

**BOARD OF FINANCE
Minutes
November 12, 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. The Chair then thanked all the Veterans who were present for their contribution, since yesterday was Veteran's Day.

ATTENDANCE

Present

Elaine Hammers, Chairman
Paul Lavoie
Roy Molgard
Bill Haberlin, Alternate
Lainie McHugh
Andrew Palo
Thomas Kelly
Karen Egri, Alternate
Vincent DeGennaro, Alternate

Absent

Also present:

Maria Pires, Finance Director; John Ponzio, Treasurer; John Annick, BEI/TCT; Kate Donahue, BEI/TCT; Byron Campbell, BEI/TCT; Lynn Arnow, Chief of Staff; First Selectman, Timothy M. Herbst.

PUBLIC COMMENT

First Selectman Timothy M. Herbst came before the Board of Finance to congratulate Mr. Haberlin on his election and to publicly thank the Town Treasurer, John Ponzio who was elected with him in 2009. He credited him with being the architect of a plan to refinance existing debt as well as being instrumental in bringing the Pension reform that you see now in the Town of Trumbull. At the time they took office, the Pension Fund was funded at 27%. Through his efforts, he and the First Selectman were able to come up with a Plan to fully fund the Annual Required Contribution through the operating budget while also working to change the employee labor agreement so all new hires would go into a Defined Contribution Plan. These are the reasons that at a time when State and Federal credit was being downgraded, Trumbull saw an upgrade in their credit rating. It is a testament to his leadership in this regard and he thanked him on behalf of all Trumbull residents for all of his hard work because the Town of Trumbull is much better off financially than it was 6 years ago and it was in a large part due to John Ponzio.

TREASURER'S REORT – John Ponzio

Mr. Ponzio thanked First Selectman Herbst for giving him the opportunity to assist the administration in the areas mentioned, as well as several others. Many have thought the Treasurer's job was a part time position where you come in and move money around on a Thursday morning. With the First Selectman's support, he was able to make some changes. He went on to wish the First Selectman and his team much success over the next two years indicating that will be available, if needed, and then went on to add that he truly appreciated his comments.

Mr. Ponzio discussed the following items:

- October is a quarterly collection month and we did very well. Our cash balance increased from \$49.7 million at the end of September to \$62.2 million at the end of October.
- The use of the web portal for tax payments continues to increase, and contributed to a very smooth collection month, most noticeably over the last few days of the month.

- Interest earned for the month was \$28,398, an increase of \$5,544 over this same month last year.
- Interest year to date is \$18,000 ahead of last year, and we are in good shape towards making our budget this year, which is \$50,000 higher than last year.
- He was able to invest \$250,000 in a CD at 64 basis points; a first, since he has never been able to get over 55 bps. He feels that the Feds will probably increase rates before the end of the year.
- The Pension is currently at \$28.5 million. The Board has adopted a conservative investment strategy and we have made changes to the investment managers and portfolio, which has positioned us to weather any events that may occur in the market. We are happy with our investment managers and we continue to monitor the portfolio regularly to see if there are any changes we should make.
- We use the STIF, i.e., the State Treasurer's Investment Fund for unspent Bond funds and currently it now contains all of the unspent Bond funds that were available. Today, he moved \$ 616,000 and there is currently a balance of \$6.5 million.

Mr. Ponzio thanked the Board of Finance for their hard work and attention to detail. He also congratulated those who had won the election and went on to thank the Board for having him on board for the last six (6) years.

The Chair expressed her thanks and gratitude to him on behalf of the Board of Finance and went on to add that she agreed with all that had been said by the First Selectman regarding his time with the Town. She went on to add that it was nice to receive a concise report and have a comfort level with all that he did and she was sure that he would pass it off in great hands.

Mr. Ponzio indicated to the Board that the dedication of the Finance Department, specifically Maria Pires and her staff do not get the recognition that they deserve. They are consummate professionals. Whenever he ask for something he received it; when it is budget time and they are going crazy and he needed something he would always get it. Maria and her people are always there for you and he wanted it to go on the record how much of a pleasure it has been working with Maria and her staff over the last six (6) years. The Town is in very, very good hands with the Director of Finance.

Mr. Palo also expressed his thanks going back to when they first devised the form currently being used for the Treasurer's report.

11-15-01

Mr. Lavoie moved, seconded by Mr. Molgard, to appropriate \$37,748 from the fund balance to account number 01060600-581888 B.E.I. Capital Outlay \$37,748.

Vote: 3-3-0 motion fails (against: Hammers, Lavoie, Molgard)

Ms. Kate Donahue, Mr. John Annick and Mr. Byron Campbell spoke to the Board on behalf of the BEI/TCT regarding the request for funding for a new system to replace the video recording system in the Council Chambers at the Town Hall. Mr. Palo requested a history of what had been done and when with the equipment.

Mr. Annick indicated that the current three camera system was installed in September 2004 along with the additional equipment to enhance the ability to see. A new audio system was installed last year. Ms. Donahue indicated that there was still a problem with the audio system due to the problem with the camera system.

Mr. Annick indicated that various Boards have asked to see more of what is going on. Mr. Campbell indicated that they do not want to replace the audio system just the upgrade, which will allow for better audio and more visual. Mr. Molgard asked if they receive donations; they responded no, and in addition they do not have advertising income. Mr. Annick indicated that they serve the community, government and education sectors. Mr. Campbell indicated that with the upgrade they will be able to broadcast live and stream it.

Mr. Kelly inquired about High Definition. Mr. Campbell indicated that the request for HD cameras was less than it would have been for SD cameras. Mr. Palo asked where the wall mounted display monitors would be. Mr. Campbell indicated that different requests have been coming in from different boards, not just the Planning and Zoning Commission. The new camera would provide for live streaming and you would be able to watch the meeting on an I-phone, android, etc.

Mr. DeGennaro asked if the audio would be integrated and Mr. Campbell indicated that it would. Mr. DeGennaro then asked if the overheads would be eliminated once the system was integrated with television. Mr. Campbell noted that if it is needed, they would leave it; otherwise, television. Mr. DeGennaro also asked about WIFI and was told that it wouldn't take place immediately but it would be looked into eventually. Mr. DeGennaro asked if they would be using the internet bandwidth to broadcast out of here, and was told yes.

Mr. Lavoie indicated that he hoped they were coming to the Board of Finance for a supplemental as a last resort and asked what other measures they have taken to obtain funding. Mr. Annick indicated that the equipment didn't fail until after the budget was done. He was told by Carl Massaro to apply to the Mallet Trust for funding. Lynn Arnow, Chief of Staff, pursued the Mallet Trust and was informed that the funding was no longer available for this year. This is only the second equipment request the station has made where the Town has been asked to provide funding. Each month, there is a \$7 charge in your cable bill which goes towards a Grant and you need to request funding where you must compete with all Towns. Mr. Lavoie asked if they had looked into leasing. Mr. Campbell indicated that you could lease but it would cost the same if you went for a loan. You can do buyouts but the leasing is higher and they didn't look into it. This system has been installed for 10 years, so the idea is the next system will also be here for 10 years and it could be used if the Town Hall were to move or expand.

The Chair asked about the funds from the \$134,000 grant received from the State. Mr. Annick indicated that \$84,000 went to the studio at THS and the remaining to the other 2 high schools in the Town. Mr. Campbell indicated the equipment is used for both the Town and the school. He went on to add that the new monitors would be on the walls facing the audience and would make sure the second one was in the front.

Ms. McHugh asked why they can't wait until the next budget. Mr. Annick indicated that they have been in the process since May to get this equipment. The Chair indicated that May was after the budget season and they should wait until the next budget season or try again to the Mallet grant. She is not comfortable with making the supplemental at this time.

Vote: 3 – 3 motion fails (against: Hammers, Lavoie, Molgard)

DISCUSSION ITEMS

Fall Festival – 2015

Ms. Arnow indicated that she was proud to say we came back under budget, but we are pretty disappointed with the revenues. The weather was not with us; however, we did very well from noon to about 5:30 pm when the weather turned. We were very proud of our sponsorships and their assistance. Overall, she would have to call the event a success. We also had assistance from other towns so we were able to keep expenses down. She went on to add that she feels it would be a good idea to hold it in the fall. We also promoted the Arts Festival and kept the two events separate. When asked about the \$22,000 that was reduced to \$15,000, Ms. Pires indicated we added \$15,000 to the existing \$7,000 balance.

Mr. Kelly indicated that since the \$15,000 wasn't necessary in light of what we just did with TCT the \$15,000 should revert to the General Fund this year. Ms. Pires indicated that the books are closed and we are being audited so there is no way we can go back and move the funds. She went on to add that it would be used as start-up money for next year. Mr. Kelly indicated that the revenues and expenses

should match each event; therefore, next year there should be a separate budget request and the \$15,000 should revert to the General Fund now.

The Chair asked if the funds were in a Special Fund account. Ms. Pires indicated that it was put in the operating budget, to be transferred to the Special Fund account for the Fall Festival, so it is outside the budget. The Chair indicated that it was not necessary to move the funds back to the General Fund.

Ms. McHugh asked if a date had been set for next year and if a committee has been set-up. She went on to add that the funds should be returned to the General Fund. Ms. Arnow indicated that we should start going out to bid for next year now, since amusement vendors do not favor doing 1 day events. Ms. McHugh asked who would be taking ownership of the event for next year and did we want the Town employees to get involved again. She went on to ask how these issues get decided upon before you put money into an account.

The Chair indicated that Ms. Arnow would need to ask the First Selectman how he wants it to be handled and if it will be in the budget next year, since those issues are not the responsibility of the Board of Finance. Until then, all decisions regarding the funds will be put on hold, since we are still waiting for the auditors to tell us how funds can be moved in and out of that fund. She then thanked Ms. Arnow for her very detailed report.

Fund Balance Report FYE 2016

Ms. Pires indicated that we have an unaudited balance of \$16,644,081, since the auditors are still auditing the books. We had a \$25,000 supplemental last month; \$15,000 for Fall Festival and \$10,000 for the Senior/Library building committee. If the appropriation request of \$37,748 was approved this evening the Fund Balance would have been at 10.34%.

Mr. Lavoie indicated that \$579,590 is our cushion in the fund and although \$37,748 isn't a lot of money, this fund should be used for emergency purposes and he is not comfortable with having only a \$579,590 cushion given what can happen with the weather and any other unforeseen events over the remainder of the fiscal year.

Mr. Kelly agreed that we needed a cushion; however, we do have \$1 million in the Police Special Detail account to use. He understands that we cannot use funds from that account unless the expense is related to special detail but we can transfer the funds into the General Fund.

Ms. Pires noted to Mr. Kelly that we cannot move these funds into the General Fund unless it is done through the budget process. We can decide to use funds in that account as a revenue item during the budget process.

Mr. Lavoie went on to add that using these funds for operating expenses would create a funding cliff. You need to use those funds in that account for one-time expenses. Mr. Kelly went on to add that the Special Detail account should be an Agenda Item. He feels that we need to address the \$1 million dollars in the account and we need to figure out what is the best use of those funds and how we deal with it.

Ms. Pires reminded him that we just used \$100,000 in funds from that account to purchase two vehicles for the Police Department. Mr. Kelly indicated that the fund keeps growing. The Chair concurred that the fund will continue to grow but there will be expenses every year and once we get to the right balance point the same amount will come out each year. The Chair went on to add that the funds are not just "sitting there" but are being invested. We have asked the auditors what are considered legitimate uses and how can we move the money.

Mr. Lavoie indicated that there is a Police Special Detail Revenue and Expenditure Report in the Agenda Package that shows the fund has gone from \$1.5 million in FY 14 to \$748,000, which means we have taken roughly over one-half the fund over the last two years and invested it either into the budget or the police department and he believes that we are using those funds judiciously. He does agree with Mr. Kelly that we should continue to review the fund; however, he doesn't want to see the Police Special

Detail fund used as the rainy day fund. It defeats the purpose of having a good, healthy General Fund and getting great ratings from bonding agencies.

Year to Date Budget to Actual Report – Expenditures FY 2016

Ms. Pires indicated there are some overtime accounts that are over budget due to vacant positions; however, once the full time positions are filled funds will be transferred. Planning and Zoning currently fall under this category.

Mr. Lavoie noted that Workers Comp is currently at 52%; Ms. Pires indicated that we are currently settling a lot more claims at this time and it is not a straight line. She indicated that it was too soon to determine if that account would be over budget.

Mr. Palo asked about the overage in the Public Works Seasonal Salary budget and Ms. Pires indicated that she would need to look into it.

Year to Date Special Agency Funds Report – FYE 2016

Ms. Pires indicated that she asked the Auditors how other towns were handling their accounts. Ms. Keegan has been asked to perform an audit at the Board of Education in two areas where revenue increased and expenses declined. The Chair indicated that she wanted Ms. Keegan to stay involved with those departments that she has audited. Mr. Lavoie indicated his support and Mr. Palo indicated that he wants to make sure that she gets to everything we have asked for.

The Chair indicated that if you want Ms. Keegan to address any issue to please contact the Chair via e-mail and copy the rest of the Board members.

APPROVAL OF MINUTES

By unanimous consent, the Board of Finance moved to accept the minutes of the October 8, 2015 meeting as presented.

OTHER

The Chair thanked Mr. Lavoie and Ms. McHugh wishing them the best in their future endeavors. Mr. Palo thanked Mr. Lavoie for being a part of the great communication process of the Board of Finance and commended Ms. McHugh on how well she did while she was on the Board. Mr. Lavoie thanked the Chair and indicated the Board of Finance will be in good hands with her at the helm for the next four years. He indicated to Ms. Mc Hugh that it took him a good year to become full aware of all that went on with the Board, and he went on to thank and commended Ms. McHugh for the positive contribution she made in the short time she was with them. Ms. McHugh indicated that she enjoyed working to understand the role each department plays and how it flows relates to the budget process.

ADJOURNMENT

Mr. Molgard moved, seconded by Mr. Palo, to adjourn the meeting at 8:10 p.m.

Vote: 6-0-0 motion carries.

Respectfully submitted,

Phyllis C. Collier
Board of Finance Clerk