

The Board of Finance held a regular meeting on **August 22, 2012 at 7:00 p.m.** in the **Meeting Room of Windham Town Hall, 979 Main Street, Willimantic, CT 06226**

Members Attending: Lynne Ide, Anita Sebestyen, Charles Pennewill, Anna Crawford, Jeffrey Smith, and Thomas White

1. Call to Order

Chairman Lynne Ide called the meeting to order at 7:02 p.m.

2. Public Comment

There was no public comment.

3. Board of Finance Comment

Lynne Ide commented this is a special meeting and those rules apply. The main purpose for the meeting is to hear from the auditors.

4. Approval of Meeting Minutes

Upon a motion by Anna Crawford seconded by Anita Sebestyen to approve the meeting minutes from July 18, 2012.

Correction to the minutes was Charles Pennewill was not at the meeting.

The motion passed with Charles Pennewill and Jeffrey Smith abstaining.

5. Chair's Report

There was no report.

6. Presentations and Special Reports

Presentation from auditors:

Robert Howard and Amanda Backhaus from Grant Thornton reviewed the audit with the Board.

The Town's total net assets increased by \$2.4 million. The OPEB obligation increased by \$1.8 million. The Town's fund balance increased by \$1 million. The Willimantic Service District's fund balance increased by \$141,000.

There were a significant number of audit adjustments. The Town should have procedures for a monthly, quarterly, and annual closeout. Bank reconciliations need to be done on a timely basis. Need to have a formal reconciliation between the Town and Board of Education general ledgers. Other recommendations were to have Information Technology policies and procedures, a fraud risk assessment process, adoption of a fund balance policy that considers GASB Statement number 54, adoption of a policy for approving special revenue funds, timeliness of deposits for student activity funds, and

monitoring the Town's payroll on a weekly basis. This includes rate changes and the same person inputting payroll should not be printing checks. From the auditors perspective the recommendations need to be addressed.

The auditors also recommended additional staffing in the finance office. An accountant could help the office catch up and review procedures.

The Police special duty recording has been resolved.

7. Controller's Report

The controller's report was presented by Tom Pesce.

The certification page and summary page from the actuarial valuation for Other Post Employment Benefits (OPEB) was presented to the Board. The Town should consider starting a trust fund to fund the OPEB liability.

Thomas White recommended having a special meeting on pension plans for fire, police, and town.

Memos from fire and police departments regarding the reasons for overtime were presented to the Board.

Fiscal year 2012 revenue and expense reports were presented to the board. There is a surplus in revenues for both the Town and Willimantic Service District. On the expenditures, the report shows a shortfall on the town side but we have not completed the reconciliation with the Board of Education. When that is completed there will be a surplus. The Willimantic Service District will have a surplus in expenditures.

8. Discussion and possible action on the procedure for budget transfer requests

Thomas White did not like receiving transfer requests at the end of the year and would like to receive transfer requests on a monthly or quarterly basis. He would like to receive an explanation as to why a department needs a transfer.

Charles Pennewill commented if a department is within their budget they can spend the funds. If a department is spending more than what is in their budget and a transfer is required from outside their budget then the department head must complete a transfer request form explaining the reason for the transfer.

The Board would like a quarterly report for transfers outside the department's budget.

9. Discussion and possible action on any General Government 2011-2012 budget transfer requests

Upon a motion by Thomas White seconded by Charles Pennewill to authorize the controller to close out the 2011-2012 fiscal year and after covering any deficits in the general fund to transfer up to \$350,000 to 50707-999 Interfund transfer out - RCIP.

Thomas White clarified it was to close accounts in the general fund

The motion passed unanimously.

10. Discussion and possible action on any Willimantic Service District 2011-2012 budget transfer requests

Upon a motion by Anna Crawford seconded by Jeffrey Smith to authorize the controller to close out the 2011-2012 fiscal year and after covering any deficits in the Willimantic Service District to transfer up to \$150,000 to 50910-998 Interfund transfer out.

The motion passed unanimously.

11. New Business

There was no new business.

12. Future Agenda Items

Request For Proposal responses – Lynne Ide and Jeff Smith will look at the responses from the Request for Proposal for an auditor, also Neal Beets, someone from the Town Council, and someone from the Board of Education.

13. Public Comment

There was no public comment.

14. Adjournment

Upon a motion by Anna Crawford seconded by Anita Sebestyen the meeting was adjourned at 9:25 p.m.

Attest: _____
Thomas Pesce