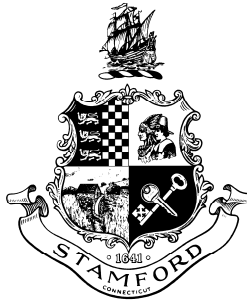


Minutes: April 11, 2013

MICHAEL PAVIA
MAYOR

TIMOTHY M. ABBAZIA
CHAIRMAN
MARY LOU T. RINALDI
VICE CHAIR
GERALD BOSAK, JR.
JOHN J. LOUZOS
KATHLEEN MURPHY
DAVID MARTIN

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BOARD OF FINANCE

STAMFORD GOVERNMENT CENTER
888 WASHINGTON BOULEVARD
P.O. BOX 10152
STAMFORD, CONNECTICUT 06904-2152

MINUTES

Regular Meeting

Thursday, April 11, 2013: 7:00 PM
Board of Finance Meeting Room, 4th Floor

Call to Order: (Video: 00:00: Hours, Minutes): Performed by Chairman Abbazia at 7:00 pm; noting all Members were present.

Pledge of Allegiance: Led by Chairman Abbazia

Approval of Minutes: March 13, 2013: Regular Meeting- **Approved** w/amendment **Approved**
Motion: G. Bosak; Second: M. Rinaldi 6-0-0 **As Noted**
March 26, 2013: Special Meeting –**Approved**
Motion: M. Rinaldi, Second: G. Bosak 6-0-0

Video: 00:01

Public Participation: None

Reports to the Board: (Video: 00:02) Mr. Martin advised that he held a Financial Policy Committee meeting last week, noting that they worked primarily on a policy for bond refinancing and some time on a cash forecast as well as on a policy for transfer between funds. He stated that the meeting was very productive and he received information from Bond Counsel which he is now assimilating but not yet ready to share regarding a new financial policy.

Note: Items are Shown in order of Consideration

BOARD OF EDUCATION

Unexpended Funds

- Item 4** Pursuant to Law 10-248a, request for approval of usage of unexpended funds in accordance with letter dated March 12, 3013 from Geoff Alswanger, President of Board of Education. **No Action Taken**
- Action Requested:** Approval of Unexpended Funds agreement
- Amount:** \$
- Fund/Budget:** Board of Education
- Submitted by:** Superintendent Winnie Hamilton, Board of Education
- Video: 00:05 BOE Finance Director Hugh Murphy advised that according to State Statute, the Board of Education could use unexpended funds from the prior fiscal year in the next year upon approval by the Boards, capped at 1% of their operating budget upon approval by the Boards. Superintendent Hamilton shared that she did not know if there would be any leftover funds, but if there were, it would help alleviate expenses stemming from enrollment and special Education costs. Mr. Martin stated that he would only support this if they used these funds for capital oriented expenses, since rating agencies did not look favorably on a situation where current year expenses were not supported by current year revenues. Mr. Murphy stated that the BOE did intend to use these funds on building & facility reserves as well as OPEB, which would comply with Mr. Martin's intent. Mr. Alswanger stated that allowing for this would provide more transparency in the budget process, that it was done in other districts and allowable by state statues. Chairman Abbazia stated that it created an incentive to create a greater surplus. Ms. Murphy asked for the actual agreement. Mr. Abbazia suggested that the Board of Education work with the Law Department to create an agreement for the Board of Finance to approve at their next meeting.

DEPARTMENT OF ADMINISTRATION

Discussion: Update from Actuaries

- Item 1** Update from Actuaries: Pension Funds, OPEB Methodology, ARC Calculation **Discussion-No Action Taken**
- Action Requested:** Review
- Amount:** \$
- Fund/Budget:**
- Submitted by:** Tim Abbazia, Chairman
- Presented by:** Hooker & Holcombe
- Video: 00:17 City Actuary Bill Woollacott shared with the Board that he had

to re-do two of the pension valuations after it was discovered that Medicare Part B was being paid out of the Pension funds, which he did not see as indicated according to plan documents. The Board agreed that it appeared that OPEB was the proper fund to charge for these expenses. Mr. Abbazia asked if they could tell at this point if the Actuary's initial estimates prior to completion were still correct. Mr. Woollacott said that based on the data; the City's contribution for pensions would likely be higher than the estimate due to changing assumptions regarding the assumed rate of return (decreasing it from 8 % to 7.75%) and an increase in mortality rates since people were living longer. He added that the OPEB estimate was closer to their projections and that the City was actually paying higher than required by ordinance since it paid the current benefit and 7% of the Annual Required Contribution (ARC). Ms. Murphy stated that rating agencies were looking to municipalities to reduce the discount rate and suggested that Stamford should have such a plan. Mr. Privitera asked Mr. Woollacott to give him the dollar cost associated with moving the discount rate each quarter percentage. Mr. Woollacott advised the Board that now having all of the required data, they expected all of the pension estimates to be completed by April 25, which was noted by Mr. Privitera as being after the Board of Finance's action on the budget, but prior to the Board of Reps.

GRANTS

COA Outreach Grant

- | | | |
|---------------|--|-------------------|
| Item 2 | Request for Approval of Transfer in the amount of \$12,450 from the Salaries & Medical & Life Insurance Accounts to the Seasonal, Overtime, Gasoline & Office Supplies Accounts to cover seasonal and overtime costs for the rent rebate program, travel costs and supplies due to lower than anticipated medical costs. | Approved |
| | <i>Action Requested:</i> Transfer | 5-0-0 |
| | <i>Amount:</i> \$12,450 | Motion by |
| | <i>Fund/Budget:</i> Grant | G. Bosak |
| | <i>Submitted by:</i> Anne Fountain, Director of Health | Seconded |
| | Video: 00:37 Mr. Martin was temporarily out of the room when this item was discussed. | J. Louizos |

Office of Public Safety, Health & Welfare- Social Services

- | | | |
|----------------|--|-------------------|
| Item 16 | Request for Approval of Additional Appropriation in the amount of \$50,000 to pay for outstanding hotel bills for emergency housing, food reimbursement, moving expenses & rental security deposits. | Approved |
| | <i>Action Requested:</i> Additional Appropriation | 5-0-1 |
| | <i>Amount:</i> \$50,000 | Motion by |
| | <i>Fund/Budget:</i> Contingency | G. Bosak |
| | <i>Submitted by:</i> Anne Fountain, Director of Health | Seconded |
| | Video: 00:38 On a motion by Mr. Bosak, which was seconded by Ms. | J. Louizos |

Rinaldi, the Board agreed by unanimous vote (with Mr. Martin out of the room) to consider Item #'s 16 & 17 under suspension of the rules. Ms. Fountain advised that this item & # 17 below were requests for funds that the City incurs to relocate people living in illegal housing & also to pay for eviction charges (see item below). The City must take care of these issues by State Law, so they' front' the funds prior to reimbursement from the Landlords. Ms. Rinaldi wanted to know why these funds could not be located elsewhere in the Health Departments' budget. The Board approved this item by a vote of 5-0-1, with Ms. Rinaldi abstaining.

Office of Public Safety, Health & Welfare- Social Services

- | | | |
|----------------|--|------------------|
| Item 17 | Request for Approval of Additional Appropriation in the amount of \$10,000 to pay for outstanding eviction charges for moving & storage. | Approved |
| | Action Requested: Additional Appropriation | 5-0-1 |
| | Amount: \$10,000 | Motion by |
| | Fund/Budget: Contingency | K. Murphy |
| | Submitted by: Anne Fountain, Director of Health | Seconded |
| | Video: 00:44 | G. Bosak |
| | See minutes in No. 16, above. The Board approved this item by a vote of 5-0-1, with Ms. Rinaldi abstaining. | |

OFFICE OF LEGAL AFFAIRS

Additional Appropriation

- | | | |
|---------------|---|-------------------|
| Item 3 | Request for Approval of Additional Appropriation in the amount of \$275,000 to pay for Special Counsel expenses (\$250K) & for the purchase of software for case management (\$25K). | Approved |
| | Action Requested: Additional Appropriation | 5-1-0 |
| | Amount: \$ 275,000 | Motion by |
| | Fund/Budget: Contingency | G. Bosak |
| | Submitted by: Joe Capalbo, Director of Legal Affairs | Seconded |
| | Video: 00:45 | J. Louizos |
| | Director Capalbo provided the Board with a listing of cases and estimated costs to justify this request. He advised that the Special counsel expenses were incurred due to numerous federal lawsuits & requests for FOI info and that the \$25k software is for a management system to track lawsuits & FOI requests. Mr. Abbazia asked if the members wanted to discuss details of the legal expenses. The Board then agreed by unanimous vote (Motion: Ms. Murphy; Second: Mr. Bosak) to discuss these in executive session due to pending legal issues, as advised by Director Capalbo. After approximately twenty-five minutes, the Board exited executive session, with Mr. Abbazia stating that no action was taken. On a motion by Mr. Bosak, which was seconded by Mr. Louizos, the Board then acted to approve this appropriation by a vote of 5-1-0, with Ms. Murphy casting the dissenting vote. | |

OFFICE OF OPERATIONS

Engineering

Item 5 Request for Approval of Agreement between the City of Stamford and WMC Consulting Engineers for professional services for the rehabilitation of June Road Bridge. **Approved**

Action Requested: Approval of Agreement

Amount: \$250,371: NTE

Fund/Budget:

Submitted by: Lou Casolo, City Engineer

Video: 00:46

Mr. Casolo advised that the bridge was 70 years old and in serious condition. He stated that he expected the bids to come back on the repair by May 15, so they wanted this to coincide with the award of the inspection services which were necessary to certify that the construction was built as designed. Responding to a question from Mr. Bosak, Mr. Casolo advised that the full-time inspection was the same process as was done for the Cold Spring Bridge repair. Mr. Abbazia asked if these funds were fully appropriated. Mr. Casolo stated that they were, and that the not-to-exceed cost was based on hourly rates. Ms. Murphy stated that she did not see the Gift clause in the contract. Mr. Casolo said that he would follow up with Legal and incorporate this provision prior to the contract being signed. Mr. Martin suggested that the Board of Reps could then approve this contract as amended for this inclusion. While the Board acted to approve this item, Ms. Murphy dissented, citing the absence of the gift clause.

5-1-0

Motion by

M. Rinaldi

Seconded

J. Louizos

Operations-Snow Removal

Item 6 Request for Additional Appropriation in the amount of \$765,000 to cover overtime cost associated with Storm Sandy. **Approved**

Action Requested: Additional Appropriation

Amount: \$765,000

Fund/Budget: FEMA Portion

Submitted by: Ernie Orgera, Director of Operations

Video: 00:52

OPM Director Privitera asked the Board to approve this appropriation noting that the intent was that the City would be reimbursed by FEMA for these costs. He stated that in order to receive the funds, they needed to provide FEMA with a statement of loss which he expected to be completed within 2 weeks, resulting in payment prior to September 30.

6-0-0

Motion by

G. Bosak

Seconded

J. Louizos

Operations-Snow Removal

- Item 7** Request for Additional Appropriation in the amount of \$215,000 to pay for contracted services associated with repair work to beaches. **Approved**

<i>Action Requested:</i>	Additional Appropriation	6-0-0
<i>Amount:</i>	\$215,000	Motion by
<i>Fund/Budget:</i>	FEMA Portion	J. Louizos
<i>Submitted by:</i>	Ernie Orgera, Director of Operations	Seconded
Video: 00:55	Mr. Privitera advised that this was the same situation as Item # 6 (above) regarding the funding, but for repair work to the beaches.	M. Rinaldi

FERGUSON LIBRARY

Supplemental Capital Appropriation

- Item 8** Request for Supplemental Capital Appropriation in the amount of \$320,000 to convert and print copies of local historical documents (i.e., Stamford Advocate) into a digital format for preservation and public access. **Approved**

<i>Action Requested:</i>	Supplemental Capital Appropriation	5-1-0
<i>Amount:</i>	\$320,000	Motion by
<i>Fund/Budget:</i>	Capital Non-Recurring- New	G. Bosak
<i>Submitted by:</i>	Ernie DiMattia, Director	Seconded
Video: 00:56	Ferguson Board Chairman Greg Caggainello advised that these funds would allow the Library to convert 60 years of the Stamford Advocate newspaper to digital format, noting that the Advocate was one year older than the New York Times. Director of User Services Knapp advised that this project sought to encourage use by the general public and students, noting that it allowed for access both online-with a Stamford Library Card, and in the Library itself. Mr. Louizos wanted assurances that all students were both aware of these documents availability as well as able to readily access them. Director of Administrative Services Bochicchio stated that the Library card requirement for online access was in accordance with their licensing agreement, which Mr. Caggainello added, was perpetual. While Board of Finance Vice-Chair Rinaldi suggested that this project may have been accomplished through a partnership between the Stamford Historical Society and the Advocate, Director Bochicchio stated that the Advocate did not believe it was not financially advantageous for them to do so. On a motion by Mr. Bosak, which was seconded by Mr. Louizos, the Board then acted to approve this appropriation by a vote of 5-1-0, with Ms. Murphy dissenting, stating that the project was better done in the next year.	J. Louizos

Yerwood Center- Update

Item 21 Request for Discussion on Financial Status of Yerwood Center.

**Update-
Action as
noted**

Action Requested: Discussion

Amount:

Fund/Budget:

Submitted by:

Video: 01:11

Michael Handler, Director of Administration
Director of Administration Handler advised the Board that he had important information to share with them regarding the financial condition of Yerwood Center, which recently came to light. On a motion by Mr. Martin, which was seconded by Mr. Bosak, the Board then agreed to consider this new item under suspension of the rules by unanimous vote. Mr. Handler advised that the City was apprised by CL&P that since Yerwood Center had not paid its electrical bill in some time, they were on the verge of turning the power off. Mr. Handler added that while Yerwood Center was an important center that served a lot of kids, there was also Covenant House & a soup kitchen in the same building, and they too would be affected by Yerwood Center's default. He said that he authorized an emergency payout of \$4K, which he asked Chairman Abbazia to sign so as to keep the power on. Mr. Abbazia, who signed the request, asked what the total amount required was to keep the building operational for this year and next. Mr. Handler noted that there were also additional bills for gas that brought the utility charges up to \$18K at present. Vice Chair Rinaldi advised that she was aware that this was not the first time the Yerwood Center encountered financial difficulty, and what would persuade Mr. Handler to believe that these circumstances would abate. Mr. Handler stated that Yerwood Center had a new Board which was both passionate and committed to the Center succeeding in its mission, and was working on asking Covenant House, who expressed a desire to relocate, to stay in this building, thus helping the other tenant by sharing in the costs. Ms. Murphy suggested that other Stamford companies such as Purdue Pharma & RBS may be willing to assist. Mr. Bosak then volunteered to help the Yerwood Board address these issues. Mr. Handler said he would also be asking for such assistance from the Board of Representatives.

MAYOR'S OFFICE

Operations/Mayor's Office: Transfer

- Item 9** Request for transfer from Office of Operation's: Payroll to the Mayor's Office: Payroll in the amount of \$16,228 in order to fund a stipend for supervision of Citizen Services' staff for the period July 1, 2012 through June 30, 2013. **Approved**
- Action Requested:** Transfer **4-2-0**
- Amount:** \$16,228 **Motion by**
- Fund/Budget:** **M. Rinaldi**
- Submitted by:** Mayor Pavia **Seconded**
- Presented by:** Michael Handler, Director of Administration **G. Bosak**
- Video: 01:22 Director Handler advised that the Mayor asked the Town Clerk to step in and supervise Citizen Services, a year-long task for which Town Clerk Loglisci was never paid for. Mr. Martin stated that at as an Elected Official and pay-plan employee, that this action should be approved by the City's Personnel Committee, so he would not support it. Ms. Murphy wanted to know what additional services were provided by Ms. Loglisci. Ms. Rinaldi stated that while the Board may not agree with the process, that the work was done and the stipend was deserved. On a motion by Ms. Rinaldi which was seconded by Mr. Bosak, the Board then acted to approve this transfer by vote of 4-2-0, with Mr. Martin & Ms. Murphy casting the dissenting votes.

BOARD OF FINANCE

New Financial Policies

- Item 10** Request for Approval of Resolution(s) pertaining to proposed new Financial Policy(ies). **Not Heard**
- Action Requested:** Approval of Resolution(s)
- Amount:** \$
- Fund/Budget:**
- Submitted by:** David Martin, Financial Policy Committee Chairman
- Video: 00:00 This item was not heard.

Future Agenda Items

- Item 11** Review: Possible future Agenda Discussion Items **Not Discussed**
- Action Requested:** Discussion
- Amount:**
- Fund/Budget:**
- Submitted by:** Tim Abbazia, Chairman
- Video: 00:00 This item was not heard.

Mill River Collaborative

- Item 18** Request for Approval of Additional Appropriation in the amount of \$6,500,000 for capital improvements to Mill River Park. **Approved**
- Action Requested:** Additional Appropriation **4-1-1**
Amount: \$6,500,000 **Motion by**
Fund/Budget: CP 1070: Donations **J. Louizos**
Submitted by: Milton Puryear, Director; Mill River Collaborative **Seconded**
Video: 01:23 On a motion by Ms. Rinaldi, which was seconded by Mr. **D. Martin**
Louizos, the Board agreed by unanimous vote to consider this item under suspension of the rules. Mr. Puryear advised that the Mill River Collaborative had pledges of some 14M, which would be paid over multiple years. Ms. Murphy stated that she believed that the City was in a “cash bind” and should wait on this until after the funding was in place for Phase I. Mr. Privitera shared that he spoke with Asst. Controller Vitale who advised that the City was due \$500K for work already done & that there was an additional \$250K needed to complete the job, but that he was assured by Mr. Puryear that the City would be reimbursed for all of these funds. Ms. Murphy also expressed concerns about completing the project without the funds in hand, pressing the need for a cash flow analysis. Mr. Puryear advised that the only way the project would not be completed was if they were denied these funds necessary to complete it & pay back the City. On a motion by Mr. Louizos, which was seconded by Mr. Martin, the Board acted to approve this item by a vote of 4-1-1, with Ms. Murphy dissenting & Mr. Bosak abstaining from voting.

Smith House

- Item 19** Request for Approval of Bid Waiver in the amount of \$67,250, to Jane Cuzzipoli in order to continue Medical Claims Processing Services for Smith House due to special source. **Approved**
- Action Requested:** Bid Waiver **5-1-0**
Amount: \$67,250; Res. 2013.01.BW **Motion by**
Fund/Budget: Operating **G. Bosak**
Submitted by: Bob Mislow, Smith House Director **Seconded**
Video: 01:50 On a motion by Ms. Rinaldi, which was seconded by Mr. **J. Louizos**
Louizos, the Board agreed by unanimous vote to consider Item #'s 19 & 20 under suspension of the rules. Ms. Rinaldi asked Director Mislow, as to why he did not advise the Board of these potential bid waivers when he came before them in March during the budget process, noting that he also had the time to go out to bid during this time frame, thus obviating the need for a bid waiver. Mr. Mislow explained that these vendors were with Smith House since Premier was managing the facility, and they were needed back as they possessed special knowledge that

would explain what happened previously and also allowed Smith House to collect \$10M in receivables. Mr. Abbazia wanted to see a report which demonstrated how the collections were better now and showed the trend of receivables getting better. Ms. Rinaldi also asked how this was a sole source, to which Mr. Mislow advised that it required specific knowledge of Medicare & Medicaid as well as the Smith House system. While the Board acted to approve these items, Ms. Rinaldi cast the dissenting vote.

Smith House

- Item 20** Request for Approval of Bid Waiver in the amount of \$67,000 to Migdalia Rivera in order to continue Billing & Collection Services for Smith House due to special source. **Approved**
- Action Requested:* Bid Waiver **5-1-0**
- Amount:* \$67,000: Res. 2013.02.BW **Motion by**
- Fund/Budget:* Operating **G. Bosak**
- Submitted by:* Bob Mislow, Smith House Director **Seconded**
- Video: 01:50 See minutes in Item # 19 above. The Board acted to approve this item with Ms. Rinaldi casting the dissenting vote. **J. Louizos**

ITEMS HEARD UNDER SUSPENSION OF RULES

Office of Administration

- Item 14** Request for Approval of Transfer in the amount of \$2,470,779 from FY 2012 Fund Balance to the Risk Management Internal Service Fund to cover a deficit in the latter. **Held**
- Action Requested:* Transfer **6-0-0**
- Amount:* \$2,470,779 **Motion by**
- Fund/Budget:* Fund Balance: Prior Year Surplus **M. Rinaldi**
- Submitted by:* Michael Handler, Director of Administration **Seconded**
- Video: 02:25 On a motion by Mr. Louizos, which was seconded by Mr. Bosak, the Board agreed by unanimous vote to consider Item #'s 12-15 under suspension of the rules. Ms. Rinaldi questioned how the City could have missed the estimated budget for this item by nearly \$2.5M. While Mr. Privitera advised that there were year-end issues which contributed to this deficit including 2 heart transplants, Ms. Rinaldi stated that she needed additional information before she could support this transfer. Mr. Privitera agreed to ask the Risk Manager for both the top 10 Heart & Hypertension claims, noting the department, as well as the top 20 Workers Compensation claims, also noting the Department on one excel sheet. The Board then agreed to hold this item by unanimous vote. **D. Martin**

Office of Administration

Item 12 Request for Approval of Transfer in the amount of \$4,182,526 from FY 2012 Fund Balance to the Rainy Day Fund. **Held**

Action Requested: Transfer
Amount: \$4,182,526
Fund/Budget: Fund Balance: Prior Year Surplus
Submitted by: Michael Handler, Director of Administration
Video: 02:35
On a motion by Mr. Louizos, which was seconded by Mr. Bosak, the Board agreed by unanimous vote to consider Item #'s 12-15 under suspension of the rules. Mr. Privitera advised that these items were in accordance with the Administrations intent on how to utilize prior year surplus as identified on the City's CAFR for FY 2012. Mr. Abbazia stated that the City had other obligations so putting \$4M in Fund balance was not the best course of action for the City. Ms. Murphy stated that she would prefer Fund balance to be built up gradually, a view shared by Mr. Bosak. Mr. Martin stated that he would rather approve this now as committed to in the Financial Report, which was echoed by Mr. Louizos. Ms. Rinaldi stated that she would prefer that some additional funds be provided to the City's pension liability. Most members agreed that additional funds should go towards alleviating residents' tax burden if possible. The Board then acted to hold this item in favor of Mr. Privitera recommending a course of action that would allow for half of the remaining surplus, after other designations (see Items #13-15) to go to the Rainy Day Fund and half to be allocated to the City's contribution to OPEB or the Pension funds.

Office of Administration

Item 13 Request for Approval of Transfer in the amount of \$692,162 from FY 2012 Fund Balance to the Parking Fund to cover a deficit in the latter. **Approved**

Action Requested: Transfer **6-0-0**
Amount: \$692,162 **Motion by**
Fund/Budget: Fund Balance: Prior Year Surplus **D. Martin**
Submitted by: Michael Handler, Director of Administration **Seconded**
Video: 02:57 **G. Bosak**
On a motion by Mr. Louizos, which was seconded by Mr. Bosak, the Board agreed by unanimous vote to consider Item #'s 12-15 under suspension of the rules. After some discussion, the Board acted to approve this transfer by unanimous vote.

Office of Administration

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|--------------------------|--|-------------------|
| Item 15 | Request for Approval of Transfer in the amount of \$30,740 from FY 2012 Fund Balance to the Disputed Assessments Internal Service Fund to cover a deficit in the latter. | Approved |
| <i>Action Requested:</i> | Transfer | 6-0-0 |
| <i>Amount:</i> | \$30,740 | Motion by |
| <i>Fund/Budget:</i> | Fund Balance: Prior Year Surplus | D. Martin |
| <i>Submitted by:</i> | Michael Handler, Director of Administration | Seconded |
| <i>Video: 02:58</i> | On a motion by Mr. Louizos, which was seconded by Mr. Bosak, the Board agreed by unanimous vote to consider Item #'s 12-15 under suspension of the rules. While Ms. Rinaldi questioned why a relatively small amount could not be found within the budget, Mr. Privitera advised that it could not. The Board then acted to approve this transfer by unanimous vote. | J. Louizos |

Next Regular Meeting of the Board: Thursday, May 9, 2013 @ 7:00 P.M.

Adjournment: On a motion by Mr. Bosak which was seconded by Ms. Rinaldi, the Board unanimously agreed to adjourn this meeting at 10:25 PM

Lorraine C. Gilden

Lorraine C. Gilden
Clerk of the Board