

**ROXBURY BOARD OF FINANCE
REGULAR MEETING
NOVEMBER 17, 2009
MINUTES**

CALL TO ORDER

Gary Lord, Chairman, called the meeting to order at 7:08 P.M.

Present: Gary Lord, James Conway, Wayne Piskura, Kevin Dumas, Donald Greenstein (arrived 7:25 p.m.) and Hugh Rawson, Board of Finance Members; Barbara Henry, First Selectman; Kim Baron, Treasurer; Rico Melaragno, Auditor; and Dennis McDonald, Member of the Public.

The Board agreed to begin their discussion with the Audit Review of FY 08-09 with Auditor Rico Melaragno.

BUSINESS

Audit Review of FY 08-09 with Auditor

Mr. Melaragno thanked the Board, Barbara Henry and Kim Baron for their constant cooperation. He distributed a Power Point presentation entitled Town of Roxbury, CT, Financial Statements, for the year ended June 30, 2009.

Mr. Melaragno reviewed the Other Revenue portion of the Audited Financial Statements and Supplemental Financial Data as of June 30, 2009. He explained what comprises the Other Fees and Receipts line item. The Board agreed that Town Clerk Fees of \$16,102 should be combined with the Real Estate Conveyance Taxes line item. The line should be entitled Real Estate Conveyance Taxes and Fees. Additionally, Scrap Metal Sales should be combined with the Transfer Station Fees line item. The line should be entitled Transfer Station Fees and Receipts. The Other Fees and Receipts line item should now be entitled Other Receipts. Mr. Melaragno clarified that if a capital project is approved in the budget by the Town, and anticipated LoCIP funds are shown as revenue, then the CFO, Barbara Henry, can give the okay to move the money back to the General Fund from the Reserve for Capital Fund, once the grant money is received.

Mr. Melaragno reviewed the reconciliation between the Budgetary Basis of accounting and the GAAP Basis. He noted that the refund from Regional School District 12 is accounted for as Revenue on a budgetary basis but it is treated as a reduction of expenditures for GAAP. The other adjustment made represents the amount which the State authorized to be transferred from completed capital projects, to the Minor Bridge project.

Mr. Melaragno explained that the Change in Net Assets of Governmental Activities are due to capital assets (infrastructure), leases (First National Bank of Litchfield) and other payables that are not picked up (sick pay). He noted that the Management Discussion and Analysis, which is the CFO's interpretation of what occurred during the year, is excellent.

It was explained that the General Fund Undesignated Balance represents 1.8 operating months or 15% of the 2010 approved budget. It was discussed that the recommendation is from 6% to 10%. Wayne Piskura suggested that because Roxbury is a small town the 15% is more appropriate. Barbara Henry confirmed that the BOF voted to have at least 10% in the fund many years ago for this reason.

The Non-Major Special Revenue Funds Statements were reviewed. It was noted that the Small Cities Housing Rehab Fund is a fund, established from a grant, that is left open to allow for repayment from its recipients upon the sales of their homes. It is meant to be a revolving fund to help others that qualify. Kevin Dumas explained that the Booth Free School Fund is invested in equities; however, the Trustees are looking into investing more conservatively. Mr. Melaragno explained that in 2011 there will be a new rule regarding the Post-Employment Benefit fund where money will be required to be put aside in a trust for post-employment benefits.

Mr. Melaragno explained that it is in the interest of the Town to show the Capital Projects Fund as a Major Fund showing it both as an asset and liability due to the General Fund. The \$70,298 will be transferred to Minor Bridge and ultimately the line will be zeroed out.

On the Report of the Tax Collector \$76,524 represents the amount of taxes receivable. Based upon a 10 year analysis it is estimated that approximately \$1,000 will not be collected.

It was noted that although an Accounting Procedure Manual has not been prepared, it was agreed that it is a good idea to have one. Barbara Henry explained that they have begun work on such a manual; however, this is a long term project and will likely be a budgeted item in the future.

Mr. Melaragno confirmed for Kevin Dumas that his firm is also auditing Region 12's financial statements. He noted that it is required that the financial statements be filed with the Town Clerk. Mr. Dumas explained that the BOF has a fiscal responsibility to review the Region 12 Financial Statements because the Town is liable for a portion of their debt.

Mr. Dumas noted that it is important that the BOF is proactive regarding future predictions for equipment needed by the fire and ambulance departments. Mr. Melaragno suggested that they rely on the expertise of those in the departments regarding funds needed for future equipment and to adjust their yearly requests for capital accordingly.

Gary Lord thanked Rico Melaragno for making himself available for questions and noted how wonderful it is to work with him again this year. Mr. Melaragno explained that he will make the few changes discussed and finalize the Audited Financial Statements.

South Street Paving Project

Barbara Henry explained that they budgeted \$45,000 under Capital Projects for South Street Bridge (culvert near Flag Swamp Road.) However, they will be able to repair all three culverts for \$7,750. She would like to move the balance of \$37,250 to the South Street paving project.

The Board requested Rico Melaragno's opinion regarding the proper process of transferring funds from the South Street bridge project to the South Street paving project. Mr. Melaragno recommended that the Board refer to the legal opinion on this subject that was sought by the Town as well as the policy the BOF drafted regarding transfer of funds. The Board agreed to request the BOS refer the transfer to Town Meeting.

Hugh Rawson made a motion to move \$37,250 from the South Street Bridge project designated within the Reserve for Capital Fund, to the South Street Paving project within the Reserve for Capital Fund, subject to Town Meeting approval. The motion was seconded by Gary Lord and carried unanimously.

APPROVAL OF MINUTES

Minutes of the Regular Meeting Held October 20, 2009

The minutes of the regular meeting held October 20, 2009 were reviewed and the following corrections were noted:

Page 2 – Gary Lord noted that the budgeted contribution for next year could be reduced from \$92,500 to \$70,500 or possibly less if the “truck” comes in under budget.

Page 4 – The Auditor, Rico “Melaragno”, suggested that for budget purposes a transfer can be made to the General Fund which would decrease the deficit.

Kevin Dumas made a motion to approve the minutes of the Regular Meeting held October 20, 2009 as amended. The motion was seconded by Gary Lord and carried unanimously.

Gary Lord made a motion to add to the agenda discussion concerning a motion the BOF made in June regarding a transfer from the Town Aid Roads-Paved line item to the Town Aid Road Fund. The motion was seconded by Wayne Piskura and carried unanimously.

Motion of June 16, 2009 - Transfer of Funds

Gary Lord explained that the requested transfer of funds did not take place; therefore, Rico Melaragno suggested that they simply make a motion to rescind the motion for the transfer request since the roads were chip sealed and the bill was paid prior to June 30th.

Gary Lord made a motion to rescind the motion of June 16, 2009 to transfer the unexpended funds from line item 1-5402, Town Aid Roads-Paved, not to exceed \$73,837.25 to the newly created Town Aid Road Fund, including Transfers. The motion was seconded by Wayne Piskura and carried unanimously.

OTHER BUSINESS

Gary Lord reported that tax collection is at 53.81% which is within a percentage point of last year's collections at this time.

Barbara Henry confirmed for Gary Lord that the Board of Selectmen will take into consideration revising the Building Department fee schedule.

Kim Baron confirmed for Gary Lord that Town Aid Roads funds have not been received from the State to date; however, they have received ECS funds. Real estate conveyance taxes were received this month but she is awaiting the allocation of those funds by the Town Clerk before she can transfer the correct amount to the Real Estate Conveyance Tax account.

ADJOURNMENT

Kevin Dumas made a motion to adjourn the meeting at 8:38 p.m. The motion was seconded by Hugh Rawson and carried unanimously.

Respectfully submitted,

Tai Kern

Tai Kern,
Secretary

These minutes are not considered official until approved at the next Regular Meeting of the Roxbury Board of Finance.