

BOARD OF FINANCE
Minutes
July 14, 2011

CALL TO ORDER

Chairman Elaine 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.

Members present and absent were as follows:

PRESENT

Chairman, Elaine Hammers
Steven Lupien
Cindy Penkoff, Alternate
Alex Remson, Alternate
Paul Lavoie
Ken Martin, Jr.
Tom Tesoro
Andrew Palo

ABSENT

Perry Molinoff, Alternate

Also present: First Selectman, Timothy Herbst; Maria Pires, Director of Finance; Mr. Edward Lovely, Chairman – Board of Education; Stephen Sirico, Board of Education; Dr. Gary Cialfi, Board of Education

PUBLIC COMMENT

- Lannie McHugh - 132 Fresh Meadow Rd - in support of appropriation
- Brenda Windsor - 185 Old Dike Rd - supports of restoring computer paraprofessional to Frenchtown School
- Cory Lionetti - 185 Old Dyke Rd - supports restoring computer paraprofessional to Frenchtown School
- Sarah Togany - 24 Green St - supports restoring computer paraprofessional to Frenchtown School
- Larry Stowe - 35 Gilbert Drive - supports an additional \$193000 to restore 6 computer paraprofessionals to all elementary schools
- Nick DiTulio - 39 Old Field Road - supports reinstating freshman sports
- John Walsh- 28 Stone House Road - supports reinstating freshman sports
- Cindy Katske - 129 Meadowview Drive - supports appropriation as requested
- Jason Magnotti - 8132 Avalon Gates - supports reinstating computer paraprofessionals
- Irene McGreachy - 52 Ravin Road - supports reinstating education cuts
- Charlotte Janis - Principal, Tashua School - supports reinstating second secretary in Tashua school
- Laura Palinkas - 23 Colony Avenue - in favor of reinstating computer paraprofessional at Frenchtown school

- Bobbie Kinn - Tashua Elementary School - in favor of reinstating administrative staff
- Julie Howes - Whitney Avenue - in favor of reinstating freshman sports

The Chair indicated that the Board of Finance approves the appropriation of funds; however, the Board of Education makes the decision how to allocate the funds. The Board of Finance does not decide which programs or positions the Board of Education reinstates.

FISCAL YEAR 2011-12 SUPPLEMENTALS

Mr. Martin moved, seconded by Mr. Lupien, to approve the appropriation of \$477,056 from the Unrestricted Fund Balance to account 01060000-522205 - Board of Education Program Expenses.

1st Selectman Herbst indicated he supports the appropriation. We have a surplus this year in the education budget, so we are taking this money already budgeted for education and redirecting it back to education.

Dr. Cialfi indicated that the Board of Education spent considerable time discussing how to use the unspent funds. They develop budgets on an annual basis, as well as on a three-year plan, and they continually analyze as they go forward. They also realize that the bar continues to rise due to the expectations of the workforce and those of higher education. Progress monitoring of work orders and invoices gives them a closer look of how they are doing.

Mr. Lovely indicated that the budget process has been particularly difficult this year. To determine how to allocate the funds was not easy, but these items are covered. The BOE cut 4 teachers, and can reinstate 3. The number of courses eliminated and students shut out at the high school was surprising and the BOE is reinstating English, Social Studies, and World Languages.

Mr. Lupien indicated \$193,000 would be needed to reinstate 6 computer paraprofessionals in the elementary schools. Mr. Sirico validated these numbers. Mr. Lupien asked who would fill the void and Dr. Cialfi indicated that staff members would be used, which would take them away from teaching. In addition, some equipment would not be used without the paraprofessional.

Mr. Sirico indicated, when asked by Mr. Palo, that over the next several months the surplus number will not change significantly. Mr. Lavoie asked where the difference in the budget was identified and Mr. Sirico responded that the surplus is budget vs. actual -17% was under spent from the transportation for kindergarten and special education; 26% was over spent from Legal Fees.

Ms. Penkoff asked if all schools had the same computer system as Frenchtown, and going forward how did the BOE plan to handle funding cutbacks by the state. Dr. Cialfi indicated that the school equipment was the same, and going forward they would look at the budget process, and strategic planning.

Mr. Lovely indicated that in the next 3-4 years the student population would drop by approximately 250. In addition, the BOE is looking into combining services with the custodial and maintenance services of the town as well as with the insurance providers.

Ms. Penkoff asked how much the BOE receives from government agencies, which goes directly to the BOE, and how do they plan to compensate if it is cutback. Mr. Sirico indicated that they receive \$2.2 to \$2.3 million each year and he does not foresee these amounts dropping since they have gone up each year for the past 10 years.

Mr. Martin asked if three paraprofessionals could work in 6 schools, questioning what each earned and why they were not on the list. He then asked which items comprised numbers 7, 8, 9, and 10 on the list and which number represented the paraprofessionals. Dr. Cialfi indicated that the list was compiled using 2 criteria - the items where the students were hit the hardest and the connectedness they must have in school. Dr. Cialfi indicated that they earned approximately \$32,000; they were either 7 or 8 on the list; and it is possible to use 3 in 6 schools as they do with the secretaries.

Ms. Remson asked for clarification regarding the 78 vs. 50 new high school freshman students. Dr. Cialfi indicated that 25 additional students require one additional teacher; we have an additional 78 freshmen students coming in this year. Many are not going to private schools and others are moving into the Town.

Mr. Tesoro asked if the Fund Balance included the surplus amount. Mrs. Pires indicated it did not. She mentioned that there is a potential surplus of \$500,000. His indicated that we should consider these educational requests on their merits.

Mr. Lavoie asked if we reinstate these programs this year are we going to be able to afford them next year. Mr. Sirico indicated that we can show you what we budgeted and what we spent. It is not unrealistic to be over or under a certain percentage. Mr. Lovely indicated that not spending \$500,000 very good; it is only .6 of 1%. Dr. Cialfi reiterated that it is an annual budget but we do look 3 years down the road.

Mr. Lupien suggested a motion to increase the appropriation by \$193,000. Mr. Palo indicated concern that the BOE would not use the funds for that purpose. Mr. Tesoro agreed with idea to pursue. First Selectman Herbst indicated that we should consider that we have met all requirements of the Freedom of Information Act prior to any discussions.

Mrs. Hammers asked if all the computer equipment were the same in all the elementary schools. In addition, she questioned where the line item in the budget coincided with the supplemental request for freshman sports, etc. Dr. Cialfi indicated that the equipment in Frenchtown was more sophisticated since it was newer. Mr. Sirico indicated that there was no budget line item for the freshman sports, etc.

Mr. Lovely indicated that he would support the reinstatement of the paraprofessionals, although he could not speak for the Board, and he would include it on the agenda for the Tuesday.

The Chair called a recess at 8:45 p.m. The Chair reconvened the meeting at 9:00 p.m.

Mr. Lupien moved, seconded by Mr. Tesoro, to amend the existing appropriation of \$477,056 from the Unrestricted Fund Balance to account 01060000-522205 - Board of Education Program Expenses by \$193,000 to \$670,056.

Mr. Tesoro indicated that since we have already invested in the equipment we should look at this on its merit. Mrs. Hammers indicated that next year debt service will be up \$1.7 million, teachers will be getting a raise, and no one believes there will be anymore state aid.

Vote: 3-3 (against: Hammers, Martin, Lavoie) Motion Fails

Mr. Martin moved, seconded by Mr. Palo, to add \$35,000 to the existing appropriation of \$477,056 from the Unrestricted Fund Balance to account 01060000-522205 - Board of Education Program Expenses for a total \$512,056.

Mr. Martin feels that there was a large turnout and plea for reinstating a paraprofessional at Frenchtown and would like to increase the account by \$35,000. Mr. Tesoro indicated that it would not be fair to the other schools. Mr. Lupien understands Mr. Martin's motion; however, we are telling the BOE to choose one paraprofessional; we do not know that the BOE will use the funds for that reason nor do we know if they will reinstate the paraprofessional. Ms. Penkoff indicated that even if we gave them \$193,000 they would not have to use the funds for that reason. Perhaps they should go back and review their list. Mr. Martin agreed that they cannot tell them what to do; however, there seemed to be a lot of support for this, and Mr. Lovely seemed to support it also. Mr. Martin couldn't support \$193,000, but he could support \$35,000. Mr. Tesoro mentioned that any money we give to the Board of Education is well spent. Mrs. Hammers indicated that it

difficult for the BOE to decide how to spend the funds and that they spend a lot of time and effort before coming to a well thought out decision. The Board of Finance does not have the right to tell the Board of Education how to spend their funds.

Vote: 5/1 (against: Hammers) Motion Passes.

Motion as amended to approve a supplemental appropriation in the amount of \$512,056 - Vote: 6/0 Passes as amended.

FISCAL YEAR 2011-12 TRANSFERS

Mr. Tesoro moved, seconded by Mr. Lavoie, to transfer \$1,074,689 from account 01060000-511151 BOE Fringe Benefits - Medical to 01060000-522205.

First Selectman Herbst indicated that he would be sending a letter on behalf of both Boards to work on getting ready for next year's budget looking at the big ticket items and pulling out the real non-education costs.

Mr. Tesoro indicated that he feels we need to eliminate this account without threat from the Town Council.

Mr. Lovely indicated that, at a Board of Ed meeting in May, they endorsed combining insurance and maintenance with the town. Mrs. Hammers mentioned to Mr. Tesoro that eliminating a line item is not the answer; by not passing the budget we gave the power to the Town Council. Mr. Tesoro indicated that he feels they made a mistake and it needs to be corrected.

Vote: 6/0 Motion Passes

Mr. Martin moved, seconded by Mr. Lavoie, to transfer \$21,517 from account 01080600-501102 to 01080600-522203. Mr. Palo objected that no one from the department was there to explain the transfer.

Vote: 3/3 (against: Tesoro, Lupien, Palo) Motion Fails

FISCAL YEAR 2010-11 TRANSFERS

Mr. Lupien moved, seconded by Mr. Martin, to approve the following transfers in the Library Dept.:

From account number 01070000-501101 Library Full Time Salaries - \$5,095.00
From account number 01070000-501102 Library Part Time Salaries - \$5,545.00
To account number 01070000-578802 Library Equipment - \$10,640.00
From account number 01070000-534401 Library - Office Supplies - \$333.00
To account number 01070000-522205 Library - Program Expenses - \$333.00
From account number 01070000-501102 Library - Part time Salaries - \$9.00
To account number 01070000-501401 Library - Supplies - \$9.00

It was explained that the primary reason for the savings was on individual out on a family leave.

Vote: 6/0 Passes unanimously, as amended

APPROVAL OF MAY 23, 2011 MINUTES

Mr. Tesoro moved, seconded by Mr. Martin, to approve the amended minutes from the May 23, 2011 meeting. Vote: 5/0/1 (abstain: Lupien)

APPROVAL OF JUNE 9, 2011 MINUTES

Mr. Lupien moved, seconded by Mr. Lavoie, to approve the minutes from the June 9, 2011 meeting. Vote: 3/0/3 (abstain: Mr. Tesoro, Mr. Palo, Mr. Martin)

INTERNAL AUDITOR'S REPORT

Mr. Henderson presented an update to his insurance audit.

Recommendations made:

- Periodic scheduling of going out to bid; it does not make sense to go out to bid each year
- Pooling of town insurance with Board of Education
- Standards for documentation of eligibility for dependents; divorces
- Transition from Health Net to Anthem and re-enrollment – dependents dropped in error; 12 individuals with problems
- New employees will be required to submit more documentation to verify eligibility

Mr. Henderson indicated that he would be working on the Town vehicle audit next.

APPROVAL OF TOWN TREASURER'S REPORT

Mr. Ponzio presented the Town Treasurer's Report.

- We have close to our forecast of \$25,000
- We made some changes with Janney Montgomery Scott
- We moved a little over \$3 million into government backed securities for a better return
- Cash balances doing quite well at 25 and 30 points
- TD Cash balances are offsetting fees of \$10.8 million –tax receipts go through here
- Shortest collection months of the year – May and June
- \$4.3 million in first 2 weeks of July collected
- Bond sale later in August; need figures from WPCA
- Forecast \$275,000

DISCUSSION ITEMS

- Fund Balance Report for June 30, 2011
- Expenditure Year-To-Date Budget Report for June 30, 2011
- Revenue Year-To-Date Budget Report for June 30, 2011

OLD BUSINESS

The Opinion Letter concerning legality of resolutions approved May 12, 2011 prepared by Joe Fasi was discussed.

The Chair indicated she had been given erroneous information and there was never any Charter change being considered for Mrs. Pires regarding her internal threshold for making transfers.

The Chair also indicated that she had discussed the Leaf Pick-up with the 1st Selectman and it was going to be discussed further with Mr. Marsilio.

ADJOURNMENT

There being no further business to discuss, the Board of Finance adjourned by unanimous consent at 10:00 p.m.

Respectfully submitted

Phyllis Collier