

**Board of Finance
Regular Meeting
February 8, 2011**

Present: Board of Finance members: Ben Witte, Jim Fitzgerald, Alesia Kennerson, Laura Sundquist, Reggie Smith, Jr., Dan Charest, Alternates: Bill Rieger, Roy Litchfield. First Selectman Dan Jerram, Bookkeeper Annie Witte, Treasurer Gordon Ross, Supt. of Schools Dr. Philip O'Reilly, Audit Team Chris King & Shelly Sundie from King, King & Associates CPAs Certified Public Accountants, Board of Education member Bryan Keilty and Steve Tuxbury, Members of the Public: Joe Garies & Maria Moore and Recording Secretary Penny Miller.

The meeting was called to order by Board of Finance Chairman Ben Witte at 7:00 p.m.

Adoption/Revision of Agenda:

The agenda was revised to move Supt. of School Dr. O'Reilly report to the top of the agenda.

Superintendent's Report:

Dr. O'Reilly presented to the Board of Finance members a potential schedule for the window replacement at the Ann Antolini School. He also presented a monthly unofficial tabulation of where we stand.

The cost for removal of the snow from the school roofs should be around \$2500.00 but he has not received the final bill. The custodians have done a great job of removing the snow and responded quickly to his request for help. They deserve just two words – Thank You!!

The firm Silver/Petrucelli & Associates, Architects & Engineers, have been hired to guide the process of the window & door replacement. Steve Tuxbury said there may be one problem. That of PCB's in part of the school. The rules are very stringent. There should be no problem with the east and west wings as PCB's were not used then.

The engineers indicated that some of the replacement would occur simultaneously with class instruction. The students in those classrooms would be moved while their room was being done. According to Silver/Petrucelli, some of the project may qualify for state reimbursement.

An application has been made to the state for \$44,500. More information will be coming in the upcoming months. They will be looking for additional grant money and state reimbursement money.

Dr. O'Reilly will see if he can get more of a firm number as to the cost.

The windows are a priority over the roof at Ann Antolini.

At the Bakerville School the roof is leaking. Steve Nadeau has one estimate. The leak is in the media center. It is scheduled for a replacement a few years out but that date may need to be changed. Steve Nadeau would like to get a 2nd estimate.

On the presented financial statement – these are unofficial numbers and change on a daily basis. One teacher will be retiring and there will be a small payout of buying back her personal days. Dr. O'Reilly said he would do his best to stay within the budget.

Approval of Minutes:

MOTION: by Kennerson, second Smith to approve the minutes dated January 11, 2011.

Aye: All members, no opposed, one abstention Jim Fitzgerald

Opportunity for Public Comment:

New Hartford Plus representative Maria Moore mentioned that the 2010 Board of Finance minutes are off the town website. There is no visible link to them at the main page. First Selectman Jerram will ask Administrative Assistant Christine Hayward about this.

2009-2010 Audit Report Review – King, King and Associates

The audit report was presented to the board by Chris King and Shelly Sundie from King, King and Associates. Discussion followed. A recommendation/finding was the need to improve controls. One would be the bank statement reviews. There is no evidence this happens. When the treasurer reviews the statements he needs to sign off on them. Another is the tax collector accounts and the deposits made. First Selectman Jerram commented these are historical habits that the town has had for a long time. His administrative assistant, Christine Hayward, will buy the treasurer a stamp that he can use showing he has reviewed the statements. Also, instead of the statements coming directly to the tax collector – they will go directly to the town hall mail box. Tax Collector, Linda Sheffield, will change her billing address to reflect this. Without additional help – this seems to be the easiest way.

Chris King said there needs to be a break in this loop. Board of Finance Chairman Witte asked when this should be started; Treasurer Gordon Ross said it should be done immediately. The statements will be checked for any unusual activity, overdrafts, etc. There will now be documented evidence that the statements are being reviewed.

It was also recommended that an accounting manual documenting the controls for the current people and future people be put into place. First Selectman Jerram will check with other towns to see what they are doing and come back with information at the June Board of Finance Meeting. Board of Finance Chairman Witte would like to see it done right after budget.

On the Capital Asset Statistics by Function – under the category Police- Police Cars should read Police Vehicles.

On the Operating Indicators by Function under Education/Elementary Schools – the question was asked where the source class size of 18 come from. Some classes may be 20 and other 17. The information came from various state agencies. Chris King will email the source of the numbers to Board of Finance Chairman Witte. Board of Finance member Smith thinks it may be higher.

Board of Finance member Kennerson asked Chris King if it would help them to have the information on fire calls. They responded yes and someone from the town will provide the numbers to them.

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Bookkeeper's Report:

Bookkeeper Annie Witte reported that last week the tax collector turned over \$5.9 million. The machine manufacturing payment from the state was less than we budgeted. Pequot is due to come in.

We received the grant money for the police boat- around \$1700. We can put in for this grant every year. If the state has the money then it is divided among the towns.

Board of Finance member Smith commented that he thought the audit was a fixed cost. The cost for the federal single audit getting money for the EPA grants was not in the original motion. The original audit was \$23,500 and we didn't budget for a federal audit.

Board of Finance Chairman Witte said the charges meet the contract we signed. It was for \$23,450 plus \$2,000 if we had to do a federal audit. We didn't budget for the federal audit.

Bookkeeper Witte was asked if any line items were over spent - highway, supplies, equipment maintenance. She feels thinks we will be well within our budget.

First Selectman Jerram said that the town has had to hire Canton Village and the use of their wing plow to move back the snow at around a cost of \$2,000 per day. Our wing plow is not able to be used.

The workers compensation and FICA line are okay. Bookkeeper Witte will monitor them.

Notification has been received from the Regional Refuse Disposal District One that the 4th quarter assessment may be reduced. Two major factors contributing to this is the downward trend in trash tonnage that they have had to pay to dispose of and the increase in revenue from their recycling efforts.

Treasurer's Report:

Treasurer Ross reported that the investment account is holding steady and money has been received from the Tax Collector.

Treasurer Ross has also contacted other banks about taking over our accounts. He has given a copy of our account analysis to Northwest Bank to see what they can offer.

First Selectman Jerram said there is a lot of interest from other banks to take over the space being vacated by the Bank of America.

FIRST SELECTMAN:

First Selectman Jerram said that is one of the town plows hits a mail box – the town will replace it with the least expensive model.

With regards to the snow on various roofs – the flat roof was shoveled off at the town hall. The focus is on the schools to be sure they are okay. The New Hartford Elementary school was shoveled off over the weekend. There was a little scare at the Waring building.

A check will be made at Brodie Park and at Brown's Corner to be sure everything is okay. There is concern with the roof of the Field House at Brodie. Selectman Jerram does not feel it is safe to have anyone up on that roof. They may take the equipment out of the building.

The WWTP payment of \$120,000 will have a significant hit on the budget.

Negotiations are opening up for the Town Hall Employee contract. There will be a meeting with the lawyer this coming week.

There is some good news. We will be getting a rebate on R2D2. Anthem was overbilling (town and town garage) and it goes back to January 2010. This will be a 10% decrease in current budget.

The Salt shed is ready for occupancy.

Selectman Jerram has met with Mary Grasso. The extra money on the WWTP cannot be used for debt service. You can either return it or use it on something related. If you use these extra USDA funds – then they have to review the expenditure.

2011-12 Budget Discussion:

Board of Finance Chairman Witte handed out the timeline. The regular Board of Finance meeting is on March 8th. Chairman Witte would like to see revenues on that date. Member Kennerson said the Board of Education has a budget with a 3% increase. On Saturday, March 12th there will be a budget presentation.

The Grand List shows an 8% increase. The cell tower is in personal property and the increase in that may be the \$682 for the cell tower.

The projected revenues are a rough cut using the current year budget and a rough delta number for 2011/2012.

The Board of Finance was polled and they would like to see a 0% increase.

We do have committed obligations – the Board of Education contract and the WPCA payment which comes out to about 1/3 million increase.

The state revenue is a big concern and we need to wait for Governor Malloy to present his budget.

We are not sure if the state will give us \$440,000 for ECS. Last year they took that as a windfall.

Board of Finance members Smith and Rieger would also like to keep it at “0” but want to know where the cuts will come from. Board of Finance chairman Witte will draft a letter and send it out.

Board of Finance member Kennerson said a way to maintain our surplus budget is if we did a capital project – such as doors/windows.

We may have to do the Bakerville School roof sooner than anticipated. We have an estimate of \$31,000 and we are looking for a 2nd quote and possibly a 3rd.

Other items to come before the board:

The report from the Regional Refuse Disposal District One is included with these minutes.

First Selectman Jerram and Board of Finance Chairman Witte were invited up to Region 7 High School for a meeting with the superintendent. The other towns whose students attend that school were also there. The presentation included what has happened over a time span of 10 years. The changes that have been made were in reduced positions, reduced offering in terms of electives in the school.

Board of Finance member Kennerson has asked Dennis Minor, Recreation Department, for more information on the septic. Dennis is working on this.

MOTION: by Smith, second by Fitzgerald to adjourn at 10:00 p.m.

Respectfully submitted,

Penny Miller
Recording Secretary