

From: SimsburyCT Postings September 20, 2012 4:11:49 PM
Subject: Board of Finance Minutes 08/21/2012
To: SimsburyCT_FinanceMin
Cc:

BOARD OF FINANCE
REGULAR MEETING - 6:00 PM
AUGUST 21, 2012

CALL TO ORDER

Paul Henault, Chairman, called a regular meeting of the Board of Finance to order at 6:00 P.M. on Tuesday, August 21, 2012 in the Main Meeting Room at the Town Offices, 933 Hopmeadow Street, Simsbury, CT. The following members were also present: Peter Askham, Jeff Blumenthal, Nicholas Mason, and Barbara Petitjean. Also present were Tom Cooke, Director of Administrative Services, Mary Ann Harris, Finance Director, Matt Curtis, Superintendent of Schools, Burke LaClair, Board of Education Business Manager, Leslie Faraci, Commissions Clerk and other interested parties.

I. APPROVE MINUTES - July 17, 2012 - Regular Meeting & July 26, 2012 - Special Meeting

Ms. Petitjean made a motion to approve the minutes of the July 17, 2012 Regular Meeting with changes presented. The motion was seconded by Mr. Askham and was unanimously passed.

Mr. Mason made a motion to approve the minutes of the July 26, 2012 Special Meeting with changes presented. The motion was seconded by Ms. Petitjean and was unanimously passed.

It was mentioned by Mr. Askham that he would like to re-introduce the "pending action list" as a regular list in order to remind the Board members of items on which to follow up.

Ms. Petitjean made a motion to amend the agenda in order to address agenda item #6 (Board of Finance Policy Procedures) prior to agenda item #2 (School Grants). The motion was seconded by Mr. Mason and was unanimously passed.

VI. Board of Finance Policy Procedures - Discussion

Mr. Henault spoke about the fact that the Board of Finance Policies & Procedures are currently all over the place. He continued by saying he asked Candace Fitzpatrick, former member of the Board of Finance, to assist in putting these policies into one place, and then have the Board of Finance discuss. At this point, Mr. Henault turned the meeting over to Ms. Fitzpatrick in order to explain what she had compiled for the Board of Finance. He said they would have more in-depth discussion at a later date, after each of the Board members had reviewed the document.

Ms. Fitzpatrick spoke about how she used the Madison, CT Board of Finance policies format as a starting point in order to create a working draft, which was distributed to the Board members. Ms. Fitzpatrick then asked the Board members to make comments on the copies they have and she will synthesize all of their comments into one revised draft. The draft revision process was discussed further in terms of who will ultimately amend the regulations. It was noted that Madison, CT had a complete and recently well-written set of policies and that is why it was used as a basis for a start. Mr. Mason made the comment that he would like them to think about making a distinction between a guideline and a policy within this process. He said he was concerned that a policy could be restrictive, with regards to certain issues, as opposed to providing guidance, which is what a guideline does.

Mr. Henault suggested a workshop as a next step in this process. He asked the Board members to review the policies and the item will be put on the Agenda for the next regular meeting. Ms. Petitjean suggested having a separate meeting to address the issue.

II. School Grants - Discussion regarding how to record

Mr. Henault introduced Matt Curtis, Simsbury's new Superintendent of Schools. Mr. Henault reviewed the question of how both federal and state grants should be recorded, as they are funds that are applied to the Town. He continued by saying this was brought up during the budget process last year. Mr. Askham said this all came to light when a new program came available as a result of grant funding. He then said the question arose of what would happen if the funding went away. Mr. Askham continued by asking how do we show citizens what is actually being spent on these programs. Mr. Blumenthal said when grant funds are included, it can throw off of the numbers. He said his concern is what actually goes to the voters. Mr. Blumenthal said what should be sent to the voters is what is being appropriated, and grant money is not. But at the same time, Mr. Blumenthal continued, they want everything to be fully transparent. Ms. Petitjean said she heard from citizens that there was a major policy shift happening and they were not able to vote on it because it came through a grant and not the budget. Mr. Curtis said maybe more detailed accounting, made available and presented to the public, can increase transparency, and referred to a

spreadsheet compiled by Mr. LaClair. Mr. Askham said he thought it was a good thing that all of the grants were showed to the public at the last budget meeting. Mr. Mason again mentioned that a concern had been if the grant money were to go away. Mr. Blumenthal said ultimately, if the funds disappear, tough decisions will have to be made and those decisions will be up to the elected members of the Board of Education, but since it is grant money, it is not within the taxpayers ability to vote. Ms. Petitjean commented that we just made a commitment for a significant number of students coming into Simsbury schools, that will end up going all the way through 12th grade, and a portion of their total education will ultimately be funded through Simsbury tax payer money.

Todd Burrick, Board of Education, asked if they should never accept grant money, as that issue of the potential loss of funds has always been present. Mr. Askham said it could have been done a different way in order to show everyone what it really cost to run the school system, as once Kindergarten goes in, it will be there to stay. Then, Mr. Askham continued, if the funds go away, we have to deal with how to continue to fund the program. Mr. Blumenthal said as they often get grants throughout the year, he thinks it needs to be agreed on how program costs and grant information get out to the voters.

Mr. Henault said he thinks there are two issues; 1) How the Board of Education recognizes their revenue and expenditures and; 2) what goes in front of voters in terms of referendum language. Mr. Mason said the grant monies (and related program costs) need to be shown separately for information purposes and they should do the same for other grants as well, not just Board of Education. Mr. Mason continued, it needs to be presented in a consistent way and tell the full story in order to be fully transparent. The possible accounting procedures, and related potential complications, were discussed further. Tom Doran, Board of Education, said they asked Blum Shapiro for best practices regarding this scenario and they didn't get a crisp answer regarding the best way to handle it. Mr. Mason asked Mr. LaClair to put together an exhibit illustrating what it would have looked like last May if they had used the previously referenced "gross-up/net-out" method. Ms. Petitjean said grants have to be accounted for separately and the Town has always done that and there is no issue with how it is being done, it is just a discussion about budget transparency. Mr. Askham reiterated that it would have to be done for the whole town and not just the Board of Education. Ms. Harris suggested a method of how this could be presented to voters within the budget letter and then other ways to present this information were discussed. Mr. Cooke reminded everyone that all of the budget information is on the website for those who want to see the complete picture.

Wrapping up, Mr. Henault said they want see a pro forma to show what it

would have looked like last year if it had been done in this “gross-up/net-out” format. But, he continued, more information within the budget book needs to be detailed out further moving forward. Then, Mr. Henault continued, they need to discuss what is the best way to transmit this information to the voters.

Ms. Petitjean asked this subject be put on the agenda for a meeting at which Mr. North can weigh in, as he was unable to attend tonight’s meeting.

III. Six-Year Capital Plan - discussion/plan for a three-board meeting
It was discussed when it made sense to have this three-board meeting to discuss the six-year capital plan and Mr. Henault said he would like to see it set up for sometime in September.

IV. Auditor Meeting Update

Ms. Harris said they recently met with Blum Shapiro and they have been in to start the preliminary audit. She said they are ahead of schedule this year and the auditors are not seeing many issues thus far. She reviewed the comments in the management letter this year, noting three (3) specific issues to be addressed. One comment, Ms. Harris said, is regarding fixed-assets software. She also mentioned the Accounting Procedures Manual the accounting firm is asking them to put in writing as the second issue. She then mentioned the Positive Pay System program as the third issue and said, while it will cost the Town money, it does work. Ms. Harris concluded by saying those are the three (3) issues that will be worked on. Mr. Askham mentioned an issue with Steep Grant reporting program, which Ms. Harris said has been remedied and she said it won't be a problem moving forward. Mr. Askham spoke about how the Board of Education and Town need to understand the key controls done by the auditors. Mr. Askham said they also spoke about the FEMA reimbursement number and the documentation they will need.

V. FEMA/FHW Update

Ms. Harris said there is no news and no check yet.

VII. GFOA Certificate of Achievement for Excellence in Financial Reporting - notification

Mr. Henault read the letter notifying the GFO Certificate of Achievement for Excellence and he congratulated the staff. Ms Harris thanked Deb Sweeney and Meg Bailey, saying they did a lot of hard work.

VIII. Calendar Year 2013 Meeting Dates

Mr. Henault said he had a conflict and would like to move the meeting schedule for January 15th to January 16th. He also mentioned the February 19th meeting is during school vacation week and a lot of people are out of town so he thought it should be moved up or back a week. Mr. Henault said

the April 16th meeting is also scheduled during school vacation, so that should be moved. Mr. Henault asked they get dates ready for the September meeting.

Mr. Henault asked Mr. Cooke to give an update on the issue of "Other Business" as an agenda item. Mr. Cooke said "Other Business" is not specific enough when there is something to be voted on. But, he continued, a majority of the board can make a motion to modify the agenda if something needs to be voted on which was not originally on the agenda. He said they simply need to make a motion to add it to the agenda.

Ms. Petitjean moved to adjourn the Regular Meeting of the Board of Finance at 7:13PM. The motion was seconded by Mr. Mason and passed unanimously.

Respectfully submitted,

Paul Henault, Chairman
Commissions Clerk

Leslie U. Faraci,