

**BOARD OF FINANCE
MINUTES
October 13, 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.

PUBLIC COMMENT

Karen DelVecchio – 31 Sunnyridge Parkway – Trumbull, CT

Ms. DelVecchio, Executive Director, Trumbull Chamber of Commerce, spoke in support of the town adding a permanent, full time Economic Development Director position. She cited the good work done in the past by the former director, who was a consultant, emphasizing the need for this work to continue.

Members present and absent were as follows:

PRESENT

Chairman, Elaine Hammers
Andrew Palo
Alex Remson, Alternate
Perry Molinoff, Alternate
Paul Lavoie
Tom Tesoro

ABSENT

Steven Lupien
Ken Martin, Jr.
Cindy Penkoff, Alternate

Also present: Maria Pires, Director of Finance; John Ponzio, Treasurer; John Marsilio, Director of Public Works; Warren Jacques, Tree Warden; John Barbarotta, Plant Administration.

The Chair indicated that Ms. Remson would be voting for Mr. Martin and Mr. Molinoff would be voting for Mr. Lupien.

TOWN TREASURER'S REPORT - John Ponzio

Mr. Ponzio reported, citing the following occurrences in September:

- Bond sale mid-month brought us in a net of 23-24 million. We sold bonds to pay outstanding notes and to expenses in connection with the high school and sewer project. We expect both projects to be completed by this time next year. This should reduce the financing for next year.
- We sold 26 million in bonds this year to payoff notes and went out for 28 million in notes to pay off continuing obligations for the high school, sewers and GIS.
- This is the month when we do most of our bonds and financing, incurring major expenses.
 - 8.9 million came due in principal and interest; we needed to pay to reduce our debt; however, we increased debt by 26 million due to sewers and high school.
 - 5.2 million paid out to O&G Construction for the high school.
 - Mr. Sirico, the BOE business manager, was able to work out a deal with the transportation company. He will pay in 2 installments rather than monthly for a savings of \$70,000.
- Rates went down this month; we were earning 30 bps, which has dropped to 20 bps. We negotiated a rate of 25 bps and our compensating balance needed to keep reduced fees was reduced from \$10.8 to \$7.0 million. Good, considering where rates are.
- We invested .5 million in Government backed securities; rates on Fannie and Freddie are up to 3%.
- Merrill Lynch built up about \$200K in cash; invested \$250K in government backed securities; we are now up to \$7.7 million in government investments; trying to maintain our revenue stream.
- State Investment Fund is up to about 30 bps; therefore, we will be transferring TD funds at 25 bps to SIF at 31 bps.

The Chair asked if \$7.7 million was the limit that we can invest with Merrill Lynch according to our investment policy. Mr. Ponzio indicated that there was no limit; however, we don't know what the market is going to do. The investment advisors seem to think that investing 10% of available cash is the norm with other municipalities that they deal with.

Mr. Molinoff questioned why we don't invest more with the government-backed securities given the higher interest rate. Mr. Ponzio indicated that he did not have the same confidence level that he has with other investment opportunities.

Mr. Molinoff questioned what the actual savings would be to the BOE given the loss of interest incurred by paying the transportation bill ahead of time. Mr. Ponzio indicated that we would save \$70,000 on the first installment, and we would recognize a higher rate of return than if we invested the funds over the 9-month school period.

The Chair requested the Board table following supplemental appropriation and transfers until the next meeting, since Judge Chiota could not attend the meeting this evening.

FISCAL YEAR 2011-12 SUPPLEMENTAL APPROPRIATION

10-11-01	Charter Revision Commission	FROM:	Unrestricted – Fund Balance	2,500
		TO:	01010300-522202 – Professional Services Costs associated with Charter Revision	2,500

FISCAL YEAR 2010-11 TRANSFER

10-11-04	Charter Revision Commission	FROM:	01010300-545502 – Communications-Public Reports	2,230
		TO:	01010300-522202 – Professional Services Costs associated with Charter Revision	2,230

FISCAL YEAR 2011-12 TRANSFER

10-11-05	Charter Revision Commission	FROM:	01010300-522201 – Clerical Fees	166
		FROM:	01010300-545501 – Communications – Legal Notices	1,500
		TO:	01010300-522202 – Professional Services Costs associated with Charter Revision	1,666

Mr. Tesoro moved, seconded by Mr. Molinoff, to table the Charter Revision Commission supplemental appropriation and transfer requests until the next Board of Finance meeting.

Vote: 6-0-0 Motion passes

SUPPLEMENTAL APPROPRIATION

10-11-02	Tree Warden	FROM:	Unrestricted Fund Balance	62,000
		TO:	01080800-522205 – Program Expenses 01080800-578806 – Emergency Services Tree removal services related to storm damage	12,000 50,000

Mr. Palo moved seconded by Mr. Tesoro to approve a supplemental appropriation of \$62,000 from the Unrestricted Fund Balance to 01080800-522205 – Program Expenses for \$12,000 and to 01080800-578806 – Emergency Services for \$50,000.

Vote: 6/0/0 Motion passes

Mr. Jacques indicated that we have spent \$25,000 to date in clean-up as a result of tropical storm Irene and we anticipate incurring another \$25,000 in expenses. In addition, during the months of July and August we spent \$12,000 in emergency services, leaving us a balance of \$8,000 in that account. The tree maintenance account balance of \$65,000 was still intact as of July 1, 2011, since we have only spent \$1,000; however, we have committed to approximately \$30,000 in winter work that is for the removal and repair of trees during the winter months. We are asking for a supplemental appropriation of \$50,000 for clean-up from the storm and to restore the emergency account to the original amount of \$20,000.

Mr. Marsilio indicated that it was a good time to discuss the issues surrounding the tropical storm with the Board of Finance, which include the future requisitions and line items that may come up and how we have the opportunity to recoup the funds.

He indicated that we have requested \$300,000 from FEMA in claims. These include \$15,000 for the removal of downed trees and \$50,000 for tree service, which Mr. Jacques has requested. In addition, the PWD has spent a great deal of money in overtime during the storm and with leaf removal fast approaching this account will soon be exhausted.

The Chair indicated that if we are reimbursed by FEMA the funds that Mr. Jacques requested, we can put these funds into the General Account to be used towards Mr. Marsilio’s expenses.

Mr. Tesoro asked what the FEMA process involves in order to be reimbursed.

Mrs. Pires indicated that the FEMA application is done and we are in the process of putting together the information that FEMA requested, which we need to complete it by October 28, 2011. Dawn Savo is working on this and once completed FEMA will get back to us.

In answer to Mr. Tesoro’s next question, Mrs. Pires indicated that she did not know how long it would take to receive the funds. The Chair indicated that FEMA seems to be responding rather quickly to those individuals who have put in claims. Mr. Marsilio added that most likely FEMA would respond to towns after responding to individuals first and waiting for FEMA may take too long to fund department needs.

Mr. Palo questioned the costs, especially the \$25,000 for the transfer station. Was this due to the large quantity of brush piling up in the transfer station? Mr. Marsilio indicated that since there was a power outage they needed to transport the material by truck to Milford. There are acres of brush at Indian Ledge that need to be ground. He indicated that this \$25,000 expense would probably jump to \$40,000. They are currently in the process or preparing all the paperwork to support all of the expenses. He feels that FEMA will not reimburse us this fiscal year and we will need funds for the overtime account.

Mr. Molinoff questioned what work was not done in order to accommodate the storm clean-up. Mr. Marsilio indicated that paving work drainage was disrupted by the storm and people were taken off brush removal and put on paving.

The Chair indicated that we would not wait for FEMA and that Mr. Marsilio should come back next month for a supplemental appropriation for the overtime account.

Mr. Barbarotta from THS spoke regarding the snow damage to the school roof incurred over the winter months. They shoveled the roofs, which resulted in damage to the new roof. We are still litigating with two insurance companies. There are two different manufacturers and two different types of roofs. We have lost our 20-year warranty on the new roofs. We are anxious to get the repair work done and hopefully we can get the repair work done soon.

Mr. Molinoff asked if there were any other options available to cleaning the roofs. Mr. Barbarotta indicated that we could hire roofers to remove the snow. Ms. Remson asked how the damage occurred and he indicated that using plastic shovels damaged the roof.

The Chair indicated that FEMA has reviewed the damage. In addition, she indicated that the Madison roof has been settled.

Mrs. Pires indicated that Builders Risk insurance is going to cover part of THS, and so far, we have received \$71,000. The balance of those claims is still pending. In answer to Mr. Palo's question, all funds will be applied against the expense incurred.

SUPPLEMENTAL APPROPRIATION

10-11-03	Economic Development Commission	FROM:	Unrestricted Fund Balance	14,760
		TO:	01013400-511150 – Fringe Benefits FICA	4,080
		TO:	01013400-511151 – Fringe Benefits Medical	10,680
			Fringe Benefits associated with new Economic Development Director Position	

Mr. Palo moved seconded by Mr. Tesoro to approve a supplemental appropriation of \$14,760 from the Unrestricted Fund Balance to 01013400-511150 – Fringe Benefits FICA for \$4,080 and to 01013400-511151 – Fringe Benefits Medical for \$10,680.

Vote: 6/0/0 Motion passed

First Selectman Herbst spoke in support of a creating a permanent position for the Economic Development Director, indicating that it was very difficult to recruit the most qualified person if the position remained at its current consultant status. He indicated that the Economic Development Commission voted unanimously to make this a full time position, and they are looking to hire the most qualified person to fill the position as soon as possible. He went on to add that this position should remain open until after the election, since this person will work very closely with the First Selectman and should be someone hired by the administration in office at that time. He also stated that the added cost of a full-time person would be offset by the lateness of hiring someone and the fact that no one has been in the position since June. He did not feel that this should be a union position.

Mr. Sathur, a member of the Economic Development Commission, also spoke in support of creating this position. He indicated that the Commission supports this as a full time position since it sends a message that we take this function seriously.

Mr. Molinoff asked what the basis was for making this change from contractor to full time and what the feedback was.

Mr. Sathur indicated that the Commission felt that it would make a statement that we are taking this seriously and we are committed. The First Selectman added that we had a good Economic Development

Director who left for a job with benefits and employee status, which is proof positive that we should make that commitment.

Mr. Tesoro indicated his agreement. He went on to add that it should have been done two years ago and it should be done quickly. He feels the First Selectman is correct in wanting to wait until after the election.

Ms. Remson asked if this is a union position or an appointed position in other communities. The First Selectman responded that in both Stratford and Fairfield the First Selectman appoints the Economic Development Director.

Mr. Tesoro indicated that he agrees that it should not be a union position, but feels the Town Council and the First Selectman should define the parameters of the position and the Board of Finance should only deal with funding the position.

The Chair went on to add that she agrees that we need the position and that it should be an employee. The Chair indicated that she also shares the concern that the individual has to work very closely with the First Selectman, and therefore, the First Selectman must have a level of comfort working with this individual. She went on to add that town positions almost always wind up being a union position, and therefore, it becomes almost impossible to remove the person if there is a problem. She feels that Attorney Dugas will guide us satisfactorily in making sure this does not become a town position.

The First Selectman indicated that he would have Attorney Dugas begin working on this immediately, and if necessary, have the Town Council vote on this being an appointed position.

FISCAL YEAR 2011-12 TRANSFER

10-11-06	Economic Development Commission	FROM:	01014600-522202 – Services & Fees – Professional	53,336
		TO:	01014600-501101 – Salaries FT Nov 2010-June 2011 - 8 months Economic Director status change to employee	53,336

Mr. Molinoff moved seconded by Mr. Tesoro to approve the transfer of \$53,336 from 01014600-522202 – Services & Fees – Professional to 01014600-501101– Salaries FT for \$53,336.

Vote: 6/0/0 Motion passes

DISCUSSION ITEMS

BOE Update on Administrators Contract - Ralph Iassogna and Floyd Dugas

The Chair indicated that Mr. Iassogna has responded in writing, and if there are any questions, they should be addressed to Mr. Tesoro, who served as the representative.

Expenditures Year-To-Date Budget Report for June 30, 2012

Mrs. Pires addressed the Public Works item on page 14, indicating that the overtime account balance is \$3,700, and the item on page 23, indicating the Emergency Services balance is -\$3,000.

OLD BUSINESS

Update on concert

Mrs. Pires responded to questions regarding the concert that was cancelled.

Costs not reimbursed:

\$ 19,511 - Advertising
2,700 - Plane Tickets
5,249 - Personnel ticket sale desk

Total costs not reimbursed = 27,433

Carryover from last year = 75,000

Carryover to next year = 48,174

of tickets sold = 1,935

of anticipated lost ticket sales = 1,900

Total # of tickets = 3,835

Ticket sales needed to break even = 3,300

Sponsorship revenue lost = 12,500

Beer = 10,000

Vendors = 3,500

Total lost Revenue = \$26,000

Senior Center Security System

Mrs. Pires indicated that in conversation with Mr. Parks, it was determined that the damaged door needs to be repaired before a security system can be installed. Mr. Palo noted that the Town Council approved \$7,500 for the security system; however, in speaking with Mr. Parks, he was told that is not enough to install the appropriate security system. Mr. Tesoro indicated that he feels this needs to be done quickly.

Other

- Mrs. Pires provided Mr. Tesoro with a list of vehicles that he had requested. He will call her with any questions.
- The Chair indicated that Mr. Henderson is working on his report, but it will take a while to complete since he is doing a manual inventory.
- Mr. Palo asked that an update on the paving program be added to the Agenda for next month along with an explanation of Quality Based Services by Mr. Marsilio.

APPROVAL OF MINUTES - September 8, 2011

Ms. Remson moved seconded by Mr. Lavoie to approve the September 8, 2011 minutes.

Vote: 4 - 0 - 2 (Mr. Palo and Mr. Molinoff abstained)

ADJOURNMENT

There being no further business to discuss, the Board of Finance adjourned by unanimous consent at 8:25 p.m.

Respectfully submitted

Phyllis Collier
Board of Finance Clerk