

**Lebanon Board of Finance
Minutes of September 8, 2011
Regular Meeting**

Members present: Liz Charron, Chairman, Glen Coutu, David Geligoff, Greg LaFontaine, Betsy Petrie, Lori Wesolowski, Don Anderson, alt., Chuck Haralson, alt., and Phil Johnson, alt.

Item A. Call to Order

L. Charron called the meeting to order at 7:30 p.m. and welcomed Don Anderson to the Board of Finance as an alternate member replacing Susan Zickman. C. Haralson was designated to vote on behalf of G. Coutu until such time as he arrives.

G. Coutu arrived at 7:32 p.m.

Item B. Minutes of Previous Meetings

D. Geligoff moved to approve the minutes of the August 8, 2011 regular meeting. Motion was seconded by G. LaFontaine. Motion passed with 3 ayes and 3 abstentions: G. Coutu, L. Wesolowski and B. Petrie.

Item C. Correspondence

No correspondence was received.

Item D. Monthly Expenditures/Revenues/Payment of Bills.

1. Review of 2010 – 11 Fiscal Year revenue and expenses.

Historically, town auditors have commented when a payment is made in July for work done in the previous FY. Barbara Richardson-Crouch made an accounting change to address this issue but funds were not budgeted for this adjustment to be made. The BOE medical insurance bill doesn't come in until July but it gets booked to June of the previous FY for approximately \$190,000. If there is to be a change to procedure where this item is booked to the fiscal year in which it is received, the budget would have to be adjusted proportionate to the change. It is too late to do it for this fiscal year because the BOF did not approve a change or adjust the budget for it.

Similar discussion was held as it applies to summer teacher salaries, which are earned during one fiscal year and paid out in another. An adjustment would also be needed when there is a 27th pay period in a given year. The BOF agreed that changes can not be made this year because the town is already in the FY budget and the costs associated with making these changes have not been budgeted. It was suggested that it would be cleaner to begin changes in the 2012-2013 budget. It was agreed that these changes should be phased in since they are mentioned in our town audit every year. The BOF agreed to leave the budget as

it is for this fiscal year but to keep this issue visible and have a subcommittee begin working on it now in preparation for the next fiscal year.

P. Johnson arrived at 7:46 p.m.

L. Charron agreed that this task would be assigned to a subcommittee during New Business.

B. Crouch discussed revenue with the BOF and answered questions regarding an increase in the shortfall amount in #4340 – Town Aid Roads. She explained that in the past, there were two Town Aid Road revenue amounts coming from the State of Connecticut – Unimproved and Improved. The reimbursement now comes in one check and must be split out between the two accounts. B. Crouch is able to contact the State of Connecticut to find out the breakout. There is no action to be taken at this time other than understanding the overestimate in this revenue line item.

2. Current Fiscal Year

The town is only two months into the current FY with no notable issues related to expenses. L. Wesolowski moved to approve the payment of the bill from Kostin & Ruffkess & Company, LLC for \$10,000 that will be applied to the work performed in the prior FY. Motion was seconded by G. LaFontaine. Motion passed unanimously.

Item E. Ongoing Business

1. Subcommittee updates

a) Investment Policy and Cash Management

There was no meeting held in August.

b) Policies and Procedures

The subcommittee has completed a review of the past four years of BOF minutes to determine if any language used therein referred to a possible policy or procedure. Thirty topics were identified, most of which fell into the following four categories: Administration, Year End Closing, Budget Process & Review, and Banking & Investment Finance Reporting.

c) Capital Funding

There was no meeting or information to report.

Item F. New Business

1. Consider and act on accounting practices for:

a) Year End Salaries

b) Medical Insurance for the Schools and Town Employees

A budget process subcommittee was established to include G. LaFontaine, D. Geligoff, D. Anderson and L. Charron.

2. Consider and act on budget transfers for the 2010 - 11 FY

B. Petrie moved to transfer the following funds from #492 Contingency:

\$26,671 to #406 Finance Office
\$11,595 to #411 Auditor
\$13,561 to #433 Snow Removal
leaving a balance of \$98,173 in #492 Contingency
Motion was seconded by G. LaFontaine. Motion passed unanimously.

3. Consider and act on requesting the BOS to call a special town meeting for the purposes of authorizing budget transfers and transfers from Fund Balance to cover any deficit, if necessary.

G. Lafontaine moved to request the BOS to call a special town meeting for the purpose of the Town of Lebanon approving a transfer of \$365,821 to the BOE with \$317,155 to come from the 2010-2011 town budget surplus, and \$48,666 to come from Fund Balance. Motion was seconded by L. Wesolowski. Motion passed unanimously. G. LaFontaine suggested having a summary page available at the town meeting that clearly defines this transaction.

4. Consider and act on opening a new bank account for use by the Water Pollution Control Authority for the sewer project.

B. Petrie moved to authorize the Finance Department to open a new bank account for use by the WPCA. Motion was seconded by G. Coutu. Motion passed unanimously.

5. Consider and act on recommendations contained in the report from Kostin, Ruffkess & Company, LLC.

It was reported that there are three sets of recommendations that involve the Town, the BOE, and issues that affect both. B. Crouch stated that one recommendation was for a separate payroll account to be set up. This is not an issue for the town because payroll is outsourced through PayChex. A personal action form was recommended for employee payroll changes such as raises. It was agreed this would provide better documentation of records and changes made by the Finance Department. B. Crouch was asked to develop a deliverables report to document each item requiring action, any implementation steps taken and when. She will report back to the BOF when this is complete.

Janet Tyler had a preliminary draft of BOE standards and the dates they were implemented. At the next meeting she will have a final copy. There is still some critical balancing to be done between the Town and the BOE.

6. Update on Tropical Storm Irene efforts and discuss handling of Expenses.

At the emergency meeting of the BOF and BOS on August 27, 2011, funds were appropriated for outside services should it be necessary. Joyce Okonuk reported that no outside services were needed. The Public Works Department worked with CL&P and kept up with the work on its own. She attended a FEMA workshop and found that the town will get some reimbursement of our expenses such as overtime and certain specific items. Storm related expenses were:

Highway Overtime Wages – about \$8,500 (Sunday to Tuesday)
High School Shelter Generator Repair - \$800
Food for Shelter Volunteers - \$1,000
Fuel Pump Repair - \$218

J. Okonuk estimated that the total unexpected storm related expenses would be approximately \$10,300. L. Charron thanked the BOS and all involved in the hard work during Tropical Storm Irene.

7. Discuss Celtic Energy presentation and the energy conservation proposal.

The Celtic Energy presentation was discussed. Concerns were raised that the Town of Lebanon might not realize true savings unless the initial cost of the project was spread over more towns. It was agreed that there will be more discussion on this item before any action is taken.

8. Discuss next steps for establishing procedures for accepting grants.

At a meeting in May, 2011 it was agreed that the BOF would do a full meeting with the BOS to review this item. L. Charron will email everyone on the joint boards about a meeting during the first week of October.

G. Adjourn

With no Other Business to discuss, B. Petrie moved to adjourn the meeting. Motion was seconded by D. Geligoff. Motion was passed unanimously. Meeting adjourned at 9:25 p.m.

Respectfully submitted,

Lisa Sedlmeier
Recording Secretary