

**BOARD OF FINANCE  
REGULAR MEETING  
MAY 21, 2012**

The Milford Board of Finance held their Regular Meeting on Monday, May 21, 2012, in Conference Room B of the Parsons Complex. Chairman Lema called the meeting to order at 6:33 p.m.

Board Members Present

Brian Lema  
Joseph M. Agro, Jr.  
Scott Marlow  
Mickel Montano  
Joseph J. Fitzpatrick, Jr.

Also Present

Mayor Benjamin G. Blake (6:43 p.m.)  
Peter Erodici, Finance Director

**Consideration of Minutes of April 30, 2012**

Mr. Marlow and Mr. Agro made and seconded a motion to approve the minutes of the Regular Meeting held April 30, 2012, as presented. Motion carried unanimously.

**Correspondence**

None.

**New Business**

- A. Mr. Agro and Mr. Marlow made and seconded a motion to approve Budget Memo Transfer #12, Funds 10 & 12 (FY12). Motion carried unanimously.
- B. Mr. Agro and Mr. Marlow made and seconded a motion to approve Budget Memo Transfer #13, Funds 10 & 12 FY12.

Chairman Lema stated there were a number of department heads present tonight. He stated if anyone wished to make a statement he welcomed them to do so, otherwise he would move on to the Board for questions/comments.

Mr. Fitzpatrick asked about the City waste removal charge.

Chairman Lema noted there was no one present from Public Works that could answer that question. He stated they could come back to that if necessary.

Mr. Agro asked about the FICA adjustment, he noted it is a small amount.

Mr. Erodici explained the transfer is to cover the person handling the sewer accounts. He stated they have to make a transfer to monies into FICA to cover wages.

Mr. Agro stated he too is concerned with the solid waste transfer, which he commented is a large transfer.

Chairman Lema stated he believed this transfer is for the bulk trash removal. He pointed out the transfer appears to be for wages.

Mr. Erodicti stated the transfer was to cover overtime for the bulk pickup for May and September.

Mr. Agro asked if the account was underfunded last year, as he did not recall there being a transfer.

Mr. Erodicti stated he did not believe it was underfunded.

Mr. Fitzpatrick questioned the \$42,000 in Solid Waste and asked what that was for.

Mr. Erodicti stated was also for overtime. He explained those funds are coming from the City waste removal fees, which represent the tipping fees.

Mr. Fitzpatrick asked if this was over budgeted.

Mr. Erodicti replied he did not believe so. He stated the City has not recognized the single stream recycling savings. He stated in the new budget the mayor factored in for single stream recycling.

Mr. Agro directed his question to the Animal Control Officer, Rick George and asked about the transfer, asking if the new position will take place in July.

Mr. George replied yes.

Mr. Agro questioned if this was the time to make these types of transfers.

Mr. Erodicti stated now was the prudent time to do these. He stated there could be some stragglers in June, but now was the right time.

Mr. Agro stated he would vote in favor of these tonight, mostly because these transfers are staying right in the same department moving from one category to another.

Motion carried unanimously.

- C. Mr. Marlow and Mr. Fitzpatrick made and seconded a motion to approve Consideration of approval for the Board of Finance to establish a dedicated nonlapsing account of dedicated special revenue fund and to deposit the amount of unexpended Board of Education funds for each fiscal year in accordance with CGS Sec. 10-248a, provided that such annual amount does not exceed one percent of the total budgeted appropriation for education for the fiscal year. These funds would be used to pay for the replacement of the artificial turf surface on the playing fields at Jonathan Law and Foran High Schools or for such other future extraordinary expenditures which may be necessary but otherwise not budgeted for. The Finance Director is authorized and directed to establish this dedicated reserve fund and to transfer any excess funds

remaining in the special revenue fund at the end of each fiscal year into the aforementioned account.

Dr. Feser stated that Mr. Richetelli had come to her and shared a new piece of a law that she had been unaware of. She stated the new statute allows Boards of Education to put these funds into a nonlapsing account. She stated they are in the ninth year of the fields at both schools and the cost to replace them will be astronomical. She stated it is economically sound and makes good sense for the continued use of these fields.

Mr. Richetelli stated the law allows for up to 1% to be carried over. He stated the fields are approaching their life expectancy, which is 8-12 years. He stated he knows this is an expense that will be coming in the next few years. He stated this would be a good way to offset a future expense and it is certainly within the law. Mr. Richetelli also pointed out the fields are used by the entire Milford community throughout the year, i.e. youth groups, charitable groups such as Relay for Life, band competitions, to name a few. He stated the turf has served very well. Mr. Richetelli explained they went to the Board of Education and that it was their intention to use these funds for this. He also stated they researched this through the Board of Education's legal counsel. Mr. Richetelli stated the law is specific that it is the Board of Finance that makes the determination. He reiterated it is a good, prudent way of using these funds for something that otherwise would have been a very large cost to the citizens.

Mr. Fitzpatrick asked if it is 1% of the total budget and also how much can be accumulated in this nonlapsing account.

Mr. Richetelli stated there is no cap.

Chairman Lema stated his interruption of the language is if there are additional funds next year, the Board of Education would have to come back to this Board again.

Mr. Fitzpatrick stated he was reading it as once you start it is 1%.

Mr. Marlow commented he is reading the language to say this account is being established this year and every year the Board of Education would have to come to this Board again. He also stated it was important to keep in mind there could be a different Board of Finance in place next year, so would it be set or would it need approval again.

Mr. Richetelli stated it is his understanding each fiscal year they would need to go before the Board of Education and the Board of Finance.

Mr. Erodici commented it they don't spend exactly the amount then the funds would then carry forward to a fund balance.

Chairman Lema stated the statute is very clear that it is from each fiscal year.

Mr. Fitzpatrick stated this Board has no control over what the Board of Education spends, that this Board only allocates what they request. He stated he is concerned that additional funds could be requested each year to put into this account each year. He reiterated this Board does not have control of how you allocate funds here.

Mr. Richetelli stated there is an explanation as to where there were funds left over this year. He also commented it was not likely this would happen again next year. He explained the energy program worked out quite well and coupled with the very mild winter this past year they realized extra funds, which is what is driving their ability to do this. He stated at budget time the Board presents their budget in good faith and what is realistic.

Mr. Fitzpatrick asked how much has been transferred back to the general fund over the years.

Mayor Blake stated in the past 10 years he has been a part of the Board of Aldermen, he has only seen it once. He also stated these funds would be going toward something needed and that the plan is well thought out and planned.

Mr. Fitzpatrick asked about the 405 account, that departments can access funds with approval.

Mr. Erodici stated the only fund departments can tap into is the unallocated contingency fund.

Mayor Blake stated there is also budget memo transfer that requires legislative approval, and there is also a mayor's transfer that does not require approval, other than the mayor.

Mr. Erodici stated Mr. Fitzpatrick may have been referring to the unreserved/undesignated fund.

Mr. Agro stated he felt he just did not have enough time to be able to research this. He stated the package was received on Thursday and he was out of town on Friday. He stated this is a big philosophical change which will survive everyone in this room. He stated there are a few issues, the turf. He stated it is magnificent and changed everything, especially with drainage, the fields, etc. He stated the other is the reserved funds on the municipal side that were spent well. He asked when the law changed.

Chairman Lema stated the law went into effect on July 1, 2011.

Mr. Agro stated it is unclear from the Resolution as to the process of spending this money and who gets to spend the money.

Mr. Richetelli stated the law stated it is the Board of Education, with approval from the Board of Finance.

Mr. Agro reiterated he is concerned with the process, especially if someone decided to use these funds elsewhere. He stated this is new ground and that he was concerned with the level of responsibility.

Mr. Richetelli stated the Board would not spend money on things they want, but on things that need to be done. He stated outside of the Capital Improvement Plan there is a very long list of projects, i.e. building and grounds projects.

Dr. Feser added they have found themselves in a situation that is really an exception. She stated they looked at those very necessary projects that were not on the Capital Improvement Plan. She stated they knew the artificial turf fields which need a major overhaul were looming out there. She stated in the long run this will save everybody. She also stated they did not expect to be here next year.

Mr. Agro stated it was the process that concerned him. He asked if there was something major that went wrong, such as a roof at Law, would these funds then be used at Law instead of at the turf field as proposed. He reiterated it is the process that is difficult for him.

Mr. Marlow stated he would agree if they broke this down and looked at the concept of creating this account. He questioned what would happen if a new Board of Education is in place next year and decided something else is more important to get done.

Mr. Richetelli stated it is the way the law is configured. He stated when they went to the Board of Education they asked that these monies be designated specifically for the turf fields.

Mr. Marlow asked about safeguards. He also asked about State reimbursement for this type of project.

Mr. Richetelli stated this type of project would not be reimbursable.

Mr. Marlow stated he would be concerned not having any safeguards in place.

Mr. Richetelli stated the Board of Finance looks at the education budget with a fine tooth comb at budget time. He also stated they knew coming to the Board, there was a chance the Board would say no.

Mr. Agro applauded the efforts of the Board in their savings. He stated tonight has been a good exchange of information freely and responsibly, but it is an important issue that needs a better explanation. He stated the three things he needs more clarification concern; 1) process, 2) restrictions and 3) he would like a legal opinion from the City Attorney and the Board of Education's counsel.

Dr. Feser stated this statute is something that boards of education have wanted for some time, so they don't feel pressured to spend down at the end of their fiscal year. She stated she understood there are no safeguards, but pointed out they have gone public.

Mr. Agro stated he is still looking for more information. He suggested a special meeting might be necessary. A brief discussion ensued.

Mr. Richetelli stated at the Board of Education meeting, the Board was clear these funds were specifically to be used for the turf fields.

Mr. Agro commented there still will be other projects that will need to be done.

Mr. Richetelli stated in the long run they will end up paying a lot more if the turf fields end up on the Capital Improvement List and they have to be bonded for. Doing it this way, there is a savings because they are paying cash.

Mr. Agro spoke of prioritizing and reiterated there still will be projects that need to be done because they have been deferred for whatever reason. He stated he would like to receive more information.

Mr. Erodici asked what would change that would be brought to a new meeting.

Mr. Agro stated the additional time would allow him that time to get more information before he votes.

Mr. Agro and Mr. Marlow made and seconded a motion to table the matter. Motion carried unanimously.

**Staff Report**

None.

Being no further business, Mr. Fitzpatrick and Mr. Agro made and seconded a motion to adjourn. Motion carried unanimously. The Board adjourned at 7:32 p.m.

Respectfully submitted,

Kathleen K. Huber  
Recording Secretary