

*****FINAL*****

**BOARD OF FINANCE
MEETING MINUTES
January 7, 2020**

The Monthly Meeting of the Board of Finance was held in the APR/Cafeteria at Roger Sherman Elementary School, 250 Fern Street, on Tuesday, January 7, 2020 at 7:30 p.m.

MEMBERS PRESENT: Edward Bateson, Jim Brown-Chair, Lori Charlton, Christopher DeWitt-Vice Chair, Mary LeClerc-Secretary, Sheila Marmion, John Mitola, Jack Testani, James Walsh

ALSO PRESENT: Town Attorney James Baldwin, Conservation Director/Interim DPW Director Brian Carey, CFO Robert Mayer, Tax Assessor Ross Murray, Town Internal Auditor Connie Saxl, FairTV

1. Call to Order – Chairman Brown called the meeting to order at 7:30 p.m.
2. Pledge of Allegiance – Mr. Brown led the Pledge of Allegiance.
3. To hear a report from the Town internal auditor on the internal audit activities for the period ending December 31, 2019

Mr. Brown said according to the Town Charter, the Internal Update can be presented to the Board of Finance twice a year and he requests that this be done. Mrs. LeClerc explained that the audit sub-committee asked Ms. Saxl to prepare the list and thought it would be helpful for this Board.

Ms. Saxl presented the Internal Audit Report which consisted of 13 internal audits and 7 town-wide policies which were developed to ensure departments comply with town policies and goals. Audit findings and recommendations are submitted to the CFO and Department Head after the audit has concluded. Ms. Saxl gave highlights of the Internal Audits and explained the recommendation process. Ms. Charlton suggested she go back to areas where there were problems such as bonds and the bid process. Mr. Mayer said the Town has hired an outside auditor with respect to Public Works. Ms. Charlton stated the Town should prioritize risk areas and utilize internal resources to review Public Works. Mr. Mayer said that is happening and there is an active audit to identify anything that hasn't been previously caught. He said there are many bond and insurance issues that have also been addressed which he helped implement. Mr. Bateson expressed concerns with the solar projects since the management change. Ms. Saxl said there were discrepancies with the price schedule and she couldn't validate the prices were correct. Mr. Bateson recommended using credit cards for security reasons instead of cash for boat marina slips. Ms. Saxl explained the credit card process. Mr. Bateson is concerned there could be a breach in the system and whether the Town is adequately insured. Ms. Saxl emphasized the Town does not maintain credit card information. She reviewed the beach parking cash revenue, identified weaknesses and tightened controls.

Mr. Walsh asked Mr. Mayer if the audits can be placed online to make available to the public. Ms. Saxl replied she can if the Board wishes and Mr. Mayer agreed. Mr. Walsh prefers a credit card system instead of cash at the recycling booth. Ms. Saxl explained that the process at this site is to have a second person take the receipt to ensure payment was made.

Mr. Walsh said he feels more effort should be going into internal audits. He and Mr. Mitola asked if Ms. Saxl has time to perform the audits in addition to her other tasks. Mr. Mitola also asked about the time it takes handling the increased FOI requests. Mr. Mayer replied that the compliance officer handles FOI requests, but all the documents are pulled out of finance. Ms. Marmion said perhaps the audit committee could delve into this more frequently. Ms. LeClerc agreed stating her sub-committee would be happy to work with Ms. Saxl a few times a year. Mr. DeWitt said there needs to also be a focus on policies. He inquired if there is an audit policy. Ms. Saxl replied no. Mr. DeWitt would like to establish dates for Ms. Saxl to attend BOF meetings, at least quarterly. Mr. Walsh requested the Clerk include completed audits in the BOF's backup so Ms. Saxl doesn't need to present them and if members have questions, they can ask Mr. Mayer. Ms. Saxl said there will be more incentive within the departments to follow her recommendations if it is presented to the Board.

Mr. Mayer said for every contract entered into there is a schedule that needs to be included, insurance, bonding, what has been checked, etc. He said he created it a few months ago and has been put in place. He said his department has also gone back through renewals to see if anything is lacking, but hasn't found anything.

Mr. Walsh asked if there is credit card information on file. Ms. Saxl said there was information on the Town server and advised Information Technologies that it should be deleted immediately and nothing should be stored. She said Town policies are on the Town shared drive and are accessible to all employees. Ms. Saxl said she emailed the policy to Department Heads. Mr. Testani suggested she meet with the First Selectwoman and CFO to communicate how the Town could realize some cost savings. Mr. Mitola said the First Selectwoman needs to make employees accountable and it is the Administration's job, not the Board of Finance's, to develop a remedy for non-compliance.

Ms. Saxl went through her work with the outside auditor. She said she will furnish Mr. Bateson the mechanics fee increase. She said she will review policies. Mr. Brown asked Ms. Saxl to return with next steps after the audit committee meeting.

4. To hear an update on the 2020 reassessment and revaluation

It was determined that Mr. Walsh did not have to recuse himself since it would be a general discussion and not contract details.

Mr. Baldwin concluded the Board does not need to review the contract. He said in his opinion the time to review it would have been when it was presented to the Board. He said the Board had the opportunity, but now the contract has been signed. Mr. Walsh stated there has to be a full review. Mr. DeWitt suggested implementing a process to ensure this doesn't happen again. Mr. Mayer offered that the BOF deal with this similar to the way it does with capital and the waterfall. Ms. LeClerc said she believed this was going to come back to the Board before the RFP was written giving the BOF the opportunity to give input. Mr. Baldwin and Mr. Murray said the process is defined by State Statute and the RFP should be reviewed after funds have been approved. The grand list and devaluation was studied. Mr. Baldwin said his opinion is that the BOF has input to the methodology.

5. To hear an update on issues relating to the fill pile

Mr. Carey gave a quick update. He said work continues to take place with the money appropriated by the Board. He said Jennings is finished and the Gould Manor area where arsenic was discovered and is not a fill pile issue is still being worked on. Mr. Carey said there are additional remediation sites going out to bid for Osborn Hill and Old Dam Road. He said in regards to the landfill site update, there are four interviews tomorrow and after that, there will be a short list and a proposal. The Town Attorney said he is working on a response to CT DEEP requesting additional time. Mr. Carey said a consultant is being hired for the landfill site.

Mr. DeWitt asked about the status of the berm and questioned whether the status is in jeopardy since there is no permit. Mr. Carey said he cannot answer this yet.

Mr. Carey said companies are being interviewed and he will come before the Board prior to selecting a contractor to get costs approved. He said the RFP is very open ended.

Mr. Bateson questioned CT DEEP testing the berm with backhoes unsupervised. He said there is materials that have there for 30 years, from 1970 that includes Superstorm Sandy. Mr. Carey said it is a criminal investigation that was done under a warrant and the Town does not know what they found.

Mr. Mayer gave a financial update, but said that until testing is complete, there could be more costs. He said there is a medical model program being established for DPW workers who may have experienced possible exposure. Mr. Brown said he would like a site visit for the BOF organized on a Saturday. Mr. Carey said he will provide Mr. Mayer three date options.

Mr. Baldwin noted that arbitration is set to go forth in May. He said Julian also received a Notice of Violation similar in nature to the Town's and he considers it to be a positive development. He said both NOV's have the same date - October 31, 2019. Mr. Baldwin said the Town does have a public official's liability policy, but only for third party claims. He said the Town's carrier, Chubb, said the Town is not covered, but Mr. Baldwin said he is pursuing possibly getting legal fees covered. Mr. Baldwin brought to the BOF's attention that the Town Charter Bonds Section 5.3 requires the Board of Selectmen to have bonds for certain town officials. He said that policy was apparently abandoned and had this been in place, the Town would be able to redeem some of the bonds value. Mr. Baldwin said this is something the First Selectwoman intends to reinstate as mandated by the Town Charter. He said the last bond on a town official was the prior Tax Collector in 2012. Mr. Mayer said the decision was made by the Risk Manager and the previous First Selectman to remove the policy and that they believed fiduciary insurance policies were an adequate substitute. Mr. Baldwin distributed the policy. Mr. Mayer said it will have to be included in next year's budget. He said he recalls the bond value was \$500,000 per employee. Mr. Walsh requested to be informed what the First Selectwoman puts in place and the cost.

Ms. Charlton asked if periodic background checks are performed. Mr. Baldwin said it would be Human Resource Director, Mr. Hibson, who would initiate this. Mr. Mayer confirmed background checks are performed. Ms. Charlton said background checks are done periodically in corporate. Mr. Mayer said the funding for the bonds in the budget would be in the Human Resource budget under Risk Management.

6. To hear, consider and act upon any communications

2020 Sub-Committees

Audit: Chair-Mary LeClerc, Edward Bateson and Lori Charlton

Budget: Chair-Christopher DeWitt, Jack Testani and John Mitola

Fund Balance: Chair-James Walsh, Mary LeClerc and Sheila Marmion

- Tour Walter Fitzgerald this Saturday and on the 21st and 28th.
- The March 3 regular meeting is cancelled. A meeting will instead be held on March 11.
- Ms. Carpenter sent out the budget schedule.
- The BOE Superintendent's budget is online for review.

7. Adjourn

There being no further business to come before the Board, Mr. Mitola moved to adjourn the meeting at 10:06 p.m. Mr. Walsh seconded the motion which carried unanimously, 9-0.

Respectfully submitted,

Sheila Tesei
Recording Secretary