

Lebanon Board of Finance

Minutes of March 19, 2013

Regular Meeting

Members present: Liz Charron, Chairman, Glen Coutu, Vice Chairman, Donald Anderson, Greg Lafontaine, Betsy Petrie, and David Scata

Alternates present: Chuck Haralson, Diane Malozzi,

Alternate absent: Edward Tylor

Also present

Selectmen: Joyce Okonuk, John Bendoritis

Veronica Calvert

Member of the Press

Item A. Call to Order

The meeting was called to order at 7:30 p.m. by L. Charron.

Item B. Review and Consider Accepting Minutes of previous Meetings

Glen Coutu made a motion to accept the minutes of February 21, 2013 Special Meeting. Seconded by Greg Lafontaine. Motion passed with Glen Coutu abstaining.

Item C. Correspondence

None

Item D. Public Comments:

None

Item D Monthly Expenditures

TOWN

Veronica Calvert distributed the monthly Expenditure Report as of 2/28/13. Veronica Calvert reported that the auditor is will be working on a special project with the finance office. The capital balances need to be entered into the system with the correct starting number. It appears that the numbers from the spreadsheets have not been transferred into the accounting systems over the years from previous finance office personnel. This work will take 2 days. Greg Lafontaine suggested that this work should be charged to the Finance Office expenses. Veronica Calvert noted that would over expend the Finance Office budget. This over expenditure will then have to come back to Board of Finance for review.

Veronica Calvert reported that the insurance line item has increased due to the contract being ratified after the Town Meeting. This increase is in Fringe Benefits (#480) as follows \$38,499 medical, \$960 Life

and \$2,067 Dental. Waiting to get figures from the Library regarding their staff as this only represents the Town Hall employees and Public Works employees. There is an increase expected for 2014.

Liz Charron questioned how much the balance is for the Contingency account. It was requested to add the Contingency account to the report to show on a monthly basis as well.

Item F New Business

1. Consider and act upon establishing a Miscellaneous Expense account (100-00-401-5999) to correspond with the Selectmen Miscellaneous Revenue account (100-00-000-4365) to allow the receipt of revenue and payment of invoices for expenses that are not otherwise budgeted in a town expense account.

Veronica Calvert gave an example of a situation where this type of account would be used. The Town acquired a piece of property through the Tax Sale which required clean up. This work was done by Public Works to make the land safe and available for sale which was an expense. Revenue was realized through the scrap metal that was removed. Per the auditor the revenue can't come into Public Works. The auditor feels there should be a separate account. There is no mechanism in place for the revenue. David Scata questioned if this is an ongoing process. Joyce Okonuk responded that there are other situations where unbudgeted revenue is received. There is a miscellaneous revenue account now. Greg Lafontaine discussed that there would need to be controls and monetary limits for such an account. There would be a question of no carry over to another fiscal year. Betsy Petrie questioned if there are fees associated with auctioning or selling other Town equipment how are they handled. Discussion if the revenue should return to the Tax Collector as it was the result from the Tax Sale. No action taken as Board is looking for more information.

2. Consider and act upon a payment in the amount of \$912.80 from Willimantic Waste for the recycling of metal removed from a town owned parcel on Second Street.

Greg Lafontaine made a motion to take \$912.80 from Contingency to Public Works to pay Willimantic Waste for the recycling of metal removed from the Town owned property on Second Street. Seconded by David Scata. Motion passed unanimously.

3. Consider and act on recommending to Town Meeting the use of some of the remaining Lake Williams Assessment Collection funds (fund balance is \$50,084.00 as of June 30, 2012), to be used to offset the town's portion of the annual treatment of invasive weeds in Lake Williams.

Liz Charron reported that there will be between \$8,000.00 - \$9,000.00 revenue received this year from the 20 year assessments. This was collected from Lake Williams residents for the dam purchase and rebuilding. Insuring and maintenance of the dam was part of the original agreement. Discussion of the cost of failure of the dam. The Town has previously approved paying for a portion of cost for weed control. There is an additional expense for fanwort control. David Scata suggested to get more information. Joyce Okonuk will check the language from the Town Meeting regarding the original agreement on the dam and what parties are obligated to do. Auditor needs to be asked when we have to dissolve that fund. No action taken.

4. Discuss 2012 Audit Report.

Auditor Findings were reviewed:

12-01 Accounting policies and procedures manual

Veronica Calvert has a draft Policies and Procedure Manual. There is a manual for day to day operations in the Finance Department. Auditor also gave an example in draft form of some policies and procedures. It was suggested that the Town contact the auditor to determine what policies and procedures he is looking for specifically. Then we can address those items and supplement additional information as necessary.

12-02 Capital assets and inventory recordkeeping

Data needs to be entered into the present accounting system. Thought to be a task for the accounting technician. General discussion that a plan needs to be developed so that correct data is entered. Selectman will review the breadth of the project and make a recommendation. An old report from approximately 10 years ago is available but thought to be out of date.

12-03 Account reconciliations

This task has been done as a result of the additional work in the finance office from the Accounting Technician.

12-04 Bank Account reconciliation

This task has been done as a result of the additional work in the finance office from the accounting technician

12-05 Internal control over the results of the operations

Town clerk office is reporting a decrease in revenues. Veronica and Joyce met with the town clerk to discuss trends in revenue. Town clerk is reviewing entries and is expected to be able to identify discrepancies. It is thought this is resulting from changes in bookkeeping personnel within the town over the past several years. Town clerk expected to report back at next meeting.

11-05/11-06/11-07 all BOE matters

Veronica Calvert noted that the audit had received an unqualified opinion and there were no new material weaknesses for the first time in many years

5. Discuss FY 2013- 2014 Budget Process.

Liz Charron noted that there are some confusions about the warnings of the special meetings/public hearings versus the larger calendar that was published earlier this year. Liz indicated that the first selectman believes it is a different process than we have used in the past. Liz indicates it is not, and is exactly the same wording on the warnings as previous years for the BOF. Liz wants the warnings to be worded in such a way so that there is flexibility to discuss multiple budget requests.

Discussion took place about the upcoming meetings, March 21, March 26 and March 28. Concern that there will not be enough time to complete the budget by the deadline. Decision made to add March 27 to the calendar.

Item G. Other

Glen Coutu made a motion to add to agenda discussion of fuel dispensing system at Public Works. Seconded by Don Anderson. Motion passed unanimously.

6. Consider and act upon the replacement of the fuel dispensing system at the Public Works Garage, funds to come from TIP.

Joyce Okonuk gave information regarding the fuel system. It is not working properly and has not worked for some time. System is a DOS system. It will be approximately \$11,800.00 for system replacement which includes the cost of a PC and wireless card. Usage reports are generated from this system. This system has not been working properly for a long time. Will need up to \$13,000.00 for full replacement.

Betsy Petrie made a motion to allocate up to \$13,000.00 from TIP for replacement of the fuel dispensing system at Public Works. Seconded by David Scata. Motion passed unanimously.

Greg Lafontaine noted that any requests in the future be accompanied by the balance of the TIP account. Suggested to add this to the monthly reports instead of quarterly.

H. Adjourn

Don Anderson made a motion to adjourn the meeting. Motion was seconded by Glen Coutu. Meeting adjourned at 8:47 p.m.

Respectfully Submitted,

Kathleen E. Chapman

Board of Finance Clerk