

TOWN OF DEEP RIVER
Board of Finance
Regular Meeting Minutes
Tuesday September 26, 2017

The Board of Finance convened its Regular Meeting at the Deep River Town Hall on Tuesday September 26, 2017. Meeting called to order by George Eckenroth, Chairman, at 7:30 PM. Members present: Carmela Balducci, Bill Ballsieper, Lori Guerette, Russ Marth, John Wichtowski. Also present: Angus McDonald, Dave Oliveria, Duane Gates, Tom Lindner.

Approval of Minutes: on MOTION made by C. Balducci, seconded by J. Wichtowski, to approve Regular Meeting Minutes of July 2017 and Special Meeting Minutes of August 29, 2017. Motion CARRIED unanimously.

Audience of Citizens: Jennifer Hawkins from Mahoney Sabol's (MS) Glastonbury office, presented information concerning the Town audit, that she is also a lead auditor for Region 4, Michael VanDeventer is also an audit partner for the Town. Aspects of the audit include: financial statements are provided by the Town, Federal and State single audits will be required as the Town receives both Federal and State funds, State Department of Education school reports, review of internal controls, pension funding. The anticipated start of the audit will be January since the Town entered into the contract with MS late, and the audit will be issued by the end of February, some preliminary work will begin prior to that time. Noted towns of similar size to Deep River have limited resources for accounting departments. The State expects audit filing by towns to be December 31, and MS will file extensions to the State for compliance.

Treasurer's report: T. Lindner presented Town Deposits Report for review, anticipates that the Town will be in good standing through the end of the year for bill payments.

Department Updates: none received.

Discussions of Selectmen: A. McDonald gave an update on steps being taken on behalf of the Town due to the financial uncertainties with the State's lack of budget action at this time, the current Governor's Executive Order which leaves the Town \$1,500,000 short in funding-mostly for education costs, concerned that the Town won't have enough funds to get through the end of December, potentially borrowing a tax anticipation bond through April 1, towns are unable to open a line of credit, consideration for bonding \$1,500,000, potential closing on November 10, possible town meeting on November 1, public hearing in October, alternatively to have a public meeting sooner to get authorization for proceeding with the borrowing of a tax anticipation bond when the Town is closer to spending down available funds. Discussion concerning supplemental taxes to cover the tax anticipation bond and approximately \$25,000 closing fees and interest, services for preparing supplemental tax bills are approximately \$6,000 plus additional labor related costs, timing of supplemental tax bills.

The Board of Finance will hold a special meeting on Tuesday October 10 at 7:00 p.m. to discuss the projected budget shortfall, and possible authorization on borrowing to cover dept.

The Region 4 school has not made any steps to help in cost cutting measures to ease the financial burden on the towns. The three towns selectmen have had meetings with the Superintendent looking for ways to potentially defer town payments, no resolution at this time. Steps are being taken to get a fee in lieu of taxes on the property which was purchased by the Region from the Regions sinking fund. Discussions concerning how the Regional adds to its sinking fund, unknown how large the current fund is.

Correspondence: none received.

Monthly Budget Report Review: monthly report received for review.

Other Business: Memorandum from Cathy Kehlenbach concerning over and under expenditures for Fiscal Year Budget 2016-2017, and surplus of \$171,343.20 to the Unappropriated General Fund. Discussion concerning cuts to the 2017-2018 Budget to the Highway Department road maintenance line, consideration of transferring \$50,000 into road maintenance line, options to have one town meeting for the appropriation to the Highway Department road maintenance line and the supplemental tax or two separate meetings. On MOTION made by B. Ballsieper, seconded by C. Balducci, to authorize the increase of \$50,000 to the Highway Department road maintenance line. Discussion concerning why not to transfer funds from the UGF on an as needed basis, regulations which only allow one transfer to a line without a town meeting in a fiscal year, consideration for multiple town meetings. MOTION In favor: G.Eckenroth, B. Ballsieper, J. Wichtowski, C. Balducci, L. Guerette. Against: R. Marth. Motion CARRIED.

On MOTION made by R. Marth, seconded by B. Ballsieper, to approve the line transfers as noted in the Memo dated 9/22/17 in the amount of \$213,019.38. Transfers to Town Clerk \$5,872.91, Building Official \$17,749.90, Employee Benefits \$6,546.46, Communication Center \$1,259.17, Public Utilities \$18,196.40, Public Health Nursing \$2,549.61, Municipal Library \$9,022.72, Park & Rec \$45,246.26, Police Protection \$96,828.27. Motion CARRIED unanimously.

Discussion concerning the supplemental audit bill received from RMS auditors in the amount of \$5,000, meetings to determine why the additional billing, noted partially due to the new WPCA sewer debt, agreement to pay \$4,000. On MOTION made by R. Marth, seconded by B.Ballsieper, to approve the expenditure of \$4,000 to RMS. Motion CARRIED unanimously.

Adjournment: on MOTION made by B. Ballsieper, seconded by R. Marth, to adjourn at 9:13 PM. Motion CARRIED unanimously.

Respectfully submitted:

Lori J. Guerette, CRA COA OCT-C
Vice-Chairman, Secretary
Board of Finance