

MINUTES
BOARD OF FINANCE
REGULAR MEETING
DECEMBER 16, 2013 – 7:00 P.M.

The meeting was called to order by Chairman Jack Kiley at 7:00 p.m. and the Pledge of Allegiance was recited.

The following members were present: Chairman Jack Kiley, Tom Kelly, Robert DeBisschop, Richard Burke and Lila Ferrillo. Also present: James Hliva, Finance Director. Absent: Nancy Schmitt.

Acceptance of Minutes

Motion made by Bob DeBisschop to approve the Minutes for the 11/25/13 regular meeting. This was seconded by Tom Kelly. Motion passes unanimously.

Amendments to the Agenda – Dick Burke requested to amend the agenda. He noted that the Board of Finance has a new Chairman who is Jack Kiley.

Motion made by Dick Burke to amend the agenda to include election of officers. Second by Tom Kelly. Motion passes unanimously.

Chairman Kiley noted that the state statute requires that the Board have only a clerk. The Board has always had a Vice Chairman and Secretary and asked if there were any nominations for these positions.

Motion made by Dick Burke to nominate Robert DeBisschop as Vice Chair. Second by Lila Ferrillo. Motion passes unanimously.

Motion made by Dick Burke to nominate Tom Kelly as Secretary. Second by Jack Kiley. Motion passes unanimously.

Audience of Citizens – None.

Old Business

Transfer Planning and Zoning Part Time Staff

Tanya Carver attended the meeting. Tanya indicated that Jeff Holzman was hired at the beginning of this year to cover for Anna Rycenga while she was out on maternity leave. When Anna returned the Commission felt that it was time for updates to be done to the P&Z regulations and maps. Jeff was hired for this project. Tanya provided a job description for the position to the Board. She noted that task of updating the regulations is expected to employ Jeff through April 2014. Tanya, Pat Cocchiarella and Harold Cosgrove will oversee the work. Each member of the commission will be involved. She commented that the line item for Jeff's wages is under the Board of Selectmen budget and should be moved to Planning & Zoning.

Lila asked how many hours a week Jeff works. Tanya indicated that he works nineteen hours per week and that he will be working until April 2014. Lila asked if he will be employed when

the work is done. Tanya noted that he will not work for the department beyond this project. He does fill in for others in the department for sick time and vacation time but this will continue only during the time he is working on the project. Lila asked for confirmation that Jeff will not be hired as an assistant zoning officer and Tanya noted that the Commission has not considered or discussed that.

Dick asked for confirmation that the task that Jeff is working on through April 2014 does not include update of the zone map. Tanya agreed that this is true. Tanya did note that the next step is the Plan of Conservation and Development. She indicated that this is a project that Jeff could work on with members of the commission.

Lila asked if Brian Miller's line item included this and Tanya agreed. Lila asked if we can expect to see a reduction in funding for Brian Miller since Jeff will be working on this project and Tanya indicated that yes, this is her expectation.

Dick asked what Brian Miller has been doing for P&Z. She indicated that he has been attending public hearings and drafts the motions with applications and is the consultant for questions that come up regarding regulations. Brian's budget was discussed and the transfer request of \$8,000 for contracted services was discussed.

Jack noted that an update of the Plan of Conservation and Development is a project that goes out to bid. He questioned why Brian Miller is attending the meetings and an additional person will write the regulations. He asked for confirmation that we are not substituting for the current Zoning Enforcement officer with Jeff and Tanya stated that is not the case and indicated that he does not answer the phone or go to job sites.

Jack asked about Jeff's hours and Tanya reviewed this and noted that his time sheets are reviewed and signed by Joanne Pelton. Lila commented that he reports to the First Selectman and that he should be reporting to Planning & Zoning.

Dick asked about the requirement for update of the Plan of Conservation and Development and Tanya indicated that it is to be done every ten years and that it has been seven years since it was last updated.

Tom asked if Jeff has been paid for the time he has worked and Jim noted yes. Tom noted that this should not have been done since the Board of Finance has not authorized it. Jim noted that he has followed labor laws that require him to pay employees who have worked. Tom noted that the Charter says if there is no line item, money cannot be drawn to pay the bill. Jim noted that the funds have been taken from Finance Contingency. Tom noted that the First Selectman has no authority to spend funds from Finance Contingency. Tom noted that the funds should have come out of the Board of Selectman's budget. Tom noted that Jim is in violation of the charter.

Dick asked what Jeff's qualifications and experience are and asked who hired him. Tanya noted that the Commission interviewed and hired him. Three other people were considered for the position and Jeff was chosen and hired. Dick noted that it seems wrong that he is working directly under and accountable to the First Selectman as indicated in the job description.

Tom asked if Jeff is considered a consultant. Jim noted that he is an employee, has been submitting time sheets and has been paid for his work. Tom noted that the job description lists the duties of the "special Planning & Zoning consultant".

Jack reviewed Jeff's time recent time sheets and they amount to twenty hours per week (full time). Jack asked who he reports to on a daily basis and asked if his work is reviewed on a weekly basis. Tanya noted that once a week they do a review of what Jeff has done for the week. Tanya noted that she does not monitor his time. She was not asked to watch over him. Tom commented that he is supposed to be paid for nineteen hours a week. Jim noted that he will speak to the First Selectman tomorrow about having to cut him to nineteen hours a week. Tom noted that he should not work or be paid until a line item has been established for the job.

Motion made by Bob DeBisschop to send a letter to Board of Selectman indicating that there is no approval for funding of the special Planning and Zoning consultant position, that hiring without approval makes this the financial responsibility of the Board of Selectman, and that the Board of Selectman has no authority to spend funds from Finance Contingency. A response to the request for Jeff Holzman's qualifications, who he is reporting to, what his responsibilities are and how he accounts for his time on a weekly basis is anticipated by the Board of Finance. Second by Tom Kelly. Motion passes unanimously. *The letter will be completed by Chairman Kiley.*

Motion to Table by Lila Ferrillo for the funding of the special Planning and Zoning consultant position. This was seconded by Tom Kelly. Motion passes unanimously.

Chairman Kiley noted that funding the position will stop.

Item 8A – **2013-2014 transfers Planning and Zoning for town Planner** was moved up on the agenda to be taken at this time.

Motion to transfer \$8,000 from Finance Contingency to Planning and Zoning for Contracted Services (Town Planner) made by Tom Kelly. Second by Lila Ferrillo. Discussion: The letter dated 12/2/13 that corresponds to this matter was not available for Board members to review. Tom noted that the Board does not have information as to the description of the need, functions that the person will do and date due for the work. Tanya did not have a copy of the letter but indicated that \$5,000 was received and the funds have been expended. She reviewed the applications that are anticipated in the near future. Lila asked for Tanya to confirm that the fees are billed to the applicant and returned to the general fund and Tanya confirmed this. Tanya noted that \$15,000 was requested and \$5,000 was received. Tom asked that a quarterly report of fees collected be supplied to the Board. Tanya agreed to this. Motion passes unanimously.

Lila Ferrillo excused herself from the meeting at 7:45 p.m.

Transfer Conservation Stenographer – No action taken.

Presentation by the Auditors of the 2012-2013 Audit

Sandra Welwood attended the meeting. She supplied the draft Auditor's Report of Financial Statements for year ended 6/30/13 with Supplemental Statements and Schedules to all board members. Sandra noted that the general results of the audit are excellent. The response to her needs from Jim Hliva and Rosemary Hanson were great. She spoke about items of interest and the required changes to: 1) financial statement including change in Government fund balance sheet; 2) auditor opinion; 3) change in terminology; and 4) New high school athletic complex fund is required to be a major fund. She also reviewed financial highlights.

Dick noted that the summary shows that in 2012 a change in net position of of \$3.7 Million and that expenses far exceeded revenue. Sandra noted that the prior auditors did not have an allowance for doubtful accounts. With the Tax Collector fraud situation there was a need to make an adjustment to book a large allowance for doubtful accounts.

She reviewed the audit opinion was required to be changed effective January 1, 2013. Some required modifications were made but the report essentially says what it has always said.

Jack spoke of the accumulated appreciation report and the lack of need for it.

Sandra noted a change in Government Financial Statement. There are three levels (budgetary) Governmental Funds (accrual basis concentrating on current) and Government wide (includes long term capital assets, debt). She noted that we have a new major fund which is the High School Athletic Complex. It is on the schedule. Bob DeBisschop asked what reason it is considered a major fund. Sandra noted it is probably due to liabilities.

Sandra reviewed Government wide funds and noted that the ending net position balance increased \$1.8 Million. This is because there was a lack of need a large adjustment to uncollectible. An audit adjustment was made but the large adjustment was done in the prior year. The legal settlement of approximately \$400,000 was received and the insurance reimbursement was also received.

She noted that we are healthy as far as debt load and stayed the same from the prior year for the most part.

Dick asked for clarification of how much interest we would pay on bonds and this was discussed.

She commented that it appears that the Board of Finance monitors and oversees the financial matters of the town in an effective manner and sees this as a very positive thing.

General fund was discussed. There are quite a few fluctuations in plus or minus in line items but we always come out on the positive. Revenues came out \$1.8 in the positive. That was primarily in FEMA and Special Education grants that were not budgeted. She noted that we never budget special education. She notes that this skews the budget versus actual on the revenue and expenditures side. Jim noted that a legal opinion from F. Teodosio prompted the Town to do this. Sandra noted that other towns budget for Special Education.

Sandra spoke about Governmental Fund Balances. She noted that the General Fund is the only one that can have a positive unassigned balance. We have a negative unassigned fund balance. Rules say that if we have to fund the High School field project than the General Fund has to cover it. This was discussed further.

Sandra reviewed opportunities. There are no material weakness and no significant deficiencies. She noted that there is great improvement between Board of Education records and the General Fund. There should be further improvement. There are great internal controls but more consistency is needed.

Sandra reviewed the suggestions for the Tax Collector's office and noted that they are not considered significant deficiencies. They are comments on what can be focused on.

She talked about WPCA and noted that the funds being paid from General Fund is not done in accordance with accounting rules. She noted that we don't have an active WPCA and that we basically collect user fees for maintenance. She noted that it is not material enough to push the matter. Chairman Kiley noted that he is aware of this.

Motion to approve Audit report made by Tom Kelly. Second by Bob DeBisschop. Motion passes unanimously.

Regular meeting schedule for 2014

Motion to approve made by Bob DeBisschop. Second by Dick Burke. Motion passes unanimously.

Update on Dog Pound Construction Jeff Haney attended the meeting. He proved each Board member an outline of the project with budget and expenses to date. Phase I (concrete foundation, framing material, roofing material, siding material and windows) was reviewed. Excavation was needed when ledge was found. Phase II (heat, plumbing, electric and hot water) was reviewed. Jeff noted that he found volunteers for plumbing. Phase III (insulation, sheetrock, trim, paint and tile) was discussed. He noted that the windows cost more than expected. They were originally going to come from a Bridgeport company and Oxford Paint and Hardware will supply the windows instead. The windows are excellent quality. The project as a whole is under budget. The bills to date are approximately \$17,000 and are all paid per Jim Hliva. The bill for the windows was not received yet. The size of the building and layout was reviewed. Renovation to the existing building was reviewed. The existing furnace will be eliminated. Landscaping was discussed and this will not be done as part of the project. Estimated completion time is approximately two to three months from now. Jack commended Jeff on his hard work. Jeff noted that necessary inspections by Gordon Gramolini and Scott Pelletier were done in a timely manner and Public Works has been great and he appreciates that.

Update on Tax Collector Action Committee

Jim Hliva reported that all receivables from 1998 to 2004 were reviewed and all accounts that were affected by Karen Guillet were pinpointed. The accounts were checked to be sure they have a clean record since then. The committee reviewed the accounts, will be reviewed by the tax office and a report will be forwarded to the First Selectman's office. The goal is to have this all cleared up by the end of January 2014.

Monthly Reports

The General Ledger trial balance report was discussed. Board members agreed that a PDF copy of these reports viewable on the Town website is adequate. Only two copies of the report needs to be available at the regular Board of Finance meeting. Per Sandy Welwood's suggestion, Jim will provide a report of revenues at each regular board meeting.

Motion to adjourn made by Dick Burke at 9:10 p.m. Second by Tom Kelly. Motion passes unanimously.

Respectfully submitted, subject to approval


Marni Soss, Board of Finance Clerk

TOWN CLERK

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TOWN OF BRIDGEPORT, CT