WOLCOTT TOWN COUNCIL

Regular Meeting
Tuesday, January 20, 2015
Council Chambers, Wolcott Town Hall
7:30 p.m.

MINUTES

Note: These are summary minutes; a tape recording of this meeting is on file in Commission Secretary's Office in Wolcott Town Hall.

Chairman David Valletta called the meeting to order at 7:30 p.m. with the Pledge of Allegiance, and attendance was taken.

MEMBERS PRESENT: Chairman David Valletta, Vice-Chairman Gale Lanza Mastrofrancesco, Joseph Del Buono, Francis Masi, Rachel Wisler, Charles Marsella, Roger Picard, Jeffrey Slavin, and Donald Charette Sr.

MEMBERS ABSENT: None

ALSO PRESENT: Mayor Thomas G. Dunn; Linda Bruce, Municipal Finance Officer; Town Attorney Brian Tynan; Anthony Marino, Treasurer; et al.

APPROVAL OF MINUTES:

- **Regular Meeting - January 6, 2015**

Upon **MOTION** by Roger Picard, seconded by Jeffrey Slavin, it was unanimously voted to **approve** the minutes of the Regular Meeting held on January 6, 2015.

TAXPAYERS' TIME: (Limited to Items on the Agenda)

No taxpayers came forward.

CORRESPONDENCE (on file):

1. **Finance Office Transfer, submitted by Linda Bruce**
2. **Proposed Resolution** (#395) **Adopting the Town of Wolcott Hazard Mitigation Plan Update, 2015** (Hazard Mitigation Plan emailed under separate cover)
3. **Letter dated January 12th from Linda Bruce Regarding Audit Services for FY 2014-2015** (additional documentation attached)
4. **Treasurer's Report dated January 20, 2015**
5. **Board of Education Year to Date Budget Report dated 12-31-14**
6. **Town of Wolcott Expenditure Report, Revenue Report, & Trial Balance, for month ending 12-31-14**

MAYOR'S REPORT:

Mayor Dunn came forward and reported the following:

- They had another bond rating conference call last week for the refinancing of the bonds; they received notice this afternoon that their bond rating will stay the same which is great news and they received additional positive notes with respect to their fund balance and management
- Next Tuesday they will have a conference call for pre-pricing and then hopefully they will be locking in for the refinancing
- Regarding their Small Cities Grant Program, there is currently no waiting list; there are funds available for qualified candidates; it is a great program for people to get work done on their homes and the money does not have to be paid back until the home is sold; the information will be in the Wolcott Community News
- They are ready to lock in to their gasoline bid; the number is under $2.00

A brief question and answer period followed during which Mayor Dunn noted that the gasoline bid is for one year and regarding oil, they go in with the Board of Education who also go in with the Town of Plymouth.

FINANCE OFFICER'S REPORT:

Linda Bruce came forward and reported the following:

- They opened the invitation to bid for gasoline for FY 2015-2016 on January 14th; they received three bids of which Dime Oil was the successful bidder for the mark up over whatever the current NYMEX/New Haven Harbor pricing is at the time they say 'buy'; they have not told them to buy yet, they are still watching it; they will probably tell them to buy within the next two days; if they bought this afternoon, taxes are a little over $.15 per gallon and the mark up was $.0932 per gallon; there may also be an increase in taxes
- The Board of Education locked in for diesel and heating oil; diesel with taxes is $1.9118 and heating oil is $1.9056; savings will be about $87,000 which will offset any increases in the budget
- The rating call with Standard & Poor's was held on January 15th; Wolcott maintained its AA stable rating with positive comments; she has not seen the report yet, however, management practices and policies are very important to Standard & Poor's; having the fund balance policy in place and plans to review a debt management & capital policy is inherent to a successful rating

- Piper Jaffray has been chosen as the underwriter for the refunding bonds; a conference call was scheduled for 4:00 p.m. today to discuss the responses sent to them by the Town for the due diligence questionnaire now required by the SEC
- The conference call was to include Mark Piscatelli, Managing Director of Public Finance for Piper Jaffray, Janette Marcoux, Senior Vice-President for FirstSouthwest, Lisa Gladke, the attorney representing Shipman & Goodwin, Anthony Marino, Treasurer, Mayor Dunn, and herself
- At 3:46 p.m. this afternoon, she received an email from Mark Piscatelli stating the following: "I have reviewed the Town's responses to Piper Jaffray's due diligence questionnaire. The responses were very thorough. I have no additional questions at this time. There is no need for our scheduled 4:00 p.m. conference call."; soon after she received a call from Janette Marcoux stating that she has never had a due diligence conference call canceled for any of her other clients
- There will be two additional conference calls on January 27th; one for pre-pricing and the other for the issue pricing; they are looking to act quickly on the refunding as the rates are still in their favor
- One transfer was submitted for approval

A **MOTION** was offered by Francis Masi, seconded by Jeffrey Slavin, to **approve** the following transfer: Public Works – 311; from #7300 Capital Outlay $10,000.00, to #5700 Operating Supplies $10,000.00 to pay for an increase in equipment & truck breakdowns that is causing more than normal usage of consumable bulk fluids **(see attached).**

An inquiry was made with respect to the large dollar amount of the above transfer, at which time Mrs. Bruce noted that most of the increase is due to the fact that their personnel and equipment are being used on Phase II of the road reconstruction project, which was not the case for Phase I. Discussion followed with respect to the condition of the fleet, during which Mayor Dunn explained that the fleet is in good shape and he also elaborated on the different types of trucks that they use and the prices of same.

Chairman Valletta called for a vote on the above motion which *carried* unanimously by voice vote.

TREASURER'S REPORT:

Anthony Marino came forward and proceeded to review his presentation in detail **(see attached).**

He noted that he will not address the general bond obligation refunding as the Mayor and Mrs. Bruce previously addressed it.

Summary is as follows:

- $590,000 has been invested in CD's
- Retirement plan totaling $17,168,000 is doing well; last month there was a $290,000 change in investment
- He would like to update the policies and procedures for deposits and investments; it was last updated in 2007; he will submit a copy of the current policy so that the Finance Sub-Committee can review it

SUB-COMMITTEE AND LIAISON REPORTS:

Sub-Committee for Elected Officials Salaries: Mr. Slavin reported that they met on January 14th and they are still in discussions.

Sub-Committee for the Walking Trail: Mr. Charette reported that the Public Works Dept. has started cutting trees and they are proceeding pretty rapidly because the weather has been cooperating. Tree cutting started on Boundline Road near the camp area.

UNFINISHED BUSINESS:

There was no unfinished business.

NEW BUSINESS:

1. **Resolution Adopting the Town of Wolcott Hazard Mitigation Plan Update 2015**

Upon **MOTION** by Gale Mastrofrancesco, seconded by Rachel Wisler, it was unanimously voted to **approve** the following resolution: (#395) RESOLUTION ADOPTING THE TOWN OF WOLCOTT HAZARD MITIGATION PLAN UPDATE, 2015; WHEREAS, the Plan recommends several hazard mitigation actions/projects that will provide mitigation for specific natural hazards that impact the Town of Wolcott, with the effect of protecting people and property from loss associated with those hazards; and WHEREAS, adoption of this Plan will make the Town of Wolcott eligible for funding to alleviate the impacts of future hazards **(full text of resolution attached).**

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2. Discussion & Possible Action on Audit Services for Fiscal Year 2014-2015

A MOTION was offered by Gale Mastrofrancesco, seconded by Rachel Wisler, to **approve** the Audit Services for FY 2014-2015 (Mahoney, Sabol & Company LLP as recommended by Linda Bruce, Municipal Finance Officer) **{see attached}.**

Mrs. Bruce came forward and noted the following:

- The bid was set so that if they wanted to change auditors they could
- She can find no reason not to recommend staying with Mahoney, Sabol & Co. as they were efficient and worked well with each other; their presentation to the Council was excellent

A question and answer period followed regarding the audit bid, during which Mrs. Bruce noted the following:

- They did not receive a two year price; the price is $1,000 more for FY 2014-2015
- Only one company bid for a three year period; with Council approval, they can put out a bid next time for multiple year pricing

Chairman Valletta called for a vote on the above motion which *carried* unanimously by voice vote.

ITEMS FOR NEXT AGENDA:

Chairman Valletta advised that if anyone has any items please contact the Chairman or the Secretary.

TAXPAYERS' TIME:

No taxpayers came forward.

EXECUTIVE SESSION:

Upon **MOTION** by Rachel Wisler, seconded by Charles Marsella, it was unanimously voted at 8:05 p.m. to take a five minute recess and **enter** into Executive Session for the purpose of discussing contractual matters, inviting Mayor Thomas Dunn and Town Attorney Brian Tynan.

Chairman Valletta called the regular session back to order at 8:21 p.m.

ADJOURNMENT:

Upon **MOTION** by Rachel Wisler, seconded by Charles Marsella, it was unanimously voted to adjourn the meeting at 8:22 p.m.

APPROVED:

Elizabeth Gaudiosi, Secretary **WOLCOTT TOWN COUNCIL**	David Valletta, Chairman **WOLCOTT TOWN COUNCIL**

TOWN OF WOLCOTT

TOWN HALL • 10 Kenea Avenue
Wolcott, Connecticut 06716
Tel. (203) 879-8100 • Fax: (203) 879-8105

January 15, 2015

David Valletta, Chairman
Wolcott Town Council
10 Kenea Avenue
Wolcott, CT 06716

RE: TRANSFERS WITHIN/BETWEEN DEPARTMENTS - FISCAL YEAR 2014/2015

Dear Mr. Valletta:

In accordance with the provisions of the Wolcott Town Charter, I am hereby notifying you of the following transfer for Fiscal Year 2014/2015 contained in Schedule A (Fund 01) which is attached hereto and made a part hereof.

If you have any questions, please feel free to contact me.

Sincerely,

Linda R. Bruce

Linda R. Bruce,
Municipal Finance Officer

LRB/sh
Enclosures

MAYOR'S ACTION:
DATE: January 15, 2015

APPROVED BY: .....
Thomas G. Dunn, Mayor
Town of Wolcott

COUNCIL'S ACTION:
DATE: January 20, 2015

APPROVED BY: .....
Chairman, Wolcott Town Council

SCHEDULE A
TRANSFERS WITHIN / BETWEEN DEPARTMENTS FUND 01
2014-2015 FISCAL YEAR - FOR REVIEW ON JANUARY 20, 2015

DEPARTMENT		ACCOUNT	DESCRIPTION	DEBIT	CREDIT
PUBLIC WORKS - 311					
	TO:	01-3-311-5-5700	OPERATING SUPPLIES	10,000.00	
	FROM:	01-3-311-7-7300	CAPITAL OUTLAY		10,000.00

Reason: To pay for an increase in equipment and truck breakdowns that is causing more than normal usage of consumable bulk fluids (motor oil, hydraulic oil, antifreeze) due to the extensive road construction work.

TOTAL TRANSFERS - FUND 01	**10,000.00**	**10,000.00**

TOWN of WOLCOTT
REQUEST FOR TRANSFER

DATE: 01/15/2015

REQUESTOR: David Kalinowski DEPT.# 311

The following budget transfer(s) is requested:

	ACCOUNT NUMBER	DESCRIPTION	AMOUNT
TO	01-3-311-5-5700	Operating Supplies	10,000.00
FROM	01-3-311-7-7300	Capital Outlay	10,000.00

ALL REQUESTS FOR TRANSFERS MUST BE PRESENTED TO THE TOWN COUNCIL FOR APPROVAL - PLEASE ENSURE THAT ALL INFORMATION IS COMPLETE & ACCURATE

The reasons the "to" account(s) are exhausted:

The Department is experiencing an increase in equipment and truck breakdowns that is causing more than normal usage of consumable bulk fluids (motor oil, hydraulic oil, antifreeze) due to the extensive road construction work.

Transfer is needed for:

To cover the cost of all Operating Supplies for the Department.

The effect on the "from" account(s):

Available State surplus equipment not suitable for Wolcott's requirements.

APPROVAL L. Bruce

FINANCE OFFICE USE

DATE: 1/15/2015

REPRODUCE THIS FORM AS NECESSARY

Treasurer's Report
01/20/2015

Success

IS

THE SUM OF

SMALL

EFFORTS

Repeated

Day in and Day out

Agenda

- GENERAL OBLIGATION REFUNDING BONDS, ISSUE OF 2015
- Markets
- Pension Status Update
- Cash Investment Policy Updates

$4,275,000 General Obligation Refunding Bonds, Issue of 2015

- **Time line**
  - November 2014 - The issuance of refunding bonds adopted by the Town Council
  - January 2015 - First Southwest Financial Advisor: preparing bond package
  - January 15 2015 – Rating call with Standard and Poor's
  - February 1215 - Delivery of Bonds

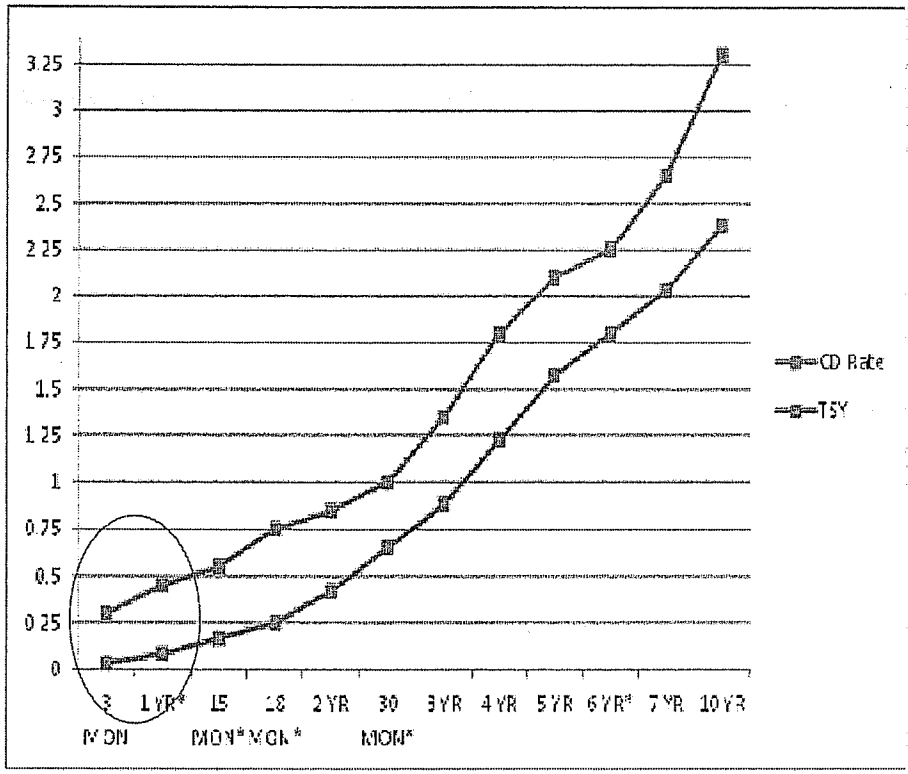
- **Priority**
  - Review all long term obligations to determine eligibility for refunding
  - Maximize "AA" credit rating to lower long term Principle & Interest payments on eligibly term debt
    - Refunds the 2006A and 2006B Bonds
    - Refunded Bonds have an average coupon of 4.17%

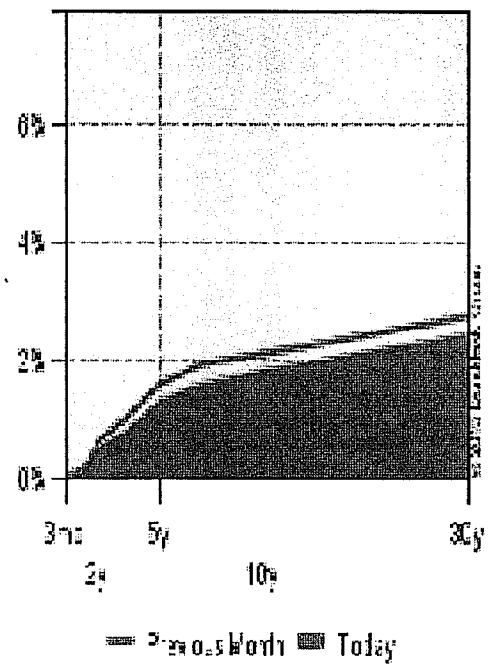
- **Results**
  - TBD

Markets

CD offerings compared to the UST Curve

Town of Wolcott Benchmark
US 3 mo treasury





US Treasury Type	Today
US 3 MO	0.023
US 6 MO	0.070
US 1 YR	0.153
US 2 YR	0.464
US 3 YR	0.774
US 5 YR	1.268
US 7 YR	1.552
US 10 YR	1.806
US 30 YR	2.435

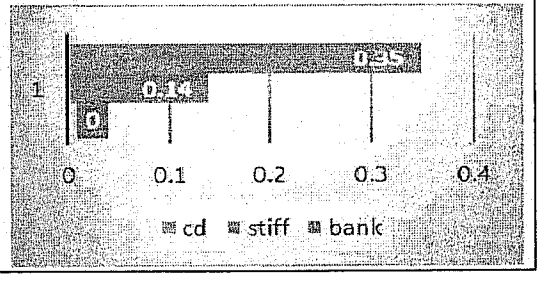
SUMMARY OF CERTIFICATE OF DEPOSIT INVESTMENTS

Account	Institution	Maturity Date	Yield	Amount
General Fund	SANTANDER BK	4/22/2015	0.4	$245,000.00
Sewer Usage Account	BANK BARODA	6/23/2015	0.45	$245,000.00
Water Usage Account	PATRIOT NATL BK	6/30/2015	0.3	$100,000.00

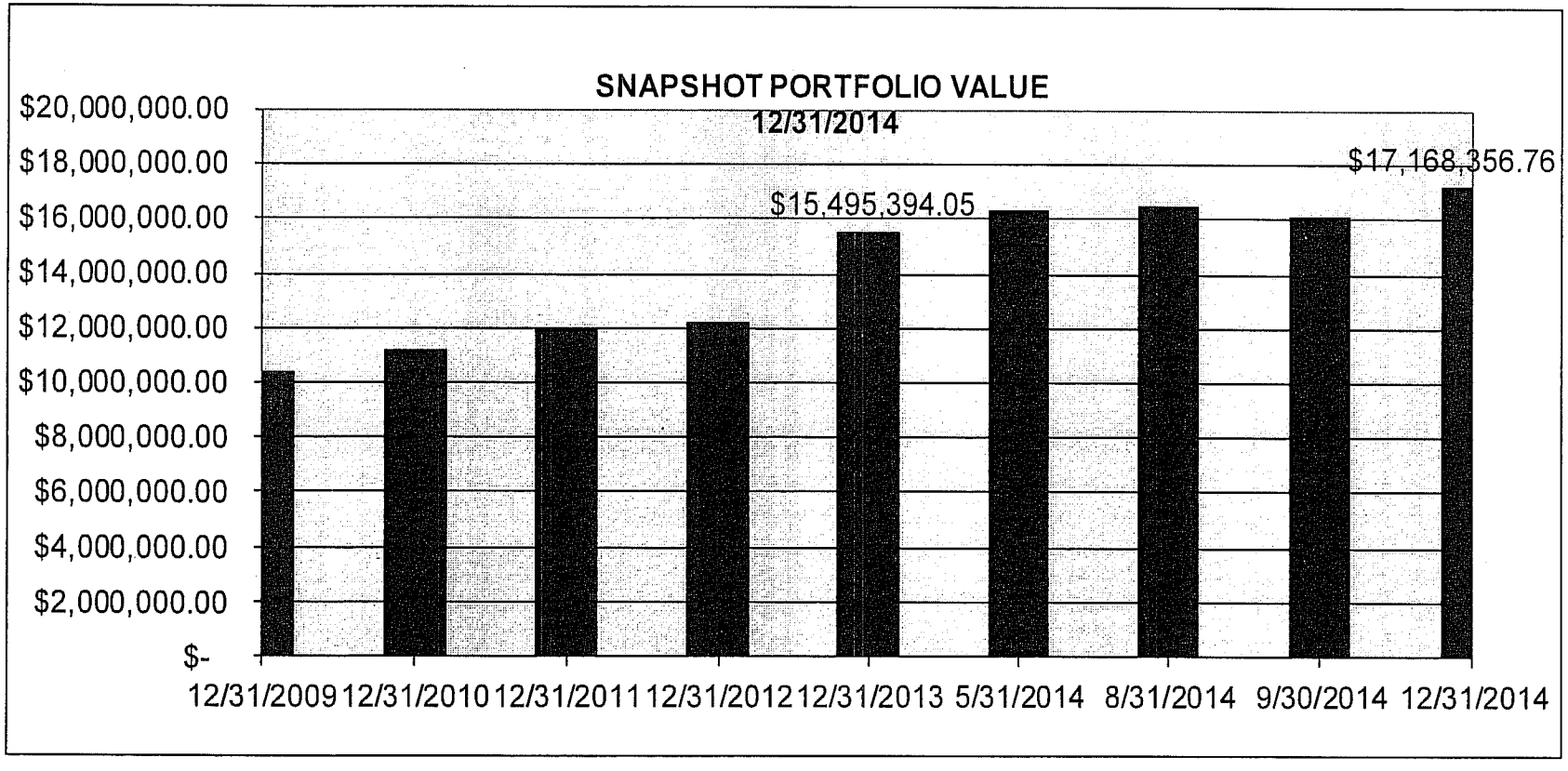
Total $ 590,000

Will generate 40% more revenue on interest while following the Town of Wolcott investment policy:

- **SAFTEY OF PRINCIPAL**
- **LIQUIDITY**
- **YIELD**



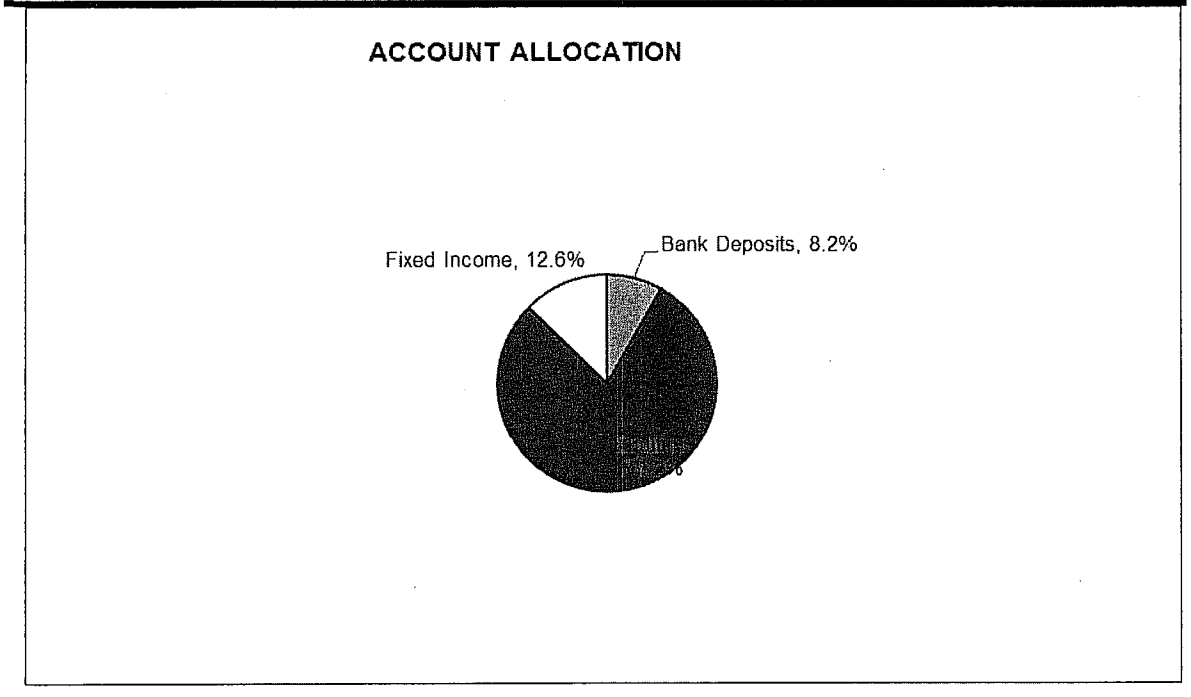
Retirement Plan Of Wolcott Employees & Policemen



Total change in investment $290,028

Account Overview

	Prior Period	Current Period	Percent
Bank Deposits	$ 1,794,424.08	$ 1,406,869.72	8.2%
Equities	$ 12,401,365.49	$ 13,594,265.94	79.2%
Fixed Income	$ 2,257,237.39	$ 2,167,221.10	12.6%
TOTAL	**$ 16,453,026.96**	**$ 17,168,356.76**	**100.0%**



Cash Management Policy Update project

- **D – Define**
  - This project will be to review and update the Town of Wolcott Policy & Procedure for Deposits and Investments 2007 revision to ensure the policy reflect current economic conditions and changes in the law.
- **A – Analyze**
  - The Town Council will review the current Policy & Procedure for Deposits and Investments 2007 revision.
  - Approve updated 2015 revision
- **I – Improve**
  - Treasure and the Finance department will implement and follow the approved policy and procedure.

TOWN OF WOLCOTT

TOWN HALL • 10 Kenea Avenue
Wolcott, Connecticut 06716
Tel. (203) 879-8100 • Fax: (203) 879-8105

January 12, 2015

TO: David Valletta, Chairman Wolcott Town Council
FROM: Linda R. Bruce, Municipal Finance Officer

SUBJECT: Audit Services Fiscal Year 2014/2015

As per the Invitation to Bid #14-18 for audit services for Fiscal Year 2013/2014 upon recommendation of the Municipal Finance Officer and the approval of the Wolcott Town Council the audit agreement with Mahoney, Sabol & Company LLP could be extended for an additional two years at one year intervals. I have received a fee schedule (copy attached) from Mahoney, Sabol for audit services for Fiscal Year 2014/2015. The proposed fee is $47,000.00. Also attached is a copy of the bid analysis received for the 2013/2014 Fiscal Year audit services. The Town Council approved Mahoney, Sabol & Company LLP to perform audit services for Fiscal Year 2013/2014 at $46,000.00. I am recommending the agreement with Mahoney, Sabol & Company LLP be extended for audit services for Fiscal Year 2014/2015.

If you have any questions or require additional information please contact me at 203-879-8100, ext. 121 or by email at lbruce@wolcottct.org.

Linda R. Bruce

/lrb
Attachments
CC: Town Council Members
Mayor Thomas G. Dunn
David Valletta Audit Services Recommendation Fiscal Year 2014/2015

MahoneySabol
CPAs and Advisors

95 Glastonbury Boulevard, Suite 201
Glastonbury, CT 06033-4453

860.541.2000 main
860.541.2001 fax

mahoneysabol.com

Glastonbury
Middletown
Essex

January 9, 2015

Ms. Linda R. Bruce
Municipal Finance Officer
10 Kenea Avenue
Wolcott, CT 06716

Dear Ms. Bruce:

The purpose of this letter is to provide you with a proposal of our fees for providing professional auditing services for the Town of Wolcott, Connecticut (the "Town") for the year ending June 30, 2015.

Professional Fees

We will spare no effort – now or in subsequent years – to provide the level of service you require at a reasonable cost.

Our fee proposal is based upon our discounted hourly rates and our estimate of the time involved by each level of our staff. The fee proposal is based on the books and records being "audit ready", anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time will be necessary to complete the audit, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Any increase in our fees will be immediately disclosed to you and communicated to the Town Council, including an estimate of the increased fees and the reason for the increase. Our fee proposal is as follows:

	Total Estimated Fee
Financial Audit	$ 38,000
State Single Audit	4,250
Federal Single Audit	4,750
	$ 47,000

Our fee proposal is based on the following:

	Estimated Hours	Standard Hourly Rates	Discounted Hourly Rates	Total Estimated Fee
Partner	32	$ 400	$ 280	$ 8,960
Manager	95	200	135	12,825
Senior/Staff	280	110	90	25,215
	407			**$ 47,000**

MahoneySabol
CPAs and Advisors

Commitment to Quality Control

In December of 2013, Mahoney Sabol underwent its most recent peer review. The peer review team determined that the quality control system for our auditing practice met the stringent professional standards established by the American Institute of Certified Public Accountants. We have attached our most recent peer review report for your records.

This proposal constitutes a firm and irrevocable offer for 90 days. We are enthusiastic about the opportunity to continue providing auditing services for the Town. If our fees are not in line with your expectations, please contact me at 860.781.7924, as I have full authorization to make representations for the firm.

Very truly yours,

Michael J. VanDeventer, CPA
Partner

Peer Review Report

MARCUM
ACCOUNTANTS ▲ ADVISORS

January 9, 2014

System Review Report

To the Partners of
Mahoney Sabol & Co., LLP
and the AICPA National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of **Mahoney Sabol & Co., LLP** (the firm) applicable to non-SEC issuers in effect for the year ended June 30, 2013. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under Government Auditing Standards and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of **Mahoney Sabol & Co., LLP** applicable to non-SEC issuers in effect for the year ended June 30, 2013, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(ies) or fail.

Mahoney Sabol & Co., LLP has received a peer review rating of pass.

Marcum LLP

Marcum LLP

INVITATION TO BID #14-18 AUDIT SERVICES

BID OPENING 11:00 A.M. FEBRUARY 24th, 2014 WOLCOTT TOWN COUNCIL CHAMBERS

	MAHONEY,SABOL & COMPANY, LLP GLASTONBURY, CT	MARCUM ACCOUNTANTS & ADVISORS NEW HAVEN, CT	McGLADREY, LLP NEW HAVEN, CT	BLUM SHAPIRO WEST HARTFORD,CT	SEWARD AND MONDE, NORTH HAVEN, CT	MICHAUD ACCAVALLO WOODBRIDGE & CUSANO,LLC NEW HAVEN,CT
FEE SCHEDULE						
FINANCIAL	$37,500.00	$36,500.00	2013/2014 $27,000.00	$38,000.00	$40,000.00	2014/$32,750.00
			2014/2015 $27,000.00			2015/$34,100.00
			2015/2016 $27,000.00			2016/$35,500.00
STATE	$4,000.00	$4,500.00	2013/2014 $9,500.00	$6,000.00	$4,000.00	2014/$4,950.00
			2014/2015 $9,500.00			2015/$4,950.00
			2015/2016 $9,500.00			2016/$4,950.00
BOARD OF ED. ED001 AUD	NONE STATED	NONE STATED	2013/2014 $3,000.00	NONE STATED	NONE STATED	NONE STATED
			2014/2015 $3,000.00			
			2015/2016 $3,000.00			
FEDERAL	$4,500.00	$4,500.00	2013/2014 $9,500.00	$6,000.00	$4,000.00	2014/$4,950.00
			2014/2015 $9,500.00			2015/$4,950.00
			2015/2016 $9,500.00			2016/$4,950.00
TOTAL BID	$46,000.00	$45,500.00	2013/2014 $49,000.00	$50,000.00	$48,000.00	2014/$42,650.00
			2014/2015 $49,000.00			2015/$44,000.00
			2015/2016 $49,000.00			2016/$45,400.00

#395

RESOLUTION ADOPTING THE TOWN OF WOLCOTT HAZARD MITIGATION PLAN UPDATE, 2015

WHEREAS, the Town of Wolcott has historically experienced severe damage from natural hazards and it continues to be vulnerable to the effects of those natural hazards profiled in the plan (e.g. *flooding, high wind, thunderstorms, winter storms, earthquakes, dam failure, and wildfires)*, resulting in loss of property and life, economic hardship, and threats to public health and safety; and

WHEREAS, the Wolcott Town Council approved the previous version of the Plan in 2008; and

WHEREAS, the Town of Wolcott has developed and received conditional approval from the Federal Emergency Management Agency (FEMA) for its Hazard Mitigation Plan Update, 2015 under the requirements of 44 CFR 201.6; and

WHEREAS, public and committee meetings were held in 2013 regarding the development and review of the Hazard Mitigation Plan Update, 2015; and

WHEREAS, the Plan specifically addresses hazard mitigation strategies and Plan maintenance procedure for the Town of Wolcott; and

WHEREAS, the Plan recommends several hazard mitigation actions/projects that will provide mitigation for specific natural hazards that impact the Town of Wolcott, with the effect of protecting people and property from loss associated with those hazards; and

WHEREAS, adoption of this Plan will make the Town of Wolcott eligible for funding to alleviate the impacts of future hazards; now therefore be it

RESOLVED by the Town Council:

1. The Plan is hereby adopted as an official plan of the Town of Wolcott;
2. The respective officials identified in the mitigation strategy of the Plan are hereby directed to pursue implementation of the recommended actions assigned to them;
3. Future revisions and Plan maintenance required by 44 CFR 201.6 and FEMA are hereby adopted as a part of this resolution for a period of five (5) years from the date of this resolution.
4. An annual report on the progress of the implementation elements of the Plan shall be presented to the Town Council.

Adopted this 20th day of January, 2015 by the Town Council of Wolcott, Connecticut

David Valletta, Town Council Chairman

IN WITNESS WHEREOF, the undersigned has affixed her signature and the corporate seal of the Town of Wolcott this 21st day of January, 2015.

Dolores C. Slater, Town Clerk