

**BOARD OF FINANCE
Minutes
March 10, 2011**

CALL TO ORDER

Acting Chairman Mark E. Smith 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.

Members present and absent were as follows:

PRESENT

Vice-Chairman, Mark E. Smith
Steven C. Lupien
Ken Martin, Jr.
Andrew Palo
Tom Tesoro
Alex Remson, Alternate
Perry Molinoff, Alternate
Cindy Penkoff, Alternate

ABSENT

Elaine C. Hammers

Also Present

Director of Finance, Maria T. Pires
Town Treasurer, John L. Ponzio
Town Internal Auditor, James Henderson
Director of Public Works, John Marsilio
Chief of Staff, Daniel Nelson
First Selectman, Timothy Herbst
TEMS Chief of Service, Barbara Crandall
Trumbull PS Plant Administrators, Steve Kennedy and Al Barbarotta

PUBLIC COMMENT

Pamela Discko, 4956 Madison Avenue, spoke briefly in favor of the First Selectman's reduced budget recommendation and presented a petition with 127 signatures to the Board.

APPROVAL OF MINUTES – February 10, 2011

The Chairman noted that he could not find a provision that we need to vote on the minutes; simply approve. It was noted that the name **Pankoff** be changed to **Penkoff**. The minutes unanimously approved, as amended.

ELECTION OF OFFICERS

The Chairman noted that the board needed to elect a new secretary since the current secretary, Andrew Palo, moved up to Vice Chairman once the Vice Chairman moved up to Chairman.

Cindy Penkoff nominated Tom Tesoro, who declined. Tom Tesoro moved to nominate Ken Martin Jr.; seconded by Cindy Penkoff. The motion carried 5/0/1 (Absent: Hammers).

TREASURER'S REPORT

Mr. Ponzio presented the report. Discussion followed regarding bank fees incurred during the last 2 fiscal years and the procedures implemented to reduce these costs. It appears that these procedures did not result in the savings anticipated. Mr. Ponzio will research the fees further and present findings to the Board in April. Request made to set-up separate line item to record these expenses. Motion made by Mr. Lupien, seconded by Mr. Tesoro to accept the Treasurer's Report. The motion carried 6-0.

DISCUSSION ITEMS

Internal Audit Plan

Mr. Henderson presented the Internal Audit Plan, for the fiscal year ended June 31, 2012.

The Chair indicated that the Health Insurance eligibility audit is the current priority. Mr. Henderson indicated that the audit completion date is June 2011, before open enrollment. The Chair indicated that they draft a priority list. He also requested Mr. Henderson apprise the Board weekly with progress and inform them when he begins a new audit.

Discussion followed regarding the objectives of the Public Works audits:

- Public Works revenue sources: how do we get paid; where does it go i.e., recycling; leaf mulching
- Leaf pick - up program needs to be added to priority list of audits. Need to perform audit with regard to actual hard costs incurred to the Town; soft costs (opportunity costs), equipment and material costs.
 - What would it cost the Town to cancel the leaf program
 - Leaf mulching program at Indian Ledge
 - What Town would gain in liquidation of trucks, equipment, etc.
 - Are we doing it in the most cost effective manner
- Public Works: spare parts-costs and inventory on hand; maintenance; purchasing and work orders. Audit to identify areas where Town can save on costs
- Determine the last time town did a use and drive audit of town vehicles

Discussion followed regarding the following objectives of the Time and Attendance audit:

- Input errors on timesheets
- Misunderstanding on part of employees as to how to complete timesheet

The Chair asked Mr. Henderson to package audit in order to identify loss due to the current processes. How does this actually save us money? Need to identify risks we are taking and what these are costing the Town:

- Liability issues
- Timeliness issues

The Chair indicated that Mr. Henderson put the leaf pick- up audit on the priority list. Mr. Henderson asked to complete the audit regarding the leaf pick up by the April meeting, or at the latest, the May meeting for further analysis by the Board.

The Chair assigned the following priorities:

- Health insurance
- Leaf pick-up
- Use and drive audit of town vehicles
- Time and Attendance
- Public Works (both audits)
- Senior Center
- Fuel and energy consumption

5 Year Capital Improvement Plan

Discussion followed regarding the following:

Public Works Capital Budget

- Transfer station improvements
- Pre-engineered garages
- Salt/sand shed
- Trucks/leaf vacuum/backhoes (spent 1.1 million this year)
 - Going forward, would request every truck over 20 years old be replaced
 - Currently 9 trucks that are 20 years old and over

- Nature Center
 - 1.1 million for 2012
 - Currently no existing plans

Board of Education Capital Budget

- The capital budget actually started in 2007 when a thorough review regarding upgrades was completed; all the handicapped and fire code updates are now complete
- We must set our priorities each year; space is our #1 priority; after that, it is the boiler rooms, roofs and everything in between
- Roofs are now passing their life expectancy
- \$108,000,000 capital expense originally identified did not include the high school renovation
- We should have state approval to qualify the THS project as a “like new renovation”
 - Eligible for 30% of \$60 million, or \$20 million in state funding
 - Costs on THS project started at \$73 million; the pool was removed from the plan, so it is now at \$64 million but since \$4-4.25 million is for contingencies, we are at \$60 million or \$8 million under
 - Town Council approved the following:
 - Concession Stand
 - Solar project, on roof- \$1 million. State Grants available once you get design approved by the state
- Our school buildings use the most energy; companies will come in and assist with lowering costs
 - Behavior modification
 - Cost saving measures can cut 20-40%
 - No-cost measures
 - Low cost measures, i.e., replacing equipment
 - Grant requests
- We look at our capital budget and, we make recommendations to the BOE
 - In setting priorities, it is important to know how much can we afford to do each year
 - We prioritize by building – what is the most important – and then we schedule out over a 5-year period
 - How much can we afford to do each year is based on what we are allocated towards capital expenditures
 - Each year, we take the amount allocated and focus on priorities

EMS Capital Budget

- Brief discussion about repairs related to code and safety issues, i.e., replacing doors and windows
- Regional call center concept is no longer viable

Electricity Contract

The Town signed up for a 5-year energy contract. We are currently paying 9.77 per watt when the market rate is 7+

Create 3 accounts maintained by BOE

The Chair spoke about creating 3 new accounts. We are going to carve out of the BOE budget the insurance, utility and energy accounts and put them into an Agency Account, on the Town side. Setting up these accounts will provide the following benefits:

- Gives the Board better understanding of these accounts
- Remove from the BOE operations budget; i.e., we might be able to negotiate a better insurance deal since the Town can be more aggressive
- Better understanding of curriculum costs
- Removes volatility from the cost of education

Mr. Palo requested the Chairman ask Mr. Iassogna and Mr. Lovely to write a letter confirming their agreement with this idea.

Year to Date Budget to Actual Report – February 2011

The \$700,000 spent for the snow removal (roofs) may be recouped from the insurance. In addition to insurance reimbursement, there is a possibility the Town will receive FEMA funds.

Fund Balance Report – February 2011

There were no comments.

Update on snow account

As of March 2nd the General Fund – Snow Removal account had a balance \$60,448.29. There were no further comments.

Energy Audit – Public Works

- \$50,000 expense
- Energy savings
- Energy uses need to be evaluated

ADJOURNMENT

There being no further business to discuss, Mr. Tesoro moved to adjourn, seconded by Mr. Palo. The Board of Finance adjourned by unanimous consent at 9:40 p.m.

Respectfully submitted,

Phyllis Collier
Clerk, Board of Finance