

Selectmen's Finance Meeting, Audit Review & Workshop
Monday, May 2, 2016

Chairman Riley called the meeting to order at 2:00 PM. Present were Selectmen Franklin Riley, Robert Freeman, and Richard Morgan, and Ellen White, Town Administrator, who recorded the minutes. Also present was Elaine Sherman, Finance & Benefits Administrator, Kellie Skehan, Town Clerk/Tax Collector, and Harry Merrow, Treasurer.

Riley questioned the process for the acceptance of the 2015 tax liens where a check is written and deposited back into the same account. Skehan responded that it is required in order for the Town to take ownership of the liens. As an alternative, she stated that it could also be done as a journal entry and the process varies from town to town.

The draft Governance letter to accompany the audit was discussed. White stated that there are three points of discussion related to items needing corrective action: 1) Documentation for timber proceeds received on Conservation land, 2) Reporting and payment of compensated absences to follow current Town policy, and 3) Annual review and adoption of the 'Trustees of Trust Funds' Investment Policy per State Statute. White will send a memo to the Trustees reminding them of their annual Investment Policy review as required.

Sherman stated that an invoice payable to Bauen Corporation has been submitted for processing but the requested Trust Funds have not been disbursed by the Trustees yet.

Discussion took place on the Conservation Commission and how their funds are handled.

Riley noted that the budget is going well. Sherman commented her surprise that we have not had to borrow from the Tax Anticipation Note yet. The General Fund balance reported following today's payments is just shy of \$300,000.

Skehan reported that the paperless tax bills have gone out and the rest will go out on 5/3/2016. She stated that \$15,000 has already been received.

Riley stated that the invoice for the sidewalks and the School District payment will be held for payment until later in the month.

Skehan reviewed upcoming dates for notices going out including autos and dog notices today, mortgage letter regarding lien properties and deed letters to be issued on 5/10/2016. Discussion took place on the effectiveness of payment agreements that have been presented. Skehan stated that new payment requests cannot be accepted until the deed letters have been issued.

Mike Campo and Tyler Paine from Plodzick & Sanderson entered at 2:25 PM.

Paine and Campo reviewed the 2015 draft audit that has been prepared. They explained the new reporting required under GASB-68 on pension reporting in detail. Sherman questioned how to explain the reporting requirement in simple terms to anyone inquiring. Morgan requested an auditor's statement be prepared to assist with explaining the new liability.

Discussion took place on the impact the Capital Assets reporting will have on the financial statements.

Campo commented that the current processes are working great, the audit is taking less time to prepare, and positive changes are reflective in the audit.

Discussion took place on preparing a management's discussion and analysis. It was decided that this would be discussed during the 2016 audit field prep for future inclusion,

Questions presented on missing or changed information from past years were clarified or answered.

Discussion took place on establishing and building Capital Reserves and the impact on the financial statements. The Board was advised to check with the Department of Revenue regarding the establishment of a trust fund for emergencies.

The unassigned fund balance (surplus) calculation was reviewed. The balance was noted to be \$1,067,116. Discussion took place on the appropriate percentage level at which the unassigned fund balance should be.

The Board questioned how to handle deficiencies noted in the audit that are out of their control including anything noted against the Conservation Commission, Trustees of Trust Funds, etc. Campo explained that the Board can set policies to help clarify what is expected of the various Boards & Commissions.

Discussion took place on the Water & Sewer Department being turned back under the control of the Board of Selectmen effective 1/1/2017. Campo will be conducting research to determine how to appropriately handle and report the Department's budget in the upcoming year.

Campo stated that a revised draft of the audit, including a representative letter, should be emailed tomorrow. Campo and Paine were dismissed at 3:15 PM.

The draft Cash Receipts Policy and Fraud Policy were briefly discussed.

Sherman discussed an update needing to be made related to Section 218 on the threshold set for when earnings become taxable for Election Workers.

Sherman stated that she has received the accrued leave time totals for the Library staff and is awaiting approval from the Library Trustees to begin tracking the time in the payroll system.

Morrow & Skehan were dismissed at 3:25 PM.

Discussion took place on the scheduling of the Union Contract negotiations and potential changes that will need to be made to the Contract.

Discussion took place on offering a menu-driven plan for health and prescription drug coverage. Sherman was asked to set up a meeting with HealthTrust Representative Peter Chapel to discuss what coverage options are available to the Town. Sherman was dismissed at 3:35 PM.

A review of the Union Contract took place. A few items needing correction were noted for future discussion.

Being no further input, the meeting adjourned.

Adjourned at 4:05 PM.

Franklin R. Riley, Chairman

Robert C. Freeman

Richard H. Morgan

To be approved 5/9/2016