

**APPROVED  
BOARD OF FINANCE  
Minutes  
September 17, 2014**

**CALL TO ORDER**

Chairman 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.

**ATTENDANCE**

**Present**

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

**Absent**

**Also present:**

Maria Pires, Finance Director; John Ponzio, Treasurer; D/C Michael Harry; Frank Smeriglio; Joseph Laucella, EMS Director

**TREASURER'S REPORT** – John Ponzio

- Cash balance is \$55 +/- million; down from last year because we borrowed less this year
- Debt service payment made on August 29 for \$10.9 million; debt service payment up 3 million from last year due to the high school and the sewer projects that are now complete.
- Debt service payment made on 9/5 for just under \$14 million; the disbursement will be reflected in next month's report.
- Our cash balance is very healthy at 47-48 million.
- Next big collection month is January.
- Interest income for the month is about \$27,000; up from last year due to the negotiated rate with TD being increased 5 bps.
- Government agency rates are dropping; running now at a little over 2%.
- Peoples Bank has a program similar to TD and we may be able to cut current fees by keeping funds on deposit.
- Completed sale of 20 year Bonds; we borrowed \$7.75 million dollars at an average rate of 2.71%. Rate was better than most. Borrowed \$7.3 million in new money.
- Tax bills are now on line and you can view and pay by January.
- Pension Board met and authorized the following assumptions: 3.5% salary and benefit and 7.5% ROI. Consistent with what is being done around the state. Should have reports by the end of the month.
- The First Selectman's Golf Classic raised \$58,000 for 4 high school groups.

**09-17-01 – FY 2014-2015 SUPPLEMENTAL APPROPRIATION**

Mr. Lavoie moved, seconded by Mr. Molgard, to transfer \$115,000 from the Fund Balance to account 01011600-522202 Services and Fees Professional \$115,000 for the Tax Assessor's department.

Mr. DeVestern indicated that we need to do our 10 year data collection. We asked for 2 bids, since we can do either a full or limited data verification, which includes inspections and /or mailing questionnaires to the homeowners asking them to verify and update information. We will still do a certain number of inspections; there are 4200 budgeted in the limited data. We have 12,000-13,000 dwellings in Trumbull. The state requires 95% attempted inspections when you do a full valuation, which includes any inspections done by the Town over the last 10 years. It is for the 2015 Grand List and will do it over 2 fiscal years. In addition, they will be updating the photos. We will have to negotiate a contract one it has gone to the Town Council. By doing the limited data verification, we can use Munival a smaller local company who came in lower. If we had been doing the full data collection, he might have chosen to go with a larger company.

Vote: 4-2-0 (against: Palo – Kelly) motion carries

Mr. Palo indicated that he did not want the funds to come from the Fund Balance. The Chair indicated that we can only take money from this one place and if we don't do this, we are liable for a \$4 million loss in state funding. Mr. Kelly indicated that he also voted against this for the same reason. They both indicated that they would prefer to see the funds taken from the Special Detail Agency account. It was noted that funds cannot be moved from one department to another. In order to use those funds, it will be necessary to transfer them into the General Fund and then they can be used elsewhere.

**09-17-01A – FY 2014-2015 SUPPLEMENTAL APPROPRIATION**

Mr. Lavoie moved, seconded by Mr. Kelly, to transfer \$62,178 from the Fund Balance to account 01030500-501101 Engineering Full Time Salaries \$39,180; account 01013400-511150 Fringe Benefits – FICA \$2,998; account 01013400-511151 Fringe Benefits – Medical \$20,000.

Mr. Smeriglio indicated there are currently 2 engineers, and 35 active projects. These projects don't include reviews for the building department, zoning permits or inlands wetlands. In the last 1.5 years, we have implemented the task of video inspecting the underground sewers and repairing them before paving any road on the town wide paving program. For each year, we need to hire someone to video the pipes, then have the engineers review and where there is a defect they design a fix. In addition, we have 50 complaints regarding drainage swales blocked with debris that need to be addressed. If the engineers do all of this work, they will not be able to pursue the state grants that are available. We don't want to sacrifice any of the state grant money available.

Mr. Lavoie asked why this wasn't in the budget, to which Mr. Smeriglio indicated that drainage swales have not been addressed and he knows of no reason why they weren't in the budget.

The Chair went on to add that they don't want to add to the payroll. If the grants don't come with money to get the staff we need, we cannot pursue. We could lose our rating if the fund balance drops.

Mrs. McHugh asked if any work not getting done would cause immediate danger. Mr. Smeriglio indicated that catch basins on the side of the road provide a place for water to collect and then be piped into a ditch or river on public or private property. This will not occur if the swale is blocked. He indicated it is necessary to determine why the swales are blocked and, if necessary, to work with homeowners to gain access to the property and clear the swale. We need to do this prior to paving the streets.

Mr. DeGennaro asked who requested that we apply for these grants. Mr. Smeriglio indicated that it was their idea; there are different grants written by the state, so when they come up you need to act on them. The reasoning is that we spend \$40,000 in order to get \$5 million in grant funds.

Mr. Lavoie indicated he was not happy with doing a supplemental in September, so early in the fiscal year. He asked if the Public Works Director was aware of the problem and is there no other alternative or is this a last resort request. Mr. Smeriglio indicated that Mr. Marsilio is aware; however, he did not ask Mr. Marsilio to prioritize his staff to assist him. Mr. Lavoie asked when he would bring a new person on board and can we do anything with the swales in the winter.

Mr. Smeriglio indicated that as you investigate these swales it can take up to 2 months to get the necessary permits and coordinate with property owners and let them know what is going to be done. So if you start in March, you won't be able to do any work until July. The Chair asked if any of this would be fee generating. He indicated that there were only inland wetland fees.

Mr. Palo asked if it was possible to move \$800,000 from the Special Detail agency account to the Fund Balance tonight. Mrs. Pires indicated that it would be possible to move these funds. Mr. Palo asked why there is no urgency in transferring these funds to shore up the General Fund to above 10%. Mr. Lavoie indicated he also thought the funds should be transferred to the General Fund.

Mrs. Pires indicated it would be possible to allocate Special Detail agency funds to offset the police overtime instead of doing a supplemental appropriation for overtime.

Mr. Smeriglio indicated that the WPCA is charged for work done by Engineering. The Chair asked that this item be tabled until we research the amount that will be coming from the WPCA.

Mr. Palo moved, seconded by Mr. Lavoie, to table this transfer from the Fund Balance until next month.

Vote: 6-0-0 motion carries

#### **09-17-02 – FY 2014-2015 TRANSFER**

Mr. Lavoie moved, seconded by Mr. Palo, to transfer \$9,360 from account 01030200-501102 Custodial Services part time to account 01030200-522203 Service and Fees Ancillary \$9,360.

The Chair asked Mrs. Pires for an explanation of how the transfer from the Special Detail agency account would be done. Mrs. Pires indicated that it would involve a transfer to the Police OT account as an actual entry; she would use the transfer to reduce the overtime. The Chair asked how we can transfer to the overtime account when we cannot transfer from one department to another. Mrs. Pires indicated that this is the procedure used for the Recreation Department; funds are brought into the General Fund when the department is over budget. Mrs. Pires indicated that the entry would be a debit to special agency and a credit to expenditure thereby changing the Fund Balance Report.

The Chair indicated that they would reduce the transfer and reduce the supplemental. Mrs. Pires went on to add if the auditors don't agree, we can undo it next month.

Vote: 6-0-0 motion carries

#### **09-17-03 – FY 2013-2014 YEAR END SUPPLEMENTAL APPROPRIATION**

Mr. Lavoie moved, seconded by Mrs. McHugh, to transfer \$456,980 from the Fund Balance to the allocated as outlined on the schedule provided by the Finance Director.

The Chair indicated that these amounts are relatively small and it is not a bad deviation. We cannot control the gas, oil and utilities; however, she would like an explanation in writing from the Public Works Director regarding the larger items. Mrs. Pires indicated that the expenses for the MSW account increased as well as the revenue.

Mr. Lavoie went on to add that although the funds are already spent, we can express our displeasure with what occurs. Mrs. Pires noted that at budget time this account was reduced \$50,000.

Mr. Laucella, EMS Director was asked to explain the \$11,610 supplemental needed. He indicated that the expense was incurred when the 911 lines phone lines were moved from our dispatch center to the new CMED process and it was not included in the budget at the time. This expense is currently in the budget.

Deputy Chief Harry was asked to explain the \$172,140 supplemental needed for police overtime. He indicated the majority of overtime expense is attributed to minimum manning requirements. He went on to add that we have 2 new graduates who will be on the road in December. In October, there will be an additional 2 graduates and one in December. These officers will be on the road in the spring. These officers will have a negligible effect on the overtime. We also hired 3 seasoned officers who are currently on the road. We are still short 2 officers and one detective. The detective is needed for finger printing on Wednesday, so that is another factor that is contributing to overtime.

Mr. Lavoie moved, seconded by Mrs. McHugh, to reduce the supplemental appropriation request by \$172,140 to \$284,440.

Vote: 6-0-0 motion carries (to reduce the amount)

Vote: 5-1-0 motion carries (against: Palo)

**09-17-04 – FY 2013-2014 TRANSFER FROM CONTINGENCY**

Mr. Lavoie moved, seconded by Mr. Kelly, to transfer \$86,456 from the Contingency to the allocated accounts outlined on the attached schedule provided by the Finance Director.

The Chair indicated that there is a surplus of \$119,000 that will fall to the General Fund. This is the only account from which we can transfer to different accounts.

Vote: 6-0-0

**09-17-05 – FY 2013-2014 YEAR END TRANSFERS**

Mr. Lavoie moved, seconded by Mr. Molgard, to transfer \$144,132 to the accounts outlined on the attached schedule provided by the Finance Director.

Mr. Lavoie moved, seconded by Mr. Kelly, to reduce the transfer request by \$133,381 to \$10,751.

Vote: 6-0-0 motion carries (to reduce the amount)

Vote: 6-0-0 motion carries (to transfer \$10,751)

**09-17-06 to 09-17-12 – F Y 2013-2014 YEAR END TRANSFERS**

Mr. Lavoie moved, seconded by Mrs. McHugh to transfer \$106,842 to the accounts outlined on the attached schedule provided by the Finance Director.

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

**09-17-13 to 9-17-24 FY 2013-2014 YEAR END TRANSFERS**

Mr. Lavoie moved, seconded by Mr. Palo, to transfer \$281,156 to the accounts outlined on the attached schedule provided by the Finance Director.

Vote: 6-0-0 motion carries

**09-17-25 to 9-17-36 FISCAL YEAR 2013-2014 YEAR END DIRECTOR'S TRANSFERS**

Mr. Lavoie moved, seconded by Mr. Palo, to transfer \$3,480 to the accounts outlined on the attached schedule provided by the Finance Director.

Vote: 6-0-0 motion carries

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

The Chair indicated that Mr. Henderson will be retiring and a copy of the job description was sent to everyone.

At the July meeting his database was presented and Mr. Henderson was asked to come back to update information and answer questions.

He indicated that going forward the database be used as a tool for follow-up to existing items. Some items have not been implemented due to the cost factor involved and would have to come before the Board of Finance. For example, larger priced items such software purchases or security cameras would need Board approval.

The Chair asked which audits were being finished so nothing will be in progress once he leaves. Mr. Henderson indicated he was working with the Chief regarding the overtime issue. He gave the Chief his findings and is waiting for his response. The Chair asked that any items needing follow-up be brought to conclusion rather than beginning any new project before he leaves.

Mr. Palo asked what was being done in regards to the finding that revenue detail is not being accounted for in the MUNIS system. Mrs. Pires responded that MUNIS is not integrated with Quality Data used in the Tax Department; therefore, she must do a journal entry manually at the end of each month. For a time, Quality Data was able to integrate with MUNIS; however, it has stopped and we have not had time to address it.

### **DISCUSSION ITEMS**

- Budget to Actual Expenditures – 2013-2014  
The report will need to be redone given the changes made tonight.
- Budget to Actual Expenditures – 2014-2015  
We are only into the new FY 2 months.
- Fund Balance Report – FY 2013-2014  
The Fund Balance Report needs to be revised and resent. The Fund Balance should now be \$16,378,704, which is 10.77% of expenditures, giving us a cushion of .77%.

### **APPROVAL OF MINUTES**

Mr. Palo moved, seconded by Mr. Kelly, to approve the minutes of the July 10, 2014 meeting as presented.

Vote: 4-0-2 (abstained: McHugh – Lavoie)

### **ADJOURNMENT**

By unanimous consent, the meeting was adjourned at 9:16.

Respectfully submitted,

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Phyllis C. Collier  
Board of Finance Clerk