

**Board of Finance
Regular Meeting Minutes
Tuesday, December 9, 2014**

Present: David Fortin, Michael Dougherty, George McCoy, David Hosmer, Glen Lessig, Ronald Cabana, Mark Shamber, David Richardson and Fred Chmura.

Absent: None.

Others: Treasurer Donna Stefanik, Clerk Christine French, Linda and Michel Bernardi, Karen Munroe, Michelle Woz, Cliff Davis, members of the auditing firm MahoneySabol and a reporter from WINY.

1. Call to Order: Chairman Michael Dougherty called the meeting to order at 7:00pm.

2. Seat Alternate if Necessary: Not needed for this evening's meeting.

3. Approve Minutes from November 18, 2014: Under Old Business David Richardson would like to amend the sentence discussing the air conditioning system to read "This **whole system** is on the cutting edge of technology, and felt that there was not enough history behind it as of yet".

Also under Old Business Mr. Richardson would like to add that "the system will cost over \$100,000.00 to run based on their numbers. The A/C system alone would only be able to run 10 hours a day, 12 days a year, and that would eat up the entire budget".

George McCoy, seconded by David Hosmer, moved to accept the minutes as amended. **Motion passed unanimously.**

4. Auditor's Report: Jennifer Hawkins and Amanda Backhus from MahoneySabol went over the audit for the Board of Finance.

Overall the auditors reported a very favorable audit. There were a few concerns which were the following:

There was a late report filed to the State of Connecticut in regards to the Board of Education's Technology Grant. The auditor's pointed out that the form that needed to be filed with the State was not available on-line when it was due, however that did not exempt the Board of Education from reporting to the State.

Going back to previous audits some funds was not properly entered. For instance the Town Road Aid Fund unspent balance was recorded as a fund balance. It should have been listed as deferred until the fund balance was spent.

The Revaluation Fund and the Board of Education Non-lapsing Fund from previous audits were incorrectly reported as Special Revenue Funds in prior financial statements. Under the GASP54 rules these accounts should not be classified this way.

The auditors also recommended adopting a Fund Balance Policy in regards to the Internal Service Fund. Jennifer Hawkins explained that there should be a policy in place on how to cover deficits or what to do with surpluses when they occur in this account. They offered to send samples of other town's policies, and to review the Town of Woodstock's policy once it has been drafted.

David Richardson asked how the Internal Service Fund related with State Statute 10-22. The auditor explained that as long as the fund did not exceed expenditures in the fund it was okay to use the money in that fund for health insurance reasons. This fund should not be looked at as a “Board of Education” fund but as a “Town” fund. The money in this fund that has been put into it by the Board of Selectmen could be used to help any deficits that have been incurred by the Board of Education’s self-funded insurance plan. There should also be some plan on how to handle surpluses in years where there were not many health insurance claims.

Chairman Michael Dougherty thanked the auditors and the Finance Office for a job very well done.

In closing the auditors complimented the staff on their knowledge and quick response to the auditing process.

5. Review Subcommittee Report and Bond Counsel Recommendation: George McCoy gave a brief summary of what the subcommittee has discovered about bonding versus taking out a loan and what some of their recommendations are up to at this point.

The subcommittee has discovered that whether or not the Town decides to fund the school roof project through bonding or a short term bank loan, the same process as bonding needs be followed. They also discovered that any reimbursements that are received from the State has to be used towards paying down the debt for that specific project, and cannot be used for another project.

It was the consensus of the subcommittee to do both of the school’s roof at the same time, and borrow the money with a short term loan. The subcommittee would like the School Facilities Committee and the Board of Education to prepare a multi-year plan with projects that can be funded through the Board of Education’s budget.

Glen Lessig thought that perhaps items that were not reimbursable on the School Facilities wish list could be put out for bonding or borrowing with the school roofs.

David Richardson explained that if too many items are placed on a bond item that it would more likely be voted down by the tax payers. He feels that whatever is brought before the tax payers should be kept as simple as possible. Mr. Richardson also feels that the reimbursable items should be completed first, and that other items should come afterwards.

It was decided that a conference call would be arranged on Monday, December 15th, with members of the Board of Finance, bond counsel and the financial advisor to discuss ways to fund replacing the roofs at the schools. Michael Dougherty, George McCoy, David Fortin, David Hosmer and David Richardson agreed to participate in the call.

George McCoy also announced that there would be another subcommittee meeting on December 16, 2014.

6. Old Business: None.

7. New Business – Budget Recommendations for Board of Education and Board of Selectmen for FY 15-16: Treasurer Donna Stefanik informed the Board of Finance that she has not heard much from the State of Connecticut on what the Town will be receiving for next year’s budget. She believes that the Board of

Education will be receiving less money from the State, and she feels that the Grand List has not had any significant gains.

Fred Chmura, seconded by George McCoy made a motion to send the Board of Selectmen and the Board of Finance a letter recommending that budget requests stay level with last year's budget. **Motion passed unanimously.**

It was also the consensus of the Board of Finance members to hold a joint meeting with the Board of Finance and the Board of Education to work on the budget.

George McCoy, seconded by Glen Lessig motioned to hold a joint meeting with the Board of Education and the Board of Selectmen on January 6, 2015, at 7:00 pm to discuss the 2015/2016 budget. **Motion passed unanimously.**

8. Citizens Participation: Board of Education Chairman Michael Bernardi asked for more information on the priority list. Should he prepare the list based on money in the Non-lapsing Account or the CNR? David Richardson felt that the plan should be based on funds in the Non-lapsing Account and that items that can be reimbursed should be done first. Glen Lessig also wanted firm numbers on how much some of these projects would cost. Mr. Bernardi said he could prepare a list for the subcommittee.

George McCoy thanked Treasurer Donna Stefanik and Tax Collector Linda Bernardi for a great job.

9. Correspondence and Announcements: Chairman Michael Dougherty reminded the Board that there will be a joint meeting with the Board of Finance, the Board of Selectmen and the Board of Education, on January 6, 2015, at 7:00pm, and that the next regular Board of Finance meeting will be held on January 13, 2015.

10. Adjournment: George McCoy and David Hosmer motioned to adjourn the meeting at 8:28pm. **Motion passed unanimously.**