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**BOARD OF FINANCE**  
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## MINUTES

**Wednesday, March 8, 2017: 7:00 PM**  
**(Rescheduled from March 9, 2017)**

**Board of Finance Meeting Room, 4<sup>th</sup> Floor**

**Call to Order:** Performed by Chairman Richard Freedman at 7:00 p.m. noting that all members were present except David Kooris (arrived at 7:05 p.m.). (Video 00:00:00)

**Pledge of Allegiance:** Chairman Freedman

**Approval of Minutes:**

February 15, 2017 7:00 PM: Regular Monthly Meeting

(Video: 00:00:59)

**Approved**  
**5-0-0**

**Motion by:**  
**S. Gabriele**  
**Second by:**  
**D. Williams**

**Public Participation:** None

**Reports to the Board:** None

**Items are shown in order of consideration.**

**CONTROLLER'S OFFICE**  
**One-Year Contract Extension – Blum Shapiro**

Item 2	<p>Blum, Shapiro &amp; Company, P.C., has been performing auditing services for the City of Stamford and the Board of Education for three (3) years. Their contract affords an option for a one-year contract extension. Controller David Yanik, with the support of the Director of Administration, Michael Handler, is requesting approval of the one-year extension to the current contract.</p> <p>Section 2 in the agreement with Blum Shapiro includes the “option” provision that allows the City to opt to extend the agreement for an additional year. Blum, Shapiro has agreed to keep the F2017 fees at the same level as what was billed for FY2016.</p>		<p><b>Approved 5-1-0</b>  <b>Motion by: D. Williams</b>  <b>Second by: D. Kooris</b>  <b>M. L. Rinaldi</b>  <b>Opposed</b></p>
<b>Action Requested:</b>		Approval of one-year contract extension.	
<b>Amount:</b>		\$201,000	
<b>Fund/Budget:</b>			
<b>Submitted by:</b>		David Yanik, Controller	
<b>Video: 00:01:36</b>		Mr. Yanik provided a short history of the City's association with the Blum Shapiro firm and recommended the one-year extension of the agreement described above. He said that his recommendation was based on the quality of the personnel, which is very good. He added that availability of staff is very good, staff members have subject matter expertise, are a good sounding board for our questions and are tied to the State's efforts to implement the Uniformed Chartered Accountants Statewide. They are engaged as external auditors for the towns of Bridgeport, Waterbury, Meridian, West Hartford and others. As an additional provision, they agreed to hold their fee at the same level as last year.	

During the discussion of Item 2, Board Member David Kooris arrived at the meeting (7:05 p.m.). Mayor David Martin also arrived at the meeting during the discussion of Item 2.

**OFFICE OF THE MAYOR**  
**Update - Contract Negotiations**

Item 1	<p>Mayor Martin stated in Public Session that he would be updating the Board of Finance on pending contract negotiations.</p>		<b>Executive Session Discussion</b>
<b>Action Requested:</b>		Discussion	
<b>Submitted by:</b>		Mayor David Martin	
<b>Video: 00:14:00</b>		At this time Chairman Freedman called for a motion to enter Executive Session. Mr. Gabriele made the motion, which was seconded by Mr. Kooris. The Board voted unanimously (6-0-0) to enter Executive Session at 7:15 p.m. Also present besides the Mayor and members of the Board of Finance, were Kathryn Emmett, Director of Legal Affairs and Clemon Williams, Director of Human Resources.	

At 8 p.m. the Board of Finance came out of Executive Session. Chairman Freedman stated that no votes were taken and no actions taken. (Video 00:59:57)

## GRANTS

### ***Additional Appropriation – Historic Document Preservation/Contracted Services***

Item 3	The State grant for historic document preservation was \$1,000 more than budgeted. This appropriation will align the City and State budgets.	<b>Approved 6-0-0 Motion by: S. Gabriele Second by: M. L. Rinaldi</b>
	<b>Action Requested:</b> Request for Additional Appropriation	
	<b>Amount:</b> \$1,000 – grant funded	
	<b>Fund/Budget:</b> Grant Funded	
	<b>Submitted by:</b> Donna Loglisci, Town Clerk	
	<b>Video: 01:00:07</b> Ms. Cammarota, Grants Officer, reiterated that the City received an additional \$1,000 for historic document preservation. There were no questions.	

## BOARD OF EDUCATION

### ***Additional Appropriation – Adjustment in BOE Budget for Change in OPEB Funding Requirement***

Item 4	The BOE Operating Budget for Other Post-Employment Benefits (OPEB) was assembled on a “Net” basis with retiree claims subtracted from Gross ARC to arrive at an annual budget amount. In an effort to standardize budget methodology, the OPM and Controller’s Departments have requested that the BOE fund OPEB in a method similar to City methodology. Additionally, the Controller’s Office has requested permission to move \$1,639,736 from BOE claims reserve and 2015-16 Operating Budget surplus to the OPEB reserve to cover this change. The BOE has approved moving forward with this and taking funding from the Claims Reserve in the amount of \$1,440,404 and 2015-16 Operating Budget surplus of \$199,332.	<b>Approved 6-0-0 Motion by: D. Williams Second by: S. Gabriele</b>
	<b>Action Requested:</b> Request for Additional Appropriation	
	<b>Amount:</b> \$1,639,736	
	<b>Fund/Budget:</b> Fund Balance	
	<b>Submitted by:</b> Hugh Murphy, Executive Director, Finance, Board of Education	
	<b>Video: 01:00:44</b> Mr. Earl Kim, Superintendent of Schools, provided the Board with background on the above-proposed one-time adjustment to bring the Board of Education (BOE) OPEB accounting method into alignment with the City of Stamford (COS) method of OPEB accounting. He asked Mr. Murphy to explain the difference between the net short-term accounting method and the gross accounting method, how we are going to fund that for the current year and what it will mean to the BOE’s budget next year. Mr. Murphy explained the process, adding that taking \$1,440,404 out of the claims reserve and \$199,322 out of the 2015-16 operating budget surplus will make a total contribution of about \$1.6 million. Then, going forward, funding will be through the gross ARC. It is recommended that the claims reserve be between 5 and 9 percent of the BOE’s annual claims. With this adjustment, the claims reserve drops to about \$7,000,000, which is within the range. Mr. Fountain reiterated that this is a one-time adjustment to bring BOE and City OPEB into alignment. Mr. Freedman asked if the COS has concurred with this adjustment, to which Mr. Fountain replied that it has. Mr. Murphy responded to a question by Ms. Michelson about whether an actuary has looked over this matter our internal prediction is that our claims will be within our budget.  <i>For a full transcript of this discussion, please view the meeting video.</i>	

## OFFICE OF POLICY AND MANAGEMENT

### *Capital Project Closeouts – Various*

Item 5	<p>Pursuant to Stamford City Code Section 8-2, partial closeout of the following capital projects is recommended:</p> <ul style="list-style-type: none"> <li>. C5B613 - District-wide Boiler and Burner Replacement (\$150,000.00)</li> <li>. C31072 - District-wide Energy Efficiency Projects (\$100,000.00)</li> <li>. C5B217 - Toquam Indoor Air Quality Issues (\$625,000.00)</li> <li>. C36668 - Westhill High School Infrastructure Renovation (\$250,000.00)</li> <li>. CP6567 - Mill River Storm Water Management (\$547,870.27)</li> <li>. CP6567 - Mill River Storm Water Management (\$440,880.86)</li> </ul> <p style="text-align: right;"><i>See related Items 6 and 7 below.</i></p>	<p><b>HELD from February meeting</b></p> <p><b>NO VOTE NECESSARY</b></p>
<b>Action Requested:</b>	Approval of partial closeout of the above Capital Projects	
<b>Amount:</b>	\$2,113,751.13	
<b>Fund/Budget:</b>	<p>C5B5613 - \$150,000.00 (Rebate)</p> <p>C31072 - \$100,000.00 (Rebate)</p> <p>C5B217 - \$625,000.00 (State Grant)</p> <p>C36668 - \$250,000.00 (State Grant)</p> <p>CP6567 - \$547,870.27 (Federal Funds)</p> <p>CP6567 - \$440,880.86 (Bond)</p>	
<b>Submitted by:</b>	Jay Fountain, Interim Director, OPM	
<p><i>Video: 01:09:56</i></p>	<p>This item, and related Items 6 and 7, were placed on hold at the February 15, 2017 meeting of the Board of Finance. An excerpt of that discussion follows:</p> <p>Mr. Romano answered questions pertaining to the status of the closeouts, including which items were not funded as expected.</p> <p>. The rebates were authorized during 2014-15 capital projects but were not received and are not going to be received. He did not know why it was submitted during the capital projects process.</p> <p>. The State grants will not be received based on Ms. Cammarota's information. The <i>Toquam Indoor Air Quality Efficiency Projects</i> fund is currently fully expended, with a zero balance. As we did not get the expected State grant to reimburse us we had to offset it with bonds. We are going to have to repurpose next month the \$625,000. <i>Westhill High School</i> has a \$225,000 balance now from a \$250,000 budget so \$25,000 is being taken to bring it to a zero balance.</p> <p>. The Mill River projects have been completed and came in \$1,000,000 under budget - which is half the amount budgeted - and the State could not match money we didn't spend. This money has not been received and will not be received because the project was made smaller. This project was to make the property useful for recreational purposes.</p> <p>When asked, Mr. Romano said he did not know why the funds were not going to be reimbursed for these expenditures. The Board decided to HOLD Items 6, 7 and 8 until next month (<i>now items 5, 6 and 7</i>) so that OPM can research the reasons for non-payments. The Board also requested information on where the money is going to come from.</p> <hr/> <p>As a follow-up to the information requested at the February 15, 2017 BOF meeting, Jay Fountain; Louis Casolo, City Engineer; Al Barbarotta, Director, Facilities Management; and Karen Cammarota were present at the March 8, 2017 meeting to discuss this topic. Explanations were given as to why the City did not receive funds that it had anticipated receiving from the State.</p> <p>Mr. Barbarotta added that, as a positive aside, the State has given us \$2,680,000 this year to fund Alliance grant projects for repair and</p>	

	<p>maintenance, which they haven't funded for the past 15 years. He added that the City is currently preparing an application to the State for another \$2,000,000 for school repair projects.</p> <p><i>For a full transcript of this discussion, please view the meeting video.</i></p>	
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**Supplemental Capital Project Appropriation – Board of Education - Toquam Indoor Air Quality**

Item 6	<p>Supplemental Appropriation requested is to offset the grant closeout as follows:</p> <ul style="list-style-type: none"> <li>Toquam Indoor Air Quality Issues</li> </ul> <p><i>See related Item 5 above.</i></p>	<p><b>Approved 5-1-0</b>  <b>Motion by:</b>  <b>D. Kooris</b>  <b>Second by:</b>  <b>S. Gabriele</b>  <b>M. L. Rinaldi</b>  <b>Opposed</b></p>
	<p><b>Action Requested:</b> Approval of Supplemental Capital Project Appropriation</p>	
	<p><b>Amount:</b> \$625,000.00</p>	
	<p><b>Fund/Budget:</b> C5B217 - \$625,000.00 (Bonding)</p>	
	<p><b>Submitted by:</b> Jay Fountain, Interim Director, OPM</p>	
	<p><b>Video:</b> 01:37:04</p> <p>This item was placed on HOLD at the February 15, 2017 meeting of the Board of Finance. See an excerpt of the discussion in Item 5 above.  <i>As this matter was discussed at length in Item 5, a vote was taken immediately following the conclusion of Item 5, without further discussion.</i></p>	

**Supplemental Capital Project Appropriation – Board of Education - Westhill High School Infrastructure Renovation**

Item 7	<p>Supplemental Appropriation requested is to offset the grant closeout as follows:</p> <ul style="list-style-type: none"> <li>Westhill High School Infrastructure Renovation</li> </ul> <p><i>See related Item 5 above.</i></p>	<p><b>Approved 5-1-0</b>  <b>Motion by:</b>  <b>D. Williams</b>  <b>Second by:</b>  <b>S. Gabriele</b>  <b>M. L. Rinaldi</b>  <b>Opposed</b></p>
	<p><b>Action Requested:</b> Approval of Supplemental Capital Project Appropriation</p>	
	<p><b>Amount:</b> \$25,000.00</p>	
	<p><b>Fund/Budget:</b> C36668 - \$25,000.00 (Bonding)</p>	
	<p><b>Submitted by:</b> Jay Fountain, Interim Director, OPM</p>	
	<p><b>Video:</b> 01:37:23</p> <p>This item was placed on HOLD at the February 15, 2017 meeting of the Board of Finance. See an excerpt of the discussion in Item 5 above.  <i>As this matter was discussed at length in Item 5, a vote was taken immediately following the conclusion of Item 5.</i></p>	

**Next Regular Meeting of the Board: Wednesday, April 19, 2017 at 7:00 P.M.**

**Adjournment:** Motion by Dudley Williams, seconded by Salvatore Gabriele to adjourn the meeting at 8:40 p.m.  
 (Video: 01:38:08)

**Cynthia R. Winterle**

**Cynthia R. Winterle**  
**Clerk of the Board**