

**BOARD OF FINANCE
MINUTES
SEPTEMBER 8, 2011**

CALL TO ORDER

Chairman Elaine Hammers called the Board of Finance meeting to order at 7:05 p.m. at the Town Hall, Trumbull, Connecticut. All those present joined in the Pledge of Allegiance.

PUBLIC COMMENT

There was no public comment.

Members present and absent were as follows:

PRESENT

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

ABSENT

Andrew Palo

Also present: Maria Pires, Director of Finance; Jim Henderson, Internal Auditor

TOWN TREASURER'S REPORT - John Ponzio

Ms. Pires presented the Treasurer's Report in Mr. Ponzio's absence.

- The Town successfully sold \$26,310,000 of GO Bonds at an aggregate rate of 3.06% and \$28,550,000 of GO Notes for .28%.
- We will use funds to pay off outstanding one-year notes taken last year in September.
- There is a possibility that we can do some refinancing.
- We are earning 2.71% on investments.

DISCUSSION ITEMS

--BOE Update on Administrators Contract - Ralph Iassogna and Floyd Dugas

The chair indicated that this is not being brought up today. The Board of Ed and the Union members have come to an agreement but they have not voted on it, so they cannot come back and have this discussion with us. They will let us know when they have ratified it and then they will come back to us. In response to Mr. Lupien's question if there is a timing issue, the chair indicated that their return to us in a courtesy; only the Town Council has to vote.

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

- This is a 2-month expenditure report.
- Mr. Lupien asked if we could get costs related to the storm. Mrs. Pires indicated that we were getting that information together.
- The costs may be material and significant overtime was incurred.
- We are currently tracking the overtime and we are applying to FEMA to see if we can get any help.
- There was overtime incurred at the Senior Center and Highway as well as the Police Station.
- We may also have to hire outside people to come in and assist with the clean-up.

INTERNAL AUDITOR'S REPORT - Jim Henderson

Mr. Henderson presented his report, giving the following summary for the record:

- Reviewed all passenger vehicles in the fleet.
- Prepared an analysis grouping the vehicles by year manufactured, showing the number of vehicles and the percentage of the fleet represented.
- The report indicates miles driven, by vehicles, broken down by percentage of vehicle by year; 28% of the vehicles - 1999 or older.
- The vehicles were grouped by department; however, the information used was at least one year old. The vehicles may have been shuffled around since that time.
- Findings:
 - Formal Fleet policies and procedures manual.
Indicates that we should have a more formal fleet policy. We need a more detailed statement that describes the vehicle maintenance process.
 - Decentralized vehicle maintenance for public school vehicles.
The vehicle maintenance is still not under one umbrella. The police vehicles became part of the Town maintenance once the mechanic at the police department left. Only the Board of Education is separate at this time. These vehicles should be brought under the Town.
 - Age of the Passenger Fleet.
Indicates that 28% to 29% of the vehicles in the fleet are 12 or more years old. We have an older fleet with some vehicles not being used as much as they should. By instituting a capital policy to address this issue, we should be able to rectify this over a period time. We could possibly eliminate vehicles from the fleet. In 2010, we held a sale for vehicles not being used. This is something we should probably look at every year.

The chair noted that table 2 shows the age of the vehicles and table 4 shows the annual miles driven and asked if we can somehow link the two together to derive how much overall mileage is actually being used. Mr. Henderson replied that most of the mileage is on the older vehicles. Mr. Lupine asked if the overall the mileage a function of miles driven or age? Mr. Henderson indicated that it is both - miles driven due to how the vehicles are being driven and age.

Mr. Tesoro indicated that it would give us a clearer picture if we keep track of the costs associated with maintaining and operating each vehicle. In addition, he indicated that a record should be kept on each driver and a background check should be performed before giving an employee a company vehicle. Ms. Pires indicated that we are currently doing a vehicle/driver inventory. Mr. Lavoie asked whose jurisdiction the fleet came under and was informed that it currently falls under public works.

Mr. Lupien asked why the Board of Education vehicles were not included in the audit. Mr. Henderson indicated that some of the vehicles were leased and not included because the scope of the audit was focused on the Town specifically, without the Board of Education being included.

Mr. Henderson indicated it was to be a Town vehicle audit. Mr. Lupien then asked how we could reconcile the findings that we should combine maintenance, etc., without an audit of the Board of Education vehicles. He went on to add that the report covered only 1/3 of the vehicles; it did not include trucks or BOE passenger vehicles. He did not think that we had sufficient information to make a determination. The chair indicated that despite what we suggest, the Board of Education has the right to do whatever they choose with regard to their vehicles.

Mr. Lavoie indicated that the BOE maintenance should fall under the town umbrella. Mr. Tesoro went on to add that at the very least both should be operating under the same guidelines. The chair indicated that despite what we suggest, the Board of Education has the right to do whatever they choose with regard to their vehicles.

Mr. Lavoie He went on to add that according to Table 4 that it appears that we have an aging fleet that isn't being driven very much. The chair mentioned that the police cars are not being driven; they spend a

great deal of time idling. Mr. Lavoie indicated that we should be looking into the fuel efficiency of the SUV's.

Mr. Molinoff suggested that it would seem to make more sense or be more cost effective to have people use their own vehicles.

Mr. Lupien indicated that although we have recommendations, we can only present them to the First Selectman.

Mr. Molinoff proposed that additional work be done to expand this report and to document all the details on a per vehicle basis:

- How many miles
- Specialized vehicle
- Purpose
- Age
- Costs

But, before you begin, write-up a proposal based on the suggestions made this evening and let the Board of Finance review it.

APPROVAL OF MINUTES

The chair indicated that Ms. Penkoff would be voting in Mr. Palo's absence, and Mr. Molinoff would be voting, since Mr. Tesoro was not present at the last meeting.

Mr. Lavoie moved seconded by Mr. Lupien to approve the August 11, 2011 minutes. Vote: 6-0-0

NEW BUSINESS

Mr. Molinoff addressed the Board regarding the cancellation of the concert, putting in a request to have questions answered. The chair indicated that she had sent information to the Board, but wasn't sure if everyone received the e-mail.

- The UI would not guarantee us that we would have power when asked; therefore, we had to cancel the concert since the deadline for us to receive a complete reimbursement
- We are obligated for the advertising expense
- Staffing costs
- We are refunding all tickets

We will have a complete list of expenses in a few weeks.

Mr. Molinoff asked the following questions which will be answered at a later point in time.

- Was there a liability to the town if we did not cancel by a certain date
- What were the ticket sales up to that time
- What would have been the break-even point
- How much employee time was spent
- How much did we lose in booths; he was informed that no one pays for booths; the Town is only involved with non-profits
- Was there any sponsorship other than buying tickets in blocks- what were they and what is the outcome
- Had we not cancelled, what would have been the total cost to the Town

ADJOURNMENT

There being no further business to discuss, the Board of Finance adjourned by unanimous consent at 7:55 p.m.

Respectfully submitted

Phyllis Collier
Board of Finance Clerk