



INTERNAL AUDIT REPORT

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Town of Trumbull, CT**

**PERFORMANCE AUDIT
HILLCREST POOL PROJECT**

May 19, 2010

Town of Trumbull
Office of The Financial/Accounting Controls Analyst



Letter of Transmittal

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May 19, 2010

Mr. Kenneth M. Martin, Jr., Chairperson

Board of Finance
Town of Trumbull
5866 Main Street
Trumbull, CT. 06611

Mr. Martin,

I respectfully submit the enclosed report entitled **PERFORMANCE AUDIT HILLCREST POOL PROJECT**.

This review looks at the process of the renovation project and its compliance in accordance with laws and regulations of the State of Connecticut. The review also confirmed compliance to charter provisions of the Town of Trumbull.

- ◆ Provide an overview of the process and activities of both Board of Education personnel and Town personnel in the completion of the Hillcrest Pool Project.
- ◆ Review the process and report findings and make recommendations based on opinions to the Board of Finance.

I would like to thank those individuals herein listed for their cooperation and assistance in this review: Theo Samadjopolous, Engineering, Marilou Mangiamele, Office Assistant, Mark Turndahl, Accounting Manager, Chris Tranner, Accounts Payable, Maria Pires, Director of Finance, Mary Konecny, Executive Assistant to the Superintendent of Schools, Steven Kennedy Board of Education Custodial/Maintenance Services and Ralph lassogna Superintendent of Schools.

Thank you for the opportunity to provide and present this information to the Board of Finance.

Respectfully yours,

James Henderson, Financial/Accounting Controls Analyst

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A. Introduction

On July 6, 2006 an emergency amendment was enacted by the Trumbull Town Council to address logistical and security issues at the Hillcrest Middle School pool locker room area.

General Obligation Bonds in the amount of one million one hundred fifty two thousand and five hundred forty dollars (\$1,152,540) were sold on September 1, 2006 for the purpose of Board of Education-Emergency Projects.

A performance audit review was conducted in April / May 2010 to examine the process of this renovation project. Performance audits ¹provide reasonable assurance that program implementation is in accordance with laws, regulations, and provisions of contracts or grant agreements.

This engagement consisted of an overview of the process and activities of both Board of Education personnel and Town personnel in the completion of this renovation project.

The purpose of this engagement is to review the process, report findings and make recommendations based on audit opinions to the Board of Finance.

I conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that I plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for my findings and conclusions based on my audit objectives. I believe that the evidence obtained provides a reasonable basis for my findings and conclusions based on my audit objectives.

A number of Town and Board of Education employees assisted in this engagement, including the following:

- **Theo Samadjopolous**, Engineering
- **Marilou Mangiamele**, Assistant Town Clerk
- **Mark Turndahl**, Accounting Manager
- **Chris Tranner**, Accounts Payable
- **Maria Pires**, Director of Finance
- **Mary Konecny**, Executive Assistant to the Superintendent of School
- **Ralph Iassogna**, Superintendent of Schools
- **Steven Kennedy**, Board of Education Custodial/Maintenance Services

¹as defined in Government Auditing Standards GAO-07-731G, 7.19c

Requirement:

As provided by the Town of Trumbull charter in Chapter I. Incorporation and General Powers Section 7 Emergency legislation states the following:

The Council may, by two-thirds (2/3) vote of the entire membership, designate any action an emergency measure, specifying in detail the facts constituting such emergency. No measure creating or abolishing any office or changing the salary, term or duties of any officer or employee may constitute an emergency measure. Any legislative action designated to be a public emergency shall become effective immediately upon publication, but shall be subject to rejection, or approval as provided in chapter VIII, section 7.

As provided by the Town of Trumbull charter in Chapter III. Executive Branch Section 6 Department of Finance Part G. subsection C.

If any purchase or any such contract involves the expenditure of ten thousand dollars (\$10,000.00), or more, the purchasing authority shall invite sealed bids or proposals, by causing to be published and advertised therefore in a newspaper having a substantial circulation in the Town, at least ten (10) days prior to the opening of said bids. Purchases shall be made from the contracts let to the lowest, responsible, qualified bidder thereon, or if there be two (2) or more responsible bidders who submit bids which are equal and lowest, to one (1) of the lowest responsible bidders, provided however that the right to reject and to waive informalities in all bids or proposals shall be reserved, which reservations shall be set forth in such advertisement. This subsection shall apply to the construction of any public buildings and to other public improvements.

As provided by the Town of Trumbull charter Chapter VIII. Electoral Process Section 7 Referendum Part G.

Emergency measures shall be subject to referendum in the same manner as other measures, except that they shall not be suspended from taking effect while the referendum proceedings are pending. If, upon submission to a vote of the electors, an emergency measure is rejected, all rights, privileges, powers and duties conferred by it shall be null and void; provided any payment made or expenses incurred in accordance with the measure prior to the certification of a petition thereon shall not be affected thereby.

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As provided by the State of Connecticut Chapter 173 Public School Building Projects Section 10-287 subsection B.

All orders and contracts for school building construction receiving state assistance under this chapter shall be awarded to the lowest responsible qualified bidder only after a public invitation to bid, which shall be advertised in a newspaper having circulation in the town in which construction is to take place, except for (1) school building projects for which the town or regional school district is using a state contract pursuant to subsection (d) of section 10-292, and (2) change orders, those contracts or orders costing less than ten thousand dollars and those of an emergency nature, as determined by the Commissioner of Education, in which cases the contractor or vendor may be selected by negotiation, provided no local fiscal regulations, ordinances or charter provisions conflict.

B. Findings & Recommendations

1. Emergency Legislation

Finding:

During a meeting of the Town Council dated July 6, 2006 the Trumbull Town Council Voted and passed 14-0-1.

Moved by Ms. Thorton, seconded by Mr. Ciocci to add \$28,000.00 to the bond for the Hillcrest locker room separation/security project.

Adult swimmers are in the locker room at the same time the students are in there changing for gym class. This project will provide the students with more privacy during these times.

This amendment will increase the bond total to \$1,152,540.

2/3 vote required for passage.

VOTE: Passed 14-0-1 (Abstention: Marconi)

Vote on resolution as amended: Adopted 14-1 (Opposed : Christiano)

Moved by Mr. Rappa, seconded by Mr. Christiano to make this emergency legislation.

Recommendation:

Having acted to declare this an emergency situation the issues should be addressed in a timely manner from the inception date of the amendment voted upon by the Town Council.

2. Bond Proceeds

Finding:

The use of proceeds as stated in the Town of Trumbull General Obligation Bonds Issue of 2006 dated August 30, 2006 is listed as Board of Education-Emergency Projects in the amount of \$1,152,540.

Recommendation:

The proceeds from any bond issue should be expended in a timelier manner to address the projects for which they were originally intended.

3. Competitive Bidding

Finding:

No one item that was used in the project was over \$10,000.00 which would have required a competitive sealed bid. The aggregate total of this project did exceed \$10,000.00. Most of the raw materials were purchased from vendors that were obtained from an approved bid list for the town.

Recommendation:

Three quotes should be solicited for the various phases of the higher value portions of the renovation project.

4. Labor Costs

Finding:

The cost of town employees who worked on the project reflected \$11,703.46 in straight time and \$2,207.48 in overtime .The cost of Board of Education employees who worked on the project reflected an estimated \$15,269.27 in straight time and \$13,213.32 in overtime. Ralph Iassogna Superintendent of Schools authorized overtime hours for Board of Education employees and Theo Samadjopoulos for town employees.

Recommendation:

The emergency situation declared in the case of this project subjected personnel to unusual time constraints. Project oversight of time incurred by personnel was not managed as it would be under normal circumstances. A formal construction timeline from inception of the renovation project to completion would address this issue. This would also give management more control over labor costs.

5. Project Management

Finding:

Theo Samadjopolous acted as the project manager during the construction of the Hillcrest Pool renovation. She did not track her time spent working on the project. This occurred due to the fact that the pool had been shutdown and the need to complete the project as quickly as possible.

Recommendation:

A daily tracking log of the project manager's time worked on all phases of the project should be kept to capture total labor expenses associated with the construction.

6. Security Issues

Finding:

A formal written security report evaluation was not done to address the various security issues at the site. The security consultant referenced in public meetings was a Trumbull resident who rendered his services to the Board of Education at no cost to the town.

Recommendation:

A written evaluation report on the various security issues at the site should be obtained to document implementation of new security measures. These types of documents can assist management in future site security needs and upgrades.

ATTACHMENT A

Vendor Name	Amount	Service or Item purchased
AAIS	776.81	Asbestos removal
ABC Sign Corporation	161.00	4 Interior door signs
AMC Environmental	457.00	Asbestos Sampling
Beard Concrete Co.	280.00	Concrete
Bender Plumbing Supplies	122.36	Plumbing supplies
Decesare's Builders Hardware	390.00	Mirrors
Decesare's Builders Hardware	696.00	Grab bars
Decesare's Builders Hardware	696.00	Grab bars
Fairfield Electric Supply	445.14	Exit signs & electrical supplies
Fairfield Electric Supply	154.17	Electrical supplies
Homer C. Godfrey Co.	80.40	Other masonry supplies
Homer C. Godfrey Co.	580.40	Cinder blocks
Homer C. Godfrey Co.	812.75	Cinder blocks
Homer C. Godfrey Co.	138.85	Cinder blocks
Kamco Supply Corp.	143.20	Drywall/Steel
Kamco Supply Corp.	524.06	Drywall/Steel
Langport Tile Co.	1,168.00	Tiles (253)
Lindquist Builders Supply Co.	5,361.00	Hardware supplies door/glass
Lipnick Supply Co.	510.70	Various pipe
Lipnick Supply Co.	77.58	Plumbing supplies
Lipnick Supply Co.	78.24	Plumbing supplies
Lipnick Supply Co.	125.14	Plumbing supplies
Lipnick Supply Co.	155.45	Plumbing supplies
Lipnick Supply Co.	708.00	Pipe
Lipnick Supply Co.	915.90	Toilets
Lipnick Supply Co.	1,026.88	Urinals
Madison Supply Co.	12.32	Parts
Park City Valve & Fitting	43.40	Plumbing supplies
Park City Valve & Fitting	46.21	Plumbing supplies
Park City Valve & Fitting	614.27	Tubing and supplies
Security Plus Northeast	4,403.00	Installation of video system upgrade
Security Plus Northeast	3,628.00	Installation of security equipment
Sherwin Williams Co.	822.92	Paint
Steeves Office Systems	3,350.00	Bathroom partition
Payroll straight time-Town	11,703.46	
Payroll overtime-Town	1,752.74	
Payroll overtime-Town	454.74	
Payroll straight time-BOE*	15,269.27	
Payroll overtime-BOE	<u>13,213.32</u>	
Total Costs to date	<u>71,898.68</u>	

***BOE straight time costs not logged on an on going basis. Costs were estimated.**

C. Conclusions

Future situations such as this which are declared an emergency should be dealt with in a timely manner. An inordinate amount of time should not be allowed to pass after the Town Council declares an emergency amendment measure.

Board of Finance member Mr. Tom Tesoro stated any project should have proper architectural documentation. The use of overtime is a lot of overtime for a project that did not have to be considered an emergency project. Mr. Steve Lupien commented on the interpretation of charter Chapter III Executive Branch Section 6 Department of Finance Part G subsection C expenditures of \$10,000.00 dollars and its relation to this project.

Project management should be defined by a construction timeline to show when various stages of a project will be completed and reflect a completion date.

The construction project labor time should be tracked on a weekly basis to reflect total project costs. This will also assist management in containing overtime labor costs.

The implementation of any security measures should be documented by management and show detail as a reference point for any additional expansion of the system.

Most importantly the completion of the project secured a portion of the building which had outside access during school hours. The locker room area was also separated from the student population. Adults now cannot enter the school population area because of the new alarmed door.

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