

TOWN OF DEEP RIVER
Board of Finance
Regular Meeting Minutes
Tuesday June 26, 2018

The Board of Finance convened its Regular Meeting at the Deep River Town Hall on Tuesday June 26, 2018. 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, Duane Gates, Bill Burdick.

Approval of Minutes: on MOTION made by R. Marth, seconded by C. Balducci, to approve Regular Meeting Minutes April 2018 and Special Meeting Minutes of May 7, 2018 and May 21, 2018. Motion CARRIED unanimously.

Audience of Citizens: none

Treasurer's report: Town Deposits Report for May and June presented for review.

Recommendation of Selectmen: A. McDonald presented information concerning budgeted salary lines and payments made at the beginning of each fiscal year which contain partial payments for time worked in the prior fiscal year. This year the amount paid in the fiscal year starting on July 1, 2018 which includes time accrued prior to July 1 totals \$39,577 as noted in the audit report. To correct this misstatement of funds being applied to the wrong fiscal year from being repeated and to follow proper accounting practices it is recommended that the selectmen make single line transfers to the salary lines to apply payments in the correct fiscal year, none of the individual transfers are large enough to require a formal vote, there is no increase in any salary, it's just a timing issue. General agreement to proceed with the auditors recommendations.

A. McDonald noted the receipt of State Town Aid Road funds and Municipal Grant funds. Since the State did not include the Municipal Grant Funds as part of it's budget no anticipated funds were included the Town's Budget for fiscal years 2017-18 or 2018-19, and no road projects were planned. A.McDonald recommended adding a new line to the 2017-2018 Town Budget for Municipal Grants Projects.

A. McDonald gave an update on the DRES budget, noted that there was an unanticipated special education expense of \$85,000 this school year, and added expense of \$16,000 for misreadings of the gas meter. Dr. Levy has noted that there will not be a request for any additional budget funding as the school was able to cover these expenditures within its budget. Thanks were expressed, it is unknown what cutbacks were made.

Actions on Recommendations of Selectmen: On MOTION made by R. Marth, seconded by C.Balducci, to approve creating a new line in the Town Budget 2017-2018 for Municipal Grants Projects. Discussion noted this will be sent to a special town meeting for a vote, the selectmen

will commit to expend the funds received on road projects in this fiscal year, timing of expenditures for audit purposes, uncertainties if the funds will be received as projected in the State budget for fiscal year 2018-29. Motion CARRIED unanimously.

Correspondence: none

Monthly Budget Report Review: monthly report received for review.

Other Business: Auditors: Jennifer Hawkins CPA, Michael VanDeventer CPA, Lauren Blair CPA from Mahoney Sabol presented the audit reports. Noted the Town's financial status received the highest level of opinion - an Unmodified Opinion - based on no material noncompliance with laws or regulations. Financial statements preparations are the obligation of the Town to prepare with aid of the auditors, some deficiencies are based on material limitations and resources, as has been noted in past audits. Recommended funding of the Unappropriated General Fund (UGF) to be 10% of the annual expenditures budgeted to allow continuous operations of the Town in times of financial uncertainty (such as now faced with the State and its' mid-year budget cuts,) UGF currently is at \$880,000 or 5.21% or 0.6 month of operating expenditures, recommendation to increase the UGF up to 10% of budgeted operating expenditures, will offer assistance in developing policies which can be implemented by the Town to build up the UGF. Preliminary schedule to start next the audit will be in August, field work in November and December, for filing with the State by the end of the calendar year in a timely manner. Discussion of the UGF balance, and how much should be maintained.

Discussion of fire dept truck grant process, noted that the grant paperwork will begin at the end of summer, A. McDonald is working with Scott Bowden, and will be looking to work with someone who has grant writing experience, updates will be presented at future meetings.

Adjournment: on MOTION made by R. Marth, seconded by J. Wichtowski, to adjourn at 8:45 PM. Motion CARRIED unanimously.

Respectfully submitted:

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