01, 07-14-02, 07-14-03 since they are all related.

FISCAL YEAR 2014-2015 TRANSFER

07-14-01	Graham Bisset, Building Official	FROM: 01023200-501102 Salaries-PT/Permanent	\$ 25,232
		TO: 01023200-501101 Salaries-FT/Permanent	25,232
Transfer of funds needed for the full time Assistant Building Official.			

Mr. Haberlin moved, seconded by Mr. Molgard, to transfer \$25,232 from 01023200-501102 Salaries-PT/Permanent to 01023200-501101 Salaries-FT/Permanent \$25,232 for funds needed for the full time Assistant Building Official.

Vote: 6-0-0 motion carries

FISCAL YEAR 2014-2015 TRANSFER

07-14-02	Graham Bisset, Building Official	FROM: 01023200-522204 Services and Fees Contractual	\$25,000
		TO: 01023200-501101 Salaries-FT/Permanent	25,000
Transfer of funds needed for the full time Assistant Building Official.			

Mr. Haberlin moved, seconded by Ms. Egri, to transfer \$25,000 01023200-522204 Services and Fees Contractual to 01023200-501101 Salaries-FT/Permanent \$25,000 for funds needed for the full time Assistant Building Official.

Vote: 6-0-0 motion carries

FISCAL YEAR 2014-2015 SUPPLEMENTAL APPROPRIATION

07-14-03	Graham Bisset, Building Official	FROM: Fund Balance	\$23,478
		TO: 01023200-501101 Salaries-FT/Permanent	1,108
		TO: 01013400-511150 Fringe Benefits – FICA	2,370
		TO: 01013400-511151 Fringe Benefits – Medical	20,000
Supplemental appropriation of funds needed for the full time Assistant Building Official including FICA and Medical.			

Mr. Haberlin moved, seconded by Mr. Molgard to appropriate \$23,478 from the Fund Balance to 01023200-501101 Salaries-FT/Permanent \$1,108; to 01013400-511150 Fringe Benefits – FICA \$2,370; to 01013400-511151 Fringe Benefits – Medical \$20,000 for the supplemental appropriation of funds needed for the full time Assistant Building Official including FICA and Medical.

Vote: 6-0-0 motion carries

First Selectman Herbst indicated that the requests being made this evening by Graham Bisset, the Building Official, are being driven by a greater than expected influx of activity in Planning and Zoning. P&Z applications are increasing; we are seeing enormous private investment in our Corporate Park; interest to begin Westfield Phase 2 Expansion; and good development of commercial retail. Recently received commercial retail application for the property that formerly housed PJ's Garden Exchange – retail center with 2 new restaurants; looking at 13000 square foot retail area on the former Marissa's property and additional development of the recently sold DeMarco property. In addition the Cancer Center on Park Avenue is ready to begin expansion.

Revenues are up and higher than anticipated. We want to grow the Grand List, therefore, we must expedite the inspections, etc. in a timely manner especially in the mall; we want to get these businesses on the tax rolls. When dealing with departments that generate revenue it is necessary to evaluate the amount of increased revenue that will be generated by increasing the personnel.

Mr. Palo indicated that \$25,000 was appropriated in the budget for an additional part time person. Mr., Bisset indicated that it is a full time union position, so you cannot hire two part time people to fill it without creating a labor issue. He wants to make the part time position full time. This position was approved in previous budget; it was then decided to have only a part time person until it was necessary to increase their hours to full time. Mr. Kelly noted that during this past budget season, the Board recommended that he use a contract employee to eliminate paying benefits. The Chair went on to add that the number of projects has increased and we don't want to penalize Mr. Bisset for cutting back when asked, since we are not adding but implementing the position we already approved.

Ms. Egri indicated for the record that in a letter sent by the Chair to the Board of Finance, she included a schedule of projected fees and the \$400,000 to be recognized in permit fees more than adequately covers the expense.

The Chair indicated that Ms. Egri would be voting for Mr. Lavoie. She went on to ask Mr. Bisset if the fee schedule discussed during the budget season had been addressed. He indicated that the fees have been raised; he discussed them with Mr. Lavernoch, Director of Economic Development, and they came up with a plan that was approved by the Town Council.

FISCAL YEAR 2014-2015 SUPPLEMENTAL APPROPRIATION

07-14-04	James Haselkamp, Director of Labor Relations	FROM: Fund Balance TO: 01013000-522202 Services and Fees - Professional Fee required in order hiring a search firm to find a new Chief of Police.	\$20,000 20,000
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Mr. Haberlin moved, seconded by Ms. Egri, to appropriate \$20,000 from the Fund Balance to 01013000-522202 Services and Fees – Professional \$20,000 in order pay the fee required to hire a search firm to find a new Chief of Police.

First Selectman Herbst indicated that Chief Kiely would be retiring effective December 31, 2014 and Deputy Chief Michael Harry would be retiring at that time. The Police Commission has voted to give Deputy Chief Glenn Byrnes a one-year contract extension with 2 assumptions: 1 – That he will apply for the position and 2 – If not hired we want to give a new Police Chief the opportunity to redo the organizational structure and hire his second in command. The Police and the Police Commission agree that they want to find the most qualified individual to replace Chief Kiely.

Mr. Haselkamp indicated that the Town currently has an RFP posted, given the timing of the Chief's retirement. I will take several weeks to choose an agency and another 3 or 4 to months after the contract is signed for them to find someone. He indicated that he did a search to determine what it would cost and the range was \$21,000 – 34,000 so he feels that \$20,000 will get the job done.

The Chair and Mr. Haberlin indicated that they believe \$20,000 is insufficient based upon the Chief's salary, since fees are normally assessed as a percentage of the salary. Mr. Haselkamp indicated that if this were to occur, he would have to come back to the Board; however, he felt \$20,000 was enough based on the fee structures he has seen.

Mr. Haberlin did not ask if the Town used a search firm previously and it was indicated that based upon the purchasing agent's recollection the Town had not, nor had the Board of Education. Mr. Haberlin then went on to ask whether this should come from the Town and not the Police Department. The First Selectman went on to add that he wanted this to be a community decision and he wanted the BOE as well as the BOF to be involved in the process. The Chair indicated that this wasn't included in their budget and it would be difficult for them to fund that large an amount.

We don't currently have a job description and that would be something the consultant would do based upon our input.

Mr. Palo indicated that he does not think the funds should come from the General Fund, since we have funds in Special Detail, a special agency account that we can use. The Chair indicated that she has no problem taking the funds from this account. She went on to add that we could use the funds from the Special Detail account. Mrs. Pires indicated that you can't transfer from a special agency account; you need to pay directly from that account. The Chair indicated that she is waiting to hear from our attorney regarding our authority over this account. She went on to add that If we transfer from this account to the General Fund, we have to do a supplemental appropriation in order to use the funds and this request must to be approved by the Town Council at the next meeting in August.

Mr. DeGennaro asked how we would fund this if it were a different department. The Chair indicated that we would take it from the General Fund, unless the department had a Services and Fees account.

Mr. Palo indicated that there could be a surplus at the end of the budget cycle and since it is still early we could use the services and fees account and if short at the end of the year we could then appropriate the funds.

The First Selectman indicated that there would be funds in the salary account, since having 2 deputy chiefs is not prudent and there would only be one going forward. The Chair then indicated that she wanted to transfer \$25,000, instead of the \$20,000.

Mr. Haberlin withdrew his motion and Ms. Egri withdrew her second.

07-14-04	James Haselkamp, Director of Labor Relations	FROM: 01022000-501101 Salaries-FT/Permanent TO: 01022000-522202 Services and Fees - Professional Fee required in order to hire a search firm to find a new Chief of Police.	\$25,000 25,000
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Ms. Egri moved, seconded by Mr. Palo, to transfer \$25,000 from account 01022000-501101 Salaries-FT/Permanent to 01022000-522202 Services and Fees - Professional \$25,000 in order pay the fee required to hire a search firm to find a new Chief of Police.

Vote: 6-0-0 motion carries

DISCUSSION ITEMS

- Year to Date Budget to Actual Report – FY 2014

There is still activity going on so we keep the books open for another month or so. We are planning to do the transfers next month. We are not quite at year-end yet; still need to transfer for contingencies, legal notices, utilities (etc).

We are currently over budget \$280,000 +/- with police overtime. There will be some money in the full time account to cover the overage but not enough.

Pg. 6 - We have one more month of insurance payments to record and at that time we will transfer the outstanding balance to the insurance fund for the reserve for future years. The BOE will also be transferring any outstanding balance to the insurance fund. The Town Council approved a resolution at the July meeting regarding this. The two funds will be separate.

Pg. 15 – Fuel for vehicles is over \$15,000.

Pg. 21 – Recreation department transferred funds from a special agency account to cover any shortfalls at the end of the year; they collect fees and then use fees to offset expenses. The Chair is trying to determine under what authority they can decide to charge a fee and then use it to offset expenses. She indicated that she is trying to work this out with our attorneys.

- Fund Balance

With regard to the \$600,000 used to reduce the mill rate, Mr. Kelly indicated that we should take a set amount from the Special Detail account each year, using this revenue as part of the budget. The Chair indicated that since you cannot predict what the revenue from the Special Detail will be, it might be prudent to put it into revenue a year later, once we have a definite number to use. Mr. Kelly indicated that we are very close to the 10% threshold of the Funding Balance. The Chair indicated that the most responsible use for the remainder in the Special Detail account might be to put it into the Fund Balance. Mr. Kelly went on to add that the \$600,000 used to reduce the mill rate will create a funding cliff next year.

In connection with Mr. Kelly's concern regarding the Pension, the Chair indicated that we asked the Actuaries how to deal with the underfunding of the Pension and they indicated the best thing to do is to put increasing amounts into the Plan each year, until you reach the ARC.

Mr. Palo asked if the Parking Sticker revenue had a line item. Mrs. Pires indicated that the funds are being put into a Special Agency account. The Chair asked how they are covering the salary since the Board of Finance did not approve it. Mrs. Pires indicated that these funds are being used to pay the individual who collects the fee and gives out the sticker; payroll is paid by the Town and funds from the Special Agency account are transferred to cover that employee. The Chair also noted that the Senior Center is also collecting fees and keeping them. Mr. Kelly asked if any agency can simply decide to charge a fee and then use it. The Chair indicated that this is a problem and one that she has asked our attorney to explain.

- Internal Follow-up Audit Database

Mr. Henderson was not at the meeting. He provided the Board with a written follow-up and the Chair indicated that all questions should be sent to her and she would forward them to him.

OTHER BUSINESS

There was no other business.

APPROVAL OF MINUTES

The Chair moved to approve the minutes of the June 12, 2014 meeting.

Vote: 4-0-2 motion carries (abstain: Egri; Kelly)

ADJOURNMENT

By unanimous consent, the meeting adjourned at 8:40 p.m.

Respectfully submitted:

Phyllis C. Collier
Board of Finance Clerk