Call to Order / Pledge of Allegiance
Alderman Kudej called the Special Finance Committee meeting of the Board of Aldermen to order at 5:30 p.m. All those present stood to recite the Pledge of Allegiance to the flag of the United States of America.

Roll Call
Alderman Stanley Kudej, Chairman
Alderman John F. Anglace, Jr.

Administration:
Raymond O'Leary, Treasurer
Paul Hiller, Finance Director
Lynne Piscitelli, Assistant Finance Director

Also in attendance:
Ned Miller – Starkweather and Shepley Insurance
Mike Carlson – Starkweather and Shepley Insurance

1. MINUTES FOR APPROVAL
Alderman Anglace MOVED to waive the reading and approve the following meeting minutes from November 27th, 2018.

SECONDED by Alderman Kudej.

A voice vote was taken and the MOTION PASSED 2-0.

Minutes can be viewed on the city website: www.cityofshelton.org

2. STEWARDSHIP REPORT (NED MILLER)
Alderman Kudej: Ned Miller, you’ve got the floor.
Ned Miller: I think you all know Mike Carlson from Starkweather also. Mike and I work on the city account together. This year the city had a great year as far as losses are concerned. Do you have a copy of the report? If you take a look at page 4, it’s on the lower right-hand side, page 4, and you will see at the top is a premium paid.

Alderman Anglace: I don’t seem to have a page 4.

Ned Miller: At the top it says Premium and Loss History. OK so as you could see we paid $810,000, this is to CIRMA. This does not include the Safety National Excess Workers Comp. policy, that had $74,219 in paid and reserved losses. One of the best years the city has ever had. Again, that’s good loss control on the city’s behalf, there is some good luck involved with that also. But it was an excellent year as far as the insurer is concerned.

Alderman Anglace: That’s with CIRMA?

Ned Miller: That’s with CIRMA. So, if you look at what you actually pay, on page 3. Does everybody have page 3?

Alderman Kudej: I don’t have page 3.

Lynne Piscitelli: Why don’t you take mine and I will share with Paul.

Ned Miller: You should have a total of 10 pages, you should have both odd and even. So, if you look at page 3, you will see how it’s broken down. The package policy for 2018 is $810,805, and of course down at the bottom you will see the package policy includes the property, boiler, inland marine, crime, general liability, automobile professional liability for the police, professional liability for the alderman, school leader’s errors and omissions policy and the umbrella. So, it’s all-inclusive. It does not include, which is the next policy, the Excess Workers Compensation from Safety National. And you see the broker fee, which is me, and then the total mass of a $1,000,020, do you all follow along with that? Now the city, has been with CIRMA off and on, only one time was off, since 2011, we moved you over to Travelers. Now Travelers is the largest writer of the municipality insurance in the United States. They had at the time CIRMA was going up on the premium and we put it out. There are not a lot of people that write for the municipalities. There is another place in Massachusetts that we tried a few times, that we don’t particularly care for them because they keep losing, they're fronting carriers, so it was really between Travelers and CIRMA and Travelers won out. CIRMA didn’t think Travelers would come in close to it and the next year they attacked Travelers, as far as premiums were concerned, and won it back. In the meantime, Travelers moved from their Hartford office on their municipalities to Texas, so they took a totally different view. CIRMA is in an interesting position. CIRMA stands for The Connecticut Interlocal Risk Management Association, it’s been around since 1980 and it just solely
provides coverage for municipalities. So, they are landlocked, if you will. They have about, according to their statistics, about 85% of the workers comp., that is not excess. In other words that is primary workers comp. In other words, they take from ground zero up. You are at $700,000, I will come back to that. And they take about, I think it’s 80% of the property and liability in the state, so that’s all they do, that’s what they do best, they specialize in it. And they do pay a dividend. The dividend they pay is usually the end of July beginning of August and it's based on the whole, how they did in Connecticut for all the municipalities. Shelton I’m sure would rather go on individual one, because you could see from the numbers I quoted earlier, you really did extremely well, but there is going to be years you don’t do so well and you are still going to see those dividends, as long as the whole does okay. So, they have been paying the dividends now, for at least the last three years, given those numbers are the same.

Alderman Anglace: So premium vs. experience is what?

Ned Miller: Your premium vs. experience is off the charts, it’s excellent. I mean you’re going to have some losses but you are well below the expected losses.

Alderman Anglace: Are we concerned about the workers comp. that has been there for a while?

Paul Hiller: The concern about workman's comp. is more the long-term liability because there is a 20-year tail that shows up in the audit report and it is a significant number, that’s been coming down for the last two years that liability has been reduced.

Ned Miller: That is really administered by Workers Comp. Trust.

Paul Hiller: Correct.

Ned Miller: So that is really out of my domain John, the Workman’s Comp. Trust. Does that go out to bid or anything like that?

Paul Hiller: We did an RFP last fall, about 3 or 4 responded and we stayed with Workers Comp. Trust.

Alderman Anglace: I know I remember reading something, this is a quote from the November 27th, 2018 meeting from Paul… ‘I would like to say that there are some annual changes because people are classified as part-time and their salaries are really full time, such as Conservation and areas like that. I am growing concerned about one area which I talked to John about briefly. If you turn to the second page and look under Group Insurance, those are figures obviously through the end of October, basically one third of the year. If you do some quick arithmetic on that, if the expenditures are to continue at that rate, we would be spending approximately $3,777,000 which is significantly over budget.’
Ned Miller: Again, that is the Workman’s Comp. side.

Paul Hiller: That’s more the actuarial number, the number they give you there is really a worst-case number, because what they are trying to say is all of these claims, the ones that are still open, and a lot go way back, we’ve got at least three remaining claims on the excess policy.

Alderman Anglace: Everyone has that, all municipalities.

Paul Hiller: Trying to buy out it takes time. Workers comp. is a slow, slow process.

Ned Miller: Yeah and again we are in the excess position, Safety National. So, we don’t even touch it until it hits $700,000, we are catastrophic, if you will.

Paul Hiller: We have some older catastrophic claims. The school shooting, one of those was resolved about three years ago, the excess carrier paid it off.

Alderman Anglace: You mean there is still residual on that shooting, the school shooting?

Paul Hiller: Yes, she gets paid every month. It comes out of our retainage. The problem with it that I see is that the excess checks, there’s no certainty, there is certainty you are going to get it, there is no certainty with the time. You don’t know when you are going to get it. Lynne could attest to this. They are pretty significant checks when they come. It is accumulation over…it could be over an 18-month period.

Ned Miller: Absolutely.

Ned Miller: As I said, The Travelers has had it for that one year, they have come back since then but we kept it with CIRMA for a couple of reasons. But they came back, they wanted to know if the premium has changed to any substantial amount, and when we say no it’s remained the same, pretty much the same and the exposure are pretty much the same. Then they said thank you, unless there is some drastic change in premium then they think they are under what the market will bear, if you will. So again, these types of losses you don’t exchange plans often.

Alderman Anglace: So those losses are for one year.

Ned Miller: That's for one year.

Alderman Anglace: So, does that excellent performance in one year indicate that we are going in the right direction? That we've got the right coverage.
Ned Miller: Yeah if you look at it, if you go back to 15 or so and $13 million premium and 42% loss ratio, 16 years, that’s very good.

Mike Carlson: They paid out 42% of what you paid them over 16 years. $5.5 million in losses, you paid $13 million not including the excess liability.

Ned Miller: Companies love you for that.

Mike Carlson: It looks like they made money on you almost every year except one or two.

Ned Miller: That was the school fire, the school fire was the year we did not do too well. The high school fire. I think we had one year we had the big snow plow accident. A woman, who should not have been on the road, but she was and we had to pay out a chunk. As far as looking forward, we have an agreement, the city has signed an agreement with CIRMA, and it’s actually in the City’s favor because the City could also walk away from the agreement. What it simply says is, ‘If you decide to stay with us we could guarantee that we will not go up more than 3% of that $810,000 premium in the course of one year regardless of losses.’ So, if you have a bad loss year they could only go up 3%, they could go down if it gets very competitive, they could easily go down, but you could increase on the exposure. The base rate will never go up more than 3%, they could take it down, the other way, to be as competitive as they want. But you do actually have a lot of credits on here now. But if you add 14 fire trucks or something, that’s an exposure increase. So, if you actually look at last year’s renewal proposal effective July 1st, the premium was a little bit lower because we added some fire equipment last year, during the course of the year. We had a new fire truck. And we also had the Fire Captains take a look, the Fire Chief take a look and make sure we had the right values on the fire trucks. We didn’t want to find out we were under insured, the value of fire trucks is substantial, and as you know your fleet is self-insured, except for the big equipment, like the fire trucks. And we have had losses on the fire trucks. I remember one year the guy flipped over the water truck, went around a turn going too fast.

Alderman Kudej: He took the turn too fast, and water shifted and so did the truck.

Ned Miller: Let’s talk about dividends in 2016. In 2016 you were paid $23,443. In July of 2017 you were paid $55,916 and also in 2018 you were paid $42,512. Again, this has nothing really to do with the City as much as it has to do with CIRMA as a whole and how they did in the State of Connecticut, okay? So, by the way, there is a little hook to that, if we moved you, let’s say to Travelers for example, the dividend isn’t paid until you renew. That’s why it’s July or August when you see the check, so that if you don’t renew with them you are out whatever the dividend would have been. That money that Shelton would have gotten, for example, would be put into the pile for the people that are still here. So that’s the dividend Travelers does not want. I think we have another year to go, on 2018 renewal in July. All municipalities
in Connecticut renew on July 1st. Some other states like New Jersey, it’s like May. They are all usually on the same month from state to state. As I said the broker fee remains the same, the policy can’t go up more than 3% unless we add more exposure, another building, more equipment, whatever it might be. I don’t see any of that thing happening but you guys would know better than I would. And most likely there is a chance it’s probably going to go down because of your good loss history. And the Mayors facing that negotiation so he beats them up pretty good.

Alderman Kudej: Oh yeah.

Ned Miller: And you could quote me on that too. So, I think on the Workers Compensation, and again surplus we are over $700,000 and if you have had a chance to read page 6, you will notice the year before, we had $600,000 was our self-insured retention, okay? We are at $700,000 that was not our choice, that was the insurance carrier safety net. Safety Nationals minimum is $700,000. We didn’t choose to do that for any premium savings, we had to do that because that’s Safety National’s…it is their minimum. By the way, there are only two companies that write the municipality’s excess workman’s comp, and Safety National is about 40% cheaper than the other carrier.

Alderman Anglace: Why is it only two companies write excess cost?

Mike Carlson: For municipalities.

Alderman Anglace: Are we a poor risk?

Mike Carlson: No, you are not a poor risk, I think you are, where are we Paul on $64 or $65 million in payroll?

Paul Hiller: That includes the BOE.

Ned Miller: Correct. That’s what it’s based on. You are not a poor risk as far as they are concerned, if they were you would see it in the premium and we haven’t had much of a premium difference over the last several years. It’s been pretty good. I mean you could always go to a higher self-insured retention but on $155,000 how much are you going to save? It’s not enough, you jump from $700,000 to a million, you will never get that back.

Alderman Anglace: Any recommendations going forward?

Ned Miller: No not really, I mean we have a pretty good relationship with Jane, Jane gets everything done. We just had some recommendations, they were minor ones and Jane follows through on all that. The information that flows from the Mayor’s office has been very good, it’s never been better.
Alderman Anglace: Just for the record, Jane Dowty, so she gets appropriate credit.

Ned Miller: She’s done a great job, and the communication flows both ways. You know sometimes CIRMA calls her directly and she lets us know what’s going on there, we are kept up-to-date on all the claims. Seems like we have a little thing going with school buses lately, that’s been a little interesting. You know when we first put the school buses on, 4 or 5 years ago.

Alderman Anglace: Six.

Ned Miller: It’s six. I thought who could hit a school bus? I was totally wrong on that. We either hit them or they hit us or we go under a low bridge. It’s amazing. Have you seen the police reports Paul?

Paul Hiller: I’ve seen them.

Ned Miller: The police have to file every seat, who’s sitting where, it’s quite extensive. So that’s probably our busiest spot lately.

Alderman Anglace: We are going to take over running the buses. The City side is going to take over running the buses.

Ned Miller: Drivers and all?

Alderman Anglace: Yeah, they are not going to be a third-party company running it anymore. At least for the next three years.

Ned Miller: That includes maintenance, right?

Paul Hiller: Everything.

Ned Miller: Well is that your system in there, the computer system that could spot the buses?

Paul Hiller: No.

Mike Carlson: That’s a nice system. Have you seen it Ray?

Ray O’Leary: No, I haven’t.

Ned Miller: They could tell, they showed it to me a couple years ago. They have the buses and could see which ones going where and you could tell if they are exceeding the speed limit or not, if they stop, how long. And they change colors, if this guy’s going too fast.
Alderman Anglace: Essentially a GPS system. I followed a bus today and the lady was an excellent driver and she did no more than 29 mph and she was courteous and she anticipated. I noticed because I followed for a mile, mile and a half.

Ned Miller: We had a little rash there a while from certain drivers that we took care of. So, you think it might, July 1st this year?

Paul Hiller: It’s not a might, it’s a definite.

Ned Miller: As long as I’m kept in the loop.

Paul Hiller: I think at some point that we are going to have to sit on that pretty quickly.

Ned Miller: Yes, I’ll tell you why, because in the contract, you were in the first contract with the other bus company before the one you have now, there was a thing in there about who was responsible for the bus, and if it was driver negligence.

Alderman Anglace: Landmark.

Ray O’Leary: They were insured with Nationwide, the company Nationwide owned Harleyville right?

Mike Carlson: Harleysville.

Ned Miller: And basically you could put the losses back on Harlyesville, and you know how that went, that went very rocky at first but that was an agreement. The bus company claimed they didn’t realize.

Paul Hiller: I think the difference right now is because you have the vehicles themselves, the liability with it also but also the Workers comp. for the drivers and the aides, so we are going to be adding 80 people to payroll, roughly. There is a lot of other questions, and July 1st, despite what the weather is today, is gonna get here sooner than you think, you are less than four months out.

Mike Carlson: You are cutting it close now.

Alderman Anglace: July 1st Ken should be on board by then, Ken Nappi. Hopefully we will get him out of Planning and Zoning.

Paul Hiller: But it’s not too soon to be talking about it.

Alderman Anglace: Oh no, we talked about it Tuesday. Ken’s job was to be temporary, just to get it reorganized and running in the right direction but then to hire somebody. He’s never been interested in the job so he’s not going to be, he wants to get back to the buses because he did it before.
Mike Carlson: He’s a great administrator.

Alderman Anglace: He did all the work, Ken did all the work that Durham got all the credit for. Registering all the buses, doing all the mechanical work, inspections etc.

Ned Miller: We are going to be starting with the renewal process ourselves with the exposures and all that coming up. So that probably will be coming from Linda, through Jane and so that they could get their quotes and make their proposals. The reason we want to get the information as soon as possible is when they come out with their quote it gives the Mayor some time to negotiate with CIRMA.

Alderman Anglace: What kind of information do you need?

Ned Miller: Well usually it’s the confirmation of the drivers, the updated drivers list, make sure that the, remember ‘cargate’ in Ansonia 15-20 years ago. They had all these cars they were charging for, it wasn’t really the agent’s fault, nobody ever looked. But the question was did the agent ever send the list? And that was going back and forth so they called it ‘cargate.’

Alderman Anglace: With this transition there won’t be too much change because we are going to use the same buses, we are going to use the same drivers, we are going to use the same mechanics, the same management.

Ned Miller: We are going to need a list of all those drivers, all their dates of birth and driver’s license numbers. I imagine you guys will be running all those as a safety check to start right?

Paul Hiller: I would imagine so.

Ned Miller: Because that’s a little hard for us to, actually we can’t do it because of privacy laws. But you guys as an employer could. If you need any help or places to go, we could help you out as far as where to go for that. But I am sure you do all that before you hire these guys.

Alderman Kudej: With this insurance thing with the ambulance, they probably figure there’s a big scam going on because I was involved personally but you know they transport a patient from one side of the street to the other side of the street it cost you $800. You could walk over and save yourself all that money.

Ned Miller: Yeah, we don’t have any ambulance’s, we just have the fire trucks.

Paul Hiller: They are with Echo Hose which is separate.

Alderman Kudej: They are not involved in our coverage?
Mike Carlson: No, I think John had me look into some volunteer fire departments a couple of years ago and they seem to be insured properly at least, I am trying to think of the name of it, but they had the company that I would have suggested anyway. So, they were pretty much up-to-date from the ones I saw.

Alderman Kudej: I had heard people crying the blues about how much they are being charged for ambulance service and I hear it, the guy didn’t really do anything about it. When I was involved and I am being transported all over, they don’t ask you, ‘Do you want to go by ambulance or do you want to get there by yourself’ ambulance boom, they take you two blocks up, you are laying on your back.

Ned Miller: I understand what you are saying.

Alderman Kudej: When the bills come in sometimes we made three stops, transfers, $800, $800, $800. And we owe all that money, the insurance doesn’t cover it.

Ned Miller: That's right. And especially when they get the EMT in there, it gets expensive.

Alderman Kudej: Something is not right there.

Mike Carlson: You need to take that up with the ambulance company I guess but I don’t know if there are any other questions you have with property and casualty?

Alderman Anglace: Board of Education vehicles are covered under here also?

Mike Carlson: Yes. The name insured is ‘The City of Shelton’ and ‘The Board of Education.’

Ned Miller: The only thing that I will mention that CIRMA doesn't have in the package that we probably have to be written alone if we decide to do it is the active shooter. There is coverage today now for active shooters, the psychological impact it has on the students. We all remember Newtown, so it’s something that we might want to look at this year. Again, as for the last two years CIRMA has not offered it, they have been saying for the last two years they are looking into it, but we might want to get a quote from an outside company just for that coverage.

Alderman Kudej: They are messing around with all those gun laws that we are going to take...

Ned Miller: It’s just something you should be aware of, it’s not necessarily you need to have it but you might want to look into it to see what the cost is.

Alderman Kudej: If I take my gun and I hand it over to you then we are in trouble because I have to have all the paperwork. So even in your own home, you are married and you have a gun permit and your wife has a gun permit and you know
you want to take your gun and give it to your wife for the day and your violating the law.

Mike Carlson: Especially if she’s watching dateline, you don’t want to give her the gun then.

Alderman Kudej: I’ve seen a lot of people getting arrested and thrown in jail for the stupidity, I don’t know.

Alderman Anglace: Okay, Ned thank you very much, it’s a great report as usual, it’s good news.

Mike Carlson: Yeah, if you guys keep the losses down you make my job a lot easier.

Alderman Anglace: Who deserves more credit for this, you or the Mayor?

Ned Miller: I think the Mayor, and you could quote me on that. The Mayor and Jane, in that order. Well thank you folks for your time I really appreciate it.

3. RECONCILIATION UPDATE

A. FINANCE DIRECTOR’S REPORT

Alderman Kudej: The Finance Director’s report.

Paul Hiller: I distributed a memo basically summarizing where we stand and I think things are, as far as banking reconciliations, banking reports and things like that.

Alderman Anglace: This memo here?

Paul Hiller: Frankly we are in the best shape operationally. I think also we should talk about the issue, aware we are under an order mandate from the State Treasurers office to cease doing business with Wells Fargo Bank and we finally closed everything out there. There we kept a small account open for a longer period of time in case there were any items that came in, but we transferred those monies over and the other remaining account, major account that was there, was the BOE grants account which has been transferred to Newtown Savings Bank. We developed a good working relationship with Newtown Savings Bank, along with the relationships with Peoples United Bank and Webster Bank. They are small local mutual banks and very strong financially and we have a good relationship with them. We also established a money market account at Peoples Bank which gives us higher interest rates, and finally after ten years of low interest rates we are beginning to see some returns there. The advantage of that too is we could move money, virtually daily, if we needed to as far as that’s concerned.
Alderman Kudej: Basically we are dealing with the same banks we have been doing for the past couple years right?

Paul Hiller: Peoples has been the primary bank. Peoples has the payroll accounts, both the BOE and the City and also the accounts payable account. We have several accounts at Webster Bank. As I mentioned we have a Money Market account at Newtown Savings and the grants account for the BOE has been transferred to Newtown Savings Bank. Those are the summaries of our relationships. And I will say this, I make a comment on the end because one of the, I think frustrations we have had, and I know that Ray has had with the BOE. And the new Business Manager, Rick Belden, who’s been on the job just a little over a month right now, has been very cooperative, very accommodating and he is beginning to tailor their reports. I think you see a portion of it in the budget book you just received. They are more in the same format that the City is accustomed to receiving. He has frankly been a breath of fresh air.

Ray O’Leary: He’s good, that’s really good.

Paul Hiller: We have a good working relationship. You always want to keep the BOE kind of at arm’s length.

Alderman Anglace: It’s a good start.

Paul Hiller: I couldn’t be happier from that standpoint.

Alderman Anglace: I looked at a preliminary budget somebody gave me, it hadn’t been finalized, I hadn’t seen the final one yet, but there was a lot of things that were left out and a lot of things that needed adjustment but they acknowledged that the original document that there would be adjustments. It was a starting point.

Paul Hiller: And I think he’s discovering things. As I said he’s been there about five weeks now and he is just uncovering things. He understands it, he’s been in this position in other districts. Both in Branford and in Seymour. He knows the process.

Ray O’Leary: That book is temporary.

Paul Hiller: No, I think it is.

Ray O’Leary: Oh it is?

Paul Hiller: I believe that is, it has been revised as recently as Friday.

Ray O’Leary: That’s the final one John.

Alderman Anglace: I haven’t seen it yet. I had an earlier version that acknowledged that it was a preliminary version.
Lynne Piscitelli: Yes, it said more details to come.

Paul Hiller: He’s made some additional, if you look at what you saw originally, you have a copy, there are some changes in there. The bottom line remains the same.

Ray O’Leary: There’s more detail.

Alderman Anglace: One of the things that I am told is that at last night’s BOE meeting, they discussed meeting with the BOA on a quarterly basis to present their review of their budget. So that’s a step in the direction that we want to go as well and everyone should be aware that we are not going to go to the meetings as novices, we are going to bring the pro’s with us. So that we could ask the right questions and get some answers before they get too far in the other direction and we don’t understand it and run into problems.

Ray O’Leary: Their reporting quarterly will be a result of what we ask them to do.

Alderman Anglace: I have met with Dave.

Ray O’Leary: Not just what we think is a marketing way to approach it.

Alderman Kudej: We should have some sort of vehicle that is okay or denied where the money is going. From what I understood we gave the BOE the bundle to spend it anyway they want.

Paul Hiller: Unfortunately, that’s the way it is, it’s state sanctioned.

Alderman Kudej: And then they go out to show us the sales slip at the office. Who knows who authorized this and why do you need this? Can’t get it once you spend it.

Paul Hiller: Well we try and watch it as much as possible and there’s always expenditures that appear to be questioned. I think for the most part they are running, at least from a financial standpoint, they are running a pretty clean shop over there as far as what they are doing.

Alderman Kudej: Well we have a big question that last year we were in trouble with, we didn’t have enough money to pay the teachers and we may have to lay off the teachers and all of a sudden we got raises coming and we have no problem finding money for raises but we have a problem finding money for the school projects. We have gotta have some sort of way we could put a handle on it.

Ray O’Leary: They will cry poor. But one of the things that will help resist the budget, when you say we credit them one amount, and we do, we give them like $71 million in one shot. But this request is in more detail and it narrows it down to
one $71 million credit so you could look in detail here, like John was saying, in these quarterly reports we could ask them how we are doing on specific areas of the budget. You know, salaries and things like that. And we wanted to know on those because of the transfers and we need to know about those transfers.

Alderman Anglace: That's the big thing. We have got to get into the reporting process, the transfers as they occur.

Ray O'Leary: And those are specific reports that are available. So, the transfer, this is what they requested, then the BOA approves a number which is based on this and the Mayors, and then we could verify that by virtue of what John said by a quarterly update. We could ask them to fill out these forms if we put it this way, then we get what we want by them. No surprises for the next budget.

Alderman Kudej: We already signed the deal.

Paul Hiller: That's the kind of discussion we should be having because you could always fight these.

Ray O'Leary: You know how you could get things, keep us up on the funds and look at that and how the claims are working. That's all we are asking for with the BOE. How hard is that?

Alderman Anglace: Well I don't want to get off onto the BOE budget so I think we got, this is Paul's memo right?

Paul Hiller: Yup.

Alderman Anglace: And we heard that now we got the Lynne stuff. This is where rubber meets the road. If I may plagiarize somebody else's statement.

B. ASSISTANT FINANCE DIRECTOR'S REPORT

- RECONCILIATION UPDATES SCHEDULE A, B, C
- 90-DAY TRANSACTION REPORT

Lynne Piscitelli: All the City accounts are reconciled through January 31st. We had a good year, that was good. So, we are all reconciled and Rick Belden came in and asked for some reports from us. I gave him copies of some previous.

Alderman Kudej: Who?
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BOARD OF ALDERMEN
SPECIAL FINANCE COMMITTEE MEETING

Lynne Piscitelli: Rick Belden. So, we sent him information that he needs to start reconciling to us and I am with Paul, very hopeful. He wants the same things that we do.

Ray O'Leary: That is pretty basic, that what we are asking for with his records.

Alderman Anglace: When you, did you see this for the first time?

Ray O'Leary: This, no Lynne gave it to me.

Alderman Anglace: Okay, I went through it. I got the feeling that your making good progress.

Paul Hiller: Yes.

Alderman Anglace: It’s a time-consuming process, trying to contact people and find out what they did with the check?

Lynne Piscitelli: Yes.

Alderman Anglace: You know, you gave them money, they didn’t cash it. And now you can’t find out where they are.

Lynne Piscitelli: I have had some people call me and tell me it’s not theirs, that there was an issue when the check was issued and they are not owed the money.

Ray O’Leary: If they put it in writing you could get rid of that and move it back into account.

Lynne Piscitelli: Yes, I have.

Ray O’Leary: If it’s in writing.

Lynne Piscitelli: Yes, I have letters they are supposed to sign either way. Whether it’s theirs or whether it’s not.

Ray O’Leary: Then you could move it back to where it came from. I notice a grant on there, what about the grant on there?

Lynne Piscitelli: Which one?

Ray O’Leary: Over 90, It’s Shelton PD, the UI Grant/Street openings, it goes back to 04.

Lynne Piscitelli: And there is also a developer bond on there for $5000.
Paul Hiller: And the $5000 is Langan Engineering for bond back in 15.

Lynne Piscitelli: Those are a little harder to research, as they go back so far.

Ray O'Leary: Well who did they give that bond to? Who was the bond, it goes upstairs right?

Lynne Piscitelli: It should have gone to the police department, they should have cashed it.

Ray O'Leary: I'm talking about the 2nd one, Langan Engineering. Developer bonds. That's $5000 there.

Lynne Piscitelli: Yeah, we would have just been returning the bonds to them, I don’t know why they would not have cashed it.

Ray O'Leary: Are they still around?

Lynne Piscitelli: I don’t know, I am not sure.

Ray O'Leary: Kenny might know that.

Alderman Anglace: I don’t think Lynne was even in the job in 2015.

Lynne Piscitelli: No.

Ray O'Leary: These monies, at some point usually after 90 days, accounts like this, you try and contact them, you get a response from them, yes and give them their check and document that. I talked to Dave also about this and what I think and he agreed. He said you can’t put this in a suspense type of account, and get it off the bank record. At some point it gets too old to be on the bank record. It should be, it’s starting to become either the States or the Cities.

Lynne Piscitelli: Right, I move them into a liability account. Then I have been taking them as the letters come in. I get rid of them out of the liability account.

Ray O'Leary: Yeah but these are still sitting here. And at some point we will talk to Dave. That $5000 that probably goes back, I mean that goes back to us if I can imagine that. It’s okay after three years.

Lynne Piscitelli: Right. I mean some of these are companies that we still do business with that I would think if they were owed funds. They would have outstanding invoices for us.

Ray O'Leary: Have they responded to you on ours? All you need is it in writing.
Lynne Piscitelli: Right. I have had a few.

Ray O'Leary: Let’s talk about these two big ones. Has Shelton Police Department said anything to you about that?

Lynne Piscitelli: No.

Ray O'Leary: Ok so that is what we need in writing. The PD has to tell us basically it’s theirs or it isn’t, right Paul?

Paul Hiller: That’s right.

Ray O'Leary: And they have to say it in writing. And that tells us what we could do. Same thing with Langon Engineering.

Paul Hiller: The problem is when you see DUI we get grants from the state, this goes back quite a ways, where they set up DUI stops, ticket during holiday periods, 4th of July, things like that. And the State Police will reimburse us. They publish where they are going to be, we are going to be on Bridgeport Avenue.

Ray O'Leary: Yes, but they reimburse based on a document we provide.

Paul Hiller: Yeah, Yeah.

Ray O'Leary: And that’s all they need to find, is that document.

Lynne Piscitelli: Yes, but that’s 15 years old. They don’t even know where to look.

Ray O'Leary: That’s why, and nobody is looking for the money.

Paul Hiller: No.

Lynne Piscitelli: No.

Ray O’Leary: So that could be the city's. They already spent that money at the DUI stop.

Paul Hiller: And they expensed it because it’s basically payroll expense.

Ray O'Leary: Obviously, yeah.

Paul Hiller: And we are getting reimbursed through the State by putting in a DUI stop.

Ray O'Leary: Reimbursed, that’s the key. It’s our money.
Paul Hiller: Then we are paying, I don't even know why that check would have been written.

Ray O'Leary: I know, I know. But anyway, that's how we get them off. They shouldn't be, these are not meant to be bank reconciliation opens. They should be off.

Alderman Anglace: Are we sufficiently along the way, on our side, that we could now move to the BOE side?

Ray O'Leary: Yeah, there is one thing left. Like we sent letters here, for example, and some are back in November, and we are just talking about. We have got to finalize some of these and ask Dave exactly where they go. Then that's it for us.

Alderman Anglace: I mean we could go item by item, on our side, are we ready to go to the other side and say look, we have got our side in order?

Paul Hiller: I think so and I think we would be receptive.

Ray O'Leary: I think so. I am just saying a normal conversation with them would be alright.

Paul Hiller: Yeah.

Ray O'Leary: But John, if we are going to provide a report as a sample I would like to get rid of personally, and we are talking as a group, I would like to get rid of these 03, 04, 05 and 2010 transactions. They should be off a bank record. All we have to do is make decisions on how to get off, that cleans up this over 90. That's not even here anymore.

Alderman Anglace: Lynne concentrate on those.

Lynne Piscitelli: I will.

Ray O'Leary: At that point they could sit there in a GL, that's like a suspense, where if you find out where it is you take it out. At some point it goes right back to us, or the State. Sometimes you have to State it.

Paul Hiller: Yeah sometimes you have to take it back to the state.

Ray O'Leary: Well that's all, then Dave could tell us which ones can be (inaudible),

Alderman Angelic: And that will clean it up.

Ray O'Leary: There are people here that didn't cash the checks. Payroll.
Lynne Piscitelli: I know, I know.

Paul Hiller: Lynne has cleaned up a lot of these. An enormous amount.

Alderman Anglace: You have come a long way in this reconciliation program.

Alderman Anglace: And I know it’s been a lot of work and it’s tedious. It’s difficult, but you hired a new person, a part-time person to help and you could see the progress is being made and that needs to be documented and told. So, the next step for us is to go to the BOE and make sure they are doing the same things, which they should be, there is no reason to believe they are not. But just like us, we have got to document it and make sure. As the fiscal authority we have got to be sure, they don’t have to be sure.

Ray O’Leary: No, they don’t. And they have to be honest to our GL on any account that’s on our GL. They can’t balance on activity run, it doesn’t do anything. So, you said you gave Rick some copies on what we need on B?

Lynne Piscitelli: I gave him reconciliations that used to be done between the City and the BOA as just a format. And I gave him runs off of what I have listed as their expenditures for him to balance to.

Ray O’Leary: I just have one question on the four accounts that we are talking about on the other topic, where we are going to be, where we are involved from the audit. Were the 4 accounts, special projects, any of those associated with the accounts on B?

Lynne Piscitelli: I don’t know, the money is in the grant account.

Paul Hiller: We are running stuff in the grants, and the School Lunch. Some of them are intermingled into their general ledger accounts.

Ray O’Leary: Those are the ones that have to be broken out and they want to (inaudible).

Paul Hiller: For example, that school rental account would be going primarily through their regular account. Frankly their payroll, because that is where they are accruing the most cost on that. The School Lunch is a separate account.

Ray O’Leary: That’s what I mean. Those are the accounts that caused the deficits, if you will, that are not being kept accurate with balances. Less checks equals new balance kind of concept. It’s like just write checks.

Alderman Anglace: They record what comes in, they record what they write out.

Ray O’Leary: But no balance.
Alderman Anglace: But nobody’s balancing.

Paul Hiller: So those accounts, the School Lunch and the grants account. The grants account is a confusing account. And they have to have them separate because there are federal regulations on that.

Ray O’Leary: Grants are separate. They should be.

Lynne Piscitelli: Yes.

Ray O’Leary: So those are the discussions that start after we meet Tuesday.

Alderman Anglace: You know we may ask so many questions. If you look in the budget, the BOE budget, there are 400 teachers, there are 200 supporting staff. By the time we get through with them there will be 300 supporting staff. The more questions we ask the more people they are going to hire. Want to hire.

Alderman Kudej: Where do we stand on the parking lot at the high school?

Paul Hiller: There is a sum of money, I think $173,000 that was allocated by the aldermen last year. Obviously, nothing will be done on that until this summer. You know, I don’t know what the Mayor’s intent is.

Alderman Anglace: Stanley, to answer that question, I believe a part of that parking lot had to be dug up, it had to be rebuilt because there was a structural problem underneath. So rather than just pave over it, Paul wanted to wait until the spring time and dig it up.

Ray O’Leary: Get a base.

Alderman Anglace: Redo it.

Paul Hiller: You really have to wait until school is out.

Alderman Anglace: Yup.

Paul Hiller: Go in there in late June to get the project started.

Alderman Anglace: So that’s where that’s at.

Alderman Kudej: As long as there is a step in the right direction.

Alderman Anglace: He did do some paving up there and he did make some corrections in the parking lot, but just to buy some time.
Alderman Kudej: We were hashing it out at our board meetings and every time I ask a question, no we are not doing nothing yet, no we are not doing that. I mean where does the money go? It's just sitting there doing nothing.

Paul Hiller: The money has been appropriated.

Alderman Anglace: The money is still there. The money isn't going anywhere.

Paul Hiller: I don't know if it is enough money, I doubt it's enough.

Alderman Anglace: We had doubts, we had reservations, doubts whether or not we had enough.

Paull Hiller: You may need some of that money to be supplemented.

Alderman Anglace: We didn't anticipate the depth of what had to be done, we just thought it was going to be re-paved but it wasn't.

Paul Hiller: They were just going to do an overlay.

Alderman Anglace: It wasn't. It turned out it's structural.

Ray O'Leary: Paving would be a band aid.

Paul Hiller: Throwing good money at bad.

Alderman Anglace: This comes up all the time at Planning and Zoning.

Paul Hiller: Yes.

Alderman Anglace: Years ago, my house no exception, what we did was we threw all the scraps out all around the house and then when everything was done we just bulldozed the dirt over it, so over the years everything sinks. So now my driveway, it's got a hole over here, why? Because the wood is rotted and now you sink.

Alderman Kudej: Well hopefully something gets going quickly because warm weather is coming and athletic programs are all pay-to-play. And what gets me is when my grandson comes up to me and says, 'Grandpa can you get me some money everyone has to pay to play?' We got this money, where has that money gone? How much have we collected? How many people got a free ride, they don't have to pay to play.

Alderman Anglace: Well this is something that I noticed in the budget that they collected $277,000 in pay to play and $277,000 doesn't rise to me to the amount that I would think would have to make people pay to play. $270,000 they could find it some place.
Alderman Kudej: They got the kids, my grandson is so happy because he raised over $400 and it’s going to go to the school and I said, ‘What?’ and he’s far from being the big solicitor but you know what’s the money gonna go, what’s it going to do. Hopefully the parking lot gets refurbished.

Alderman Anglace: I think they collected $20,000-$30,000 for parking fee’s which they use for security I believe.

Ray O’Leary: That is for security. I wanted to make one more quick point on this report. Mr. Crawford made a note that there are a couple numbers that could be wrong on his report so put that in the minutes that the Library…

Lynne Piscitelli: Senior Center.

Ray O’Leary: I mean Senior Center. He is going to be talking to Lynne about them.

Alderman Anglace: Okay.

Ray O’Leary: Because we want to make sure that if there is something wrong it will get cleared up.

Lynne Piscitelli: Okay.

Ray O’Leary: Okay.

**ADJOURNMENT**

Alderman Anglace MOVED to adjourn; SECONDED by Alderman Kudej. A voice vote was taken and the motion passed unanimously.

The meeting adjourned at approximately 6:30 p.m.

Respectfully submitted,

*Amy Rogers*

Amy Rogers, Clerk
Board of Aldermen