

**TOWN OF WINDSOR
FINANCE COMMITTEE
SPECIAL MEETING
JANUARY 25, 2017
TOWN HALL – ROGER LUDLOW ROOM**

UNAPPROVED MINUTES

1. CALL TO ORDER

Deputy Mayor Jody Terranova, Chair of the Finance Committee, called the meeting to order at 6:32 p.m. with Councilors Randy McKenney and Donald Jepsen present. Town Manager Peter Souza was also present.

2. PUBLIC COMMENT

None

3. REVIEW OF FY 2016 ANNUAL FINANCIAL AUDIT

Scott Bassett and Paul Sabetta from the town's independent auditor, RSM US LLP, gave a presentation of the results of the Town's FY 16 audit. Mr. Bassett noted that as in years past, the materials prepared by the town's Finance Office were presented in a quality and accurate fashion. There were no material weaknesses or significant deficiencies found. Mr. Bassett did note that during the testing of the "Student Activities" accounts, more specifically for Clover Street School, it was noticed that the same individual collects and deposits money. The auditor recommended a new procedure be put in place where teachers and administrative personnel fill out and sign the deposit transmittal sheet.

Mr. Jepsen asked if there were model control procedures related to handling of the student activity fees. Mr. Bassett stated there is not one set or universal system, but there are suggested best practices which include segregating duties and regular education regarding established policies and procedures.

Danielle Batchelder, School Business Manager, explained that the internal controls have been refined to address this audit observation.

Mr. Bassett noted that GASB Statement No.75 will be in effect for the FY18 audit. This statement requires the Town's Other Post Employment Benefits (OPEB) liability be reported on the face of the financial statements as opposed to being reported as a note disclosure, as is currently done. He also informed the committee that a new GASB statement related to disclosure of tax abatements will be enacted by the town within the next 1-2 years.

4. DISCUSSION OF FY 17 MID YEAR FINANCIALS

Finance Director James Bourke provided information on the FY 17 mid-year financials outlining the following points:

- General Property Tax is at 99.2% collected this year versus 98.0% collected for the same period last year.
- Licenses and Permits is at 50.9% collected for the second quarter of FY 17 versus 93.8% collected for the same time period last year. This variance is due to a number of larger building permits being received in the first half of FY 16. Staff expects this revenue category to meet FY 17 budgeted amounts.
- State School Aid and State Grants in Lieu of Taxes revenue categories will not meet their budgeted expectations. At this time it is projected the shortfall will be offset in part from higher than expected general property tax collections.
- FY 17 expenditures are comparable to the second quarter of FY 16 with a 0.2% difference between the two fiscal years (47.3% spent for FY 17 versus 47.5% for FY 16).

5. DISCUSSION OF ANNUAL FINANCIAL AUDIT SERVICES

Town Manager Souza and Finance Director James Bourke gave an overview of the item.

The agreement with RSM US, LLP, was for a three year period through the FY 16 audit, with the ability for two one year extensions. There are two alternatives presently available to secure an auditor for the town. One is to negotiate a one-year extension agreement with RSM US, LLP or at the direction of Town Council, staff can conduct another RFP.

The Finance Committee discussed the alternatives.

Councilor McKenney made a motion, seconded by Councilor Jepsen that the Finance Committee recommend to the Town Council that they appoint the firm of RSM US, LLP as the Town Auditor to carry out the financial audit of the Town of Windsor for fiscal year 2017 and authorize the Town Manager to finalize a one-year agreement with said firm.

Motion Passed 3-0-0

6. STAFF REPORTS

Staff is evaluating the possibility of refunding / refinancing approximately \$7.3 M in outstanding debt. Town Manager Souza stated in order to refund outstanding debt, the Town Council would need to approve an authorizing resolution. Such a resolution could be introduced in February so a refunding could potentially take place in the Spring or early summer depending on market conditions.

The Town Manager also highlighted that several bond ordinances would be introduced for Town Council action in February. These include: replacement of firefighter safety equipment, renovation of athletic fields at Windsor High, Town Hall interior improvements, and paving at school and town facilities.

7. APPROVAL OF MINUTES

Councilor McKenney moved and Councilor Jepsen seconded to approve the unapproved minutes of December 19, 2016 as presented.

Motion Passed 3-0-0

8. ADJOURMENT

Councilor McKenney moved and Councilor Jepsen seconded to adjourn the meeting at 8:01 p.m.

Motion Passed 3-0-0

Respectfully submitted by,

Peter Souza, Town Manager