



**City of Derby  
Board of Apportionment & Taxation  
MEETING  
DECEMBER 21, 2015  
7:00pm  
JOAN WILLIAMSON ALDERMATIC CHAMBERS**

**Howard Bradshaw  
James Butler  
Christopher Carloni  
Carlo Malerba, Jr.  
Shirley Miani**

**Louis Oliwa  
Rose Pertoso  
Sam Pollastro, Jr.  
Phyllis Sochrin  
Judy Szewczyk, Chairperson**

**Ms. Szewczyk opened the meeting at 7:05 PM with the Pledge of Allegiance.**

**Roll Call**

**Present: Mr. Bradshaw, Mr. Butler, Mr. Carloni, Mr. Malerba, Jr., Ms. Pertoso, Mr. Pollastro, Jr., Ms. Sochrin and Ms. Szewczyk.**

**Absent: Ms. Miani and Mr. Oliwa.**

**Public Portion**

**Mr. James Butler, Tax Board Member, Former Chairman, citizen, resident and taxpayer in the City of Derby. Prior to the last election, Mr., Thomas Lenart, Sr., put a letter in the**

Valley Independent Sentinel, chastising the Mayor and the Chairman of the Tax Board Apportionment & Taxation for not properly funding the Storm Ambulance Corp. For the past four years, I have been scrutinizing the budgets very closely, and I went to several departments to see where they needed funding. I went back into the "990's" which is the income tax filing for a not for profit organization, the ambulance corp is a not for profit organization. They are supposed to file a 990 and they are supposed to be filing their meeting notices to the public. They are also supposed to provide a 990 if requested. Their calendar year is January to December, ours is a split calendar year, June to June. I went back to their 990 for 2013/2014, they are working on 2015 now. Based on a total reported income of \$413,765.00. In 2013, the 990 reported Municipal Contributions of \$27,500. The actual contributions are as follows:

Budget:	1-25-13 Check #30623	\$27,500.00
	5-3-13 Check #31637	\$13,750.00
Capital Plan		
	1-8-13 Defibrillators	<u>\$25,847.70</u>
	Total for 2013	\$67,097.70

This is \$39,597.70 in funding by the City of Derby not reported. Take their reported loss of \$17,444.00 from the \$39,597.70 (not reported) is an actual profit of \$22,153.70.

Based on the total reported income of \$562,824.00. 2014 990 Report of Municipal Contributions of \$119,000.00. Actual contributions are as follows:

Budget	1-10-14 Check #33977	\$40,000.00
	7-25-14 Check #35957	\$13,750.00
Capital Plan	3-25-14 FD10 Nutmeg Int.	\$70,000.00
	7-31-14 Power flex	<u>\$ 9,000.00</u>
	Total for 2014	\$132,750.00

This shows \$22,750.00 in unreported income and a profit of \$98,287.00. That left \$22,750.00 not reported as income from the City of Derby. A total for 2 years of \$62,347.70 not reported as income from the City of Derby. The profit for the 2 years of \$120,440.70.

I researched this because of the letter that Mr. Lenart sent. I knew something was wrong, we give them money and we do not know what happens to it. There should some kind of audit. Mr. McLiverty is here and he can tell you we have given them other monies for equipment. Mr. Butler said Mr. Pollastro approved the additional monies they asked for, and Mr. Pollastro pointed out the Mr. DiCenso and Ms. DeGennaro from the Board of

Aldermen were present at the meeting and spoke on behalf of the ambulance corp to get them more money. Ms. Szewczyk said that this makes a good point that we should be checking everything thoroughly.

Mr. Michael Kelleher, Fire Commissioner spoke that on his request for transfer, he had typed an account number incorrectly. He gave the board corrected copies.

Mayor Dugatto spoke and welcomed the new members and thanked all the members and told them the tax dollars of the city are in their hands.

Ms, Szewczyk thanked Jim Butler for his service as Chariman. He has made a lot of improvements and I will be making some changes too.

Public portion was closed.

#### Motion to Approve November 16, 2015 and December 5, 2015 Minutes

A motion was made by Mr. Pollastro and seconded by M. Butler to put the November 16, 2015 minutes on file. Motion Carried.

A Motion was made by Mr. Butler and seconded by Mr. Carloni, to put these on file also as not enough members were not present. Motion Carried.

#### Treasurer's Report

Mr. McLiverty said that he wanted to make it perfectly clear that the items that Mr. Butler is talking about, the stretcher, sensors, were purchased and paid for by the City, Patty Finn put in the requisitions and paid them, the confusion is how they are reported on the financial report.

Welcome aboard, we are in the process of closing last year's budget. We had some last minute transfers to do. As in the past we will drop any money left into the fund balance and move it over as needed.

We are starting to work on our bond upgrade for 2017, probably in April or May, and will be working diligently to be sure that 5 indicators of success are bogies that we need , adequate fund balance, capital reserve, funding of long term obligations, strong tax collection rate and sic & severance obligations.

We had a key number, the Cadillac Tax, which went away. We received the notice on Friday. As you know, we are self-insured, we have a medical process of which we actual

bear the risk, and this tax burden was coming in 2017, called the Cadillac Tax, which is a result of Obama care, and this had been pushed out to 2020. This would have cost the city hundreds of thousands of dollars that we would have had to pay. Hopefully this will be going away. This would have meant when we were building the 2016/217 budget, that would have had to be paid at the end of 2017. It is still on the radar, and we will be watching it carefully.

We are also watching the state funding, for their obligation. As you know they are in a state deficit. Are we going to get the money they promised us, we don't know. We are watching this diligently on the revenue side. The biggest one will be excess costs. They seem to reduce the Special Education which is funded by state statute. How that works is the Board of Education pays for all Special Education costs, anything that exceeds 4.5 per pupil, the state pays. They slowly over the years have reduced 1% of that amount; they are supposed to pay 85%. Last year it was 77% and this year it is 66%. What does this matter to us, Special Education costs as absorbed by the Board of Education, we have always passed that money through when it comes in. They assumed a certain amount, if they can't find it in their budget; they will be before you asking for more money. It's on our radar and we think this is one are they will be cutting back on. We will keep you posted. Ms Sochrin asked if this is state mandated, how can they change it. Mr. McLiverty asked the down side, the Board of Education continues to spend the money, they don't get told until February, and in May they are told how much they are getting. In that case, they cannot make up the money they have already spent. This always leaves us with the problem.

**Library (5500) Increase (\$5,185.00)**

- From Account (001-6000-690-6918) From Fund Balance (\$5,185.00)
- Increase Account (001-5500-360-0360) Library Grants (\$5,185.00)

To more state grants that were received in Fiscal Year 2014-2015 to the library for the purchase of books.

A motion to accept was made by Mr. Maleba and seconded by Mr. Carloni. Mr. Carloni asked if meant there would be no more grants and Mr. Coppola said that they grants come in regularly. Motion Carried.

**Fire Department (3200) Increase (\$400.00)**

- From Account (001-6000-610-6000) Misc Revenuer (\$400.00)
- Increase Account (001-3200-330-0338) Fire Personnel Alert System (\$400.00)

Book Manufacturer pager rebate and replenish pager account.

A motion to accept was made by Mr. Carloni and seconded by Ms. Pertoso. Mr.Kelleher said he found a vendor who is cheaper and will be using them from now on. Motion Carried.

**Fire Department (3200) Transfer (\$5,929.93)**

- From Account (001-6000-660-6617) Insurance Reimbursements (\$5,929.93)
- To Account (001-3200-330-0334) Equipment Maintenance (\$5,929.93)

Book Insurance reimbursement and replenish maintenance account.

A motion to accept was made by Mr. Malerba and seconded by Mr. Carloni. Motion Carried.

**Fire Department (3200) Transfer (\$7,500.00)**

- From Account (001-3200-280-0280) Educational (\$4,000.00)
- To Account (001-3200-330-0332) Building Maintenance (\$4,000.00)
- From Account (001-3200-460-0464) Turnout Gear Repair (\$3,500.00)
- To Account (001-3200-330-0332) Building Maintenance (\$3,500.00)

A motion to accept was made by Mr. Pollastro and seconded by Mr. Carloni. Mr. Kelleher explained that the money was needed to take care of the damage that was done, in putting in the new floor at the Storms. Money in the education account that is no longer needed as since we donated the truck to the fire school in New Haven, they will giving us free training for the next four years. Mr. Butler asked if there was any need for a bid waiver, and Mr. Kelleher said no. Mr. Pollastro asked for an explanation of when a bid waiver is needed. Mr. McLiverty explained it to him. Motion Carried.

**Legal (1600) Transfer (\$18,250.00)**

- From Account (001-8400-390-0390) Working Balance (\$18,250.00)
- To Account (001-1600-270-0251) Tax Sale (\$18,250.00)

Transfer funds to cover tax sale expenses to be recouped from tax sale.

A motion to accept was made by Mr. Butler and seconded by Mr. Carloni. Ms Szewczyk said this looked very familiar. Mr. McLiverty explained that these are expenses to be recouped from the tax sale for the next round. This will be used for advertising, etc. this money comes back to you. We recoup all the money first. Ms. Szewczyk said it makes sense to put this money aside, and Mr. McLiverty added that if we knew in advance we could. Ms. Sochrin asked if we are sure we are going to get this money back, and Mr. McLiverty said we are the first "Tranche" , which is a category of liability, and yes the last time we got back 10 times the amount. The money will be moved from the working balance. Ms. Pertoso asked why all the amount on transfer line was different, and she was told that is was a typo and Ms. Szewczyk said it was a good catch. Motion Carried.

**Miscellaneous Revenue (6000) (175.00)**

- From Account (001-6000-610-6000) Miscellaneous Revenue (\$175.00)
- Increase Account (001-8100-450-0456) City Hall Copiers (\$175.00)

To account for check received for the termination of City Hall copier lease.

A motion to accept was made by Ms. Sochrin and seconded by Mr. Butler. Mr. Carloni asked if we had purchased the copiers, and Mr. Coppola said we lease them. Motion Carried.

**Blight Increase (\$43, 03-.00)**

- From Account (001-6000-690-6918) Appropriate from Fund Balance (\$27,200.00)
- Increase Account (001-8200-490-0502) Blight & Density Reduction (\$27,200.00)

Re-appropriate unused blight fines from fiscal 2014-2015.

- From Account (001-6000-690-6981) Blight Violations (\$16,730.00)
- Increase Account (001-8200-490-0502) Blight & Density Reduction (\$16,730.00)

A motion was made by Mr. Pollastro and seconded by Mr. Malerba. Mr. McLiverty explained that 3 years ago, BOAT granted the Board of Alderman \$200,000.00 for acquiring property and getting rid of blight. What was not spent was put back into the fund balance. There are 2 buckets here, Bucket 1, money not spent and Bucket 2, move to the expense line to spend. In reality, they did not spend all of the \$200,000.00 . Last year they didn't spend \$27,200.00. This

dropped into the fund balance. The Department Head must come to you, and you make the motion to move it from the fund balance into the expense line item. We have \$16,730.00 which came in as revenue, and we have an expense coming in. Motion Carried.

**Health Services (\$200.00)**

- From Account (001-6000-690-390) Fund Balance (\$200.00)
- To Account (001-8200-490-0502) Health Services

To increase Health Service Account to pay 2<sup>nd</sup> installment of PSAP Fire Dispatch EMS and Associated Services.

A motion was made by Ms. Sochrin and seconded by Mr. Malerba. Motion Carried.

**Training Session proposed by Judy Szeqczyk, Chairperson**

Ms. Szeqczyk proposed a training session for all new members, and also existing members. They will be going over what the Treasurer does, city revenue, expenditures, city debt, financial department, capital planning, financial outlook, grand list, accounts payable, charter, FOI, duties and responsibilities., appropriating funds, things we need to do for the Board of Alderman, how we are going to set the mill rate, conflict of interest, Roberts rules. She has put together training manual. The session should take about 2 hours and is scheduled for Saturday, January 9<sup>th</sup>, 2016 from 10:00 am to 12:00 noon.

**Adjournment**

A motion to adjourn was made by Mr. Pollastro and seconded by Mr. Malerba. The meeting was adjourned at 8:00 PM.

Respectfully Submitted

Louise Pitney

Recording Secretary

**\*\*\* These minutes are subject to the approval by the Board of Apportionment & Taxation  
at their next regular meeting.**