

**MINUTES
BOARD OF FINANCE
REGULAR MEETING, OXFORD TOWN HALL
MONDAY, DECEMBER 21 2015 – 7:00 P.M.**

Present: Chairman Jack Kiley; Tom Kelly; Robert DeBisschop; Sue Arpin; and Dana Flach. Also present: James Hliva, Finance Director; Scott Pelletier, Fire Chief; ; Ron Prajer, Assistant Chief; Andrew Coy, Assistant Chief; Scott Halsted, WPCA Representative. Absent: Lila Ferrillo.

Before the Pledge of Allegiance was recited, Mr. Kiley asked for a moment of silence for the passing of Harry Zalone, an active member of the Town of Oxford.

The meeting was called to order by Chairman Kiley at 7:00 p.m. and the Pledge of Allegiance was recited.

ACCEPTANCE OF MINUTES:

- (a) November 18, 2015 Special Meeting
- (b) November 23, 2015 Regular Meeting

A Motion was made by Mr. Kelly to accept the Minutes of November 18, 2015 and November 23, 2015. The Motion was seconded by Ms. Flach. The members took a few minutes to review these items.

The vote was taken to accept the Minutes.

<u>Aye</u>	<u>Nay</u>	<u>Abstain</u>
Dana Flach		
Sue Arpin		
Tom Kelly		
Bob DeBisschop		
Jack Kiley		

Motion to accept the Minutes was passed.

AMENDMENTS TO THE AGENDA

There were no amendments to the Agenda.

AUDIENCE OF CITIZENS

N/A

Mr. Hliva told the Board that the money taken from Miriam Strong's estate has been recovered. Through the investigation, the attorney admitted that he took the money. Some of the money had been expected to be recouped from a fund to which lawyers contribute for cases

like this one. However, penny-for-penny restitution has been received. Subsequently, \$1.6MM (40%) will be received for a scholarship, approximately \$800,000 (20%) for the library and approximately \$800,000 (20%) for purchase of open space.

Ms. Flach asked about the money being returned for the library. Mr. Hliva responded that the resolution was written up so the money will only be used for the library.

OLD BUSINESS

NONE

NEW BUSINESS

(A) Appropriation from Capital and Non-Recurring for Fire Department Boat, Trailer, Motor and Other Equipment.

Mr. Kiley said that \$36,000 had been allocated for this purchase. He made a Motion to discuss accepting an additional \$4,000.00 for this purchase. Mr. Kelly seconded this Motion for discussion. This is not been sent to a Town Meeting.

Mr. DeBisschop brought up that the Capital and Non-Recurring had not been funded. It was not on the ballot. He proceeded to explain the previous process for Capital and Non-Recurring and how this new plan had been laid out but it was never submitted to Town meeting. A lengthy discussion between Mr. Kiley, Mr. Kelly, Mr. DeBisschop and Mr. Hliva was held regarding this issue. Mr. Hliva discussed the breakdown of the money.

Mr. Kiley said the Selectmen approved the \$36,000.00 at their meeting and the additional \$4,168.00. Mr. Hliva said both of these items were approved. The request to the Board of Finance is for approval.

Mr. Kiley amended his Motion to pass the \$36,000.00 and the additional \$4,168.00 for the Fire Department boats. The Motion was seconded by Mr. Kelly.

Mr. Scott Pelletier, Fire Chief-Town of Oxford, explained the history of the purchase and need for these rescue boats.

The boat being replaced is 16 feet. That boat is going to Quaker Farms firehouse. The other two boats will be kept at Riverside.

The vote was taken to pass this Motion.

Aye

Dana Flach

Sue Arpin

Nay

Abstain

Tom Kelly
Bob DeBisschop
Jack Kiley

C) Transfer Request (WPCA) (2)

Mr. Hliva suggested that Mr. Scott Halsted from Oxford WPCA be heard ahead of Item (B). Mr. Halsted has four items on the agenda.

Ms. Flach made a Motion to begin discussion of this item. Mr. Kelly seconded the Motion.

For the benefit of new Board members, Mr. Halsted began his discussion regarding the history of the sewer main break which occurred during August 3, 2015 on Towner Lane. The line was fixed and there have been no further issues with the line.

The \$40,772.48 is for bills incurred for contracted services related to the above-referenced sewer main break.

The \$633.60 request for wages coverage represents all the man hours required at the site during the repair of the line at the time of the break. It was more cost effective to use coverage staff than hire outside people to perform this task.

Mr. Kelly asked about WPCA having authority to allocate portions of their collections to a fund for these issues. Mr. Hliva said at this time there is not. Ms. Flach said she believed the sewer use people took care of this. Historically, Mr. Hliva said this is not the way it was set up, although it should be that way. It was set up through the General Fund. Discussion ensued regarding a future plan for repair responsibility instead of it being through the Town.

Another discussion was held regarding economic development process concerning the sewer lines.

Mr. Kiley asked about the reason for the \$40,772.48. Was the correct pipe used? Mr. Halsted said there is a bacteria which affected that portion of the pipe that broke and there is no way to know if other sections of the pipe have been affected.

Mr. DeBisschop asked if this money could come out of General Fund as opposed to Contingency. Mr. Kelly and Ms. Flach both agreed with this suggestion. Mr. DeBisschop made a Motion to approve the monies coming out of General Fund; Motion was seconded by Mr. Kelly.

The vote was taken to pass this Motion.

<u>Aye</u>	<u>Nay</u>	<u>Abstain</u>
Dana Flach		
Sue Arpin		
Tom Kelly		
Bob DeBisschop		
Jack Kiley		

Motion passes unanimously.

(D) Appropriation request (WPCA) (2)

The first Request for Appropriation of \$10,000.00 is for transfer to cover the cost of a Main Line Sewer Inspector. The Town will be reimbursed for the cost of the Main Line Inspector by Haynes. Marty Wing has been appointed as the Inspector. The entire \$10,000 is put into the General Fund and if the whole amount is not utilized, the balance remains in General Fund. Mr. Wing is now a W-2 Town employee without benefits but he considered is a temporary part-time employee. WPCA has set up the parameters of his job.

Mr. Kiley made the Motion to move \$10,000.00 out of the General Fund to fund this request. Ms. Arpin seconded the Motion.

A vote was taken to pass this Motion.

<u>Aye</u>	<u>Nay</u>	<u>Abstain</u>
Dana Flach		
Sue Arpin		
Tom Kelly		
Bob DeBisschop		
Jack Kiley		

The Motion passes unanimously.

The next Request for Appropriation of \$45,000.00 is for the WPCA to dig four test pits long the 13,000 feet of the force main on Towner Lane. Without knowing the condition of the remaining pipe, these test pits would allow inspection of the pipe and help determine the condition of same.

Ms. Flach made a Motion to discuss this item. Mr. Kelly seconded the Motion. Mr. Kelly has had a discussion with Mr. Watt from Public Works. It is possible that Public Works can dig these four pits. There is no urgency to do this. Otherwise, the job would have to go out to bid. In answer to Ms. Flach's question, Mr. Halsted gave an explanation about what the

purpose of the test pits and how this process would proceed. Mr. Kelly asked if there was a way to test for the bacteria which evidently has affected a portion of the pipe. Perhaps Mr. Halsted could check with a soil testing company as opposed to incurring an expense for digging test pits. Ms. Flach said even if the Town dug the holes, engineers and a testing facility would still need to be employed which would cause an expense. Extensive discussion continued among the Board members and Mr. Halsted regarding options to this issue.

Mr. DeBisschop would like to see an RFP put together to be sent out to engineering firms, explaining the problem and suggestion for proceeding.

Discussion was held regarding future management in the Town of the WPCA duties. Mr. Kelly suggested that at this time there should be a look at a methodology of sewer users contributing a percentage to the cost of repairs and/or maintenance of the sewer lines. The Town contributes more to the system than the users do and users need to contribute more.

The Town of Oxford pays a user rate to the Town of Seymour and that is a driving force of what the user rate is.

Mr. Kiley was in agreement with Mr. DeBisschop's suggestion. Mr. Kelly suggested the Request be denied until an engineering expert can be brought in to provide expertise to evaluate what true needs are going forward and recommend what needs to be done. He made a Motion to deny this Request for \$45,000.00; the Motion was seconded by Mr. DeBisschop.

A vote was taken to pass this Motion to deny the request.

<u>Aye</u>	<u>Nay</u>	<u>Abstain</u>
Dana Flach		
Sue Arpin		
Tom Kelly		
Bob DeBisschop		
Jack Kiley		

Motion to deny passes unanimously.

(B) Presentation and review of the Annual Audit for the year ending June 30, 2015.

Sandra E. Welwood, LLC, Certified Public Accountants was represented at this meeting by Ms. Sandra E. Welwood. She presented a two-page summary of the draft audit for discussion purposes. She went through the summary, thoroughly explaining all the details of the summary. Once again, the audit went smoothly with the assistance of Mr. Hliva and Ms. Rosemary Hanson.

A copy of the Summary is attached to these Minutes for review.

A Small Cities Fund has been added in ensure compliance with Federal grant requirements.

Revenue and Expenditures moved out of General Fund into its own Revenue Fund. Mr. Hliva discussed the Housing Rehab Grant.

Receivables are now reported on Financial Statements; they were recorded on QDS but are now being reported on the statements. Receivables had been collected but never passed to the General Ledger.

Ms. Welwood discussed in detail the new pension standards of Teachers' Retirement and Municipal Retirement Plans.

At the end of the summary review, Ms. Welwood referred to the Financial Statement Discussion which consists of Government-Wide Financial Information, General Fund Results-Budgetary Basis and Governmental Fund Balances and proceeded with a lengthy discussion of same.

There was an extensive discussion among Board members regarding the High School Athletic Complex and the reason why possible State grants are not forthcoming. Mr. Kelly wanted to know who or what group is responsible for not following through.

The big issue in 2015 audit was all employees signing timesheets. This is a necessary process that needs to be followed up on. It is an important protection for the Town. It is an important internal payroll control and is Town policy.

There were no significant weaknesses or deficiencies noted. However, property tax collection still requires consistent and formal policies and processes; property recording and reconciliation in QDS and better inter-departmental communication; these items were discussed in 2014.

Mr. Kiley is aware of these Tax Department deficiencies and they are being addressed.

At 8:55 p.m., Mr. Hliva requested a five-minute recess. Mr. Kelly made a Motion to break for a five-minute recess, seconded by Ms. Flach.

At 9:05 p.m., Mr. Kelly made a Motion to come out of recess, seconded by Ms. Flach. Motion was passed unanimously.

General Fund was reduced by \$258,000, which is significantly less than planned. Budgeted \$700,000 to take out and instead of being \$1MM short, it was \$250,000 short. Very positive financials.

Mr. Hliva is recommending to the Board of Selectmen to use the cell tower money to pay off individual leases. Where the Town loses revenue in the future year, it gets rid of debt. This is based on a recommendation of Mr. DeBisschop.

Ms. Welwood ended her budget presentation at 9:10 p.m.

MONTHLY REPORTS

Mr. Hliva reported that the Board of Selectmen sold a property for \$350,000. The funds went directly to the General Fund

Mr. Hliva worked on a modification on WCC rating from prior years and consequently received a check for \$129,000 in Unfunded Revenue.

With regard to FEMA disputed expenses (shoveling high school roof), Mr. Hliva said FEMA told the Town to wait until the building collapses. Three appeals were filed which has resulted in the Town receiving \$800,000.00.

There being no further discussion, motion to adjourn was made by Mr. Kelly, seconded by Ms. Arpin. Meeting was adjourned at 9:15 p.m.

Respectfully submitted,


Lynnette Steeves

To: Board of Selectmen

December 2, 2015

From: Finance Director

Re:2015-2016 Transfer requests

tem #		Department	Account	Account Number		Amount
1	TO:	W.C.P.A.	Wages Coverage	5580-517-74	\$	633.60
	FROM:	Finance	Finance Contingency	5320-560-5320	\$	633.60

Motion Motion was made by Mr. DeBisschop to approve monies coming out of General Fund.

Seconded Motion was seconded by Mr. Kelly

Vote Aye: Dana Flach, Sue Arpin, Tom Kelly, Bob DeBisschop, Jack Kiley; Nay: N/A ; Abstain: N/A

Comments Monies will come out of General Fund as opposed to contingency. All members were in agreement

2	TO:	W.C.P.A.	Contracted Services			
			Wages Coverage	5580-570-125	\$	40,772.48
	FROM:	Finance	Finance Contingency	5320-560-5320	\$	40,772.48

Motion Motion was made by Mr. DeBisschop to approve monies coming out of General Fund.

Seconded Motion was seconded by Mr. Kelly.

Vote Aye: Dana Flach, Sue Arpin, Tom Kelly, Bob DeBisschop, Jack Kiley; Nay: N/A; Abstain: N/A

Comments Monies will come out of General Fund as opposed to Contingency. All members were in agreement.

To: Board of Selectmen

December 2, 2015

From: Finance Director

Re: 2015-2016 Appropriation requests

Item #	Department	Account	Account Number	Amount
1	TO: W.C.P.A.	Wages Coverage	5580-570-125	\$ 45,000.00
	FROM: General Fund Balance			\$ 45,000.00

Motion Motion made by Mr. Kelly to deny this request.

Seconded Motion was seconded by Mr. DeBisschop

Vote Aye: Dana Flach, Sue Arpin, Tom Kelly, Bob DeBisschop, Jack Kiley; Nay: N/A; Abstain: N/A.

Comments Request is denied pending consultation with an engineering expert to provide expertise to evaluate/recommend what needs to be done

2	TO: W.C.P.A.	Wages Coverage	5580-517-126	\$ 10,000.00
	FROM: General Fund Balance			\$ 10,000.00

Motion Motion made by Mr. Kiley to move \$10,000 out of General Fund to cover Main Line Sewer Inspector

Seconded Motion was seconded by Ms. Arpin

Vote Aye: Dana Flach, Sue Arpin, Tom Kelly, Bob DeBisschop, Jack Kiley; Nay: N/A; Abstain: N/A

Comments \$10,000 wages will be refunded to the Town by Hayes. Funds will be returned to General Fund.

Town of Oxford, Connecticut
Board of Finance Meeting
Discussion - For Year Ended June 30, 2015

1. General Results of the Audit

- Extremely smooth audit - Jim and Rosemary outdid themselves again!
- All personnel were very responsive to our requests with all information requested provided to us
Very much appreciated and created a great team effort - always a positive
- All areas were reviewed in detail with Jim and Board of Education items were reviewed with Rosemary
- Selected building department to perform detailed testing on building permits - our testing disclosed no errors or unusual items

2. Items of Interest

- Added Fund to ensure compliance with Federal grant requirements
Small Cities Fund - a nonmajor special revenue fund (pages 50 and 51)
- Receivables change to Financial Statements - recorded aircraft and sewer/water receivables with 100% allowance for uncollectible amounts (derived from page 27)

	<u>2015</u>	<u>2014</u>
Property taxes	\$ 2,105,418	\$ 2,117,823
Interest and fees receivable on delinquent taxes	1,341,759	1,339,870
Aircraft taxes receivable	30,315	-
Sewer/water taxes receivable	31,740	-
Gross receivables	3,509,232	3,457,693
Less: allowance for uncollectible accounts	(2,037,639)	(1,986,415)
Net receivables	<u>\$ 1,471,593</u>	<u>\$ 1,471,278</u>

- New pension standards - Teachers' Retirement and Municipal Retirement
Both Plans ----
 - > Added lots of disclosures - pages 31 - 37 and pages 42 - 44 of draft financial statementsMunicipal Retirement Plan ----
 - > Added a liability \$2,946,353 to schedule at June 30, 2015 - page 29 of draft financial statements
 - > Required adjustment to beginning net position - \$4,108,580 reduction - page 11 of draft financial statements
 - > Deferred inflows/outflows of resources - page 10 of draft financial statementsTeachers' Retirement Plan ----
 - > No net effect on results - increases revenues/expenses by same amount (same as previous)
- Financial highlights - page 2 of this summary

3. Opportunities for Consideration

- A** NO material weaknesses or significant deficiencies noted
- B** Property taxes - requires consistent and formal policies and processes
SAME AS LAST YEAR
Standard process and year end process (including reporting)
Better communication among departments
Proper recording and reconciliation in QDS
- C** Payroll at Town
All employees must sign timesheets

Town of Oxford, Connecticut
Board of Finance Meeting
Financial Statement Discussion - For Year Ended June 30, 2015

1. Government-Wide Financial Information (derived from pages 10 and 11)

- Revenues exceeded expenses this year, which caused an increase in the net position balance

	2015	2014	Change
Revenues	\$ 48,789,742	\$ 48,112,059	\$ 677,683
Expenses	46,835,116	46,635,133	199,983
Change in net position	\$ 1,954,626	\$ 1,476,926	\$ 477,700

- 94% of 2015 net position is invested in capital assets, net of related debt - not available for current use

	2015	2014 Restated	Change
Invested in capital assets	\$ 65,268,951	\$ 64,197,589	\$ 1,071,362
Restricted	120,688	131,342	(10,654)
Unrestricted	4,189,880	3,295,962	893,918
Total net position	\$ 69,579,519	\$ 67,624,893	\$ 1,954,626

- Debt levels (derived from pages 28 and 29)

	2015	2014 Restated	Change
Year End Balance - GOB & Notes	\$ 22,670,312	\$ 24,766,853	\$ (2,096,541)
Bond Anticipation Notes (BAN's)	\$ 6,285,000	\$ 6,677,000	\$ (392,000)
Other Long-Term Obligations	\$ 5,304,205	\$ 6,628,579	\$ (1,324,374)

2. General Fund Results - Budgetary Basis (derived from page 15)

	Final Budget	Actual	Variance Positive (Negative)
Total revenues	\$ 42,203,247	\$ 44,147,241	\$ 1,943,994
Total expenditures	(43,043,888)	(43,671,529)	(627,641)
Interfund Transfers - net	(734,000)	(734,000)	-
Net change in fund balance	\$ (1,574,641)	\$ (258,288)	\$ 1,316,353

15 DEC 28 PM 6:02
 TOWN OF OXFORD, CT
 Margaret A. Wood

- Individual line items show variances, in total the revenue is better than budget and expenditures is over budget
 - > Intergovernmental, license and permits and other categories are higher than budget
 - > Expenditures worse than budget because of unbudgeted grant expenditures

3. Governmental Fund Balances (derived from pages 12 and 13)

	2015	2014	Change
General Fund	\$ 6,097,176	\$ 6,355,464	\$ (258,288)
High School Construction	(2,551,180)	(2,661,180)	110,000
High School Athletic Complex	(3,079,699)	(3,086,635)	6,936
Other Nonmajor Funds	736,623	232,549	504,074
	\$ 1,202,920	\$ 840,198	\$ 362,722

- The unassigned portion of the General Fund balance is \$5,233,092, which is 12% of current year expenditures compared to prior year of \$5,543,864, which is approximately 13% of prior year expenditures and 2013 of \$5,627,712, which was approximately 14% of 2013 expenditures