

BOARD OF FINANCE
Approved Minutes
July 9, 2015

CALL TO ORDER

Chairman Hammers called the Board of Finance meeting to order at 7:00 pm 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
Lainie McHugh
Andrew Palo
Thomas Kelly (arrived at 7:05)
Roy Molgard
Bill Haberlin, Alternate
Karen Egri, Alternate

Absent

Vincent DeGennaro, Alternate
Paul Lavoie

Also present:

Maria Pires, Finance Director; John Ponzio, Treasurer; Stuart McCarthy, Director of Parks and Recreation; Jonathan Turk, Finance Committee Golf Course; Therese Keegan, Internal Auditor.

TOWN TREASURER'S REPORT

Mr. Ponzio gave his report and indicated the following:

- We made our budget of \$300,000 for the fiscal year.
- Interest for the month was \$24,590, which was higher than last year at this time.
- We have earned \$1.4 million over the last 5 years reducing the tax burden.
- Our cash balance is \$48.5 million compared to \$56.9 million last month, well within our cash flow analysis; June is one of our lowest collection months of the year.
- Tax bills went out the last week of June.
- We opened a new money market fund at Farmington Savings Bank earning 45bps. That is a 3% increase over what we are getting at TD and it is our plan to add \$2 million over the next week.
- \$726,750 quarterly pension payment made for the Police Department and a small \$106,000 pension payment made for the Town rather than the usual large quarterly payment of \$1.036 million. Since these funds are not needed for payout, we were able to invest them at the beginning of the month hoping to boost the return in the fund.
- On-line, we received 2.2 million in tax payments; 2 to 1 are on credit cards not e-checks and, since the credit card fee is higher, he is not sure why they are choosing to use credit card.
- \$90,000 payment made today in debt service; we have a \$10 million payment coming up in the first week of September.
- Debt is reducing under the Herbst administration and we should borrow less, if not the same this year, than last year's \$7.5 million. The Bonding sale is scheduled for late to mid- August.
- Mr. Ponzio indicated that TD is very much aware of what is going on with the promotion rate offered by Farmington Savings Bank and will most likely address it.

INTERNAL AUDITOR

Ms. Therese Keegan was welcomed by the Chairman, on behalf of the Board of Finance. as the new internal auditor. Ms. Keegan presented the Board with her summary of the following items that need to be addressed:

- Items needing follow-up on previous recommendations. Were implementations ever completed?
She will follow-up
- Items that the Chair indicated would need to be addressed.
- Items that were carried forward from previous years. Were they ever completed?

Based upon the list provided, the Chair initiated the following discussions:

- The topic of Police overtime came up at the time the Chief started and the Board told him he had until September to understand how the system worked and to address the issue. The Chair asked Therese to follow-up with Chief Lombardo.
- Leaf pick-up report currently encompasses everything and we would like a breakdown regarding equipment. Do we only use it for leaves or does it have another use? What is the labor cost and what would the staff be doing if not picking up leaves. Mr. Kelly indicated that he would like to know what would be saved if we eliminated leaf pick up. The audit in 2011 gave a cost of \$900,000; however, he is not comfortable with this figure and feels that we need to do a cost benefit analysis.
- Senior Bus Service needs to be reviewed. The buses are used to take seniors to the grocery store and doctor visits and it seems that there is always a bus parked outside, not being used, and perhaps we can use the service more efficiently. Ms. McHugh indicated that we should note if we are servicing enough people. The Chair added that it would be good to find out if we are servicing the same individuals each week, without mentioning any names.
- Mr. Palo indicated that he would like to know what how the Trumbull Tree Warden arranges his schedule for the year, along with clarification on how he uses the Town's money. The Chair indicated that this should be moved up as a priority.
- The Chair indicated that the Board of Education is working on a new Policy with the Policy Committee. The Policy Committee will then set up an Audit Committee. They would like to consult with our internal auditor and possibly have an overall risk assessment done. The Chair feels that they are looking at their procedures to determine if they need additional financial controls in place.

FISCAL YEAR 2015-2016 TRANSFERS

The Chair indicated Ms. Egri would be voting for Mr. Lavoie in his absence.

7-15-01

Ms. Egri moved, seconded by Mr. Molgard to transfer from account 01014200-501101 full-time salary \$1,200 to account 01014200-501103 seasonal temp salary \$1,200, for the purpose of hiring an intern.

Ms. Pires indicated that this was brought to the Board last month. They are in the process of interviewing so the intern will stay on.

Vote: 6-0-0 motion carries

7-15-02

Ms. Egri moved, seconded by Mr. Molgard to transfer from the Tashua Knolls Golf Enterprise Fund \$11,205 to account 21100000-501101 full-time salary \$11,205, to hire a superintendent to replace the assistant superintendent who resigned.

Mr. Turk spoke to the Board, indicating that they wanted to hire a superintendent instead of an assistant superintendent. They are concerned that in the event something happened to Mr. Nagashima they would not have the proper coverage at the golf course. They did not budget for the superintendent position and there might be a shortfall in the budget depending on when the individual is hired. They have not yet begun their search so the amount may change. The Chair indicated that if they wait until the search begins to ask for the funding, there will be a change in the Board members so she would like at least three members to be in agreement with the Board's decision.

The three members agreed and Ms. Egri moved, seconded by Mr. Molgard to table 7-15-02.

Vote: 6-0-0 motion carries

7-15-03

Ms. Egri moved, seconded by Mr. Molgard to transfer from the Tashua Knolls Golf Enterprise Fund \$20,000 to account 21100000- 581888 Capital Outlay \$20,000, to fund roof repair not previously budgeted.

Mr. Turk spoke to the Board indicating that ice damming caused considerable damage to the roof at the golf course, which will continue to be a problem if not corrected. They tried to repair the damage without putting in an insurance claim. Currently, there is no membrane in place to prevent the damage caused by the damming and they don't have the funds to fix it. He went on to add that although the roof is 20 years old and still has life, it needs to be replaced prior to winter in order to fix the ice damage.

Vote: 6-0-0 motion carries

7-15-04

Ms. Egri moved, seconded by Mr. Molgard to transfer from account 01080400- 522204 Contract Services \$58,250 to account 01080400- 501102 Youth – Part-time Salaries \$49,350 and to account 01080400- 522205 Youth – Program Expenses \$8,900 to cover the Youth Department activities.

Mr. McCarthy spoke to the Board asking for a transfer to accommodate the TYA activities, to restore them as previously done in the Parks and Recreation budget. In the short term, the program cannot run on a contractual basis. He believes moving the funds is prudent and they will be assessing the program going forward.

Vote: 6-0-0 motion carries

DISCUSSION ITEMS

Ms. Pires discussed the Fund Balance Report, which is a summary of what went on during the year. She indicated this is still a preliminary report, and went on to make the following points:

- \$209,000 requested in supplemental appropriations
- Revenue is over budget at \$761,764
- There is an estimated surplus of \$550,000
- The Fund Balance is currently 10.07%

Ms. Pires referred the Board to page 2 of her report, which contains an itemized list of the Supplemental Appropriations made during the Fiscal Year. She noted that the surplus in Revenue was derived mainly from Town permits. The Building Department came in \$315,000 over budget. The bottom portion of the report lists the departments that are over/under budget, netting \$6,000.

Ms. Pires went on to add that in order to protect our rating, the Fund Balance cannot go below 10%, and we are currently at 10.07%.

APPROVAL OF MINUTES

Ms. Pires indicated that we used a wrong department number last month to make a transfer.

The Chair indicated that since you cannot transfer between departments, the transfer is invalid.

Ms. McHugh moved, seconded by Mr. Palo to add an item to the Agenda in order to void transfer 6-15-03, since you cannot transfer from one department to another, and to reflect the correct department account number.

Vote: 6-0-0

Ms. McHugh moved, seconded by Mr. Palo to void transfer 6-15-03 and substitute account number 01022000 for 01013600 to correctly complete the transfer 6-15-03.

Vote: 6-0-0

Mr. Molgard moved, seconded by Ms. McHugh, to accept the Minutes of the June 11, 2015 meeting as presented.

Vote: 5-0-1 (Egri) motion carries

ADJOURNMENT

By unanimous consent the meeting was adjourned at 8:04 p.m.

Respectfully submitted:

Phyllis C. Collier
Board of Finance Clerk