

**BOARD OF FINANCE
TOWN OF EAST WINDSOR
11 RYE STREET
BROAD BROOK, CONNECTICUT 06016**

**MINUTES OF REGULAR MEETING
Wednesday, December 16, 2015 at 7:00 p.m.**

DRAFT DOCUMENT – These minutes are not official until approved at a subsequent meeting

Members Present: Jerilyn Corso (Chairman) Cindy Herms; Kathy Pippin; and Bill Syme,
Members Absent: Robert Little
Alternate Present: Paulette Broder, and Luis Valdez
Alternate Absent: Both Alternate Members present
Others: **Town Treasurer:** Kim Lord; **First Selectman** Robert Maynard;
Selectmen: Jason Bowsza, Dale Nelson, and Richard P. Pippin, Jr; **Town Staff or Department Heads:** Assessor Carol Madore; **Public Works Department:** Len Norton, Director; Joe Sauerhoefer, Maintainer of Facilities and Inspections; **CIP Committee:** Cathy Simonelli

Press: No one from the press was present.

1. Call to Order:

Chairman Corso called the Meeting to Order at 7:00 p.m.

2. Time and Place of Meeting:

Wednesday, December 16, 2015 at 7:00 p.m. at the East Windsor Town Hall (11 Rye Street, Broad Brook, CT.)

3. Appointment of Alternates:

Chairman Corso noted the absence of Regular Member Robert Little; she called for a motion to appoint an Alternate to fill the vacancy.

MOTION: To **APPOINT** Alternate Member Luis Valdez as a voting member for the December 16, 2015 Regular Meeting of the Board of Finance.

Herms moved/Pippin seconded/**DISCUSSION:** None.

VOTE: In Favor: Unanimous

Chairman Corso noted the absence of recently appointed Regular Member Steve Smith; she called for a motion to appoint an Alternate to fill the vacancy.

MOTION: To **APPOINT** Alternate Member Paulette Broder as a voting member for the December 16, 2015 Regular Meeting of the Board of Finance.

Hermes moved/Pippin seconded/DISCUSSION: None.

VOTE: In Favor: Unanimous

4. **Approval of Minutes/a. Regular Meeting, November 18, 2015:**

MOTION: To **APPROVE** the Minutes of the November 18, 2015 Regular Meeting of the Board of Finance as presented.

Hermes moved/Pippin seconded/DISCUSSION: None.

VOTE: In Favor: Unanimous

5. **Public Participation:**

Selectman Bowsza: queried if there is a timeframe, or expectation, for when there would be a full Board? Chairman Corso noted the appointment of Steve Smith; she noted Mr. Little continues to be a member of the Board.

Deputy First Selectman Richard P. Pippin, Jr.: wished everyone a happy holiday.

6. **Communications:** None.

MOTION: To **GO OUT OF ORDER** and take Agenda item 9. **NEW BUSINESS/a. Audit Report – Mahoney and Sabol next.**

Hermes moved/Pippin seconded/DISCUSSION: None.

VOTE: In Favor: Unanimous

9. **New Business/a. Audit Report – Mahoney and Sabol:**

Tim VanDeventer and Heather Greator, of Mahoney and Sabol joined the Board to present a synopsis of their draft audit for FY 2014 – 2015. Mr. VanDeventer spoke for several minutes and presented the Board with highlights of their findings and recommendations. Please see Attachment A.

MOTION: To **RETURN** to the posted Agenda order.

Hermes moved/Pippin seconded/DISCUSSION: None.

VOTE: In Favor: Unanimous

7. **Monthly Reports/a. Town Financial Reports:**

Assessor:

Assessor Carol Madore joined the Board. She submitted a memo dated December 16, 2015 – Assessor’s Status Report, (See Attachment B). Mrs. Madore reported she continues to work with business owners to audit the status of the reports of business personal property submitted for the years 2012 through 2014. Real Estate appeals continue on the nursing homes, and negotiations are underway regarding SJK Properties.

Mrs. Madore reported the department will also be going out to bid on the next re-evaluation cycle.

Treasurer:

Treasurer Lord presented the Board with the standard reports

- Cash Flow Report – Webster Bank – General Fund Cash Account – See Attachment C.

Tax Collector:

Treasurer Lord presented the Board with the standard reports submitted by the Tax Collector:

- Cumulative Report of Cash – End of Month Report for November 2015 -See Attachment D.
- Report of the Tax Collector – See Attachment E.

Discussion followed regarding anticipated reduction in State revenues. It was also noted the Warehouse Point Fire District will no longer be a part of the Town Budget; they will now be taxing properties located within the Warehouse Point Fire District for fire services. The Warehouse Point Fire District will be advising taxpayers of the change; the Tax Department will now be collecting those taxes on behalf of the District. The Broad Brook Fire Department will continue to be part of the Town Budget.

7. Monthly Reports/b. Transfer Requests:

Treasurer Lord reviewed the specifics of this line item transfer. See Attachment F.

Legal:

MOTION: To **APPROVE** Transfer #4.

Herms moved/Syme seconded/

DISCUSSION: Treasurer Lord reported this transfer is anticipated to get us to the end of the year; one contract is still under negotiation.

VOTE: In Favor: Unanimous

8. Unfinished Business/a. Response to Public Participation questions from last meeting:

Treasurer Lord reported she prepared a cost analysis of the revenues received for the past three years vs. the cost of operating the Building Department. Revenue vs. cost indicates a cost neutral department, with revenues exceeding expenditures for the past three years.

9. New Business/b. Budget Message:

The Board reviewed the draft letter to Department Supervisors Boards Commissions and Volunteer Organizations; minor changes were made. Budget submissions are due December 31, 2015.

9. New Business/c. Supplemental Appropriation – Public Works Roof:

Len Norton, Director of the Public Works Department, and Joe Sauerhoefer, Maintainer of Facilities and Inspections joined the Board. Mr. Norton reviewed the photos submitted to the Board. The proposed repair would encompass the area over the office in the Town Hall Garage. It was noted the area is approximate to the area recently repaired on the Middle School; the anticipated cost would be in an amount not to exceed \$75,000. Mr. Sauerhoefer reported this roof is a double roof; it's not known if rust has damaged the second portion. The anticipated timeframe to complete the work is expected to be three weeks. The Building Committee will oversee the project. The Board of Selectmen approved the repair at the December 15th Meeting; approval by this Board could send the request to a Town Meeting on December 31, 2015.

MOTION: To **TRANSFER** \$21,000.00 from CNR Board of Education Renovation line to CNR Public Works Renovation line.

Herms moved/Pippin seconded/DISCUSSION: None.

VOTE: In Favor: Unanimous

MOTION: To **APPROVE** an added appropriation of \$54,000.00 for the Public Works Garage Roof, and to send this request to Town Meeting.

Herms moved/Pippin seconded/DISCUSSION: None.

VOTE: In Favor: Unanimous

9. New Business/d. Appoint Pension Board members:

MOTION: To **APPOINT** Jerilyn Corso for a four (4) year term on the Pension Board.

Syme moved/Pippin seconded/DISCUSSION: None.

VOTE: In Favor: Unanimous

MOTION: To **APPOINT** Cynthia Herms to replace and fill the term of Robert Maynard on the Pension Board.

Syme moved/Pippin seconded/DISCUSSION: None.

VOTE: In Favor: Unanimous

10. Board Member Comments:

The Board discussed appointing a liaison to the Board of Education. Mr. Syme volunteered; Mrs. Herms volunteered as a back-up.

Mrs. Broder welcomed Mr. Smith to the Board.

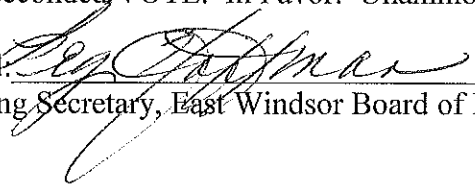
Mrs. Herms noted the CIP Committee (Capital Improvement Projects Committee) met last night and completed their annual ranking of proposed projects. Discussion followed regarding the process for making the project ranking available to the BOF, and additional funding options for projects which fell below the CIP proposed budget request.

11 Adjournment:

MOTION: To **ADJOURN** this Regular Meeting at 8:43. p.m.

Broder moved/Syme seconded/VOTE: In Favor: Unanimous

Respectfully submitted,


Peg Hoffman, Recording Secretary, East Windsor Board of Finance



Presentation to the Board of Finance
2015 Audit Results

**Town of East Windsor,
Connecticut**

Presented by:
Michael J. VanDeventer, CPA, Partner
Heather Greatorex, Senior Associate

December 16, 2015

*Board of Finance 12/16/2015 -
Attachment A.*



Agenda

- Scope of Work
- Auditor's Reports
- Financial Highlights
- Required Communications
- Internal Control Related Matters
- Questions

Scope of Work

Audit of Financial Statements performed in accordance with the following:

- Auditing standards issued by the American Institute of Certified Public Accountants
- Government auditing standards issued by the Government Accountability Office

Federal and State Single Audits performed in accordance with the following:

- OMB Circular A-133 compliance supplement
- State of Connecticut, OPM Compliance Supplement to the State Single Audit Act

Agreed-Upon Procedures on End of Year School Reports (ED001)

- Procedures required by the State of Connecticut Department of Education

Auditor's Reports

Report on Financial Statements

- Unmodified "clean" opinion on the following opinion units:
 - Governmental activities
 - Major Governmental Funds:
 - General Fund
 - Capital and Nonrecurring Fund
 - Capital Projects Fund
 - Aggregate remaining fund information

Report on Compliance and on Internal Control over Financial Reporting

- No material noncompliance of laws and regulations reported
- No material weaknesses in internal control over financial reporting reported
- Reported two significant deficiencies in internal control over financial reporting

Auditor's Reports (Continued)

Federal Single Audit

- Report on Compliance and on Internal Control at the Federal Award Level
 - \$2,764,996 expended
 - Major Programs:
 - Community Facilities Loan and Grant (\$1,969,375)
 - Unmodified "clean" opinion on compliance
 - No significant deficiencies or material weaknesses over compliance reported

Auditor's Reports (Continued)

State Single Audit

- Report on Compliance and on Internal Control at the State Financial Assistance Level
 - \$7,752,067 expended; \$1,656,420 non-exempt
 - Major Programs:
 - Town Aid Road Grant Program (\$174,483)
 - Open Choice Program (\$396,351)
 - Municipal Purposes and Projects (\$186,502)
 - Payment in Lieu of Taxes on State-Owned Property (\$118,146)
 - Unmodified "clean" opinion on compliance
 - No significant deficiencies or material weaknesses over compliance reported

Financial Highlights

Implementation of GASB Statement No. 68 on Pensions

- Required the recognition of the Town's net pension liability as part of long-term obligations for pension benefits and related deferred inflows and outflows of resources in the government-wide financial statements.
- Cumulative effect adjustment on beginning net position resulting in a decrease of the Town's beginning net position in the amount of \$2,233,637.
- Resulted in enhanced pension disclosures and required supplementary information.
- Town's proportionate share of the CT State Teachers' Retirement System's net pension liability totaled \$24.8 million as of June 30, 2015 (disclosure only).

Financial Highlights (Continued)

- **Government-wide Financial Highlights (Continued)**
 - Capital asset additions of \$1,566,101, offset by depreciation of \$1,737,384
 - Majority of assets acquired through a capital lease arrangement (\$837,924)
 - Long-term bonded debt decreased by \$265,000 to \$2,390,000
 - Notes payable increased by \$762,429 to \$4,004,296
 - Closed on Rural Development Loan of \$1,435,000
 - Net pension liability increased by \$143,861 to \$4,039,961
 - 61.6% funded CY vs. 64.5% funded in PY
 - Unfunded other post-employment benefits approximate \$3 million
 - Reflects liability associated with post-employment health benefits
 - Amount is not reflected on balance sheet – disclosure only

Financial Highlights (Continued)

• Governmental Funds Financial Highlights

- Combined ending fund balances as of June 30, 2015 totaled \$12.6 million, an increase of \$3.1 million from the prior year. Total fund balances consisted of the following:
 - General Fund: \$8.7 million, an increase of \$1.2 million
 - Capital Nonrecurring Fund: \$1.5 million, a decrease of \$4 thousand
 - Capital Projects Fund: \$156 thousand, an increase of \$833 thousand
 - Other Funds: \$2.3 million, an increase of \$1 million
- No unassigned deficit fund balances or significant operating losses
- Unassigned fund balance of the General Fund as of June 30, 2015 represented 20.5% of total General Fund expenditures. This is sufficient to cover 2.5 months of General Fund operating expenditures.

Financial Highlights (Continued)

- **General Fund – Budgetary Highlights**

- Original budget provided for use of fund balance in the amount of \$200,000. Final budget included additional appropriations of \$103,420.
- Actual change in fund balance was an increase of \$539,004.
- Revenues were \$93,018 more than budgeted, expenditures were \$645,986 less than budgeted.

Required Communications

- Auditor's Responsibility under U.S. Generally Accepted Auditing Standards
- Planned Scope and Timing of the Audit
- Significant Audit Findings
 - Qualitative Aspects of Accounting Practices
 - Implementation of GASB Statement No. 68 on Accounting for Pensions
 - Difficulties Encountered in Performing the Audit
 - Implementation of new accounting software
 - Corrected and Uncorrected Misstatements
 - Uncorrected misstatement: Unsupported General Fund liability in the amount of \$89,000
 - Amount deemed immaterial to the General Fund's financial statements



Required Communications

• Significant Audit Findings

- Disagreements with Management
- Management Representations
- Management Consultations with Other Independent Accountants
- Other Audit Findings or Issues
 - Internal control related matters

Internal Control Related Matters

Significant Deficiencies in Internal Control over Financial Reporting:

- Town and Board of Education reconciliation process
- Year end cut-off of education expenditures between accounts payable and encumbrances

Other deficiencies in Internal Control over Financial Reporting identified as part of our audit will be communicated directly to management.



Questions?

Michael J. VanDeventer, CPA, Partner

860-781-7924

mvandeventer@mahoneysabol.com

Board of Finance
12/16/2015



Attachment B

TOWN OF EAST WINDSOR

Caroline G. Madore, CCMA II – Assessor
11 Rye St. - Broad Brook, CT 06016-9553
cmadore@eastwindsorct.com
860-623-8878 / (Fax) 860-623-4798

TO: Board of Finance / Board of Selectmen
FROM: Caroline G. Madore, CCMA II - Assessor
DATE: December 16, 2015
RE: Assessor's Status Report

MEMORANDUM

Real Estate Appeals which remain active:

Grand List of October 1, 2012:

- 171 Main St. & 96 Prospect Hill Rd. (Nursing Homes) - the Plaintiff has filed with the Supreme Court – we continue to wait for a ruling.

Grand List of October 1, 2014:

- 171 Main St. (Chestnut Point Realty LLC) - assessment value = 1,829,330
- 96 Prospect Hill Rd. (Kettle Brook Realty LLC) - assessment value = 4,089,130
 - o Pretrial session for both cases will be held following the Supreme Court ruling (relative to the **2012** cases as referred to above). We working with the parties to schedule pretrial dates in the Fall/Winter of 2016.
- 54 Real Estate Accounts – owned by SJK Properties LLC & Jolanta Kement
 - o We are still at the negotiation stage on this matter resulting from the mediation session held on Tuesday, December 15th, 2015.

Motor Vehicle Supplemental – 2014 –

The Supple is completed and it is my understanding that the 2,259 bills will be mailed out by our Tax Collector by the end of this month. The net assessment value is 12,413,058 times the mill rate (.03031) equals = \$376,239.79 collectible during the month of January, 2016.

Personal Property Audits (2012, 2013 & 2014) –

Please see the attached Audit report – the accounts which are highlighted are still in the negotiation stage as they have only recently satisfied my requirements for full disclosure or the taxpayer has asked for the additional time. Certificates of Change have been issued for those that have been reviewed and finalized. The final results (including the three accounts which are still under review) will be in my January, 2016 monthly status report.

Grand List of October 1, 2015 –

Real Estate:

The permit system has assisted greatly to pinpoint the properties to be reviewed and processed for additional taxation. The related work continues to enhance the Grand List value.

Personal Property:

Processing of filed & non-filed declarants will continue another 3 weeks.

Motor Vehicles:

We received word yesterday that the motor vehicle list should be available to our vendor within the next few days. I estimate that within a week we should have the file in our hands in order to begin the processing.

Warehouse Point Fire District:

The District will be part of our Grand List processing this year – coding has been done to reflect the real estate & personal property accounts which are in the Warehouse Point District area.

Thank you.

Board of Finance - 12/16/2015 - Attachment C

CASH FLOW REPORT - WEBSTER BANK GENERAL FUND CASH ACCOUNT

BEGINNING BALANCE		OUTFLOWS					
November 1, 2015		PAYROLL	TRANSFER TO BOE	ACCOUNTS PAYABLE	TRANSFER TO INVESTMENT ACCOUNT	TRANSFER TO DEBT SERVICE	TRANSFER TO OTHER/BOUNCE
	\$2,723,677	(\$469,380)	(\$1,534,000)	(\$732,355)		(\$54,190)	(\$273,007)

ENDING BALANCE		INFLOWS				
November 30, 2015		LOCAL REVENUE	STATE/FED REVENUE	TAX COLLECTIONS	TRANSFERS IN	WPCA IN
	\$3,460,353	\$166,759	\$1,897,000	\$210,000	\$1,230,505	\$295,343

Board of Finance - 12/16/2015
Attachment D

CUMULATIVE REPORT OF CASH

End of Month Report of	NOV 2015	NET CASH COLLECTION	BUDGETED REVENUE	DIFFERENCE BETWEEN BUDGET AND ACTUAL
Current Taxes	\$190,084.01	\$16,249,016.59	\$28,273,762.00	(12,024,745.41)
MV Supplemental	\$0.00	\$0.00	\$275,000.00	(275,000.00)
Interest and Fees	\$13,381.87	\$104,079.24	\$225,000.00	(120,920.76)
Prior Year Taxes	\$10,636.31	\$192,893.16	\$275,000.00	(82,106.84)
Total Tax Collector Report	\$214,102.19	\$16,545,988.99	\$29,048,762.00	(12,517,121.23)
Sewer Benefit Assessment	\$1,029.99	\$23,633.71		\$23,633.71
Sewer Facility Connection Charge	\$5,000.95	\$221,601.79		\$221,601.79
Aircraft	\$610.00	\$1,960.00	\$3,300.00	(\$1,340.00)
Parking	\$0.00	\$20.00	\$60.00	(\$40.00)
Total Deposit	\$220,743.13	\$245,235.50		\$243,855.50

% OF BUDGET COLLECTED 56.96%

Board of Finance - 12/16/2015
Attachment E

TOWN OF EAST WINDSOR
REPORT OF TAX COLLECTOR

LIST YEAR	BEGINNING BALANCE	ASSESSMENT INCREASE	ASSESSMENT DECREASE	TAXES REFUNDED	TO SUSPENSE	ADJUSTED COLLECTIBLE	SUSPENSE PAID TAX	SUSPENSE PAID INTEREST	TAXES PAID	INTEREST	LIEN	NET BALANCE	GROSS BALANCE
2014	28,741,867.65	25,331.31	84,655.55	12,691.14		28,702,543.41			16,249,016.59	39,330.87	10,229.82	12,453,526.82	12,454,942.29
2013	385,295.14	3,588.87	8,107.64	3,794.77		380,776.07	5,819.53	722.41	130,479.92	20,061.94	6,500.33	250,296.15	250,383.97
2012	193,015.61	505.06	2,068.33	148.90		191,452.34	782.38	379.22	22,400.68	8,483.61	1,383.80	169,051.66	169,295.66
2011	145,243.70	0.01	1,425.43	68.54		143,817.28	1,214.34	879.16	17,901.04	7,392.26	642.05	125,916.24	125,888.24
2010	117,070.92		1,513.24			115,557.68	745.12	911.70	2,741.32	2,571.40	96.00	112,816.36	113,152.36
2009	114,536.35		1,383.40			113,152.95	688.65	621.42	5,753.84	3,719.49	416.77	107,399.31	107,423.31
2008	90,710.11		1,253.82			89,456.29	226.11	189.32	1,553.05	1,709.24	194.78	87,893.24	87,917.24
2007	59,305.80		1,205.66			58,100.14	705.54	981.75	1,112.20	1,393.03	48.00	56,987.94	57,035.94
2006	10,550.87		958.22			9,592.65	353.41	409.13				9,592.65	9,616.65
2005	7,173.38		694.20			6,479.18	240.07	366.01				6,479.18	6,479.18
2004	4,038.63					4,038.63	218.95	393.14				4,038.63	4,038.63
2003	4,501.62					4,501.62						4,501.62	4,501.62
2002	4,244.73					4,244.73						4,244.73	4,244.73
2001	2,536.82					2,536.82						2,536.82	2,536.82
2000	1,478.54					1,478.54						1,478.54	1,478.54
TOTAL	29,881,569.87	29,424.95	83,266.49	16,663.35		29,827,728.33	10,984.10	5,853.26	16,430,968.44	78,661.84	19,511.35	13,396,759.89	13,399,035.18
CREDIT BALANCES													
DATE	12/1/2015					2014	(1,415.47)						
						2013	(87.82)						
						2012	(244.00)						
						2011	(72.00)						
						2010	(336.00)						
						2009	(24.00)						
						2008	(24.00)						
						2007	(48.00)						
						2006	(24.00)						
						TOTAL	(2,275.29)						

Board of Finance - 12/16/2015
Attachment F



Town of East Windsor Transfer Request Form



FY 15-16

Department Legal- 910200 **Date** 12/7/2016
Transfer Amount \$22,000.00
Line Item FROM Labor Relations - 57500 **Line Item TO** Town Counsel- 57400
Reason for Transfer To cover general legal expenses for November 2015.
Robert J. Maynard 12/7/2015
4 Approved Denied

Department _____ **Date** _____
Transfer Amount _____
Line Item FROM _____ **Line Item TO** _____
Reason for Transfer _____
5 Approved Denied

Department _____ **Date** _____
Transfer Amount _____
Line Item FROM _____ **Line Item TO** _____
Reason for Transfer _____
 Approved Denied

Department _____ **Date** _____
Transfer Amount _____
Line Item FROM _____ **Line Item TO** _____
Reason for Transfer _____
 Approved Denied

First Selectman _____ **Date**

Board of Finance _____ **Date**

Robert J. Maynard

Pullman and Comley Legal Expense FY 16

*Board of Finance - 12/16/2015
Attachment F*

Legal Issue	Department	Cost FY 15	Comment
Ethics Commission- legal advice	Selectmen	\$ 26,010.61	Ethics complaint filed against Selectman
Transfer of 83 Scantic Road	Selectmen	\$ 910.50	
Steve Dearborn Wetlands Enforcement	Planning	\$ 295.00	
Contract Negotiation- Dispatchers	Selectmen	\$ 4,454.50	Ongoing
BB School Modular Project	Board of Education	\$ 88.50	
General Labor Representation	Selectmen	\$ 1,799.50	
Contract Negotiation- Police	Selectmen	\$ 501.50	Settled
Contract Negotiation- Clerical	Selectmen	\$ 8,614.00	Settled
Legal Opinions	Selectmen	\$ 442.50	
Pension Consultation and Advice	Treasurer	\$ 59.00	
Creative Housing Abandonment of South Road	Tax	\$ 2,950.00	Property transferred to Town
SIK Properties- Delinquent Taxpayer lawsuit	Tax	\$ 9,360.33	
General Legal Representation	All Departments	\$ 11,180.00	Elderly tax relief ordinance; employee investigation
Tax Collections- Various Accounts	Tax	\$ 16,856.48	some \$ held in escrow, will be credited to town
Tax Appeals	Assessor	\$ 8,743.00	Chestnut Point, Kettle Brook, SIK tax appeals
Defense- Kevin Saunders Court Action	Selectmen	\$ 3,679.50	
Bond Issuance- Notes	Finance	\$ 1,509.10	Charged to individual projects- BOE Modular, North Road Sewer
		\$ 97,454.02	

Thru 10/31/15

Estimated expense November 2015:

\$ 20,727.00