

# BOARD OF FINANCE

Minutes of the Special Meeting held on September 27th, 2018

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

Call to Order

7:30 p.m.

Alternate

Chairman, John LaPorta elevated K.C. Baird to sit for William Hurlburt, and Darilyn Woods to sit for Janet Sanders.

# 1 - Report

### Board of Selectmen

First Selectman Ridgway gave brief updates of the following items.

- a) **Bridge Projects**: The Covered Bridge has been reopened and the work being performed by the state is complete. The bridge replacements at the gravel bank and Smith Place are underway and expected to be completed in a timely manner.
- b) Planning and Zoning is starting the statutorily required work on the **Plan of Conservation and Development**. A series of workshops will be held and completion is expected sometime in 2020.
- c) **The Bend** project at 36 Lower River Road is continuing forward. HVA will be installing a parking lot and a boat access ramp.
- d) **West Cornwall Wastewater**: Site visits have been made to other municipalities to gather information and ideas on how other towns address the same issue.

# 2 - Report

### Finance Director

Finance Director, Barbara Herbst reported on the following items

- a) Final year end **Budget Transfers** have been prepared and provided to the Board of Selectmen for action at their October 2nd meeting. There are five transfers that move unexpended funds within the Board of Selectmen's budget to cover departmental lines that exceeded their budgeted appropriations. A summary budget vs Actual report was distributed for discussion purposes and is appended to these minutes. Action by the Board of Finance on said Budget Transfers will be undertaken at the Regular scheduled meeting 10/18/18.
- b) A final report of the **Capital Fund** was provided and reviewed. Said report has been appended to these minutes. It was noted that the West Cornwall Wastewater Study ended the year with a balance of \$43,199 however First Selectman Ridgway reported that the majority of those funds will most likely be returned to the General Fund. Support for creation / installation of a WPCA (Sanitary Sewage) in West Cornwall varies widely between the residents and the commercial enterprises.
- c) The **Audit** final field work has been completed and a draft has been received for review. One item of note is that the amount expended by the State on behalf of the Town to meet the State's funding requirements regarding Teacher Pensions, will be delayed until October. Annually, this information is provided by the Office of Policy and Management and is required to be included in our final Financial Statements. To facilitate completion of our audit in a timely manner, our Auditor has provided an estimate as well as a draft footnote to address this issue. Said information is appended to these minutes. Subsequent to a brief discussion it is the consensus of the Board to utilize the estimate and proceed with finalizing the Financial Statements.
- d) The annual **Schedule of Meetings** will be prepared for action at the next meeting.

#3 - Public Comment

None

Adjournment

**Lisa Lansing** Made a motion to adjourn the meeting.

**K.C. Baird** Seconded the motion

**Motion passed unanimously**

8:15 PM

*Barbara E. Keibol, 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.

**Town of Cornwall  
Actual vs. Budget**

FY 2018

	Jul '17 - Jun 18	Budget	\$ Over Budget
<b>Income</b>			
Fees For Services	84,827.08	62,101.00	22,726.08
Other Revenues	39,089.50	24,000.00	15,089.50
Property Taxes	6,275,110.81	6,191,797.00	83,313.81
State Education Grants	2,399.00		
State General Grants	245,102.02	273,700.00	-28,597.98
Transfers/Non-Revenue Receipts	45,143.10	282,500.00	-237,356.90
Tuition for After School Progra	110.00		
<b>Total Income</b>	<b>6,691,781.51</b>	<b>6,834,098.00</b>	<b>-142,316.49</b>
<b>Expense</b>			
<b>01 · Board of Selectmen Budget</b>			
Assessor	38,036.87	39,870.00	-1,833.13
Board of Assessment Appeals	0.00	500.00	-500.00
Board of Selectmen	100,826.64	101,678.00	-851.36
Finance Department	61,729.61	61,776.00	-46.39
Hammond Beach	36,172.84	39,797.00	-3,624.16
Highway Administration / Suppli	432,744.06	437,715.00	-4,970.94
Highway Vehicle Maintenance	48,302.54	40,000.00	8,302.54
Insurance and Benefits	344,413.05	352,511.00	-8,097.95
Land Use	31,974.84	35,893.00	-3,918.16
Organizational Support	132,563.15	135,216.00	-2,652.85
Park & Recreation	52,459.47	48,394.00	4,065.47
Payroll Expenses	52,764.04	53,114.00	-349.96
Probate Court	3,057.86	3,100.00	-42.14
Public Health & Welfare	56,004.17	51,379.00	4,625.17
Public Safety	158,733.37	167,662.00	-8,928.63
Registrars of Voters	8,662.21	10,372.00	-1,709.79
Sanitation & Recycling	154,842.78	145,135.00	9,707.78
Tax Collector	35,679.96	37,789.00	-2,109.04
Town Clerk	60,839.04	64,692.00	-3,852.96
Town Office Administration	44,117.84	45,900.00	-1,782.16
Contingency	28,133.93	30,000.00	-1,866.07
<b>Total 01 · Board of Selectmen Budget</b>	<b>1,882,058.27</b>	<b>1,902,493.00</b>	<b>-20,434.73</b>
02 · Board of Education	3,929,504.46	3,976,708.00	-47,203.54
03 · Capital Expenditures	515,000.00	515,000.00	0.00
04 · Debt Service	365,381.25	364,897.00	484.25
<b>Total Expense</b>	<b>6,691,943.98</b>	<b>6,759,098.00</b>	<b>-67,154.02</b>
<b>Net Ordinary Income</b>	<b>-162.47</b>	<b>75,000.00</b>	<b>-75,162.47</b>
Transfer OUT	75,000.00	75,000.00	0.00
<b>Net Income</b>	<b>-75,162.47</b>	<b>0.00</b>	<b>-75,162.47</b>



Discount Rate

The discount rate used to measure the total pension liability was 8.00 percent. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Town's proportionate share of the net pension liability of the System, calculated using the discount rate of 8.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00 percent) or 1-percentage-point higher (9.00 percent) than the current rate.

	<u>1% Decrease (7.00%)</u>	<u>Current Discount Rate (8.00%)</u>	<u>1% Increase (9.00%)</u>
Sensitivity of the system's proportionate share of the net pension liability related to the Town	\$ 4,535,701	\$ 3,623,618	\$ 2,852,508

Pension Liabilities, Pension Expense, and Deferred Inflows/Outflows of Resources

The State makes all contributions to the System on behalf of employees of the participating districts. Therefore, participating employers are considered to be in a special funding situation as defined by Governmental Accounting Standards Board No. 68 and the State is treated as a non-employer contributing entity in the System. Since the districts do not contribute directly to the System, there is no net pension liability or deferred inflows or outflows to report in the financial statements of the Town. The portion of the net pension liability that was associated with the Town was \$3,623,618 and 100% of the collective net pension liability is allocated to the State.

June 30, 2016, is the actuarial valuation date upon which the total pension liability is based. The total pension liability is determined as of June 30, 2017, using standard roll forward techniques. The roll forward calculation adds the annual normal cost (also called the service cost), subtracts the actual benefit payments and refunds for the plan year and then applies the expected investment rate of return for the year. The procedure was used to determine the System's total pension liability as of June 30, 2017, which is the measurement date.

The Town recognized the total pension expense associated with the Town as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the Town. For the fiscal year ended June 30, 2018, the Town recognized \$448,063 as the amount expended by the State on behalf of the Town to meet the State's funding requirements. ~~The amount recognized has been estimated using the latest available information provided by the State.~~

*FY '17 amount was \$ 416,906.00*