

**APPROVED
BOARD OF FINANCE
MINUTES
JUNE 13, 2013**

CALL TO ORDER

Chairman Hammers called the Board of Finance meeting to order at 7:09 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

Board of Finance members:

PRESENT

Elaine Hammers, Chairman
Andrew Palo
Paul Lavoie
Tom Tesoro
Susan LaFrance, Alternate
Vincent DeGennaro, Alternate
Dave Rutigliano

ABSENT

Steve Lupien
Cindy Penkoff, Alternate

Also present: Timothy Herbst, First Selectman; Maria Pires, Finance Director; Jim Henderson, Internal Auditor; Coleen Figliuzzi, Director of Nursing; Joseph Laucella EMS Director

The Chair indicated that Mrs. LaFrance will be voting for Mr. Lupien.

TOWN TREASURER'S REPORT – John Ponzio

The Chair indicated that Mr. Ponzio would not be here to present his report due to illness; however, he provided a copy of the written report.

INTERNAL AUDITORS REPORT – Jim Henderson

Mr. Henderson presented his Special Agency Funds report, as follows:

- Reviewed 60+ special agency accounts; some go back as far 10-15 years.
- There is an appendix attached showing the date of last activity.
- In reviewing these accounts, he feels that those with no activity should be closed out.
- Many of these had no history available due to employee turnover.
- Some had little history left to look at.
- He identified some of the funds and gave a background on how they were used and what they were used for. At the time, they were set up for a specific reason and now are not being used.

The Chair noted the Telecommunications account that was set up in 2002 and has not been used since 2007 for siting deposits. She asked if that was set up when the Tower was first installed. Mr. Henderson thought this was the case.

Mr. Tesoro noted that there are funds in the Feral Cat Neutering account, although the program is no longer in effect. The program relied on veterinarians to volunteer to neuter the animals. It was suggested that someone should speak with the Animal Control Officer regarding this. Mr. Henderson mentioned that he has spoken to Mr. Lavernoch making him aware of the funds in the Economic Development special agency account.

He went on to add that he will need to sit with Ms. Pires to collapse and close these accounts; they can then present the findings to the board.

Ms. Pires indicated that they will need to see if the account is necessary; there may be restrictions on using these funds elsewhere if they were obtained from donations.

It was noted that the Beautification Commission is no longer in existence and the Parks Department would like to use these funds. The Chair indicated that these accounts were set up by the finance director at the time with funds outside of the budget; these funds may have been from donations, grants, or trusts and not necessarily tax payer money. We didn't create nor did we fund these accounts.

Mr. Tesoro suggested that there be some type of discipline surrounding the use of these funds going forward.

Ms. Pires indicated that the Copying Fees account has a negative balance of \$10,089.86, since the account was originally used to fund the lease for the copy machine and the demand for copies declined.

Ms. Pires indicated that she would look into the Expendable Police account, which as a balance of \$196,847.34.

The Chair indicated that some of these accounts may need to stay in effect. Some are small amounts that were donations and may be needed to address issues going forward, i.e., repairs to the Vietnam Memorial.

Ms. LaFrance asked if there is a list of what is currently going out of the recreation accounts. Mr. Henderson indicated that funds are being transferred from special agency accounts and transferred to the general fund if there is a deficit in the budget account. Ms. LaFrance asked why extra revenue from Recreation doesn't go back into the General Fund. The Chair indicated that at the end of the year, the special agency account lets them offset any deficit, and if over, they keep it in the account next year. Ms. LaFrance indicated that she thinks we should look at these accounts more closely. Ms. Pires indicated that between \$80-90,000 is taken out of the account each year to cover deficits.

Mr. Palo asked what the time frame is to implement the Action Plan for this. Mr. Henderson reiterated that he would need to sit with Ms. Pires in order to address these issues.

AUDIT PLAN FY 14—BOARD OF FINANCE APPROVAL – Jim Henderson

Mr. Henderson presented this Audit Plan for FY 14 and indicated that it needed to be approved by the Board of Finance.

The Chair asked how he follows up on recommendations that he has made as part of an audit. He indicated that he goes back after six months to evaluate and see if the changes have been made and how they are doing.

Mr. Palo asked when the Counseling Center was last audited. The Chair indicated that it might be difficult given HIPPA laws. Mr. Henderson indicated that he could look at revenues are collected and how time is being utilized. The Chair indicated that things have changed so much over the last 20 years that perhaps it should be revisited.

Mr. Lavoie moved, seconded by Mr. Tesoro, to accept the Audit Plan FY 14 as presented by Mr. Henderson.

Vote: 6-0

6-13-01 To consider and act upon a resolution entitled:

RESOLUTION APPROPRIATING \$4,200,000 FOR TRUMBULL POLICE DEPARTMENT IMPROVEMENTS (2013) AND AUTHORIZING THE ISSUE OF \$4,200,000 BONDS OF THE TOWN TO MEET SAID APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE

6-13-02 To consider and act upon a resolution entitled:

RESOLUTION APPROPRIATING \$275,000 FOR TOWN INFORMATION TECHNOLOGY IMPROVEMENTS (2013) AND AUTHORIZING THE ISSUE OF \$275,000 BONDS OF THE TOWN TO MEET SAID APPROPRIATION AND PENDING THE ISSUANCE THEREOF THE MAKING OF TEMPORARY BORROWINGS FOR SUCH PURPOSE

Mr. Rutigliano moved, seconded by Mr. Tesoro, to table items 6-13-01 and 6-13-02.

Vote: 6-0

F/Y/E 2013 SUPPLEMENTAL

6-13-03	Ethics Commission	FROM: Fund Balance	\$ 5,000
		TO: #01010200-522202 Professional services	\$ 5,000
		Ethics commission to hire independent legal counsel	

Mr. Lavoie moved, seconded by Mr. Tesoro, to transfer \$5,000 from the Fund Balance to account 01010200-522202 Professional Services.

Attorney Thomas E. Lee, Chairman of the Ethics Commission indicated that the Commission needs to hire independent counsel. Currently there is a pending complaint making it necessary to seek counsel outside of the town attorneys.

Vote: 6-0

F/Y/E 2013 SUPPLEMENTAL

6-13-04	Coleen Figliuzzi Director of Nursing	FROM: Fund Balance	\$9,660
		TO: #01060200-501102 Salaries-PT	\$2,277
		#01060400-501104 Salaries-Vacation	\$7,383
		Due to the vacancy of the Director of Nursing's position	

Mr. Lavoie moved, seconded by Mr. Tesoro, to transfer from the Fund Balance \$9,660 to 010600-501102 Salaries Part time \$2277 and to 01060400-501104 Salaries-Vacation \$7,383 to cover full time salary for a nurse who was budgeted part time.

Mrs. Figliuzzi explained that the previous Nursing Director reduced a 20 year full time nursing position to part time and budgeted accordingly. The position was then restored it to full time during the summer and paid as such, and now we are short funds.

The Chair indicated that this should have been brought to the attention of the Board of Finance when the position was restored, not when the funds have already been spent. In addition, she thinks the account salaries-vacation is misleading as it is actually used as the substitute nurse account and perhaps we can change the account number to reflect the true use. It was noted that this was all done prior to Ms. Figliuzzi taking the position as Nursing Director.

Vote: 6-0

F/Y/E 2013 TRANSFER FROM CONTINGENCY

6-13-05	Coleen Figliuzzi Director of Nursing	FROM: #01013800-511160 Contingency	\$12,598
		TO: #01060200--501101 Salaries-FT	\$12,598
		Retirement payout for accumulated sick time	

Mr. Lavoie moved, seconded by Mr. Tesoro, to transfer from the Contingency account 01013800-511160 \$12,598 to account 01060200-501101 Salaries-FT \$12,598 for the retirement payout of accumulated sick time.

Mrs. Figliuzzi explained that there were not enough funds in the budget to cover the accumulated sick time payout for a nurse that retired.

Vote: 6-0

F/Y/E 2013 TRANSFER

6-13-06	Coleen Figliuzzi Director of Nursing	FROM: #01060400-501101 Salaries-FT	\$ 2,448
		TO: #01060400--501102 Salaries-PT	\$ 2,082
		#01060400-501104 Salaries-Vacation	\$ 103
		#01060400-567703 Transportation	\$ 260
		Due to vacancy of the Director of Nursing's position	

Mr. Lavoie moved, seconded by Mr. Tesoro, to transfer \$2,448 from 01060400-501101 Salaries-FT to 01060200-501101 Salaries-FT \$2,082 to 01060400-501104 Salaries-Vacation \$103 to 01060400-567703 Transportation \$260.

Mrs. Figliuzzi indicated that she spent more time traveling than was budgeted, due to meeting employees, and attending meetings. In addition, they were using more substitute nurses since one of the full time nurses was covering the director's position. It was also noted that some funds were taken from the wrong account.

Vote: 6-0

F/Y/E 2013 TRANSFER

6-13-07	Thomas Kiely, Chief of Police	See attached Year end transfers	\$ 32,871
---------	-------------------------------	--	-----------

Mr. Lavoie moved, seconded by Mr. Tesoro, to transfer from Salaries-Perm PT 01022000-501102 \$7,734-- Salaries-vac-weekend 01022000-501104 \$15,143--Salaries-Longevity 01022000-501106 \$1,191--Uniform Cleaning 01022000-501887 \$2,508--Service & Fees Ancillary 01022000-522203 \$1,612--Maintenance/repair serv contr 01022000-578801 \$4,683--for a total of \$32,871 to Salaries-college incentive 01022000-501109 \$12,000--Salaries-shift Differential 01022000-501112 \$2,584--Uniform Allowance 01022000-501888 \$10,029--Materials & Supplies \$238--Professional Dev-Inservice 01022000-556603 \$3,680--Professional Dev-Publications 01022000-556604 \$ 210--Maintenance Repairs/Program 01022000-578803 \$60--Capital Outlay 01022000-581888 \$3,000--Annual Rentals 01022000-589901 \$1,070--for a total \$32,871 year end transfers.

When asked, Deputy Chief Harry indicated to the Chair that they would need a supplemental to cover salary accounts next month. Mr. Palo asked for an explanation of the larger accounts; Mrs. Pires indicated there was an explanation attached for the transfers and the supplemental would be done in July, since the wages would need to be taken from the contingency, and she is waiting for the final figures.

Deputy Harry indicated that the \$12,000 transfer to College Incentive represents a \$2,500 tuition reimbursement, for each new hire during the school year, once classes are completed with a C or better. This serves as an incentive for them to continue their college education. Up until now, officers were given a certain amount of money for having credits; and those individuals are grandfathered in.

The Chair indicated that based on the figures in the supplement spread sheet provided, there is a deficit of \$155,207. Ms. Pires indicated that this includes a deficit in overtime of \$274,309 and other salary related accounts for a total of \$425,117, which is offset by a contingency of \$259,110 and a maintenance/repair account which leaves a net of \$155,207. She went on to add that some of this could be storm related and some might be reimbursable, but we are not sure of the amount.

Mr. Palo asked if they were still using the same dry cleaners, since funds were being transferred from the account. Deputy Chief Harry indicated that the contract is currently out to bid.

Deputy Chief Michael Harry indicated that the overtime overage resulted due to a person in the records division being out on worker's compensation. They brought back a full time, retired person that to train a new full time person.

Vote: 6-0

F/Y/E 2013 TRANSFER

6-13-08	Lynn Dellabianca	FROM: #01022400-501102 Salaries-PT	\$ 3,031
		TO: #01022400-501105 Salaries-OT	\$ 3,031
		Due to PT employee on Long Term illness	

Mr. Lavoie moved, seconded by Mr. Palo, to transfer \$3,031 from 01022400-501102 Salaries-PT to 01022400-501105 Salaries-OT \$3,031 due to part time employee on leave with long term illness.

Ms. Dellabianca indicated that her part time employee suffered a stroke last year and has since resigned because they were not able to get medical clearance to return. During that time, she was paying overtime and has now moved the temporary employee into the part time position; she feels that there will be enough in the budget to get through the end of the year.

Vote: 6-0

F/Y/E 2013 TRANSFER

6-13-09	John Marsilio	FROM: #01030100-501101 Salaries-FT	\$ 8,000
		TO: #01030100-501103 Salaries-Seasonal	\$ 8,000
		Additional seasonal due to FT employees on workers compensation and work load in department	

Mr. Lavoie moved, seconded by Mr. Tesoro, to transfer \$8,000 from 01030100-501101 Salaries-FT to 01030100-501103 Salaries-Seasonal \$8,000, for additional seasonal workers due to FT employees on worker's compensation and work load in department.

Ms. Pires indicated that there was a need for additional seasonal workers to assist with the debris removal, since several FT employees out on worker's compensation.

Vote: 5-1 (against: Palo)

F/Y/E 2013 TRANSFER

6-13-10	Joseph Laucella Director of EMS	FROM: #01022600-522202 Professional Services	\$ 40,000
		TO: #01022600-501102 Salaries-PT	\$ 25,000
		#01022600-581888 Capital Outlay	\$ 15,000
		Transfer funds to part time salaries and to purchase new vehicle for EMS Director.	

Mr. Lavoie moved, seconded by Mr. Tesoro, to transfer \$40,000 from 01022600-522202 Professional Services to 01022600-501102 Salaries-PT \$25,000, 01022600-581888 Capital Outlay \$15,000 to pay part time salaries and to purchase a new vehicle for the EMS Director.

Ms. Pires noted that the 522202 account number is correct, but the description should be Professional Services not Salaries-FT.

Mr. Laucella indicated that when he first started in the end of March, he brought in a temporary staffing company to work with part time employees. At that time, there was a transfer made from Salaries-PT to Professional Fees and since the part time staff has been working more and the staffing company less, so we are putting the funds back into the Salaries-PT account.

When asked by the Chair, Mr. Laucella indicated that when he first started they were covering 70% of their calls each month and are up to 91%. Last May, they deposited less than \$60,000 and this May in excess of \$100,000. In addition, they have added 18 new volunteers since late March and have gone through the process of trying to purchase a new vehicle. We had \$150,000 set aside for a new vehicle and were able to get a vehicle to meet our needs for \$89,000 saving quite a bit of money. In addition, we have been getting out into the community, meeting with seniors, etc.

Vote: 6-0

F/Y/E 2013 TRANSFER

6-13-11	Joseph Laucella Director of EMS	FROM: #01022600-578802 Maintenance-Repair	\$ 2,000
		TO: #01022600-501888 Uniform allowance	\$ 2,000

Mr. Lavoie moved, seconded by Mr. Tesoro, to transfer \$2,000 from 01030100-501101 Salaries-FT to 01022600-501888 Uniform allowance \$2,000 for new uniform shirts.

Mr. Laucella noted that new uniform shirts were needed to replace the existing ones; need to look professional.

Vote: 6-0

F/Y/E 2014 SUPPLEMENTAL

6-13-12	Timothy M. Herbst, First Selectman	FROM: Fund Balance	\$65,000
		TO: #01013800-522202 Professional services	\$65,000
		Forensic Audit of the THS-As New	

Mr. Lavoie moved, seconded by Mr. Tesoro, to transfer \$65,000 from the Fund Balance to 01013800-522202 Professional services \$65,000 for a forensic audit of the THS-As New High School.

First Selectman Herbst addressed the Board of Finance indicating that he is here as a result of the Town Council request for forensic audit services for the **Trumbull High School As New Project**. Earlier this month we went before the Town Council to propose to them a firm to conduct this audit.

In early and late 2012 we began receiving complaints concerning the ongoing issues with the Trumbull High School renovation project. In early 2012, the Board of Education unanimously adopted a resolution where they voiced their concern on how the project was being handled and managed.

Shortly thereafter, the Trumbull Education Association, through their president Tammy Baillargeon, sent a letter to the Trumbull community voicing their concern and displeasure and with how the project was being administered and they articulated their frustration with specific issues related to the construction. Their comments and sentiments echoed those expressed by the teachers and administrators at the high school over the last several years.

Based upon the feedback received and the large amount of tax payer money involved along with the reimbursement that we are trying to secure and our desire to get this project done according to our specifications, etc., there was a collective decision that an audit be performed.

The Board of Education, along with the Superintendent, was in agreement that this audit needed to be done. A selection panel was assembled, consisting of members drawn from the three principle boards as well as the high school administrators, town attorneys and town officials, and an RFP issued. Four firms were interviewed and two firms were unanimously recommended—Weinstein & Anastasio and Grant Thornton. The low bid was Grant Thornton.

Over the last 5 years, the Town has had to intercede in issues that we should not have had to get involved. Going forward, we have 8 additional schools that will eventually need work and we don't want to repeat our mistakes.

- Community Pool; we spend a lot of money on architectural work spent thinking we would be reimbursed; now we are being told it has to be curriculum related to use the pool during the day
- Over on completion schedule by one year
- Driveway and sidewalks at the high school were done by the Town. We stepped in and saved in excess \$1,000,000; were the plans adequate and why did we have to step in to reduce the cost
- Generator issue; the Chief was very specific that in the interest of public safety, we needed a generator that would allow the town to use the high school as an emergency shelter. We have since found out 4 years later during a walk-through found out quite by accident that this will not be taking place.
- Roof units have issues, presenting unique problems in the auditorium with regards to completing the construction; there is leaking and bursting pipes
- Concession stand – the Town had to step in

- Issues with the floors; we increased a bond to allocate additional fund for grinding the terrazzo floors and only now are we being told that they will be polished only
- Architectural issues; “filtration wing” 8 water fountains lined up in a row that no one can explain; department chairs and administrators saying their recommendations for what should be included are not being met.

We want this to go before the Town Council in July and a contract negotiated; the firm will not be retained until August so we will be able to have this done without interfering with the summer construction. It is critical to make sure that we don't repeat our same mistakes; we want to correct these issues while they are still here.

We need to start the process before the construction is completed. We want this started while construction is still going on. Grant Thornton works with Thomas Harden who has an exceptionally strong background in school construction, similar to what we are doing.

Mr. Palo indicated that Grant Thornton is highly regarded in the financial world. He went on to add that summer programs scheduled this year for the high school cannot take place there since construction is still ongoing. Mr. Herbst indicated that our high school functions as a community center for the Town. He went on to add that the construction has gone on too long; there are problems with the architects and with the contract administration. No review was done with respect to the “As built” drawings according to the Building Committee; they were presented the night of the meeting and approval requested.

Mr. Herbst went on to add that Attorney Jeffrey Donofrio who is a very construction lawyer with contracts etc., was hired and he was then told that the decision was made that his services would not be needed during the process. Since it is very important given what we are spending to have legal counsel involved, he indicated that he was not sure who made that decision, and he wanted to know why this happened. He went on to add that we will need a protocol in place, since we will have to renovate the remaining town schools.

Mr. Palo asked if the State performs an audit. Mr. Herbst told him yes, but not as extensive as what we are proposing tonight. The State is pulling back on resources and at the local level we need to protect ourselves. If you exceed change orders by 5%, the State can refuse reimbursement, and we are very close to that now. Mr. Herbst indicated that he wants to make sure we don't jeopardize reimbursement.

Mr. Tesoro indicated that this audit is a very good idea; he had done a walkthrough and can see things that need explaining. He also feels that Grant Thornton will serve our town very well.

Mr. Herbst indicated that for the record he supports the audit of Contract IV North Nichols project and it needs to look at the pre-construction phase, construction phase and the post-construction phase. He will absolutely support this audit, and with any audit in the Town as well, he feels that all three phases need to be addressed for cost overruns.

Vote: 6-0

DISCUSSION ITEMS

- Trumbull Day –Transferred funds to create an account for Trumbull Day, granting the Trumbull Day Commission access to the account, for an RFP for fireworks and rides

Mr. Tesoro indicated that his objection came about through a possible miscommunication regarding the fireworks funding when the next day consultants were hired at \$.01 below the bid limit. He was made aware that others knew of this and he feels that everyone on the Board should have been made aware.

- Year to Date Budget to Actual Report – Expenditures FY 2013

Storm Sandy reimbursement; we are 75% complete with debris removal; therefore, we requested an extension pending the remaining 25%. The estimate total spent on Sandy is about \$659,000 of which 75% will be reimbursed by FEMA or \$495,000.

Police EMS and the generator will be \$286,000 of which \$250,000 will be reimbursed. We are in the process of gathering the information for Nemo.

The Overtime salaries are over budget due to the storms and reimbursement will be used to reduce this. We will do a transfer first and then come for a supplemental.

- Fund Balance Report

Ms. Pires indicated that she was comfortable with the \$632,000 increase in revenue; not able to review expenditures as of yet.

APPROVAL OF MINUTES – February 14, 2013; March 14, 2013; April 11, 2013; May 9, 2013; May 23, 2013

February 14, 2013

Mr. Palo indicated that on the top of page 5 should read Mr. Palo.

Mr. Rutigliano moved, seconded by Mr. Tesoro, to approve the minutes as amended.

Vote: 4-0-2 (abstained: Rutigliano, Hammers)

March 14, 2013

Mr. Rutigliano moved, seconded by Mr. Lavoie, to approve the minutes as presented.

Vote: 6-0

April 11, 2013

Mr. Lavoie moved, seconded by Mrs. LaFrance, to approve the minutes as presented.

Vote: 6-0

May 9, 2013

Mr. Lavoie indicated that the votes on page 7 need to be changed from 6-2-0 to 4-2-0.

Mr. Lavoie moved, seconded by Mr. Rutigliano, to amend the minutes.

Vote: 6-0

Mr. Lavoie moved, seconded by Mrs. LaFrance, to approve the minutes as amended.

4-0-2 (abstained: Lavoie, Rutigliano)

May 23, 2013

Mr. Lavoie moved, seconded by Mr. Tesoro, to approve the minutes as presented.

Vote: 5-0-1 (abstained: Rutigliano)

ADJOURNMENT

By unanimous consent, the meeting adjourned at 9:00 pm.

Respectfully submitted,

Phyllis C. Collier
Board of Finance Clerk