

# BOARD OF FINANCE

Minutes of the Special Meeting held on January 24th 2019

	<u>Regular Members</u>	<u>Others</u>
Present	Y Joseph Pryor (CHM) Y Lisa Lansing N David Hubbard N William Hurlburt Y Janet Sanders Y John LaPorta	Y Gordon M. Ridgway, First Selectman Y Barbara Herbst, BoF Clerk N John Green, Treasurer <hr/> <u>Alternate Members</u> Y K.C. Baird N Darilyn Woods

Call to Order

7:02 p.m.

Alternate

Chairman, Joe Pryor elevated K.C. Baird to sit for Bill Hurlburt.

# 1 - Report

### Board of Selectmen

First Selectman Ridgway reported in brief on the following items.

- a) **Government Shutdown**: The impact of the current Government shutdown has had an impact on the Agricultural community. USDA has been closed as part of the shutdown.
- b) **Bridge projects**: The BoS voted to engage Lenard Engineering to working on the Lake Road bridge over the Hollenbeck river.
- c) **Social Services**: There has been a spike in traffic at the Food Pantry. The Social Services position will be posted soon and a permanent replacement for Jane Sellery will be appointed.
- d) **MIRA**: The contract with MIRA (Materials Innovation and Recycling Authority) is up for renewal, it is a 10 year contract. The State may mandate municipalities to reduce solid waste
- e) **WC Sewer Project**: It is hopeful that the committee will have something ready for the town voters in 2019
- f) **Cricket Valley**: A multi-town committee has been formed with the goal of monitoring air quality in the region. Cricket Valley is a Energy Center facility now under construction in Dover, New York, that will be converting American natural gas into electricity. There is much concern regarding the emissions of this facility and how it will affect the air in our region. Funding for this endeavor is being solicited from area towns. More information on this will be available as this progresses.
- g) **POCAD**: By state statute, the P/Z Commission must update the Plan of Conservation and Development (POCAD) every 10 years. There will be a public meeting where all are encouraged to attend, participate and even make presentations as representatives of town Boards and Commissions.
- h) **Survey and recommendation report of Town Owned Buildings**: Jim Terrell will complete his work next month and a report will be forthcoming.

# 2 - Budget Transfer #1

A copy of Budget Transfer #1 for FY 2018-2019 was presented to all members and a copy is appended to these minutes.

Motion

**John LaPorta** Made a motion to approved the budget transfer #1 as presented.

**Janet Sanders** Seconded the motion.

Discussion:

First Selectman Ridgway reported that this was necessary to facilitate additional WC Wastewater engineering above the original contracted amount.

### Motion passed unanimously

#3 - CVFD Appropriation

### John LaPorta, Treasurer of CVFD

John LaPorta made a request that the Budget Document be changed to facilitate a more accurate representation of expense allocation between the Town of Cornwall and the CVFD. The current process requires duplication of information as well as shows the CVFD **Operations** and **Rescue** lines as part of Town Expenses when a more accurate representation would be to show the funding issued through those lines as a Grant. Currently CVFD expends funds for those expenses and then submits a detailed request, monthly, for reimbursement .

Lengthy discussion ensued and covered multiple considerations including but not limited to volunteer workers being considered employees of the Town, insurance, oversight,

Motion

**Janet Sanders**

Made a motion to appoint an adhoc committee consisting of the BoF Chairman, the CVFD Treasurer, the Town Treasurer, the First Selectman and the Finance Director to review all the options and make a recommendation to the BoF.

**K.C. Baird**

Seconded the motion.

**Motion passed unanimously**

**Finance Director**

# 4 - Report

Finance Director, Barbara Herbst handed out a two sided document. One side was the Actual vs Budget FY 2019 to date and the other side was Capital projects activity this FY to date. Said document is appended to these minutes

Significant activity was discussed and a written portion of the report is appended to these minutes as well.

It was noted that the current contract with the Auditor ends with this fiscal year. It was the consensus of the Board to ask our Auditor if an extension of the contract is something they would entertain.

A memo, **Record Storage, compliance with CT General Statutes 11-8(a)**, was provided to all members present and is appended to these minutes.

Said memo was briefly reviewed by the Finance Director.

It was reported that the National Iron Bank CEO and the local branch manager made an unannounced visit to the Finance Director's office in early December. At that visit, they re-introduced a program that they now offer to their customers called ICS. A copy of the brochure they provided is appended to these minutes.

Subsequent to the initial visit, a meeting was convened between the First Selectman, the BoF Chairman, the Town Treasurer and the Finance Director to review this information. Inquiries were made back to NIB including but not limited to participating references, interest earnings, details about the mechanics of the program, and how long NIB has been participating.

Detail discussion ensued and it was the consensus of the Board to take no action at this time.

# 5 - Finance Office

A copy of the proposed Finance Office Budget for FY '20 was distributed to the members and is appended to these minutes.

It was pointed out that an additional \$1,000 has been added to the Computer line to facilitate software updates that are necessary on a three year basis.

Additionally, \$300 was added to budget for a clerk that would be utilized to process payroll during any vacation time.

Motion

**Janet Sanders**

Made a motion to approve the proposed budget of the Finance Office for FY '20 as presented.

**John LaPorta**

Seconded the motion.

**Motion passed unanimously**

# 6 - Public Comment

None

**K.C. Baird**

Made a motion to adjourn the meeting.

Adjournment

**Janet Sanders**

Seconded the motion

**Motion passed unanimously**

8:15 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

# Town of Cornwall Budget Transfer Authorization

FY 2018 - 2019

Date:

1/22/2019

Department into:

Capital

Line name and number:

WC Wastewater

# 02-4098657

Costs to date in this line

\$1,800.75

Budgeted for this line:

\$7,000.00

Amount of Transfer requested:

\$2,000.00

Previous transfers to this line:

\$0.00

Reason for transfer:

To facilitate additional engineering studies / reporting above the original contracted amount.

Departments from:

Capital

Transfer from:

Unallocated Interest earnings

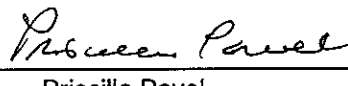
\$2,000.00

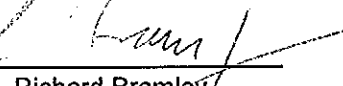
Reason lines have available balances:

Interest is earned monthly on Capital Funds and accumulated until appropriated.

Selectmen:

  
Gordon M. Ridgway

  
Priscilla Pavel

  
Richard Bramley

∞ ∞ ∞ ∞ ∞ ∞ ∞ ∞ ∞ ∞ ∞

## Board of Finance

Changes in request:

None

Approved:

Approved at the BoF meeting

1-24-19

Chairman: Board of Finance

Data Entry:

12/17/18

**Town of Cornwall  
West Cornwall Water / Septic Study**

**8/12/16 Tn Mtng** - Upon recommendation of the Board of Selectmen and the West Cornwall Water/Septic Study committee and the Board of Finance to appropriate up to \$52,000 for the study of West Cornwall village water and septic alternatives. Funds will come from the Town's undesignated General Fund balance with the understanding that a minimum of \$45,000 will be reimbursed by State grants and other donations.

Original Appropriation	52,000
Private donations	2,200
Study Costs to date	-4,001
Available Funding as of 12/18/18	50,199
Amounts to be returned to GF	-45,000

Available Funding	5,199
12/10/18 WMC Proposal	-7,000
Proposed Budget Transfer from interest earned on Capital Funds	1,801

Type	Date	Num	Name	Memo	Amount
General Jo	08/12/2016	WC Wastewat		8/12/16 Tn Mtng - appropriate up to \$52,000 for study of West cornwall village water and septic ...	52,000.00
Bill	01/01/2017	0000001	WMC Consulting Engineers	Wastewater Management Study: 12/1 - 12/31 (7.25 hrs)	-915.75
Bill	02/01/2017	0000002	WMC Consulting Engineers	Wastewater Management Study: 1/1 - 1/31 (11.50 hrs)	-1,442.38
Deposit	06/01/2017		Cornwall Conservation Trust	WC improvement association waste water study	1,050.00
Deposit	06/01/2017		Ian Ingersoll	WC improvement association waste water study	350.00
Deposit	06/01/2017		Stuller, Nicholas w.	WC improvement association waste water study	100.00
Deposit	06/01/2017		Dolinsky, David	WC improvement association waste water study	350.00
Deposit	06/01/2017		One Eleven Interactive, Corp.	WC improvement association waste water study	150.00
Deposit	06/01/2017		Wojtusiak, Joanne P.	WC improvement association waste water study	100.00
Deposit	06/01/2017		Piker, Todd	WC improvement association waste water study	100.00
Bill	11/01/2017	0000007	WMC Consulting Engineers	Wastewater Management Study: 10/1 - 10/31 (34.75 hrs) - Cornwall portion = .5117 %	-2,500.75
Bill	11/30/2017	WC Wastewater	NHCOG	April - November 21.25 hrs project management WC Wastewater Study	-1,966.05
Bill	11/30/2017	WC Wastewater	NHCOG	NHCOG - contribution of "in-kind"	466.05
Deposit	01/18/2018		NW Hills Council of Governments	refund from NEH COG	2,358.13
<b>TOTAL</b>					<b>50,199.25</b>

**Town of Cornwall**  
**Actual vs. Budget**  
 FY 2019 to date

	Jul '18 - Jun 19	Budget	Variance
<b>Income</b>			
Fees For Services	75,814.66	62,101.00	13,713.66
Other Revenues	33,650.22	24,000.00	9,650.22
Property Taxes	3,933,168.52	6,387,589.00	-2,454,420.48
State Education Grants	1,834.00		
State General Grants	195,515.70	124,501.00	71,014.70
Transfers/Non-Revenue Receipts	18,772.18	358,000.00	-339,227.82
<b>Total Income</b>	<b>4,258,755.28</b>	<b>6,956,191.00</b>	<b>-2,697,435.72</b>
<b>Expense</b>			
<b>01 · Board of Selectmen Budget</b>			
After School Program	9,029.25		
Assessor	24,360.02	47,795.00	-23,434.98
Board of Assessment Appeals	0.00	500.00	-500.00
Board of Selectmen	60,281.84	104,933.00	-44,651.16
Finance Department	43,486.67	62,996.00	-19,509.33
Hammond Beach	31,414.65	39,003.00	-7,588.35
Highway Administration / Suppli	238,363.43	460,625.00	-222,261.57
Highway Vehicle Maintenance	29,123.97	50,000.00	-20,876.03
Insurance and Benefits	201,729.33	381,955.00	-180,225.67
Land Use	40,796.96	36,586.00	4,210.96
Organizational Support	132,990.07	140,781.00	-7,790.93
Park & Recreation	27,284.41	50,060.00	-22,775.59
Payroll Expenses	31,011.37	54,703.00	-23,691.63
Probate Court	1,457.30	2,915.00	-1,457.70
Public Health & Welfare	46,220.73	51,727.00	-5,506.27
Public Safety	89,101.61	172,108.00	-83,006.39
Registrars of Voters	9,743.14	11,815.00	-2,071.86
Sanitation & Recycling	90,110.66	147,085.00	-56,974.34
Tax Collector	24,426.20	38,600.00	-14,173.80
Town Clerk	38,907.76	67,140.00	-28,232.24
Town Office Administration	26,178.25	50,700.00	-24,521.75
Contingency	0.00	30,000.00	-30,000.00
<b>Total 01 · Board of Selectmen Budget</b>	<b>1,196,017.62</b>	<b>2,002,027.00</b>	<b>-806,009.38</b>
<b>02 · Board of Education</b>	<b>2,511,233.55</b>	<b>3,998,291.00</b>	<b>-1,487,057.45</b>
<b>03 · Capital Expenditures</b>	<b>595,000.00</b>	<b>595,000.00</b>	<b>0.00</b>
<b>04 · Debt Service</b>	<b>195,005.31</b>	<b>360,873.00</b>	<b>-165,867.69</b>
<b>Total Expense</b>	<b>4,497,256.48</b>	<b>6,956,191.00</b>	<b>-2,458,934.52</b>
<b>Net Income and Expense</b>	<b>-238,501.20</b>	<b>0.00</b>	<b>-238,501.20</b>



## FINANCE DIRECTOR'S Report BoF 1/24/19

### 1) I/E fiscal year to date for General fund

#### a. Revenue Highlights

- i. \$7,407 CIRMA member equity distribution
- ii. Notice state General Grants exceed budgeted amounts by \$71,000 +/-
  1. 59,566 LoCIP from FY 18
  2. 6,527 School Security grant reimb from FY '16
  3. 9,753 PILOT
  4. 1,400 Casino funds

### 2) Expense Highlights

- a. First line "After School Program", all expense has been offset with tuition payment and grants, currently holding 8,000 in available grant funds to finish out the school year
- b. One DPW employee is out for 12 weeks starting 12/10 for a knee replacement however  
Temp labor has been minimal only being utilized for any winter road maintenance and since the winter has been relatively forgiving, the need to cover for employee that is out has been negligible.
- c. Snow budget (salt, sand, plow expenses) is currently at 34% of budgeted amount (\$70,000)
- d. DPW vehicle maintenance expense is at 58% FYTD
- e. At this time, no departments are in danger of going over budget.

### 3) CAPITAL

- a. CCS capital projects carpeting computers and roofing.
- b. HWY equipment, two pieces of equipment
  - i. 2018 JD loader \$138,265 after trading in the Galion A500 Grader for \$7,500 and the CAT IT14G loader for \$35,000
  - ii. JD Mowing Tractor (used) for \$6,000
- c. Bridge borrowing:
  - i. Smith Place over Mill Brook = 243,675
  - ii. Gravel Bank Bridge over Mill Brook = 369,075
- d. Road improvements: Paving on
  - i. Ballyhack
  - ii. Mohawk Mountain
- e. Town Buildings, exterior painting on Town Hall. WC Firehouse, insulation.

### 4) Sam Herrick is confirmed for the 2/7/19 special meeting

**FINANCE DIRECTOR'S Report BoF 1/24/19**

- 5) The Auditor contract ends with the audit for this fiscal year. Options are
- a. Issue an RFP
  - b. Contact current auditor and inquire about extending/ renewing the contract
  - c. Expiring contract was for 5 years, fixed fee \$14,750 each year



## Town of Cornwall, Finance Office

TO: Cornwall Board of Finance  
FROM: Barbara E. Herbst, Finance Director  
RE: Record storage, compliance with Connecticut General Statutes § 11-8(a)

Chairman Pryor asked that I prepare a letter stating how records are stored and backed up and that we are in compliance with the Connecticut General Statutes § 11-8(a)

Pursuant to the Connecticut General Statutes § 11-8(a), the Office of the Public Records Administrator [OPRA] is responsible for the design and implementation of a records management program for all state agencies within the executive department as well as for certain quasi-public agencies, and the towns, cities, boroughs, districts, and other political subdivisions of the state.

Municipalities may destroy records only after receiving the signed approval form (RC-075, rev. 2/2005) from the Public Records Administrator. Retention periods established on this schedule are minimum retention requirements. Records may be retained for longer periods of time.

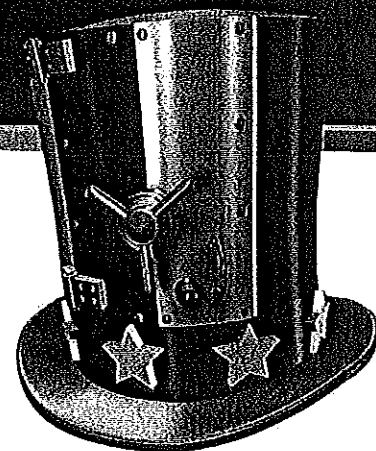
There are schedules for each division within a Municipality.

The Finance Office utilizes schedule: **M3 - Fiscal Records**

- Financial records for the Town of Cornwall are kept both electronically and physically.
- Physical documents are stored in the Town Hall separated by FY and by Fund.
- Electronic documents are stored on the office computer.

## Town of Cornwall, Finance Office

- Carbonite is the backup and recovery software that the Town of Cornwall utilizes through an annual subscription to secure electronic records on all the town computers.
- In addition to Carbonite, the Finance Office computer is backed up weekly on an external hard drive.
- A binder in the finance office has information about the Municipal Records Management Program as well as copies of approved "*Records Disposition Authorizations*" covering the periods from 7/1/1987 through December 2002.
- Original approved "*Records Disposition Authorizations*" are on file at the Town Clerk's office pursuant to the CGS 11-8(a)
- No requests for record disposition have been submitted since 8/3/2012.
- The Office of the Public Records Administrator is authorized to approve disposition of public records, under the authority granted by §11-8, §11-8a, §11-8b, and §7-109 of the General Statutes of Connecticut (CGS).
- Retention of Records: Records must be retained for the established retention periods as listed on published records retention schedules, available at <http://ctstatelibrary.org/publicrecords/>. Retention requirements apply only to the official record copy.
- All records of the Finance Office are stored and or disposed of pursuant to the ***Municipal Records Management Program*** as set forth by the Office of the Public Records Administrator, Connecticut State Library, State of Connecticut.



# Safety. Return. Freedom.

Through ICS<sup>®</sup>, the Insured Cash Sweep<sup>®</sup> service, many public depositors can access multi-million-dollar FDIC insurance on funds placed into demand deposit accounts (using the ICS demand option), money market deposit accounts (using the ICS savings option), or both.

Through the ICS service, you can:

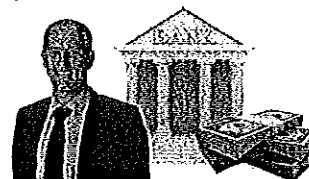
- **Enjoy peace of mind**  
ICS funds are eligible for multi-million-dollar FDIC insurance that's backed by the full faith and credit of the United States government.
- **Earn interest**  
Put excess cash balances to work in demand deposit accounts, money market deposit accounts, or both.
- **Save time**  
By providing access to FDIC insurance through a single bank relationship, ICS can help your public unit comply with investment policy mandates.
- **Access funds**  
Enjoy unlimited program withdrawals using the ICS demand option or up to six program withdrawals per month using the ICS savings option.
- **Support your community**  
Feel good knowing that the full amount of your funds placed through ICS can stay local to support lending opportunities that build a stronger community.<sup>1</sup>

Simply put, with ICS, you can have it all.

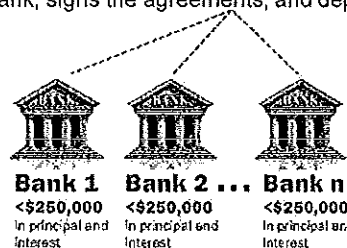
Contact us today!

## How does ICS work?

Work directly with just us—an institution you already know and trust—to access coverage from many, receive just one regular statement, and know that your confidential information remains protected.



Your public unit has or sets up a transaction account with our bank, signs the agreements, and deposits funds.<sup>2</sup>



Deposits are sent to deposit accounts at other member institutions in amounts under the standard FDIC insurance maximum of \$250,000.<sup>3</sup>



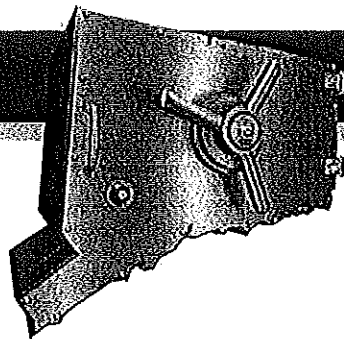
Member  
FDIC

[1] When deposited funds are exchanged on a dollar-for-dollar basis with other banks in the ICS Network, the relationship institution can use the full amount of a deposit placed through ICS for local lending, satisfying some depositors' local investment goals or mandates. In certain states, and with a depositor's consent, the relationship institution may choose to receive fee income instead of deposits from other Network members. Under these circumstances, deposited funds would not be available for local lending.

[2] If a depositor chooses both the savings and demand options, it will need to have a separate transaction account for each.

[3] Based on triggering events as set forth in the ICS Deposit Placement Agreement the depositor enters into with the relationship institution. Funds are sent to money market deposit accounts when using the ICS savings option and to demand deposit accounts when using the ICS demand option.

Placement of funds through the ICS service is subject to the terms, conditions, and disclosures in the service agreements, including the Deposit Placement Agreement ("DPA"). Limits and customer eligibility criteria apply. In the ICS savings option, program withdrawals are limited to six per month. Although funds are placed at destination banks in amounts that do not exceed the FDIC standard maximum deposit insurance amount ("SMDIA"), a depositor's balances at the relationship institution that places the funds may exceed the SMDIA (e.g., before ICS settlement for a deposit or after ICS settlement for a withdrawal) or be ineligible for FDIC insurance (if the relationship institution is not a bank). As stated in the DPA, the depositor is responsible for making any necessary arrangements to protect such balances consistent with applicable law. If the depositor is subject to restrictions on placement of its funds, the depositor is responsible for determining whether its use of ICS satisfies those restrictions. ICS and Insured Cash Sweep are registered service marks of Promontory Interfinancial Network, LLC.



# Using ICS® for Public Funds In the State of Connecticut

*[Excerpts from the Connecticut Municipal Finance Law and the Banking Law of Connecticut, as amended effective June 8, 2012]*

**Title 7 Municipalities  
Chapter 12 Municipal Finance**

**Sec. 7-401(2).** "Municipality" means any town, city or borough, whether consolidated or unconsolidated, and any school district, regional school district, district, as defined in section 7-324, metropolitan district, and each municipal corporation, organization or authority and taxing district not previously mentioned in this subdivision;

**Sec. 7-402. Deposit of public money and trust funds.**

(a) Any public official of any municipality may deposit any public funds received, held or controlled by such public official and belonging to such municipality, or otherwise held by such public official as such public official or as a custodian or trustee on behalf of such municipality, (1) in any qualified public depository, or (2) in an amount not exceeding the Federal Deposit Insurance Corporation insurance limit, in any out-of-state bank which is not a qualified public depository, designated by such public official; provided such deposit shall only be made in such public official's name as such public official, custodian or trustee or in the name of the municipality to which the money belongs.

**Title 36a The Banking Law of Connecticut Sec. 36a-330.  
Part III Protection of Public Deposits**

\* \* \*

(8) "Qualified public depository" or "depository" means a bank, Connecticut credit union, federal credit union or an out-of-state bank that maintains in this state a branch, as defined in section 36a-410, which receives or holds public deposits

\* \* \*

(11) "Uninsured public deposit" means the portion of a public deposit that is not insured or guaranteed by the Federal Deposit Insurance Corporation or by the National Credit Union Administration. For purposes of this subdivision, amounts of a public deposit that are insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration include amounts that have been redeposited, with the authorization of the public depositor, into deposit accounts in one or more federally insured banks, out-of-state banks, Connecticut credit unions or federal credit unions, including the qualified public depository, provided the full amounts so included are eligible for insurance coverage by the Federal Deposit Insurance Corporation or by the National Credit Union Administration.

\* \* \*

**Sec. 36a-336. Public deposits in qualified public depository or out-of-state bank.**

(a) No public deposit shall be made except in a qualified public depository or in an out-of-state bank if (1) the deposit is permitted by a statute of this state and (2) such out-of-state bank provides eligible collateral for such deposit in excess of the Federal Deposit Insurance Corporation insurance limit in an amount satisfactory to the public depositor but in any event affording protection at least equal to that provided under sections 36a-330 to 36a-338, inclusive.

\* \* \*

**Sec. 36a-338. Report of public depository.**

(a) On each call report date, each qualified public depository shall file with the commissioner a written report, certified under oath, indicating (1) the qualified depository's risk-based capital ratio and total capital, as determined in accordance with applicable federal regulations and regulations adopted by the commissioner in accordance with chapter 54, (2) the total amount of public deposits held by the qualified public depository other than deposits that have been redeposited into the qualified public depository by another insured depository institution pursuant to a reciprocal deposit arrangement that makes such funds eligible for insurance coverage by the Federal Deposit Insurance Corporation or the National Credit Union Administration, (3) the amount and nature of any eligible collateral segregated and designated to secure the uninsured public deposits in accordance with sections 36a-330 to 36a-338, inclusive, as amended by this act, and (4) the amount and the name of the issuer of any letter of credit issued pursuant to section 36a-337, as amended by this act. Each depository shall furnish a copy of its most recent report to any public depositor having public funds on deposit in the depository, upon request of the depositor. Any public depository which refuses or neglects to furnish any report or give any information as required by this section shall no longer be a qualified public depository and shall be excluded from the right to receive public deposits.

Town of Cornwall  
**Finance Office - Budget Worksheet**  
 Fiscal Year 2019 - 2020

	<u>FY 2017 - 2018</u>	<u>FY 2018 - 2019</u>		<i>Proposed FY</i> <u>2019 - 2020</u>
	<u>Actuals</u>	<u>YTD as of</u> <u>1.16.19</u>	<u>Budget</u>	<u>Budget</u>
Finance Department				
53404 · Treasurers Clerk	0.00	168.00	1.00	300.00
53505 · Office Supplies	1,397.79	885.95	1,000.00	1,000.00
53507 · Printing	2,721.92	2,675.00	2,860.00	2,860.00
53515 · Computer	1,238.93	1,258.78	1,500.00	2,500.00
53546 · Postage	855.45	319.99	1,000.00	1,000.00
53550 · Town Audit	14,850.00	14,000.00	14,750.00	14,750.00
<b>Total Finance Department</b>	<u>21,064.09</u>	<u>19,307.72</u>	<u>21,111.00</u>	<u>22,410.00</u>

Budgeting \$300 for clerk to cover vacation hours if necessary

Budgeting \$1,000 for software upgrades required  
 (this happens every third year)