



FINANCE COMMITTEE MEETING
Wednesday, February 13, 2013
Democratic Caucus Room, 4th Floor
Gov't Center, 888 Washington Blvd
Full Meeting Minutes

Attendees

Tim Abbazia	WPCA Board Member
Cristina Andreana	WPCA Board Member
Daniel Capano	WPCA Board Member
Michael Handler	WPCA Board Member
William Brink	Interim Executive Director, WPCA
Rhudean Bull	Administrative Manager, WPCA
Mark Turndahl	Accountant, WPCA
David Yanik	Controller, City of Stamford

Call to Order, Pledge and Roll Call

C. Andreana, Board member called the meeting to order at 5:42PM with the Pledge of Allegiance. A quorum was present (3 of 4 Finance Committee members)

C. Andreana, D. Capano and M. Handler were present at 5:42 pm; T. Abbazia arrived at 6:05 pm.

Report: Board of Finance Audit of SWPCA meeting held January 31, 2013

C. Cristina suggested that this agenda item be discussed later since A. Abbazia was not present.

FY 14 Budget Review and Discussion

B. Brink presented the 2014 Operating Budget. A Budget Variance Report was distributed at the meeting providing explanations of 2014/2013 budget variances of 10% or greater. Six months of current spending was also provided to assist in the budget review.

B. Brink limited his discussion to accounts increasing more than 10% over last year's budget. Particular attention was paid to the Legal Expense increase of \$75,000 (100%) which includes legal fees incurred by Ackerly and Ward (collection attorneys) and Daniel McCabe (Corporate Counsel). Additional A&W fees relate to out of pocket costs for foreclosure proceedings, which if successful, are returned to the SWPCA as miscellaneous revenue. Limiting Board Meeting attendance of Board Attorney was suggested to reduce his monthly bills. C. Andreana suggested this be discussed at the next schedule Board meeting. The increase in non-bond interest – Interest charged on Pooled Cash - was increased by 50% or \$5,000. T. Abbazia suggested the

SWPCA should include in the budget an amount to pay the City back for these funds over a 5 year period. **Action Item:** M Turndahl will determine what the current outstanding balance owed is (\$5.6 million at June 30, 2012), net of capital funding, to calculate a 5 year pay-off schedule. Interest Expense was discussed by M. Turndahl. Debt Service was included in the budget at existing rates. \$10 million in additional revenue bonds was included in the calculation which may change once the new bonds are issued. Any refunding savings of the 2003 Revenue Bond will be designated to the DEEP dedicated capital reserve.

Revenue Budgets were discussed.

Action Items: M. Turndahl to break out connection and assessment charge income to allow comparison to prior year's activity.

R. Bull to request a new revenue account to capture charge-backs to the City for storm water and hurricane barrier work done by SWPCA personnel.

Discussion: RFP for Financial Audit for FY 2013

C. Andreana began this discussion. The general consensus was that the SWPCA should retain their own accounting firm to prepare the annual audited financial statements to further separate the finances of the City and the SWPCA. C. Andreana will request that this topic be added to the full Board agenda for further discussion and vote.

Update: Cost of WPCA Services Provided to the City

W. Brink presented a Chargeback Analysis of estimated costs incurred by SWPCA on behalf of the City's Storm Water pump stations and Hurricane Barrier. The analysis was prepared using 2014 proposed budget figures and was based on the following assumptions: 2% of Administrative Salaries (non-engineer), Engineer Salary at 15%, Pump Station costs including salaries allocated at 11% (3 storm water stations; 27 total pump stations) and 100% of costs charged to the Hurricane Barrier. The estimated charge back for the 2014 budget of \$351,508 will be added to the SWPCA Revenue Budget.

M. Turndahl was requested to prepare this analysis for the last 5 fiscal years. W. Brink agreed to request a formal Memorandum of Agreement – FOA – from the City to document the charge-back procedure.

Update: Lake Windermere Designated Account

D. Yanik presented a history of this reserve account. It was established to ensure the availability of funds to maintain and make any necessary repairs to the sewer system serving this community. The initial funding was \$4,500 per unit for 4 of 24 units built plus an annual fee of \$600. The account was opened at Webster Bank and its current balance of just under \$21,000 can only be accessed with signatures of both the City and the Developer.

New Business

Financial reporting to the full Board was discussed. C. Andreana requested that a summary financial Report including variance analysis be presented to the Full Board and a full detail variance report including budget variance explanations be submitted at the Finance Committee Meeting

Adjournment

C. Andreana made a motion to adjourn meeting at 7:55 PM; seconded by D. Capano. Discussion:
none
Vote: 2-0-0; the motion carried.