

**ROXBURY BOARD OF FINANCE
REGULAR MEETING
NOVEMBER 18, 2008
MINUTES**

CALL TO ORDER

Gary Lord, Chairman, determined a quorum and called the meeting to order at 7:04 PM.

Present: Gary Lord, James Conway, Kevin Dumas, Toby Goldfarb and Hugh Rawson, Board of Finance Members; Kimberley Baron, Finance Administrator; and Enrico Melarango, Auditor.

PRESENTATION OF AUDITOR'S REPORT

Enrico Melarango, Auditor for Charles Heaven, Inc., thanked Town Hall personnel for their assistance during the audit and the Board of Finance for their confidence in Charles Heaven, Inc.

Mr. Melarango described the three sets of Financial Statements required:

1. Budgetary Method
2. GAAP Method
3. GASB 34 Government Wide Statements

Typographical errors in the audit draft were reviewed as follows:

Kevin Dumas – page 38 – The audit is for the Grand List 2006 and Year End 2007.

Kevin Dumas – page 22 – he questioned machinery and equipment being depreciated for 15 years. In reality it could be more like 5-7 years. The Board recommended a range of 5-15 years rather than a set number.

Toby Goldfarb agreed that there should be a range for the depreciation of machinery and vehicles.

The audit report continues to recommend that the Town develop a formal Accounting Procedural Manual.

Page 5 – “The *combined* statements referred to earlier,…”

Page 5 – Board recommended not using term “rolling stock,” but give actual description.

Page 6 – “\$749,727 is restricted for purchase of land to be set aside for *open* space…”

Page 7 – It was recommended to strike word “our.” “Grants and contributions dropped only slightly from the last fiscal year. The level of service charges was ...”

Page 8 – “With interest rates falling, the Town experienced a \$270,763 *decrease* in investment revenues...”

Page 8 – “The net cost *reflects* the financial burden that was ...”

Page 10 – “We were also please to *report* a favorable budget variance from Regional School District #12 return of surplus credit of \$78,172.”

Page 10 – “The revenue budget for FY 2008 *remains* unchanged except...”

Page 10 – “However, due to favorable budget variances, *the Town was* able t add \$107,514 to *its* general fund balance for the *FY ending 2008.*”

Page 10 – “*The Town* improved its infrastructure by chip sealing Gold Mine Road and Tophet Road.” (strike ‘for a total of \$510,003.’)

Page 11 – “During the year, the Town sold three dump trucks and a grader under a *five-year* sale and lease-back arrangement for \$431,249.

Toby Goldfarb questioned whether the three dump trucks and the grader were actually sold and leased-back as stated or there were possibly different terms to the arrangement. Kimberly Baron read from the terms of the lease agreement with First National Bank of Litchfield, however the Board could not immediately determine what the terms were. Enrico Melarango agreed to research the agreement. Toby Goldfarb said that the \$1 implication on the lease agreement may require an opinion from the Town Attorney.

Toby Goldfarb noted that this was at least the third year that the need for an Accounting Procedure Manual was recommended in the audit. Last year Mr. Melarango said that the item would not be mentioned in this year’s audit. Enrico Melarango told the Board that there are now new standards concerning fraud which strongly recommend an Accounting Procedure Manual.

As of 6/30/2008, the available fund balance was \$1,923,869. The fund balance represents 2.9 operating months or 25% of the 2009 approved budget.

It was noted that here are five major governmental funds:

1. General Fund
2. Reserve for Capital Expenditures Fund
3. Library Fund
4. Land Acquisition Fund
5. Capital Projects Fund

Gary Lord pointed out that the Library’s investment loss of \$123,765 was in fact an unrealized loss and that the Library generated a \$50, 000 budget surplus. The non-special revenue funds were reviewed. Kevin Dumas requested that a review of all the investments of all the non-major Governmental Funds and Special Revenue Funds as shown on page 36 of the 2007-2008 audit be added to a future Board of Finance agenda.

The revised 2007-2008 audit will be prepared for review by the Board of Finance at their December Regular Meeting.

Squire Road

The Board reviewed the latest financial updates on the Squire Road project. The bid that was accepted was for \$526,000 for the project. The Town’s expenses for the project included not only the General Contractor, but also pipes, basins, engineering, advertising for the bids, and the Clerk of the Works. The Board determined that the entire Squire Road project was \$144,183 over budget.

Gary Lord said that he would like to see the Board of Selectmen go back to the Town for approval of a transfer of funds to cover the overage. He suggested that the Board of Finance hold a Special Meeting when the First Selectman was able to attend.

A Special Meeting will be held on Monday, November 24th at 7:00 PM.

Meeting Schedule

The proposed meeting schedule for 2009 was reviewed and approved.

APPROVAL OF MINUTES

The minutes of the Regular Meeting held on October 21, 2008 were reviewed.

Kevin Dumas noted that he was not present at that meeting and that James Conway was present.

Motion by James Conway to approve the minutes of the Regular Meeting held on October 21, 2008 with corrections as noted. The motion was seconded by Hugh Rawson and carried. Toby Goldfarb and Kevin Dumas abstained since they did not attend that meeting.

Probate Court

A letter from Jeanette Puglio was reviewed in which she relates that she would recommend that the Roxbury Probate Court merge with the Probate Court in Southbury before it was mandated by the State.

The meeting was adjourned at 9:10 PM.

Respectfully submitted,

Christine M. Giordano,
Secretary

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