

**Lebanon Board of Finance
Minutes of December 15, 2015
Regular Meeting**

Members Present: David Scata (Chairman), Liz Charron (Vice Chairman), Meghan Bruce, Kevin Cwikla, Diane Malozzi

Alternates Present: Stephen Salisbury, Vin Shea

Members Absent: Phil Johnson

Others Present:

- Betsy Petrie, First Selectman
- Berkley Nowosad, Registrar of Voters
- Jim Russo, Library Building Committee Chairman
- Sandra Welwood, Auditor
- Albert Vertefeuille, Board of Education Chairman
- James Mello, Board of Education
- Robert Angeli, Superintendent of Schools

A. Call to Order

The meeting was called to order at 7:00 PM by David Scata. Stephen Salisbury to sit for Phil Johnson.

B. Nominations for Board of Finance Positions

- *Chairman* – Kevin Cwikla moved and Meghan Bruce seconded a motion to nominate David Scata as Chairman. Motion passed unanimously.
- *Vice Chairman* – David Scata moved and Kevin Cwikla seconded a motion to nominate Liz Charron as Vice Chairman. Motion passed unanimously.
- *Secretary* – Liz Charron moved and Diane Malozzi seconded a motion to nominate Meghan Bruce as Secretary. Motion passed unanimously.

C. Correspondence – FY 2015 Audit Report, Representation Letter, and Summary from Sandra Welwood, Auditor

1. Sandra Welwood and one of her staff auditors walked the Board of Finance and Board of Education members through a discussion on the town/education audit status. The team explained that the audit went very well for a first year audit, with a few minor bumps, but nothing that caused a significant delay for the team. Sandra and her team also spent time walking everyone through some of the major changes for the audit, including how pension standards and calculations for the teachers and municipal retirement liabilities now appear on the town's financial statements; additional disclosures were added to the report to explain what the town would be liable for if the State was unable to fulfill their commitments. It should be noted that

the Town continues to participate in State retirement plans for the teachers and municipal employees, and the disclosures are informational in nature. Sandra and the team provided clarity on the overall financial statements. Furthermore, Sandra and the team provided the group with opportunities for improvement which were discussed at length, with some guidance on prioritization. Sandra explained that there were a few minor audit adjustments that were processed, but nothing that was considered material impacting either the Town or Education budgets. Sandra complimented both Veronica and the School District Business office on their thorough knowledge of accounting requirements and response to audit deliverables, for which, the Board added their thanks and appreciation as well. The Board also thanked Sandra and her team for their due diligence and time to walk the Board through the opportunities and financial health of the Town.

D. Minutes

- *October 20, 2015, Regular Meeting* – Liz Charron moved and Meghan Bruce seconded a motion to accept the minutes. Motion passes unanimously.
- *November 10, 2015, Special Meeting* – Liz Charron moved and Meghan Bruce seconded a motion to accept the minutes. Motion passes with Meghan Bruce abstaining.
- *November 17, 2015, Regular Meeting* – Meghan Bruce moved and Kevin Cwikla seconded a motion to accept the minutes. Motion passes with Meghan Bruce and David Scata abstaining.

E. Public Comments

- There were no additional public comments.

F. Financial Report

1. *Town Monthly Reports for Fiscal Year 2015-2016 Expenditures, Revenues, TIP/SIP, Contingency Balance and Fund Balance.* The Board reviewed the current financial statements without any significant questions. No action taken.

At this point, a motion was made by Liz Charron to move to the first item under the “New Business”, which was seconded by Meghan Bruce. Motion passed unanimously.

2. *Consider and act on the BOS request for over expenditure in Dept 400 Legal Expenses.* Betsy Petrie provided the Board on details causing the over expenditure in Department 400, Legal Expenses. Betsy explained to the Board that there have been a number of town-wide initiatives that required legal counsel, including the senior housing project (with land fees and sales fees to come still), the town charter, the creation of the Adams Trust LLC, the Gardner tax sale and a dispute around the Board of Education election results. As more expenses may be incurred, the Board determined that awareness on the issue was sufficient for now, and a formal motion to authorize a specific dollar figure over expenditure was premature. No action taken.

3. *Progress Payment Invoice from Sandra Welwood, Auditor, 11/19/15, \$10,000.00, Account 100-00-411-5320-0000.* Liz Charron made a motion to authorize payment of the invoice from Sandra Welwood in the amount of \$10,000 with funds to come from Account 100-00-411-5320-0000, which was seconded by Meghan Bruce. Motion passed unanimously.

G. New Business

1. *Lebanon Registrars of Voters request to meet to discuss attendance at mandatory training sessions based on new state requirements.* Berkley Nowosad provided the Board on details on the new requirements impacting the Registrar of Voters. All CT Registrar of Voters must attend 8 education classes to be certified for the position. Both Berkley and Cathe McCall were looking to take 2 to 3 classes each this fiscal year and budget the remaining courses into the next year's budget. The classes cost approximately \$200 each, which would cost \$1600 each registrar. The Board thanked Berkley for the information and supported the registrars beginning the process. No action taken.
2. *Discuss and act on Library Building Committee request to close schematic design phase accounts and those remaining funds be transferred into the newly established Fund 243 for Library Renovation/Addition project: #218-00-018-2402-0000-0000 for \$193.98 and #220-00-213-2713-0010-0000 for \$3,889.54.* Jim Russo provided the Board details that the first phase of the renovation/addition project came in under budget. As the funds were allocated for the library project, Jim and the Library Building Committee was looking to have the unused funds roll into the building phase of the project. The Board discussed the mechanics of the request, and provided guidance that as the project is now in the construction phase with bonded funds, the recommendation would be to work with the Board of Selectman to see if the funds could be used in the design capacity (for instance, there was discussion between the Board, Jim and Betsy that a tree may need to be removed, for which, these funds may be expended). No action taken.

At this point, the Board continued the meeting by jumping back to Item 2 under "Financial Report".

3. *Discuss and act on the FY 2015 Audit Report and Representation Letter.* Kevin Cwikla moved and Diane Malozzi seconded a motion to authorize David Scata to accept the FY2015 audit report as presented by Sandra Welwood. Motion passed unanimously.
4. *Information for BOF – Update on DPW Director's resignation (BOS).* Betsy informed the Board that the DPW Director resigned effective 12/10/2015. A foreman is in place to lead the DPW on daily tasks and deliverables and has been meeting with Betsy daily to ensure alignment. Betsy explained that for now, a new DPW Director will not be posted, and the Board of Selectman will re-evaluate if there is a town need moving forward. She explained that they will be going to bid for engineering

services to ensure that the bridge project can continue on schedule. No action taken.

5. *Information for BOF – Update on Resident State Trooper/Constable alignment (BOS).* The Resident State trooper informed Betsy that one of the constables had resigned. As part of the plan to replace the position, there was consideration of combining part-time positions into a full-time position. Calculations were made to include salary and benefits, but the decision was made to not proceed with that option. No action taken.
6. *Consider and act upon the following policies: Lease Purchase, TIP, and School Capital Funds.* With the recent turnover of the Board members, it was decided that a separate meeting would be convened to get all members up-to-speed on the policies and make final changes. No action taken.

H. Adjourn

Liz Charron moved and Meghan Bruce seconded a motion to adjourn at 8:40 PM.
Motion passes unanimously.

Respectfully Submitted,
Meghan Bruce
Secretary