



SPECIAL BOARD OF ALDERMEN FINANCE COMMITTEE
MEETING MINUTES
CITY OF SHELTON, CT
TUESDAY, JANUARY 11, 2022
Shelton City Hall, 54 Hill Street
Live-Streamed at www.cityofshelton.org

Call to Order/Pledge of Allegiance

Alderman Anthony Simonetti called the Special Finance Committee Meeting of the Board of Aldermen to order at 5:00 p.m. in the auditorium at Shelton City Hall. All those present stood and pledged allegiance to the Flag of the United States of America.

Roll Call

Alderman John F. Anglace, Jr., - Present

Alderman Porter McKinnon – Present

Alderman Anthony Simonetti – Present

Also in Attendance:

Ray O’Leary, City Treasurer - Present

Todd Heffelfinger, BOE Finance Director- Present

Paul Hiller, Director of Finance – Present (Via Phone)

Lynne Piscitelli, Assistant Director of Finance - Present

AGENDA

1. FINANCE COMMITTEE MEETINGS TO BE GOVERNED BY ROBERT’S RULES OF ORDER

Alderman Anglace MOVED pursuant to the Code of Ordinances, Article 2, Section 2-28 that all meetings shall be conducted under and governed by parliamentary procedure as defined by

Robert's Rules of Order.

Seconded by Alderman McKinnon.

A voice vote was taken and motion passed unanimously.

2. ADOPTION OF POLICY GOVERNING PUBLIC PORTION OF FINANCE COMMITTEE MEETINGS

Alderman Anglace MOVED to adopt a policy that allows for public comment at the beginning of each meeting, at regular meetings and any special meetings that may contain a public portion of up to 5 (five) minutes per speaker with such comments being summarized in the minutes of the meeting. Further, any member of the public wishing to add more comment may do so by submitting comments in writing to the Board of Aldermen.

Seconded by Alderman McKinnon.

A voice vote was taken and motion passed unanimously.

3. DEPOSITORY RECONCILIATION REPORTS

Alderman Simonetti: We have those reports in front of us, provided to us by Lynne and I appreciate all the work she does. It is a tough job to keep up with all this and she did get it all together for us tonight so we could go over them by line item, or we could just go down the depository reconciliation report for the month ending 12/31/21. John, did you want to start?

Alderman Anglace: I will defer to Ray.

Ray O'Leary: Just a question. The first one says 9/30/21 right?

Lynne Piscitelli: That one is behind schedule.

Ray O'Leary: The second one is 11/30 which is ..

Lynne Piscitelli: Everything else is 11/30.

Alderman Simonetti: That's reasonable.

Ray O'Leary: Except the Short Term Investment Funds (STIF)?

Lynne Piscitelli: If you got the updated one I just gave you, every one is updated through 11/30. STIF and tax were both brought up to 11/30.

**BOARD OF ALDERMEN SPECIAL FINANCE MEETING MINUTES
TUESDAY, JANUARY 11, 2022**

Alderman Simonetti: Would we be able to ask that the first one be updated by the next meeting please?

Lynne Piscitelli: Absolutely.

Ray O'Leary: Just to make a quick comment. There were some people that were not here before and one of the reasons we got into this and balancing these and putting out a summary total reconciliation for the Finance Committee, ultimately going to the Board, is to keep them abreast. Many times in the audits, we get, on June 30th, you get commentary that such accounts are out of balance and have been for a while. There are checks outstanding over 90 days and the reports were not good in that respect. As Treasurer, John and I basically started meeting with Paul and we went on for a long time and finally came up with what we need to do. We met with Lynne who put it to print and Lynne developed these reports to show, not only talk about these reports, but show that they are in balance to the general ledger and that we wanted to know who signed off on them, because when we checked, a lot of the signatures that were required are people that were dead and gone or quit the school system. So now if something happens on an account and you look for the signatories, they are there. So that became a critical thing, who signed off on the accounts.

Alderman Simonetti: I remember when that happened. It was a painstaking job to get it done, but once it's done, obviously it is working out well. Everybody is very glad to see it and you can see where there might be a problem and catch up with it ahead of time.

Ray O'Leary: Exactly. You will see it here and I see that Lynne has taken on, again, a lot of responsibility; her name is on all these.

Alderman Simonetti: Having had a discussion with Lynne before the meeting this afternoon, I know she has had some personnel difficulties. There are people on leave and other things, so she has told me that it is settling down. She has a part-time person and you are working on a full-time person, am I correct?

Lynne Piscitelli: Correct.

Alderman Simonetti: Any other comment you want to make about what is going on in the office?

Lynne Piscitelli: No. We have had somebody retire and the person we brought in to take over for them ended up having to cover for somebody else that was out on maternity leave. That was extended longer than we thought it was going to be. Then Paul retired, went remote in October. Just not enough staff and the work is still there.

Alderman Simonetti: Thank you for getting this up to 11/30 for most of them and the other ones you said – when you get it done, will you have a copy sent to us by email and then we

**BOARD OF ALDERMEN SPECIAL FINANCE MEETING MINUTES
TUESDAY, JANUARY 11, 2022**

will have it at the next meeting, obviously? At this time would anyone like to make a motion to accept the Depository Reconciliation reports as we see them? Any more comments?

Ray O'Leary: We have the Board of Ed to do.

Lynne Piscitelli: They updated theirs today, so all of theirs are updated on the new sheet.

Alderman Anglace: If you could take off your mask for a minute so everybody can see your face. Don't forget this face! I want everybody to know and realize that the Board of Education Finance Director, which Todd is, what is your last name?

Todd Heffelfinger: Heffelfinger.

Alderman Anglace: He doesn't have to be here, but his predecessor, Richard Belden started to come to our meetings on a voluntary basis to improve communication between the Board of Aldermen and the Board of Education and it worked out tremendously. He gave us a lot of information, he volunteered a lot of information and we made a lot of progress. We all felt privileged to have him here and do that. Todd came in and he doesn't have to be here. I asked him, you are welcome if you would like to come, you are not obligated. He volunteered to take up where Ricky Belden left off and he is going to come and share whatever he can with us. We may have questions from time to time and he may want to tell us something. So, it is good to have that.

Alderman Simonetti: You are welcome anytime, obviously. No questions asked. We will make sure you get an invitation all the time.

Todd Heffelfinger: Thank you for the gracious invite. I am very pleased to be here, thank you. I am glad to meet everyone.

Alderman Anglace: These meetings you can do virtually, but I said to him, at least the first one come in person so you get to know everybody.

Todd Heffelfinger: Perfect. Very happy to be here.

Ray O'Leary: Dates for the Board of Ed?

Lynne Piscitelli: Look at the updated one I just gave you.

Alderman Simonetti: If you look, they are all updated, at least through the end of November which I think is ...

Ray O'Leary: This is the one I have. So we have all November, December?

**BOARD OF ALDERMEN SPECIAL FINANCE MEETING MINUTES
TUESDAY, JANUARY 11, 2022**

Alderman Simonetti: One is done up until yesterday I believe.

Ray O'Leary: Now if you look at Schedule B the top ones, date of reconciliations are 11/30, 12/31.

Alderman Anglace: Did you have a question?

Alderman McKinnon: Yeah, just in general since this is my first time at this committee meeting. Is there a description of each of these accounts, what they are for, what funds get allocated, how they get allocated?

Ray O'Leary: Absolutely. Lynne has those.

Lynne Piscitelli: If you look at the account name it tells you a general idea.

Alderman McKinnon: It gives you a general idea, I am just wondering, for future reference, as we go through these meetings..

Ray O'Leary: One side is broken down with trust and agency and stuff, quick summary maybe.

Alderman Anglace: Maybe you should start with, what is this reconciliation report and what is it reconciling and come down to the simple terms? We get a monthly budget report. Explain to him the difference between this and this.

Ray O'Leary: It's like at home when you get your bank statement. That doesn't mean what you have in your checking account statement is the same.

Alderman McKinnon: Sure. I understand the process.

Ray O'Leary: That's what we do. We take a series of accounts that contain cash of any kind, ingoing and outgoing.

Alderman McKinnon: We have several accounts in the general fund. I understand what a general fund would be. What the tax collectors account would be. What is that ... The Tax collectors account, what is that line item? Those are the things, if there is a packet, I could read that I could understand.

Lynne Piscitelli: I can put something together for you.

Alderman Anglace: Just by way of information. This meeting is being taped and will be live streamed on the City's website. It is just as important to convey the details not only to those members sitting around the table, but to the general public, many of whom are not aware and do not have the benefit of this document. As Ray started to say, you have a checking account.

There are many people charged with spending money on behalf of the City and on behalf of the Board of Education. This reconciliation account reconciles those expenditures and makes sure that the amounts in those accounts are balanced and verified. We do it on a monthly basis. It is no easy task. It takes time to do it, is meticulous as when you do your checking account. A lot of people don't balance their checking account. They just take whatever the bank says as gospel. Well, I'm not one of those people. I balance my checking account down to the penny and the same is true of the City and that is our responsibility as a Finance Committee to make sure that this is being done and Lynne does it and her people do it and they report to us and assure us that it is done with this report and the accounts are balanced. It is the same with the Board of Education. The Board of Education, as you look through it you will see many schools have accounts that they spend money. So Todd and his finance people will have to verify that and he sends his information into Lynne and it is all consolidated into one report.

Ray O'Leary: Basically, the reports that are reviewed by different departments and the Mayor and Board of Aldermen Finance Committee and are not correct until the cash is balanced. So you could report a total that doesn't mean anything unless it is in balance. So that is why this report becomes very critical.

Alderman Simonetti: Any comments before we go forward? Porter, any other comments?

Alderman McKinnon: No.

Alderman Simonetti: At this time, I would like to call for a motion to accept the Depository Reconciliation Report as provided by the Finance Office.

Alderman Anglace: So moved.

Seconded by Alderman McKinnon.

Alderman Simonetti: Any comments?

A voice vote was taken and motion passed unanimously.

4. ASSISTANT FINANCE DIRECTOR REPORT & COMMENT

Lynne Piscitelli: I sent out a letter to everyone through their email just saying the accounts are balanced through November 30th with the exception of the General Fund. We just completed the audit with Clermont & Associates. I believe they are presenting on Thursday night at the Board of Aldermen meeting. No significant issues with the City. We did have People's Bank, which is our main bank, was taken over by M&T, but we have not seen any fallout from that yet. Nothing has changed as far as our banking. I'm not sure what to expect as the merger, or acquisition, continues. We are kind of waiting to see that. There are two rounds for our Covid

**BOARD OF ALDERMEN SPECIAL FINANCE MEETING MINUTES
TUESDAY, JANUARY 11, 2022**

funding. The first was a Municipal Covid Relief Fund which was about \$365,000, had to be spent by December 31st and it was, so we will be doing the final accounting in the next month or two. The other one was the American Rescue Plan Funding, which our first disbursement was a little over \$6 million. We are expecting a second disbursement in the Spring of this year. So far we have spent or encumbered \$1.2 million of the \$6 million. So, we still have a ways to go with that.

Ray O'Leary: That report should be with this package, right? Your report that you emailed. The hard copy should be with this, right? Also, Finance Directors as well, right?

Lynne Piscitelli: There is a packet that I gave out, yes. I have given everyone a copy.

Ray O'Leary: Then at least it would be in the package.

Alderman Simonetti: There is also the next page, the General Fund AP Accounts, did you want to make those comments into the record?

Lynne Piscitelli: There were no outstanding checks greater than 90 days in any of the accounts.

Ray O'Leary: Just a comment on that if I could. This report was two pages long if you remember. Checks outstanding over 90 days was at one point two pages long and that meant there were a lot of checks outstanding for a long period of time. Now, seeing none here is incredible. It's a hell of a job, excuse my French, done by Lynne. It really cleans up stale checks sitting around a checking account. I am hoping we can get the same thing from the Board of Ed.

Alderman Simonetti: It makes it much easier to reconcile.

Alderman Anglace: In December, the Board of Aldermen took a number of actions with respect to Covid monies. Just to give you an example, we adopted a budget for fiscal year 22 for the Police Department payroll account and have the number reduced by \$254,442. Such costs incurred will be charged to the Municipal Covid Relief Fund. When we get the monthly report, the monthly budget report which will be on Thursday, I believe, will those changes be reflected in there?

Lynne Piscitelli: Yes.

Alderman Anglace: Great. There was a whole page full of them and this was to utilize the Covid monies in the budget. We didn't have the Covid monies when the budget was adopted.

Alderman Simonetti: John, anything else?

**BOARD OF ALDERMEN SPECIAL FINANCE MEETING MINUTES
TUESDAY, JANUARY 11, 2022**

Alderman Anglace: The other thing is, the Covid monies that were received. I heard numbers and have seen numbers, I don't recall the numbers off the top of my head. Let's assume we received \$6 million. Is the Finance Department keeping track of these monies, where they are going and how they are spent like we do with...

Alderman Simonetti: The Special Education money?

Alderman Anglace: No. I just want to be sure that we have a running file tracking the COVID money expenditures.

Lynne Piscitelli: We do.

Alderman Simonetti: A special account for that money?

Lynne Piscitelli: It is in a special revenue account.

Alderman Anglace: What do we do? The money is ..

Lynne Piscitelli: Like the Capital Projects which details what is spent?

Alderman Anglace: The money we get from the State every year?

Lynne Piscitelli: The LOCIP?

Alderman Anglace: Yes. LOCIP monies. Things like that. So, in other words, if we want to see that on a regular basis we can see that?

Ray O'Leary: You want to track it coming in and going out.

Alderman Anglace: We know what they did. They sent all of the money to us up front. So, we got all the money. Now we just have to keep track of where that money is expended and have a record of it.

Lynne Piscitelli: We started files for both the Municipal Account and the ARP Account, so we have copies of all the invoices because we know there are going to be audits down the road, so we started our own files that we can give them when they come in to look over all we have spent.

Alderman Anglace: I just wanted to introduce that because one of our responsibilities is to know and to project, so the public knows, that we are managing this money and how we are managing it. Some people in the public have asked questions and say, well what are you going to do with that money? How are you going to spend it? Let me tell ya, it's not easy. They have a lot of strings attached to the money, can only be spent for this. You go ahead and spend it and you are going to have to pay it back at a later date. You have to be sure of

**BOARD OF ALDERMEN SPECIAL FINANCE MEETING MINUTES
TUESDAY, JANUARY 11, 2022**

everything and that you are checking back with Hartford to say is this eligible, is that eligible. You can't come up with a spending plan over the course of a year. We have made some adjustments to the budget in December.

Ray O'Leary: When the money comes in, where exactly does it go?

Lynne Piscitelli: We have a Special Revenue Account set up so we are tracking it separately. It is part of your Special Revenue reconciliation.

Ray O'Leary: Which one is it?

Lynne Piscitelli: Should be on the second page.

Ray O'Leary: Special Revenue, 2130?

Lynne Piscitelli: The cash itself currently is in the General Fund. There is a "due to/due from" between the General Fund and Special Revenue. All the activity is being tracked. I do believe we should open a separate checking account and transfer the money into a second account.

Paul Hiller: If I could just add to that comment. I have had discussions with the Mayor and both he and I feel that we should establish a separate checking account which is specific to these funds. The United States Treasury Department just late last week issued expanded guidelines on how these funds can be spent and actually they are far, far broader than what was originally sent out. We expect to receive, as does every municipality in the nation, more funds at the end of June, the same amount that we received this past June, \$6,086,000. Our intent is, at this point, to establish a separate checking account which will be specific to those funds.

Alderman Simonetti: That makes quite a bit of sense to do that so it is easier for everybody to track it. I understand that one municipality ran a parade with the money and it did not make a big hit with the people of Hartford. No parades!

Paul Hiller: The one thing that we found, primarily as a result of what happened in West Haven, where there was fraud and stuff like that with this money. The State has hired an outside audit firm, CohnReznick out of Hartford to audit each municipality. This is what Mr. Anglace referred to before the actions were taken at the December 13th meeting to modify the budget. That was done at the recommendation of the Deputy Secretary of OPM, Mr. Martin Heft. We believe we are in full compliance and will continue to remain so. As Lynne said earlier, there have been two appropriations out of the American Rescue Plan monies, \$700,000 that was for the sewer work that was done on Bridgeport Avenue and \$500,000 for paving. Those were obviously permissible expenses. The other thing that gives us, frankly, huge flexibility on this money, the new guidelines which came out last week from the Department of Treasury allows us to use up to \$10 million for what they call lost revenue.

**BOARD OF ALDERMEN SPECIAL FINANCE MEETING MINUTES
TUESDAY, JANUARY 11, 2022**

Frankly we did not lose significant amounts of money in revenue, but we are allowed to use \$10 million for whatever the Board of Aldermen might wish.

Alderman Anglace: Do we have to use the money first?

Paul Hiller: We have half of the money already and we have more coming but not until late June. Whatever is determined as to how to spend the money, we have until 2024 to spend the money.

Ray O'Leary: Quick question. When will the checking account be opened roughly?

Paul Hiller: I would hope within the next two weeks.

Ray O'Leary: Will all of the deposits and expense disbursements be out of that checking?

Paul Hiller: Yes. Frankly I anticipate there will be very little activity in that account. There will be a lot of money in that account, but very little activity. Because the deposits, other than any interest earned, and the interest earned has to be used for those accounts.

Ray O'Leary: You will be transferring money out of there then for different expenses?

Paul Hiller: We will be transferring money out of what is now in the Special Revenue account into a specific designated account. The Mayor and I have agreed, that we would probably open this account through Newtown Savings Bank since they were very cooperative with us on recent lending/borrowing and setting up a separate...the City has two accounts there, the Board of Education has accounts at Newtown Savings and this would be another account at Newtown Savings Bank in which we would move the money into that account. It would be segregated.

Alderman Simonetti: Thank you very much. Lynne, do you have any more to report at this time?

Lynne Piscitelli: That is all I have.

Alderman Simonetti: At this time, I would like to ask for any more discussion from the Board members about the Assistant Finance Director Report and Comment. I call for the motion?

Alderman Anglace: We don't have to accept it, she just gave it.

5. FINANCE DIRECTOR REPORT & COMMENT

**BOARD OF ALDERMEN SPECIAL FINANCE MEETING MINUTES
TUESDAY, JANUARY 11, 2022**

Alderman Simonetti: Now we have the Finance Director Report and Comment. At this time I offer the floor to Mr. Hiller, our Finance Director. Would you like to read your statement and then comment on it or make comments from the statement?

Paul Hiller: Thank you. I can read it if you'd like, for those who may not have it. I am very pleased to report that the City of Shelton is in a very healthy financial position as of December 31, 2021. There are several budgetary revenue lines that are currently showing favorable year to date numbers. These are as follows:

Current Levy - through 12/31 we have taken in \$71,079,050. We anticipate that the Supplemental Motor Vehicle tax will generate over \$300,000 in tax revenue beyond that level within the budget.

If I can just give a side comment on that. In round figures, last year the assessed value for new motor vehicles and new additions to the new motor vehicle list was \$44 million. We increased our budgetary estimate on that by 10% and in fact the final number came in at \$63 million, which was a significant increase. You probably read nationwide about the value of motor vehicles going up, particularly used motor vehicles going up. We are going to get a lot more money as a result of that tax, during this month primarily. Those bills went out in mid-December and the money is beginning to come in.

Alderman Anglace: I know I already got hit with it!

Paul Hiller: Prior Levy - We have collected close to 75% of anticipated revenue in the first half of the Fiscal Year. Obviously that is an ongoing number for delinquent accounts.

(Delinquent) Interest - We have already exceeded our budget by \$204,838. I will talk about that when I finish the line about Suspense Collections.

Suspense Collections - Again we have exceeded our budget by \$235,220. This is primarily the result of the sale of the AutoSwage property on River Rd., which was our largest delinquent account. The tax collector had put that account into suspense because it was in bankruptcy. We did not anticipate this resolution on this property which happened the week between Christmas and New Years. It is money and it is also frankly the reason why there is such a major increase in delinquent interest as a result of this one property which was 15 years delinquent in paying taxes.

FEMA Reimbursements - We received payment for costs incurred during Hurricane Isaias during August of 2020 in the amount of \$213,116, which had not been budgeted for receipt. One of the things with FEMA, you never know when you are going to get the money and obviously in this case it took about 18 months, but we got the money.

Tiered/MSRA - Unbudgeted (Payment in Lieu of Taxes) PILOT money received from the State in the amount of \$15,404.

LOCIP Proceeds - Funds received from the State for current and prior year's LOCIP funded

**BOARD OF ALDERMEN SPECIAL FINANCE MEETING MINUTES
TUESDAY, JANUARY 11, 2022**

projects. This line as of 12/31 exceeded budget by \$122,711 and another \$118,324 was received this week, actually tonight we will get that money.

Alderman Anglace: Thank you. I have a question on the LOCIP. How can we **exceed** the LOCIP funding that we projected since , we are given X amount of dollars from the State each year and then we spend it and we get reimbursed for it, so how do we exceed?

Paul Hiller: What happens is a question of timing. The amount that is in the budget is the amount that the General Assembly and the Governor allocates to us. I believe it is roughly \$270,000 that is received or that we – we don't receive that money right away until we submit for reimbursement.

Alderman Anglace: We spend the money out of our funds.

Paul Hiller: You have to spend it first and then you file for reimbursement. We had received already, in this fiscal year, \$392,000 which means that a lot of this money had been spent in prior fiscal years.

Alderman Anglace: Paul, hold on a second. Let me see if I understand this. You are saying that what you call money that exceeded the budget, you are saying we may have budgeted for this, let's say \$270,000 which we were going to get, so we budgeted for that, and you are saying you received more money because of reimbursements for prior years that were filed and we didn't receive them until now.

Paul Hiller: That is essentially correct. There is a lag on it. We have to spend the money first and then file for reimbursement. That has been done on several projects, one most notably is the East Village tennis courts for example is one project of several hundred thousand. There are any number of other smaller projects too that are within the LOCIP guidelines. Does that answer your question, John?

Alderman Anglace: Yes, it does.

Paul Hiller: If I can go on. There are 2 revenue lines that we previously discussed at previous committee meetings that will be short on budgeted revenue. Educational Cost Sharing will be below budget by \$137,027 as a result of the Board of Education filing for the permissible 2% reimbursement which goes directly to the Board of Education beyond their budget. Additionally, Municipal Shared Services will be \$50,000 short of budget due to the fact that the City of Derby has been unable to resolve labor issues relating to Shelton assuming management responsibility for their Tax Collector's Office. That is still an ongoing possibility, but I don't think we would see it much before May or June if something were to happen.

As I mentioned earlier and you are aware... as a result of Board of Aldermen approval, the City closed on financing of \$5,055,000 through Newtown Savings Bank at a rate of 0.55% for a 5-year term. This borrowing is one of the lowest rates achieved by any municipality in recent times and demonstrates the financial strength that the City has achieved.

**BOARD OF ALDERMEN SPECIAL FINANCE MEETING MINUTES
TUESDAY, JANUARY 11, 2022**

Alderman Anglace: Can we elaborate on that a little bit. First of all, 0.55, is that pretty close to one-half of one percent? Just for the record.

Paul Hiller: For rounding purposes you could say that, yes.

Alderman Anglace: Okay, just for the record. Secondly, when you talk about the lowest rates achieved by any municipality in recent times, this demonstrates our financial strength. The financial strength also comes about because what we did in this case was we went out and we negotiated with local banks for the best possible rate. We did not go through the bonding process, which we can go through, we have the authority to go through under the Charter. The bonding process, and the people should understand this, that the bonding process requires significant administrative costs that we do not incur when we go to a bank and negotiate a loan from the bank. Also, if we go through the bonding process and we authorize the third party, the attorneys or whoever is handling it, to go out for bonds, we are bound by the bids that come in which could be 3, 4, 5%, who knows. Here, we are masters of our own destiny. We can sit down with the banks and get the requests for proposals which is allowed under the Charter and we then can sit down and negotiate the best deal. That is a hell of a lot better than being bound by a 4% interest. We just proved it. This wasn't out of the blue. The Mayor picked up on this and said look, we have to examine this, we are foolish to keep throwing taxpayers money in the wrong direction. We can save taxpayers money by going to the banks for a commercial loan and we did and it worked out fine.

Alderman Simonetti: If I may add to that, John, for everyone's edification, they want about \$100,000 up front to boilerplate, just put a letter on top of the bond issue which doesn't mean anything at all. So that \$100,000 is gone, as John said, right out the door. This way we are not doing that at all. In the long run, the taxpayers save.

Alderman Anglace: We also heard, and I am saying all this because there is a lot of misinformation being publicized on Facebook or whatever they call it out there, the jargon ...

Alderman Simonetti: Social media.

Alderman Anglace: With technology today, they are out there talking about this stuff, and they are spreading all kinds of untruths.

Paul Hiller: If I could just add to that too, by giving an example, this was one thing we did three years ago, we utilized, as we had for many, many years, outside bond counsel to represent the City through this. At that time, we had previously been using a firm Robinson & Cole which is a large firm out of Hartford. We switched to another independent bond counsel to represent the City in this particular case. We had to pay him \$23,000. The only costs that we incurred on this borrowing, we had agreed, as the bank had asked for, that we would pay for their legal fees. We incurred a cost of \$3,350. City Attorney Teodosio represented the City, the Attorney from the firm of Berchem Moses in Milford who represented Newtown Savings Bank and we did pay \$3,350 for that fee, but that is a long way from \$23,000 that we paid before. Additionally, we did not incur any costs for rating agency reports from either Standard & Poor's or Moody's which right now would probably be, for each one, would be in the low 20's, \$20,000

**BOARD OF ALDERMEN SPECIAL FINANCE MEETING MINUTES
TUESDAY, JANUARY 11, 2022**

each. So, you can incur huge costs on borrowing this money. We didn't. Not only we didn't, but we got a rock bottom rate.

Alderman Anglace: That's the other misnomer that is being spread. "The City's bond rating went down." Well, let me tell you, would you rather have a bond rating that is good and pay 4% interest or a bad bond rating and pay one-half of one percent interest? Think about it. That is the kind of jargon that is going on out there and the people don't understand, you have to be practical when you manage taxpayers' money. You have to be realistic. You have to look for ways and you have to be bold about the way you go about doing it. We are not taking any chances. We have just proven that we have saved big money doing it this way. The interest rates alone – I don't know what it comes to per year but the difference of a half a percent on \$5 million and 3 or 4% is huge and that money belongs to the taxpayers, and it is our responsibility to make sure that it is not spent if we can avoid it. We did avoid it and everything we did is legal and legitimate.

Paul Hiller: Correct.

Alderman Anglace: When I hear this stuff I cringe because these are people talking without any foundation. These are people spreading misinformation and they are relying on the fact checkers, whoever they are, to straighten them out and they never get straightened out. That is why I am belaboring this thing because if you do something that makes sense and is good and you are saving the taxpayers money, you want the taxpayers to understand. I am at the end of my career; I don't care if they reelect me again or not. That is not my concern. My concern is that while I am here, I am going to do the job the best we can do it and work with the rest of the guys at this table and the Mayor and everybody else, the Finance Director and I think we have a good handle on it. The other thing is that we have the Board of Education that we are receiving the utmost cooperation from and that is a tremendous help. They just said to us, hey we want to sit down and negotiate the bus contract. You know something, that is going to save the taxpayers money. I saw in the paper, and the Mayor said it, the first year he is going to maintain \$3.15 million cost. Who is saving that money? It isn't the Board of Ed, it's the taxpayers and the Board of Ed is recognizing it by coming forward. That was a big step in the right direction financially. Go ahead Paul, I'm sorry to interrupt.

Paul Hiller: That's okay John. I have pretty much concluded. There is one thing I do want to touch on with the Committee, Todd is still there? We have had discussions as you are aware, and Lynne alluded to it, two of the banks that we do business with, People's United Bank and Webster Bank are both in the process of acquisition mergers. M&T Bank out of Buffalo, New York has purchased People's Bank and we anticipate – I don't know what the dates are, but I think it is going to be before April 1st before there is no longer going to be a People's bank. Likewise, the same situation exists with Webster Bank which we have a relationship with – Todd who are they?

Todd Heffelfinger: Sterling Bank.

Paul Hiller: Right, Sterling Bank. They are moving their headquarters, their Connecticut headquarters out of Waterbury and moving it to Stamford. We have some concerns as to what

**BOARD OF ALDERMEN SPECIAL FINANCE MEETING MINUTES
TUESDAY, JANUARY 11, 2022**

is going to transpire with these takeovers and I think we have to stay on top of this. I don't say we are doing anything right now, but I think both ourselves, Lynne and myself and Todd are aware of these situations and we want to watch it closely and monitor it closely as to what happens.

Alderman Anglace: A question about your report, Paul. Based on the expectation of unexpected revenues and based on the expenditures of budgeted funds thus far, your projection would be – how would you project us, and I know it is early, but half year down into it, so how would you project we are going to end up? Do we have to make any adjustments to the budget other than what we have done?

Paul Hiller: Let's put it this way, you are going to be reviewing on Thursday this past year's audit. I think year to date, we are now just over six months into this fiscal year, we are in better shape this year, much better shape this year than we were last year. There was a significant surplus last year which should keep our friends at Moody's and Standard & Poor's happy or happier. I think barring any catastrophe, you always have to be aware that things can go wrong in any municipality as far as weather events or stuff like that, we are as strong as we have ever been really. The budget results are going to be, if everything stays the same, much improved.

Alderman Anglace: So, in essence, based on what you see happening at the half-way point, we don't have to make any adjustments and we should finish the year out okay, based on current?

Paul Hiller: That's correct. Yes.

Alderman Simonetti: Porter, do you have any comments?

Alderman McKinnon: No.

Alderman Simonetti: Lynne?

Lynne Piscitelli: No.

Alderman Simonetti: At this time I would like to call for acceptance of the Finance Director Report and Comments.

Alderman McKinnon: So moved.

A voice vote was taken and motion passed unanimously.

Alderman Simonetti MOVED to adjourn; seconded by Alderman Anglace.

A voice vote was taken and motion passed unanimously.

Meeting adjourned at approximately 6 p.m.

**BOARD OF ALDERMEN SPECIAL FINANCE MEETING MINUTES
TUESDAY, JANUARY 11, 2022**

Respectfully Submitted

Donna Fonda

Donna Fonda, Acting Clerk
Board of Aldermen