

BOARD OF FINANCE

Minutes of the Regular Meeting held on March 21, 2019

	<u>Regular Members</u>	<u>Others</u>
Present	Y Joe Pryor (CHM) Y Lisa Lansing Y David Hubbard Y William Hurlburt Y Janet Sanders Y John LaPorta	Y Gordon M. Ridgway, First Selectman Y Barbara Herbst, BoF Clerk Y Selectmen Pavel and Bramley Y Catherine Tatge and Anne Kosciusko <hr/> Alternate members Y K.C. Baird N Darilyn Woods

Call to Order
1 - Additions
2 - Minutes

7:01 p.m.

None

Approval of Meeting Minutes

- a) 2/21/2019
- b) 3/14/2019

Motion

William Hurlburt Made a motion to approve both sets of minutes as presented.
Lisa Lansing Seconded the motion.
Motion passed unanimously

3 - BoS Budget

Board of Selectmen

First Selectman Ridgway reported in brief on the following items.

- a) **Economic Development:** The EDC Commission will be engaging a consultant for support in pursuing the goals of the commission.
- b) **West Cornwall Waste Water:** Currently the Engineers are exploring alternative sites and will be providing an updated cost estimate.
- c) **Fiber Optics:** A day trip was undertaken to the Municipality of Mt. Washington in Massachusetts to discuss their success in implementing town-wide fiber optics service. Mount Washington is a town in Berkshire County, the population was 167 at the 2010 census.
- h) **Social Services:** The BoS has completed interviewing for a permanent replacement for the director. Heather Dinneen was appointed to the position.
- k) **Capital Projects :** Work at the WC Firehouse is continuing, the Architect has been busy.

Finance Director

Barbara Herbst passed out a written report that is appended to these minutes. Pursuant to the consensus at the 1.24.19 BoF meeting, Sandra E. Welwood was contacted and has submitted a proposal for extending the Auditing contract for another term of 5 years. It was noted that the proposed annual cost is a fixed fee with hourly rates for any services provided outside of the proposal. A copy of said proposal is appended to these minutes.

Motion

John LaPorta Made a motion to accept and approve the proposal for a contract extension.

William Hurlburt Seconded the motion.

Discussion:

Brief discussion ensued and included but was not limited to the following topics; customary fees, expertise, scheduling accommodation, prompt delivery of services, continuity of activity, internal control and quality control.

Motion passed unanimously

4 - Proposed Budget

The proposed BoS and BoE budgets were discussed.

- a) A clerical error in the BoE budget has been corrected, and Insurance costs have been adjusted resulting from updated information available. The new bottom line for the BoE is a proposed budget that is \$20,027 less than the current year budget
- b) Board of Finance members requested the status of the **Town Building Survey**. First Selectman Ridgway said that document is still pending and should be forthcoming momentarily.

c) Board of Finance members asked questions about the BoE Surplus from the previous year, the capital funding for Town Buildings and the status of the Governor's proposed assessment on Municipalities for Teacher Retirement funds.

Motion David Hubbard Made a motion to add \$100,000 to the appropriation in Capital Projects for Town Buildings.

Lisa Lansing Seconded the motion.

Discussion: Discussion ensued and included but was not limited to the following topics; the *Town Building Survey*, lack of ability to properly fund capital without that report, capital funding for Bridges and the removal of underground tanks at the Town Hall and the W/C Firehouse.

Motion passed by a majority vote. Janet Sanders abstained

Motion Lisa Lansing Made a motion to approve the BoE portion of the proposed budget and to recommend that to the Taxpayers for approval.

Janet Sanders Seconded the motion.

Motion passed unanimously.

5 - POCAD Letter

Copies of the edited letter, were available to all members and is appended to these minutes.

Motion Janet Sanders Made a motion to approve the letter and send it to the Planning and Zoning Commission.

John LaPorta Seconded the motion.

Discussion: It was noted that the word "like" was omitted from the first sentence and needed to be added before release.

Motion passed unanimously.

6 - Public Comment

None

William Hurlburt Made a motion to adjourn the meeting.

Adjournment

David Hubbard Seconded the motion

Motion passed unanimously

8:01 PM

Barbara E. Herbst, Board Clerk

Note: Minutes remain "Draft" until accepted at the next regular scheduled meeting, please see subsequent meeting minutes for any corrections to these minutes.

1. Treasurer Office Activities this month:

- a. Issued **115 accounts payable** checks totaling **\$241,948**
- b. Issued **94 payroll and payroll liability** checks totaling **\$190,969**
- c. Updated, compiled and issued drafts of FY 2019-2020 Proposed Budget
- d. **clerked 2 BoF meetings**

2. Actual vs Budget

Revenue

Revenue is strong, 96.4% of budgeted revenue has been received through 3.21.19

February tax revenue \$1,894,362

Delinquent tax collection has exceeded the budgeted amount by **\$65,110**

Interest Income has exceeded the budgeted amount by **\$15,618**

To date: Cornwall has received \$14,700 in CCS tuition payments from out of town families, there is \$6,700 in open receivables

Total Revenue for February = 1,965,124

Expense

Total Expense for February = 432,917

74% of snow budget has been expended

56.25 hrs of HWY OT were paid out this from 2.1 through 3.21 vs 165 for the same period last year ~ Still down one DPW staff

\$2,550 unexpected expenditure at Transfer Station for repairs to the cardboard baler – purchased new baler in July of 2013

Part of the proposal from the Auditor is a sheet called "Report on the Firm's System of Quality Control" which is a Peer review I can email it to anyone that would like to see it.

Sandra E. Welwood, LLC

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Certified Public Accountants
46 Main Street
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RECEIVED BY THE
FINANCE OFFICE

February 26, 2019

FEB 27 2019

Barbara Herbst
Finance Director
Town of Cornwall
P.O. Box 97
Cornwall, CT 06753

TOWN OF CORNWALL

We are pleased to present this proposal letter to continue to provide audit services to the Town of Cornwall, Connecticut (the "Town") for the fiscal years ended June 30, 2020 through 2024. We have enjoyed our relationship with you over the past five years and look forward to continuing that relationship. High-level comprehensive service, continuity of experienced staff, and reasonable fees is our focus. Also important is the fact that we know your Town, your needs, your operations, and what is important to you. Therefore, continuing with our audit services will significantly reduce your staff's workload as well as allow us to continue to provide you with meaningful suggestions for internal control improvements that are also efficient.

About the Firm

Sandra E. Welwood, LLC is a federally recognized women-owned small business operating a local certified public accounting firm. We have 40 years of experience and are uniquely qualified to render high quality, competent and responsive services. As we have demonstrated, we work as a team on your audit to provide you with personal service not from just one, but several experts with a broad range of knowledge. This collective talent ensures quality service and minimum disruption to your daily routines. Because we are a local firm, we are personally committed to you and your needs.

Annual Audit Services

As part of our annual audit services, we provide the following comprehensive services to you, which are included in our fixed fee:

- You will continue to be provided with high-level service and expertise throughout the year, not just during the audit period. We are readily available to you for phone calls and questions. This service includes, but is not limited to, assistance with the interpretation and implementation of accounting pronouncements and internal control matters.
- Our audit is performed to accommodate your schedules at both the Town Hall and the School.
- We will continue to provide suggestions to enhance your internal controls using a common sense approach, which provides additional control without increasing your costs.

Quality Control

Sandra E. Welwood, LLC is subject to a peer review every three years. We have received an unqualified opinion on the review of our quality control system. A copy of our most recent quality control review report is attached.

Our firm is committed to providing our clients with professional services of the highest quality. In order to satisfy this commitment, we have a comprehensive quality control program, which ensures our clients receive the highest level of professional expertise. As part of this quality control program, Sandra E. Welwood, LLC is now a member of the AICPA's Governmental Audit Quality Center (GAQC), which promotes the importance of quality governmental audits and the value of such audits to purchasers of governmental audit services. Membership in the GAQC requires a firm to adhere to specific additional audit quality control and other requirements demonstrating a firm's commitment to governmental audit quality. Sandra E. Welwood, LLC is also a member of the AICPA's Not-for-Profit Section, which provides resources to support those who work with and for not-for-profit (NFP) organizations.

Fixed Fee

The all-inclusive fixed fee for our annual audit services for the year ended June 30, 2020 is \$16,500 (which reflects a \$1,750 increase from our 2019 fee amount primarily for the additional hours related to additional EFS Reporting requirements, the new U.S. GAAP reporting requirements related to the teachers' pension and OPEB, and continuing state issues). We also commit to provide audit services for the years ended June 30, 2021 through June 30, 2024 at the same annual fee of \$16,500. If a Federal Single Audit is needed, there will be an additional fixed fee of \$2,000.

Details of the annual fixed fee amount are as follows:

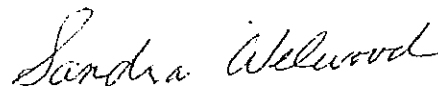
Town	\$ 9,750
Board of Education	5,000
Board of Education EFS Report	1,000
State Single Audit	<u>750</u>
Total Town Audit	<u>\$ 16,500</u>

Rates per hour for services outside the specified scope:

Partner	\$ 175
Manager	150
Senior/Staff	100

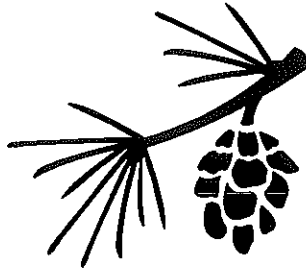
Additional Information

We believe your selection of our firm will ensure that the Town receives continued high quality, timely, and efficient professional services. We would be pleased to furnish any additional information you may require and look forward to working with you in the coming years. If you have any questions, please do not hesitate to contact me.



Sandra Welwood, CPA
Managing Partner

CORNWALL BOARD OF FINANCE



March 21, 2019

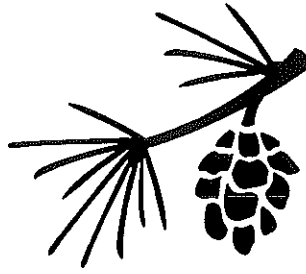
To: Town of Cornwall, Planning and Zoning Commission *Mike*

The Board of Finance of the Town of Cornwall would ^Ato thank you for providing an opportunity on January 26th for Cornwall stakeholders to speak. It was a great chance to hear about all the activity that is occurring to help our Town prepare for the next 10 years and beyond.

We would like to give a perspective that was not presented at the meeting. The Board speaks in defense of Cornwall's Grand List, the summation of all taxable property in Cornwall, as well as the taxpayers that fund our budget. At the Board of Finance, we support projects that invest in many aspects of the Town, including bridge repairs and other capital outlays, while also keeping an eye on the bottom line. Looking ahead, we're interested in the possibilities offered by better cell and internet service, as well as improved septic service in West Cornwall. Such projects, should they come to fruition, will likely attract new residents and new investment to our Town, and have the further effect of expanding the tax base.

As was pointed out at the meeting, many of us in Town were drawn here by Cornwall's scenic beauty. As we know, approximately 11,000 of our 29,500 acres (37%) are protected from development and permanently removed from the tax rolls. Admirable as that may be from a conservationist point of view, it's important to understand the implications. Our tax base is the opposite of broad and deep. The Town's relatively small population bears an outsized responsibility for supporting the cost of educating our children as well as maintaining Cornwall's roads and bridges,

CORNWALL BOARD OF FINANCE

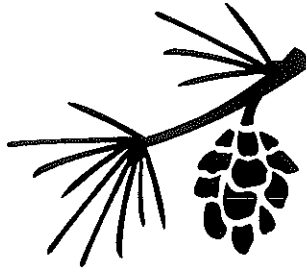


its volunteer fire department, transfer station and the other Town departments. We're not unlike other Connecticut municipalities in the services we provide, yet we are unusual in doing so while relying on a narrow, restricted tax base.

As you know, there was lively discussion at a recent Selectmen's meeting regarding a 72-acre property on Johnson Road that the Cornwall Conservation Trust was seeking endorsement to protect. Some thought it reasonable that a small portion of that property fronting the road should be excluded from permanent protection so that it may be available as a homesite. And yet, despite ideas for compromise put forward at the Selectmen's meeting, the CCT decided to move forward with its State grant application without Town support. Defending its position, the CCT pointed out that its current mission statement does not call upon it to favor making land available for development. From our point of view, it was disappointing to see a lack of consensus on this important matter, since the Town's tax base can't keep up with future demand for services without a policy of encouraging sensible development. Accordingly, we urge you to use the next Town Plan to motivate public and private organizations to seek a more equitable balance between conservation and sensible development in their missions and practices.

In contrast to urging a more balanced approach to land conservation, we would like to propose that there be attention paid in the Town Plan to the conservation of Cornwall's many beautiful barns and other historical buildings. Our barns speak to our rich farming heritage, add value to homes and neighborhood viewsheds, and encourage tourism. Many are threatened by age and the high cost of upkeep. Were the Town Plan to encourage public and private organizations to consider conserving these irreplaceable treasures as part of their mission, it would constitute a strong step forward.

CORNWALL BOARD OF FINANCE



One last point - something you are aware of but which bears repeating - concerns our volunteer fire department. The Finance Board has several current and former members of the CVFD who understand the effort it takes to keep enough members active and responding to calls. The cost savings to all of us in Town, as the result of having a volunteer force, is highly important from our perspective. In order to attract new families to Cornwall - and potential new department recruits, the Town ought to do all it reasonably can to create affordable building lots. To this end there was discussion at your January 26 meeting of reducing permissible lot sizes. We think that's a great idea and well worth further consideration.

Approved & Submitted
Board of Finance
Town of Cornwall