

THESE MINUTES ARE SUBJECT TO APPROVAL AT THE NEXT BOF MEETING

TOWN OF CHESTER, CONNECTICUT
BOARD OF FINANCE
REGULAR MEETING
Thursday, February 20, 2020
Community Meeting Room
Chester Town Hall

CALL TO ORDER

Chairman Carmany called the meeting to order at 6:35 p.m. In attendance included: Chairman Carmany, Rick Nygard, Jon Joslow, Richard Strauss, Greg Merola, Mike Joplin (for Jennifer Rannestad) and Andrew Gardner (not seated). Also, in attendance were First Selectwoman Gister, Selectwoman Janecek, and Peter Evankow, Business Manager. Jennifer Rannestad arrived late and was not seated.

Jon Joslow made a motion to suspend the order of the agenda and present "New Business Audit Presentation". Rick Nygard seconded the motion. The motion passed unanimously.

NEW BUSINESS

Audit Presented by Auditor Joseph Centofanti and Q&A

Virginia Carmany introduced Joseph Centofanti and Kathlyn Ta from PKF O'Connor Davies. Mr. Centofanti and Ms. Ta distributed and presented a report(s) on Chester's 2018/19 Year End Audit. The Auditors were available to address questions presented by BOF members. The Audit Presentation and Audit Reports are available at Town Hall.

The Audit presentation highlighted:

- The Town finished the year with a General Fund balance which increased by \$425,261 or 17.48%. The Town's revenues exceeded budget by \$119,298 and spending savings were \$305,963.
- The General Fund's unassigned fund balance is \$2,657,629, which as a percentage of expenditures was 19.81% and increase over the previous year of 2.6%. The rating agency guidelines are 10-15% though the higher number will better position the Town to respond to any serious future storm damage.
- The two Pension Plans were discussed: The Employee Plan is funded at 75.96% with an annual rate of return of 7.30% and the Chester Hose Company Plan is funded at 91.79% with an annual rate of return of 11.32%.
- The State Single Audit noted that there were no Material weaknesses or Significant deficiencies identified, or any Noncompliance material to financial statements noted.
- The Recommendations to Management included the following:
 - The Town Clerk Bank Accounts be closed and all receipts be deposited directly into the general fund operating bank account and all disbursements be processed through the Finance Department. Lauren noted she is working on this item.
 - Capital Asset lives need to be reevaluated and updated to reflect actual experience. Peter Evankow will address this item.

- The audit of the Cafeteria Fund noted that account balances are not properly reconciled, audit adjustments are not properly recorded, and payroll is not in the appropriate fund. The auditors made recommendations to address same. This information will be shared with the BOE and school Administration. Virginia will send this finding to the BoE Chair of Chester Elementary School, cc the Superintendent and the Business Manager with a request for a written response.
 - A recommendation was made to use the Uniform Chart of Accounts relative to Supervision District expenditures.
 - The auditors recommended that the BOE develop and maintain supporting documentation for information in the FS form.
- The Auditor updated the Board on the new GASB requirements relative to leasing of equipment, etc.

Richard Strauss suggested that the BOF be updated (at least quarterly) as auditor recommendations are addressed vis a vis the BOE Central Office.

APPROVAL OF MINUTES

The BOF discussed the 1/16/20 BOF meeting minutes.

Amendments: Page 2 – under “Election of BOF Chair and Vice Chair” – note that Jon Joslow reported on a request for term limits for BOF officers. He continued that Virginia has done a great job for many years; however, in previous years no other board member was interested in serving as Chairman.

Page 4 – paragraph 9 – discussion regarding the Guest House – “Jon Joslow requested additional information regarding the tax status of the Guest House. He stated that it is a “for profit” business”. Lauren will check the recording to verify the comment that was made. Lauren also questioned the line: “Lauren reported that they are permitted to have 10% of their activity “for profit”. She will verify that comment as well. The minutes can then be re-posted as corrected.

Page 7 – paragraph 4 – clarify that there are opportunities for the public to participate in the Supervision District budget including budget workshops, a public hearing and additional BOE meetings. Note however that the public does not vote directly on the Supervision District budget.

Lauren reported on the status of the “Clerk” for the BOF. She discussed the statute with Attorney Bennet and his interpretation of the statute is that the BOF needs to vote on a Chairman and a Clerk who are both members of the BOF. However, the Clerk does not have the responsibility of taking the meeting minutes. The BOF may decide to hire a “Recording Clerk”. The duties of the elected Clerk were discussed – no additional duties were presented or considered for the ‘Clerk ‘ to perform in addition to the outside consultant that currently prepares the minutes. Virginia reported that she will research what area towns do relative to the elected “Clerk”.

Richard Strauss reported on the importance of complying with State Statutes.

Jon Joslow made a motion to add to the agenda a vote on a Board of Finance Clerk. The motion was duly seconded and passed unanimously.

Jon Joslow made a motion that Rick Nygard be both the BOF Vice Chairman and Clerk. The motion was duly seconded and passed unanimously.

These minutes were tabled until further clarity on what was actually said is researched.

Jon Joslow made a motion to approve the minutes from the February 3, 2020 BOF meeting. Richard Strauss seconded the motion. The motion passed unanimously.

The BOF discussed the 2/13/20 meeting minutes.

Note: page 3 – discussion regarding CT Examiner article – note that the BOF took exception to Virginia being quoted in the CT Examiner news article as the Chairman of the BOF and her comments should not have been considered an official BOF position.

Jon Joslow took exception to the editorial line “the BOF strongly suggests the new Superintendent of Schools and the school system”.

Richard Strauss reported that the BOF should make a decision on what they wish to be the content of meeting minutes.

No vote was taken on these minutes.

FIRST SELECTWOMAN’S REPORT – no comments.

MONTHLY FINANCIALS

The monthly financials were included in the BOF packet.

AUDIENCE OF CITIZENS – None.

ADJOURNMENT

Rick Nygard made a motion to adjourn the meeting. The motion was duly seconded and passed unanimously.

Respectfully Submitted,

Suzanne Helchowski
Recording Clerk

Updated with information on the Auditor’s presentation by Virginia Carmany