

ASHFORD BOARD OF FINANCE
SPECIAL MEETING
May 25, 2011
7:00 p.m.

Members Present: Cathryn Silver-Smith (Chair), Paul Canavan, Anthony Horn, Merrill Simpson, Tom Lackman (alternate), Ralph Fletcher (First Selectman, Ex-officio).

Guests:

Ashford BOE: Kim Rourke

Ashford Tax Collector: Linda Gagne

Joan Bowley, Joe Gagne, Felix Giordano, Carl Pfalzgraf

1. **Call to Order:** Ms. Silver-Smith called the meeting to order at 7:02 p.m.
2. **Seating of Alternates:** Mr. Lackman was seated for Mr. Paticchio.

Mr. Paticchio joined the meeting at 7:04 pm. Mr. Lackman rescinded his seat and Mr. Paticchio was seated. Mr. Lackman was seated for Ms. Soja.

3. **Hear from Public:**

Ms. Gagne provided a brief update on the Tax Sale, indicating that it is proceeding and that it includes 23 properties. She also noted that the current tax collection rate for FY 2010-2011 is 94.47% with \$8,600 remaining to be collected to bring the budget flat.

Ms. Gagne expressed concerns about the Finance Officer/Treasurer position listed on the meeting agenda, stating that the Town should be cautious about changing the current structure, as it is based on transparency, accountability and credibility with statutory controls built in. She indicated that the Ashford BOE needs to be fully aware of the detail for their finances and, rather than introducing a new Finance Officer/Treasurer position, both the school and Town employees need to do their jobs as defined by statute.

Ms. Bowley stated that she was once Treasurer for the Town and agreed with Ms. Gagne. Mr. Pfalzgraf expressed his agreement as well.

Ms. Silver-Smith stated that the proposed position and description of duties was a rough draft that Selectman Fletcher provided to Ms. Silver-Smith and BOE chair Jennifer Sterling-Folker to elicit feedback from their respective boards. The BOE completed their initial review and provided detail comments to Selectman Fletcher and Ms. Silver-Smith. Ms. Silver-Smith will forward the BOE's comments to board members.

4. **Bids for FY 2010-2011 Annual Audit - Audit Firm Presentations:**

Ms. Rourke, the BOE's representative on the auditor selection committee, was invited to sit with the board for audit proposal review.

Scott Trenholm (CPA, Partner) and Michael J. VanDeventer (CPA, Manager) from the CCR LLP accounting firm located in Glastonbury, CT presented their proposal and audit approach, and responded to questions posed by board members and Ms. Rourke. The CCR indicated that audit fees could be tracked separately for the Town and BOE to make it clear where expenses were incurred and would keep the BOF chair informed of progress and issues, including if and where fees might exceed estimate. CCR also stated that they conduct a post-audit "Agenda for Improvement" session that allows CCR and Ashford participants to evaluate the audit experience and identify areas for improvement.

Selectman Fletcher noted that CCR performs the audit for New England Council of Governments.

Ms. Silver-Smith invited questions from meeting guests. Ms. Bowley stated that she would like to see audit recommendations and follow-ups included in the audit report. Ms. Silver-Smith responded that recommendations are part of the audit report, as are the responses from Ashford entities, however updates/follow-up actions occur after the report is published. Going forward, progress updates will be noted in, or attached to, board meeting minutes.

Mr. Trenholm and Mr. VanDeventer were thanked and left the meeting.

Bid responses from other firms were discussed. Ms. Rourke expressed concern that the RFP was not posted on the Town website and that only one firm presented. She indicated that a firm that she works with in her capacity at UCONN is auditing a building project there and had expressed an interest in bidding. There was some discussion about audit firm mergers and dwindling number of audit firms in Connecticut that conduct audits for smaller municipalities.

5. Appointment of Auditor for FY 2010-2011 Annual Audit:

Board members and Ms. Rourke agreed that CCR's proposal was complete, met all RFP requirements, aligned with Ashford audit needs and budget, and was well-presented. Selectman Fletcher indicated that he had already followed up with some of CCR's other clients and all feedback was positive.

MR. SIMPSON MOVED AND MR. HORN SECONDED A MOTION TO HIRE CCR LLP TO CONDUCT ANNUAL FINANCIAL AUDITS STARTING WITH FISCAL YEAR 2010-2011 WITH A COMMITMENT FOR 3 YEARS AS OUTLINED IN THE CCR LLP PROPOSAL DATED MAY 20, 2011. THE MOTION WAS PASSED WITH EVERYONE VOTING AFFIRMATIVELY.

6. Proposed Finance Officer/Treasurer Position:

Selectman Fletcher provided background about the proposed position, stating that the school finances are a mess, the BOE approached him last year about moving the superintendent and school finance department to Town Offices, that the Town made improvements by hiring a CPA/Treasurer, and that it would be a disservice to the Town from a fiscal perspective not to consider the new position. He stated that the BOS could bring this proposal to Town Meeting as an ordinance change and it could be reversed by Town Meeting if it didn't work out. Selectman Fletcher would like a committee formed to assess and refine the proposal as needed for consideration by the Town.

Initial feedback from board members about the proposed position included:

- Areas where there are concerns/gaps in current financial management should be clarified, either with an asterisk (*) next to duties, skills and abilities outlined in the proposal or by listing current and proposed responsibilities next to each other for comparison along with which entity has the responsibility.
- The proposed position is worth looking at, but there is concern that it may be considered an attempt to interfere with how the BOE manages line items within their budget. That is not the intent of this board and that would need to be made clear to all.
- Where would the salary for the new position come from?
- The responsibilities of the superintendent of schools should be reviewed. They are defined by state statute and must be adhered to.
- Financial management and reporting are becoming increasingly complex due to changes in GASB, management discussion and analysis, and OPM requirements.
- The solution needs to be cost-effective.

Mr. Lackman directed a number of questions and negative comments about the BOE and superintendent to Ms. Rourke, who was seated in the audience. It should be noted that discussion was limited to board members at that time. Ms. Silver-Smith stated that the topics Mr. Lackman raised were not on the Special meeting agenda, and that if so desired, they could be included on the next Regular meeting agenda with the BOE invited to respond.

Mr. Lackman left the meeting at 8:35 p.m. stating “No one is interested in financial management and what the hell I have to say.”

Ms. Silver-Smith asked guests in attendance if they had any additional comments for the board about the proposed position. Ms. Gagne reiterated that employees are dedicated, believe in service to the Town and are already operating under state statute. Mr. Pfalzgraf stated that Governor Malloy has a committee looking at changes to education, including superintendents. Ms. Bowley reiterated that state statute needs to be followed. Mr. Giordano said that the proposed position is essential for taxpayers, as it could produce savings overall.

9. Adjournment:

MR. HORN MOVED AND MR. PATTICHIO SECONDED A MOTION TO ADJOURN THE SPECIAL MEETING OF THE BOF. THE MOTION WAS PASSED WITH EVERYONE VOTING AFFIRMATIVELY.

The meeting adjourned at 8:55 p.m.

Respectfully submitted,

Cathryn Silver-Smith (Chair) for BOF Clerk

Attachments:

Finance Officer/Treasurer job description

On File with Town Clerk:

CCR Proposal and Dollar Cost Bid