

Town of Chester
Board of Selectmen
Tuesday, June 28, 2011
7:00 PM
Approved Minutes

I. **Preliminaries**

1.1 *Call the Meeting to Order*

Chairman Stephen Landau called the meeting of the Board of Selectmen for the Town of Chester to order at 7:10 PM.

1.2 *Roll Call*

Chairman Landau took roll call.

Members present:

Jack Cannon
Michael Weider
Chairman Stephen Landau

Members absent:

Joe Castricone
Dr. Joseph Hagan

Members of the Public present:

Leroy Scott
Patricia Martin, BOS Administrative Assistant
Carol Coppola
Chris Hadik
Bob Latham

1.3 *Pledge of Allegiance*

Chairman Stephen Landau led the attendees in the Pledge of Allegiance.

1.4 *Chairman's Additions or Deletions*

Chairman Landau stated the purpose of the evening's meeting was to have a discussion with Finance Department's transition firm, Coppola Rockburn. One of the principals of the firm, **Ms. Carol Coppola**, had been invited to attend the meeting.

Before proceeding, he asked for additions and deletions for which there were none.

1.5 *Public Comment:*

Chairman Landau asked for Public Comment. **Mr. Chris Hadik** asked if encumbrances were being covered during the evening. **Mr. Jack Cannon** indicated that, unless something unexpected arose, all encumbrances were completed the week prior. **Chairman Landau** asked **Mr. Hadik** if he knew of any to which **Mr. Hadik** replied he did not and stated if any were missing, he wanted to bring it to the Board's attention.

Mr. Michael Weider asked if \$15,000 were encumbered, as he was not present during the prior week's discussion. **Mr. Cannon** indicated that at the Town Meeting, \$15,000 was raised and appropriated. That money cannot be spent until a matching level of contributions has been met, through whatever means. **Chairman Landau** indicated that thus far, \$890 has been raised, or perhaps a few dollars more. And there is a time limit on raising that amount before it is to be transferred to the general fund.

II. New Business

2.1 **Chairman Landau** invited **Ms. Coppola** to come forward. **Mr. Cannon** informed those present that he had requested the meeting because, being in the middle of a transition with the financial support, encumbrances had been made and, although he wasn't expecting to go through every line of the report, he wanted to make sure that everything that was encumbered was backed by enough available balance funds within the budget to cover them. If there was something that needed to be pulled back before the Thursday night meeting (June 30), that could be accomplished so as not to create a negative value in the budget. He also stated that if there were other observations which **Ms. Coppola** had made within the past week, and which she thought it was important to go through, the Board would be free to discuss that as well.

Ms. Coppola asked if some of the encumbrances, which were voted on the prior week, were all Warrant Articles. **Chairman Landau** indicated that the only item that is not a Warrant Article was for the Highway Department, which was \$16,219 and regarding the Rolloff Container, there were funds from the Transfer Station budget. There was an encumbrance for \$680, which was encumbered and they received a \$900 grant.

Ms. Coppola asked about \$3,500 in the budget report. It appeared to her that that was funds encumbered that weren't spent for 2010-2011. Was that correct? The Expense Report compares the budget with what was actually spent and within that report is a section referring to encumbrances. **Chairman Landau** indicated that it was the same \$3,500 for the container because the Board thought at that time there was a grant available for it and there wasn't certainty for the amount of the grant. The Board thought at that time, the bill was going to be \$4,400 and actually, since steel has gone up, it is \$5,500. This was not a Warrant Article. **Mr. Weider** indicated he didn't recall that was encumbered and looked up some detail on it. **Ms. Coppola** indicated it was listed as encumbered.

Ms. Coppola also stated in reviewing the report and the previous projections, although she didn't have supporting documentation if anything was correct or incorrect, everything looked to be in line without going into deficit.

Mr. Weider asked how everything was going thus far and **Ms. Coppola** indicated all was fine.

Chairman Landau went back to the container and explained that a \$900 grant was received and \$685 was encumbered to make up the difference. According to what is understood, the Board had to encumber it. The item had been purchased, but not delivered. If it had been delivered, the encumbrance would not be necessary, per the attorney's advice.

Mr. Cannon indicated that this was what he wanted to hear and that was the reason he requested the meeting to at least understand where things were and thought that was important. **Chairman Landau** agreed and the accounting firm has been on for just over a week and he, too, wanted to get an idea of what had been found, if there were any questions and it would probably be a good idea to meet periodically to go over any issues which may arise.

Ms. Coppola indicated she wanted to make sure that all the accounts were correct and transactions were recorded properly. The Town has a new GASBY that will need to be complied with and cover all bases. She would like to meet from time to time to understand some of the grants that have been applied for, etc. **Mr. Weider** indicated that the meeting would be set up. He also brought up the Town, this year, put into place impacts regarding recreation and public safety and calculations, etc. The Building Inspector will be collecting and management of the fees, which will be coming back to the department through appropriation permits. He wanted her to know this was new for the Town. This is for Recreation and Highway Departments, and that the School and Public Safety will launch their programs in the future.

Chairman Landau requested going back to the GASBY and asked if that was the one that requires the Town to have valuations of various properties owned by the Town. **Ms. Coppola** indicated that GASBY 54 has a whole new way of reporting fund balances, whether they are assigned, restricted, etc. The highest is Warrant Articles, next is Board of Selectmen or purchase orders, which are assigned but not restricted. **Chairman Landau** indicated the previous GASBY that the Town dealt with, assessment had to be made of the various parcels and properties that the Town owned and asked if GASBY 34 had been superseded by GASBY 54. He had a question regarding that and asked how often the Town would have to reevaluate what the Town owned. The Town is currently in the process of getting appraisals on items currently owned and there may be other items owned that have not been properly appraised, i.e., property may need to be reevaluated as the value of property has gone down. **Ms. Coppola** indicated that GASBY 34 requires that the Town track its capital assets at their historic values; it's not a replacement or

appraised value, it is what was paid at the time of the acquisition. **Chairman Landau** asked about the value of Candia and Fremont Roads, which were present before the Town was founded. **Ms. Coppola** indicated they do have a value and explained that the value of the road would be what it was valued at the time the Town was founded. **Chairman Landau** then asked if the same were true for fine arts, i.e., the clock or the piano, which was purchased at \$1,000, but is currently worth \$50,000. **Ms. Coppola** explained that to be in compliance with GASBY 34 the Town has to go back to all the Town reports, all the historical information and go through those reports and paperwork to determine the value, i.e., the Town Hall. **Chairman Landau** indicated the Town Hall was built in 1910 for \$10,000 and it is currently insured for \$1.3 million. **Mr. Weider** interjected that the GASBY values are not insurance values. **Chairman Landau** agreed and stated his issue was that part of the Bond rating is based upon GASBY 34 and the question for him was what previously was on the Town's Bond rating. He wanted to know, since the Town has gone through revaluation and the Town is currently undervalued, is the Town undervaluing the Bond rating and therefore undervaluing the interest being paid. **Ms. Coppola** explained that when going through the Bond rating process, there are many facets that are involved in the process and it not just what the Town owns. There was some further discussion on assessments and **Ms. Coppola** indicated that it cannot be reassessed. **Mr. Weider** indicated that the insurance values need to be checked so that the properties are insured for the correct amounts.

Ms. Coppola had no other questions.

Mr. Weider indicated he was not a fan of spreadsheets and requested that the firm go back to ledgers instead. He wants to see that BSMI information from the ledgers. He also had a question regarding Internal Financial Controls on the audits. He requested for the next fiscal year that audits for the Town not be outsourced, but be done internally by the accounting firm.

Mr. Cannon asked if, instead of monthly reports, could the Board get quarterly, detailed expenditure reports. He didn't see any value of this on a monthly basis, but would like to see a detailed quarterly report. He does want to see monthly summaries still, though. **Ms. Coppola** suggested that once per quarter they receive a Trial Balance as well as the detailed report and that was agreeable with the Board.

Chairman Landau asked what files were required and **Ms. Coppola** suggested all prior audits, reconciliations, etc.

Chairman Landau requested that all employment records be moved to a fireproof filing cabinet in the BOS office and made a motion to that extent. It was seconded by **Mr. Weider**. Discussion: the reason why is that the finance office personnel is not in the office all the time and the State requires that any requests be obtained by them right away. This will enable the office to know where they are and be able to get to the information. **Mr. Weider** asked for clarification that all the accounting firm needed for employee records were the I9 and W-4 forms so they can be certain that all paperwork is appropriately handled. **Ms. Coppola** confirmed this was correct. After voting, the motion was carried unanimously.

Chairman Landau asked if there was any further business. He indicated that, since this meeting was held, there may not be a need for the meeting on Thursday, June 30. However, **Mr. Weider** pointed out that there would need to be a meeting as the attorney was attending that meeting. **Mr. Cannon** requested that **Chairman Landau** get in touch with the two absent Board members be contacted to make sure they would be present and **Chairman Landau** indicated they would be.

With no further public comment, **Mr. Cannon** made a motion to adjourn. The Motion was seconded and was carried unanimously. Meeting adjourned at 7:45 PM.

Signed,

Patty Coughlin, Recording Secretary