

**Board of Finance Meeting
January 24, 2006**

A regular meeting of the Board of Finance was held on Tuesday, January 24, 2006 at 6:30 p.m. in the City Hall, Council Chambers, 1st floor. The following Commissioners were in attendance: Mayor William T Stortz, Chairman Richard Miecznikowski, Vice Chairman Roald Erling, Commissioners Robert J. Dunlap, John E. Smith, Ronald Messier, Donald Soucy, Delores Capers and Chris Ziogas (arrived at 6:39 pm).

January 18, 2006

Ladies and Gentlemen:

The regular Board of Finance Meeting will be held on Tuesday January 24, 2006 at 6:30 pm in City Council Chambers.

Agenda

1. **Chairman Miecznikowski to call the meeting to order.**
2. **Reorganization of the Board of Finance.**
3. **Approval of the minutes from the regular Board of Finance Meeting December 20, 2005.**
4. **Committee Reports:
Purchasing Committee Report- January 24, 2006 Meeting.**
5. **Police Department:**
 - a. **Transfer of \$10,014 within Police Department's operating budget.**
 - b. **An additional appropriation totaling \$25,508 funded by grant revenue.**
6. **Fire Department:
Transfer of \$9,248 within Fire Department's operating budget and remaining project balances within the sinking fund.**
7. **Board of Education:**
 - a. **Appropriations totaling \$778,373 within the Special Educational Grant Fund funded by grants.**
 - b. **An additional appropriation of \$5,000 funded by a donation.**
8. **Comptroller's Office:**
 - a. **An additional appropriation of \$9,999 funded by the Police Youth Enrichment Program grant.**
 - b. **An additional appropriation of \$20,000 funded by the Elderly Shopping Assistance Program grant.**

- c. An additional appropriation of \$509,808 funded by the State of Connecticut Daycare grant.
 - d. Consideration of a Resolution appropriating \$ 14,250,945 for the renovations to Mountain View School.
 - e. Consideration of a Resolution authorizing the issuance of bonds or notes in the amount of \$ 5,730,380 to finance the appropriation for the renovations to Mountain View School.
 - f. Consideration of a Resolution appropriating \$ 14,249,055 for the renovations to Ivy Drive School.
 - g. Consideration of a Resolution authorizing the issuance of bonds or notes in the amount of \$ 5,699,625 to finance the appropriation for the renovations to Ivy Drive School.
 - h. Consideration of a Resolution appropriating \$ 2,468,000 for the reconstruction of Perkins Street.
 - i. Consideration of a Resolution authorizing the issuance of bonds or notes in the amount of \$ 2,318,000 to finance the appropriation for the reconstruction of Perkins Street.
 - j. Consideration of a Resolution appropriating \$ 910,000 for the renovation and expansion of Mrs. Rockwell's pool.
 - k. Consideration of a Resolution authorizing the issuance of bonds or notes in the amount of \$ 910,000 to finance the renovation and expansion of Mrs. Rockwell's pool.
 - l. Consideration of a Resolution appropriating \$ 600,000 for the construction of the Wolcott Street Water Pump Station.
 - m. Consideration of a Resolution authorizing the issuance of bonds or notes in the amount of \$ 600,000 to finance the construction of the Wolcott Street Water Pump Station.
 - n. Consideration of a Resolution appropriating \$ 1,600,000 for the construction of the Witches Rock Water Storage Tank.
 - o. Consideration of a Resolution authorizing the issuance of bonds or notes in the amount of \$ 1,600,000 to finance the construction of the Witches Rock Water Storage Tank.
9. City Council:
- a. An additional appropriation of \$450,000 for 2007 Revaluation funded by excess state grant revenue.
- Approval of the following Economic Development distributions:
- b. U.S. Standard Manufacturing \$45,000 with a portion to be distributed for job creation up to \$15,000.
 - c. C & M Screw Machine Products \$40,000 with a portion to be distributed for job creation up to \$15,000.
10. New Business:

11. **Old Business:**
Update on the Local Bidding Preference for the quarter ended December 31, 2005.
12. Any other matter to come before said meeting.
13. Adjournment.

PER ORDER OF THE CHAIRMAN
Richard Miecznikowski

Glenn S. Klocko
Board of Finance Clerk

1. **Chairman Miecznikowski to call the meeting to order.**

Chairman Miecznikowski called the meeting to order at 6:32 p.m.

2. **Reorganization of the Board of Finance.**

Chairman Miecznikowski opened the floor for nominations for Vice Chairman of the Board.

Commissioner Dunlap made a motion seconded by Commissioner Capers.

“To nominate Roald Erling as Vice Chairman of the Board of Finance”

Commissioner Messier made a motion seconded by Commissioner Soucy.

“To close the nominations for Vice Chairman”

There being no other nominations for Vice Chairman, Chairman Miecznikowski called for a voice vote, there being no opposition, he then declared the motion carried.

Chairman Miecznikowski turned the floor over to Vice Chairman Erling who opened the floor for nominations for Chairman.

Commissioner Smith made a motion seconded by Mayor Stortz.

"To nominate Richard Miecznikowski as Chairman of the Board of Finance"

Mayor Stortz made a motion seconded by Commissioner Dunlap.

"To close the nominations for Chairman"

There being no other nomination for Chairman, Vice Chairman Erling called for a voice vote, there being no opposition, he then declared the motion carried.

Chairman Miecznikowski thanked the Board for their support and stated the Board will continue to work for the betterment of Bristol in a physically responsible manner.

3. Approval of the minutes from the regular Board of Finance Meeting December 20, 2005.

Mayor Stortz questioned if he was in attendance at the meeting because the minutes indicated he was not there, but he spoke at item 12. Mayor Stortz came into the meeting late because of the Police Commission meeting; therefore the minutes will be updated to reflect when he entered the meeting.

Commissioner Capers made a motion seconded by Commissioner Dunlap.

"To approve the minutes from the regular Board of Finance Meeting held on December 20, 2005 as presented."

Following a voice vote in which there was no opposition, the Chairman declared the motion carried.

**4. Committee Reports:
Purchasing Committee Report- January 24, 2006 Meeting.**

Chairman Don Soucy stated the reason the committee met was to discuss the Purchasing Agent's request for the Board of Finance to waive the indemnification clause on the contract with CCA Financial. This particular contract is for leasing of computers for the City.

Purchasing Agent Roger Rousseau explained the City is currently under a lease with IKON Financial. Under this contract IKON Financial provides the financing, PC's, deployment of them as well as deinstallation at the end of the contract and maintenance. This has worked out pretty well with a few difficulties over the course of the contract. Most municipalities have been pursuing the financial component for leasing PC's, separate from the provision of the computer equipment. We would buy the equipment through the State of Connecticut contractor Ergonomics, but the City would not own the computers, the leasing would be through a third party vendor.

Indemnification by definition is the duty of one party to assume the legal liabilities of another party. CCA Financial would assume the responsibility if something happened to the computers whether it was by their action or not. CCA Financial took the stand they did not dictate what specific computer equipment the City bought and they actually have no control over the actual use of the computer. CCA Financial did not feel it was appropriate for them to cover this. Corporation Counsel agreed with CCA Financial. In a letter from Dale Clift, he cited that "I can understand CCA Financial objections. Under the agreement the City of Bristol will have complete control over the make, model and type of computers it wishes CCA Financial to purchase and lease to the city. It further will be the City that will exercise complete control over the use of the computers. On this basis, CCA Financial does raise a legitimate objection as to why it should be required to indemnify the City for something over which CCA Financial has no control."

The sole entity who has responsibility to waive this language is the Board of Finance. Therefore, the Board of Finance is being asked to waive the indemnification language with CCA Financial.

Commissioner Soucy made a motion seconded by Commissioner Erling.

"To waive the indemnification contract language with CCA Financial."

Commissioner Smith asked the Purchasing Agent to read the exact indemnification language that would be waived. Mr. Rousseau read "The lessor agrees to indemnify, defend and save harmless, the city of Bristol, as well as its officers, agent and employees from any and all claims and losses accruing or resulting from the performance of this

Lease Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by the Lessor in the performance of this Lease Agreement.

Mr. Rousseau explained to the Board the financial company owning the computers takes part in the maintenance of the computers because they are purchasing the warranty for on site service. If anything fails with the equipment HP warranty will cover it. The Comptroller brought up the issue of water damage in town hall or other natural disasters causing damage to the computers, which would be properly covered under property insurance.

Mayor Stortz asked at what point in time the company is absolved from responsibilities of installation and deinstallation and also, what would happen if one of our employees would be electrocuted. Mr. Rousseau stated that we are covered under insurance but is unsure how a financial entity would be responsible for an electrical issue, CL&P would be contacted.

The computer equipment is provided by a state contractor Ergonomic Group which will provide Hewlett Packard computer equipment. Hewlett Packard pays Ergonomic group to directly maintain the equipment.

Commissioner Messier requested the players involved in the contract were reviewed and who were the players in the last contract signed. Mr. Rousseau explained the last contract we signed was with IKON Financial, the model we followed was very similar to a copy contract, whereas one company would bring in the equipment, install, maintain for the life of the equipment and a one month fee would be paid for the provision of that equipment. We have had some struggles with IKON Financial in terms of providing support to the devices and some of their reporting has been sporadic as reported by Scott Smith. CCA Financial services will be providing the financial component only by paying for the computer equipment. Ergonomics Group will be supplying the equipment and bringing it to City Hall. If anything was to happen during the life of the computer Ergonomics Group would be responsible for sending someone out to replace the computer.

The City of Bristol has one indemnification clause which is very broad. Mr. Rousseau stated he has thought of bringing the Purchasing Committee together again to discuss different types of indemnification language that would be relevant to different situations. For example, if

you have an environmental company doing a Phase II testing, they would be walking onto the site and doing their physical inspection on the site. Under the indemnification clause we currently have if anybody happens to walk onto the site and get contaminated by the site, the environmental company would be liable when in fact that company has nothing to do with the contamination of the site. Contractors have stated they would not do business with Bristol having this clause.

Commissioner Ziogas asked if there was an indemnification clause with the State of Connecticut and Ergonomic Group since this falls under a state contract. Mr. Rousseau stated that would be an interesting avenue to pursue; there might be an indemnification clause between Ergonomic Group and CCA Financial, the provider of the service. Commissioner Ziogas asked if this issue of indemnification would arise if we were purchasing the equipment rather than leasing. Mr. Rousseau stated if we were in a contract with the company it would be part of our standard contract, during the provision period. However, once we own the equipment we don't typically receive indemnification as part of the warranty.

Commissioner Capers asked if there are any known previous cases where a company was held liable and it worked out. Mr. Rousseau stated he does not know of any other cases where indemnification or liability has been placed on a financial entity. There have been cases where problems occurred and were taken care of under indemnification, but not against a financial transaction.

Commissioner Ziogas asked if this discussion took place the last time we leased computers. Mr. Rousseau stated no it didn't, IKON Financial did not notice the indemnification clause. It's one of those things where if people notice the clause, the contractor will question the Purchasing Agent. Once IKON financial did release the clause the computer equipment was already in use and not anything could be done.

Commissioner Smith requested something specific was written on the purchase order indicating when the City calls for service someone will come. Mr. Rousseau indicated he would make sure this guarantee of service along with response time was on the purchase order.

Commissioner Smith asked what would happen if the Board did not vote on waiving the indemnification clause, would CCA Financial go away. Mr. Rousseau stated he would have to find another financial group that would accept indemnification. Chairman Miecznikowski asked if that would be likely. Mr. Rousseau stated that would be hard to say, none of the firms that submitted proposals actually had favorable indemnification language. It doesn't mean it wouldn't happen. Currently we have computer equipment which the lease expired in December and the City is paying on a month by month basis; it would delay the arrival of new computer equipment. It is unknown if a company would be found that did accept indemnification language.

Commissioner Capers made a motion seconded by Commissioner Dunlap.

"To accept the Purchasing Committee report as presented by Chairman Don Soucy from the January 25, 2006 meeting and place it on file."

Commissioner Dunlap made a motion seconded by Commissioner Erling.

"To amend the previous motion to read January 24, 2006"

Following a voice vote in which there was no opposition, the Chairman declared the motion carried.

5. Police Department:

a. Transfer of \$10,014 within Police Department's operating budget.

Commissioner Messier made a motion seconded by Mayor Stortz.

"To transfer \$10,014 from Patrol & Traffic Regular Wages account to the Police Department's Maintenance Supplies & Materials account and recommend approval of this action to a Joint Meeting of the City Council and Board of Finance."

Commissioner Ziogas asked Chief Divenere is we were going to try to budget for any of the other lights in the City that this might happen to. Chief Divenere stated he will be submitting a proposal to upgrade all the lights in town coming close to \$700,000 Capital

Improvement Project. When lights die now there are no longer parts to replace and fix the light because they are so old. There is only one company we use, Malrin, for our lights.

Following a voice vote in which there was no opposition, the Chairman declared the motion carried.

b. An additional appropriation totaling \$25,508 funded by grant revenue.

Mayor Stortz made a motion seconded by Commissioner Dunlap.

“To refer the Edward Byrne Memorial Justice Assistance Grant to the Miscellaneous Matters Committee pending notification of grant approval from the State.”

Chief Divenere stated we used to receive the Local Law Enforcement Block Grant along with the DEP Grant which funded the DARE Program but those two grants have gone away. Last year the Department of Justice merged the block grant into this Edward Byrne Grant and we received \$47,000 and this year we will get \$25,000. This will probably be the last year the City of Bristol receives this type of grant. The funds will be used for equipment such as a symmetrical laptop, additional tasers and holsters, along with some fire arms.

Following a voice vote in which there was no opposition, the Chairman declared the motion carried.

**6. Fire Department:
Transfer of \$9,248 within Fire Department’s operating budget and remaining project balances within the sinking fund.**

Commissioner Dunlap made a motion seconded by Commissioner Erling.

“To transfer \$9,248 within the Fire Department’s operating budget and remaining project balances within the Sinking fund

From:

4 Wheel Drive Utility Vehicle	\$ 320.00
Brush Truck Replacement	3,623.00

Emergency Generator Hdqtrs.	1,270.00
Emergency Generator Station 3	1,887.00
Emergency Generator Station 5	2,148.00
Total:	\$9,248.00

To:

Program Supplies	\$ 9,248.00
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to equip the Rescue Truck received from Homeland Security and recommend approval of this action to a Joint Meeting of the City Council and Board of Finance.”

Following a voice vote in which there was no opposition, the Chairman declared the motion carried.

7. Board of Education:

- a. Appropriations totaling \$778,373 within the Special Educational Grant Fund funded by grants.**

Commissioner Ziogas made a motion seconded by Commissioner Smith.

“To make appropriations totaling \$778,373 within the Special Educational Grant Fund funded by grant revenue and recommend approval of this action to a Joint Meeting of the City Council and Board of Finance.”

Following a voice vote in which there was no opposition, the Chairman declared the motion carried.

- b. An additional appropriation of \$5,000 funded by a donation.**

Commissioner Smith made a motion seconded by Commissioner Messier.

"To make an additional appropriation of \$5,000 within Special Grants & Donations Fund-Board of Education account funded by a donation and to recommend approval of this action to a Joint Meeting of the City Council and Board of Finance."

Following a voice vote in which there was no opposition, the Chairman declared the motion carried.

8. Comptroller's Office:

- a. An additional appropriation of \$9,999 funded by the Police Youth Enrichment Program grant.**

Commissioner Dunlap made a motion seconded by Commissioner Erling.

"To make an additional appropriation within Special Grants & Donations Fund in the amount of \$9,999 funded by Police Youth Enrichment Program Grant and to recommend approval of this action to a Joint Meeting of the City Council and Board of Finance."

Following a voice vote in which there was no opposition, the Chairman declared the motion carried.

- b. An additional appropriation of \$20,000 funded by the Elderly Shopping Assistance Program grant.**

Mayor Stortz made a motion seconded by Commissioner Messier.

"To make an additional appropriation within Special Grants & Donations Fund in the amount of \$20,000 funded by the Elderly Shopping Assistance Program Grant and to recommend approval of this action to a Joint Meeting of the City Council and Board of Finance."

Following a voice vote in which there was no opposition, the Chairman declared the motion carried.

- c. An additional appropriation of \$509,808 funded by the State of Connecticut Daycare grant.**

Commissioner Erling made a motion seconded by Commissioner Dunlap.

“To make an additional appropriation in the amount of \$509,808 funded by the State of Connecticut Daycare Grant and to recommend approval of this action to a Joint Meeting of the City Council and Board of Finance.”

Following a voice vote in which there was no opposition, the Chairman declared the motion carried.

Comptroller Glenn Klocko made a request to remove items 8d. – 8o. from the Agenda. The City’s bond counsel Day, Berry & Howard could not provide the data for the Resolutions before tonight’s meeting. A special meeting will be called before the Joint Board meeting on February 14, 2006.

9. **City Council:**
 - a. **An additional appropriation of \$450,000 for 2007 Revaluation funded by excess state grant revenue.**

Commissioner Capers made a motion seconded by Commissioner Dunlap.

“To make an additional appropriation in the amount of \$450,000 for the 2007 Revaluation funded by excess state grant revenue (per the attached listing) and to recommend approval of this action to a Joint Meeting of the City Council and Board of Finance.”

Commissioner Ziogas asked how the City generates excess state revenue. Assistant Comptroller Robin Manuele explained the state budget wasn’t approved at the time of our budget adoption therefore we received additional funding than anticipated. The \$450,000 is a combination of the Manufacturing/Inventory Pilot, Private Hospital Pilot and DECD Pilot.

Following a voice vote in which there was no opposition, the Chairman declared the motion carried.

- Approval of the following Economic Development distributions:**
- b. **U.S. Standard Manufacturing \$45,000 with a portion to be distributed for job creation up to \$15,000.**

Commissioner Smith made a motion seconded by Commissioner Messier.

“To approve the Economic Development expenditure to U.S. Standard Manufacturing in the amount of \$45,000 with up to \$15,000 to be distributed for job creation and to recommend approval of this action to a Joint Meeting of the City Council and Board of Finance.”

Jonathan Rosenthal, Executive Director of Bristol Development Authority, explained U.S. Standard Manufacturing is an aerospace company, a roll up of several companies currently employing 20 workers. The company is relocating from the Avon/Farmington area to the former Carquest building.

Following a voice vote in which there was no opposition, the Chairman declared the motion carried.

- c. **C & M Screw Machine Products \$40,000 with a portion to be distributed for job creation up to \$15,000.**

Commissioner Dunlap made a motion seconded by Commissioner Erling.

“To approve the Economic Development expenditure to C & M Screw Machine Products in the amount of \$40,000 with up to \$15,000 to be distributed for job creation and to recommend approval of this action to a Joint Meeting of the City Council and Board of Finance.”

Mr. Rosenthal explained the company is moving here from New Britain. These companies are coming to the City on their own because they are looking for places to expand. The company has 26 full time employees with anticipation of over 50 employees over the next few years.

Following a voice vote in which there was no opposition, the Chairman declared the motion carried.

10. New Business:

Commissioner John Smith expressed concern for the appearance of the Mayor’s Office. For example, the wallpaper is peeling and the carpet can be easily tripped over. Roger Rousseau, Purchasing Agent, explained two administrations ago he pulled together some furniture costs for the Mayor’s Office which was roughly \$12,000 for the office and conference area, but not the front Administrative Assistant area.

Roger stated he would gather costs for the area and submit to the Comptroller's Office to be included in the budget cycle.

Commissioner Ziogas noted the smaller departments are often overlooked when requests are submitted to updates office furniture or office appearance. He thinks the board should take a harder look at deteriorating offices instead of the more visible departments.

Chairman Miecznikowski stated the normal procedures are to dismiss the smaller departments from attending the budget hearings, but this year he would like to see each department come before the Board.

Comptroller Glenn Klocko noted some of the departments who have submitted budgets to him personally have asked for guidance on furniture requests and if they should pursue replacing deteriorating furniture.

The Board also discussed obtaining City recognition in CCM's- Connecticut Town & City publication perhaps publicizing the City's new Library facility. Mayor Stortz stated we would get someone to do that.

Commissioner Soucy questioned what the City's relations are with Day, Berry & Howard. Comptroller Glenn Klocko explained Day, Berry & Howard are our bond counsel, and all debt issuance must be approved by them assuring the City has followed all law and charter regulations. Commissioner Soucy asked if there would be a conflict of interest for him to vote in this issue because his wife is an employee at the firm. Comptroller Glenn Klocko stated he would be in contact with Corporation Counsel on this issue to be on the safe side. However, he does not see a conflict of interest because there is no personal gain for Commissioner Soucy.

11. Old Business:

Update on the Local Bidding Preference for the quarter ended December 31, 2005.

Commissioner Soucy made a motion seconded by Commissioner Smith.

"To accept the update of the Local Bidding Preference for the quarter ended December 31, 2005 as presented by the Purchasing Agent and place on file."

Following a voice vote in which there was no opposition, the Chairman declared the motion carried.

12. Any other matter to come before said meeting.

13. Adjournment.

Commissioner Dunlap made a motion seconded by Commissioner Erling.

“to adjourn at 7:37 p.m.”

Following a voice vote in which there was no opposition, the Chairman declared the motion carried.

Attest:



Glenn S. Klocko
Board of Finance Clerk