

Board of Finance
Minutes Regular Monthly Meeting
Tuesday, November 15, 2016

Present: Jim Blackketter, Maureen Brady, Mark McWhinney, Nancy O'Dea-Wyrick, Mark Sebetic.

Public and Invited Guests: Bruce Adams, Barbara Herbst, Sandra Welwood.

Mark Sebetic called the meeting to order at 7:00 p.m.

Agenda: Mrs. Ferris noted item 5d should read FY 2016 Audit. Mr. Blackketter made a motion to accept the agenda as corrected. Mr. McWhinney seconded the motion, and the motion was approved unanimously.

Approval of Minutes: Mr. Blackketter made a motion to approve the minutes of the Oct. 18, 2016 meeting. Mrs. Brady seconded the motion. Mr. McWhinney asked to correct the minutes to change "said" to "asked" in the first paragraph on Page 2. Mr. Blackketter made a motion to amend the minutes to reflect change from "said" to "asked" in the first paragraph on Page 2. Mrs. Brady seconded the motion, and the motion was approved unanimously. Mr. Blackketter made a motion to approve the minutes of the Oct. 18, 2016 as amended. Mr. McWhinney seconded the motion, and the motion was approved unanimously.

Correspondence: Copies of the Region One School District Shift in Enrollment, dated Oct. 18, 2016, were distributed. (attached).

Reports: Tax Collector: Debbie Devaux did not attend the meeting and did not provide a report.

Board of Education: A representative from the board did not attend the meeting.

Board of Selectmen: Bruce Adams: Mr. Adams reported the following:

Cell Tower Lease - Update

Agreement signed and submitted. Awaiting \$30,000 signing bonus. Still waiting.

Welcome Center Update

Contract signed and work has begun. Footings poured, driveway-parking started.

We have submitted a request for an advance of 50%, approximately \$135,000.

Mr. Adams said he expects the total project would come in just under budget or right on (\$500,000). He added that he is waiting to hear from the DOT on the status of the proposal to change the road behind the pharmacy to a one-way road.

Ms. O'Dea-Wyrick arrived at the meeting and took over running the meeting.

Carter Road project update

Work has halted. I attended a meeting at DOT and learned that there is a major difference of opinion on load specs between 2 engineers. This has held up all aspects.

Kent Board of Finance Minutes Nov. 16, 2016

Page 2

The contractor is still confident of opening the road before winter.
No real progress since last month.

MSIF grant application – update

A few months ago the Streetscape Committee submitted a grant application to the Main St. Investment Fund to do sidewalk work in town. I received word last week that we were granted \$500,000. The Committee will now get to work on what to do with the grant.

The Streetscape Committee has met and started discussion on how to proceed.

They will meet with the engineer who designed our streetscape plan soon.

Treasurer – Barbara Herbst: Mrs. Herbst provided the following written reports (attached):

- Kent Center School Budget Comparison, July through October 2016, dated November 10, 2016.
- Building Inspector's Report, dated Nov. 9, 2016.
- Town of Kent Actual vs. Budget, July through November 15, 2016, dated Nov. 15, 2016. Mrs. Herbst said there is nothing of note or interest in the budget.

Business: Meeting Calendar 2017: Ms. O'Dea-Wyrick noted the proposed meeting dates reflect an earlier date in January to facilitate business for the Annual Town meeting. The board agreed to meet November 14 instead of the 21st. Mr. Blacketter made a motion to approve the proposed 2017 meeting dates (attached). Mrs. Brady seconded the motion, and the motion was approved unanimously.

Annual Report: Mrs. Ferris anticipates having a draft report before the December meeting.

FY2017 Budget Calendar: Mr. Adams said the Five-Year Capital Plan requests are due Nov. 18, 2016. He added the school board discussed its plan at its November meeting and has let the first selectman know the school board's request will be submitted after its December meeting.

FY2016 Audit: Sandra Welwood provided and discussed a written overview of discussion of the Fiscal Year 2016 audit (attached). She commented the town's financials are "strong, positive." Ms. Welwood explained that the town treasurer starting next year will be responsible for preparing the Schedule of Expenditures for the State Single Audit. She estimated this would involve about 10 hours of work.

Comments from Public and Invited Guests: There were no comments.

Mr. McWhinney made a motion to adjourn the meeting at 8:25 p.m.

Lesly Ferris, Board Clerk

Minutes are not considered final until approved. Refer to the minutes from ensuing meeting for any

RECEIVED FROM ENSUING
KENT TOWN CLERK

2016 NOV 17 A 9:01

BY

TOWN CLERK

Region One School District
Shift in Enrollment

	Enrollment *		Enrollment Percentage		Assessment Based on the 2015-2016 budget Enrollment Effect \$		16/17 to 17/18 Change Due To:			
							Shift in Enrollment		Each 1% Budget Change	
	2015-16	2016-17	2016-17	2017-18	2016-17	2017-18	Dollars	Percentage	Dollars	Percentage
HVRHS										
Canaan	36	36	8.6124%	8.9776%	864,188	900,833	36,645	4.2%	9,008	1.0%
Cornwall	37	42	8.8517%	10.4738%	888,200	1,050,965	162,765	18.3%	10,510	1.2%
Kent	61	57	14.5933%	14.2145%	1,464,325	1,426,316	-38,009	-2.6%	14,263	1.0%
North Canaan	127	121	30.3828%	30.1746%	3,048,680	3,027,789	-20,891	-0.7%	30,278	1.0%
Salisbury	79	74	18.8995%	18.4539%	1,896,419	1,851,707	-44,712	-2.4%	18,517	1.0%
Sharon	78	71	18.6603%	17.7057%	1,872,418	1,776,631	-95,787	-5.1%	17,766	0.9%
Total	418	401	100.0000%	100.0001%	10,034,231	10,034,231	11	0.0%	100,342	1.0%
PUPIL SERVICES										
Canaan	76	74	4.9803%	4.9966%	318,726	319,769	1,043	0.3%	3,198	1.0%
Cornwall	91	74	5.9633%	4.9966%	381,635	319,769	-61,866	-16.2%	3,198	0.8%
Kent	240	231	15.7274%	15.5976%	1,006,511	998,204	-8,307	-0.8%	9,982	1.0%
North Canaan	260	277	17.0380%	18.7036%	1,090,386	1,196,980	106,594	9.8%	11,970	1.1%
Salisbury	277	281	18.1520%	18.9737%	1,161,679	1,214,266	52,587	4.5%	12,143	1.0%
Sharon	164	143	10.7471%	9.6556%	687,785	617,932	-69,853	-10.2%	6,179	0.9%
HVRHS	418	401	27.3919%	27.0763%	1,753,008	1,732,810	-20,198	-1.2%	17,328	1.0%
Total	1,526	1,481	100.0000%	100.0000%	6,399,730	6,399,730	0	0.0%	63,998	1.0%
CENTRAL OFFICE										
Canaan	76	74	4.9803%	4.9966%	54,403	54,581	178	0.3%	546	1.0%
Cornwall	91	74	5.9633%	4.9966%	65,141	54,581	-10,560	-16.2%	546	0.8%
Kent	240	231	15.7274%	15.5976%	171,801	170,384	-1,417	-0.8%	1,704	1.0%
North Canaan	260	277	17.0380%	18.7036%	186,118	204,313	18,195	9.8%	2,043	1.1%
Salisbury	277	281	18.1520%	18.9737%	198,287	207,263	8,976	4.5%	2,073	1.0%
Sharon	164	143	10.7471%	9.6556%	117,398	105,475	-11,923	-10.2%	1,055	0.9%
HVRHS	418	401	27.3919%	27.0763%	299,221	295,773	-3,448	-1.2%	2,958	1.0%
Total	1,526	1,481	100.0000%	100.0000%	1,092,370	1,092,370	1	0.00%	10,925	1.0%
TOTAL REGION #1										
Canaan	112	110			1,237,317	1,275,183	37,866	3.1%	12,752	1.0%
Cornwall	128	116			1,334,976	1,425,315	90,339	6.8%	14,254	1.1%
Kent	301	288			2,642,637	2,594,904	-47,733	-1.8%	25,949	1.0%
North Canaan	387	398			4,325,184	4,429,082	103,898	2.4%	44,291	1.0%
Salisbury	356	355			3,256,385	3,273,236	16,851	0.5%	32,733	1.0%
Sharon	242	214			2,677,601	2,500,038	-177,563	-6.6%	25,000	0.9%
Total	1,526	1,481			15,474,100	15,497,758	23,658	0.2%	184,979	1.0%

* Enrollments reflect Student Census reported as of 10/1/2015 and 10/1/2016.

Based on no change in 2017-2018 budgets.

10/18/2016

11/10/16

Kent Center School

Budget Comparison

July through October 2016

	Jul - Oct '16	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense				
Expense				
111-1001 Teachers, Regular	376,498.40	1,942,563.00	-1,566,064.60	19.4%
111-2410 Principal	37,650.08	123,715.00	-86,064.92	30.4%
112-2101 Teacher Assistants	25,343.69	127,224.00	-101,880.31	19.9%
112-2113 Home/School Liaison	9,075.45	46,020.00	-36,944.55	19.7%
112-2134 Nurse	8,533.20	44,593.00	-36,059.80	19.1%
112-2199 Caf. Duty/Athl. Off.	445.90	7,140.00	-6,694.10	6.2%
112-2225 Network Administrator	12,302.65	63,966.00	-51,663.35	19.2%
112-2312 Bookkeeper	9,236.70	27,213.00	-17,976.30	33.9%
112-2410 Office Staff	22,516.42	93,812.00	-71,295.58	24.0%
112-2620 Custodians	62,785.84	199,339.00	-136,553.16	31.5%
112-2730 Crossing Guard	632.40	3,348.00	-2,715.60	18.9%
120-1102 Substitute Teachers	5,677.50	40,000.00	-34,322.50	14.2%
130-1001 Teachers, Extra Duty	4,568.00	24,536.00	-19,968.00	18.6%
130-1002 Prof. Devel. Presenter	0.00	1,550.00	-1,550.00	0.0%
210-0001 Health/Dental Ins.	264,433.02	698,026.00	-433,592.98	37.9%
211-0001 Life Insurance	1,765.80	5,700.00	-3,934.20	31.0%
220-0001 Soc. Sec.	16,639.86	78,256.00	-61,616.14	21.3%
230-0001 Pension	5,433.28	29,367.00	-23,933.72	18.5%
240-1001 Tuition Reimbursement	0.00	1,500.00	-1,500.00	0.0%
250-2310 Unemployment Comp.	0.00	200.00	-200.00	0.0%
260-0001 Workers Comp.	11,225.00	23,300.00	-12,075.00	48.2%
321-1100 Assembly Programs	0.00	1,500.00	-1,500.00	0.0%
322-2100 In Service/Non-Certs.	150.00	4,000.00	-3,850.00	3.8%
322-2210 Curr./In-Serv/Testing	5,234.70	13,000.00	-7,765.30	40.3%
330-2132 Phys. Serv./Students	0.00	600.00	-600.00	0.0%
330-2310 Legal & Investig. Svs	2,544.00	6,000.00	-3,456.00	42.4%
330-2590 Enumeration	0.00	590.00	-590.00	0.0%
330-2835 Physicians Serv./Empl.	0.00	10.00	-10.00	0.0%
411-2600 Water/Sewer/Trash	3,162.18	10,662.00	-7,499.82	29.7%
430-1001 Repair/Instr. Equip.	650.00	1,000.00	-350.00	65.0%
430-1002 Repair/I.T. Equipment	259.99	3,300.00	-3,040.01	7.9%
430-2410 Repair/Office Equip.	0.00	250.00	-250.00	0.0%
430-2600 Bldg. Maint. & Repairs	1,911.50	45,000.00	-43,088.50	4.2%
430-2610 Sched Maint/Bldg Impro	32,985.00	19,000.00	13,985.00	173.6%
430-2640 Service Contracts	10,755.78	33,000.00	-22,244.22	32.6%
442-1100 Lease/Instr.-Office Eq	3,965.36	10,920.00	-6,954.64	36.3%
510-2700 Pupil Transportation	54,810.00	275,200.00	-220,390.00	19.9%
520-2310 E&O/Liability Ins.	12,816.89	13,098.00	-281.11	97.9%
520-2620 Property/Flood/Auto In	41,975.00	40,380.00	1,595.00	103.9%
530-2410 Postage	940.00	1,275.00	-335.00	73.7%
531-2225 Internet/Network Secur	1,698.00	6,050.00	-4,352.00	28.1%
531-2410 Telephone/Fax	1,502.22	10,500.00	-8,997.78	14.3%
550-2540 Printing/Advertising	0.00	500.00	-500.00	0.0%
561-1200 Pupil Services	402,340.80	1,005,852.00	-603,511.20	40.0%
561-6110 H.V.R.H.S. Tuition	585,204.80	1,463,011.00	-877,806.20	40.0%
561-6112 Adm. Services	67,460.00	168,650.00	-101,190.00	40.0%
561-6113 Summer School	8,309.72	8,500.00	-190.28	97.8%
580-1001 Staff Travel	320.22	1,000.00	-679.78	32.0%
580-2410 Princ. Workshop/Travel	0.00	925.00	-925.00	0.0%
580-2790 School Trips/Athletics	15,222.99	29,500.00	-14,277.01	51.6%
610-1001 Teaching Supplies	17,956.00	37,000.00	-19,044.00	48.5%
610-1002 I.T. Supplies	2,288.08	9,000.00	-6,711.92	25.4%

11/10/16

Kent Center School

Budget Comparison

July through October 2016

	Jul - Oct '16	Budget	\$ Over Budget	% of Budget
610-1200 Pupil Serv. Supplies	0.00	1,000.00	-1,000.00	0.0%
610-2134 Health Off. Supplies	950.23	3,200.00	-2,249.77	29.7%
610-2220 A.V. Materials	0.00	1,075.00	-1,075.00	0.0%
610-2410 Office Supplies	215.68	2,000.00	-1,784.32	10.8%
611-2490 Graduation Expenses	259.00	2,300.00	-2,041.00	11.3%
613-2600 Custodial Supplies	3,075.02	12,500.00	-9,424.98	24.6%
622-2601 Electricity	18,427.66	63,965.00	-45,537.34	28.8%
623-2620 Propane	961.19	3,200.00	-2,238.81	30.0%
624-2620 Heating Oil	45,413.47	55,625.00	-10,211.53	81.6%
627-2740 Fuel for Buses	814.45	34,850.00	-34,035.55	2.3%
641-1130 Texts	4,118.19	11,000.00	-6,881.81	37.4%
641-1140 Computer Software	13,164.65	35,450.00	-22,285.35	37.1%
642-2210 Professional Books	0.00	1,100.00	-1,100.00	0.0%
642-2222 Library Books/Subscr.	1,181.17	10,000.00	-8,818.83	11.8%
642-2223 Automated Library Soft	1,416.67	1,150.00	266.67	123.2%
730-1130 Equip. - Info. Techn.	1,966.25	29,200.00	-27,233.75	6.7%
730-1150 Equip. - Misc. Instr.	20,712.00	14,100.00	6,612.00	146.9%
730-2222 Equip. - Library	0.00	500.00	-500.00	0.0%
730-2600 Service Equipment	0.00	5,000.00	-5,000.00	0.0%
810-2519 Board Fees/Dues/Expens	3,141.47	9,750.00	-6,608.53	32.2%
930-3100 Cafeteria Subsidy	7,500.00	20,000.00	-12,500.00	37.5%
930-5600 Capital-End User Compu	0.00	25,000.00	-25,000.00	0.0%
Contingency	0.00	20,000.00	-20,000.00	0.0%
Total Expense	2,272,543.52	7,162,606.00	-4,890,062.48	31.7%
Net Ordinary Income	-2,272,543.52	-7,162,606.00	4,890,062.48	31.7%
Net Income	-2,272,543.52	-7,162,606.00	4,890,062.48	31.7%

		Building Inspector							
		GL# 04-120-400							
			2016-2017						
								Construction Value	
	Receipts	Waived Fees	Payment	Town Share	Check Date	Check #	Check Amount		
July	\$ 4,609.00		\$ 3,410.66	1,198.34	8/2/2016	1335	\$3,410.66		\$659,017
August	7,003.00	50.00	5,219.22	1,783.78	8/31/2016	1339	\$5,219.22		\$973,996
September	27,927.00		20,665.98	7,261.02	10/4/2016	1340	\$20,665.98		\$4,505,741
October	4,946.00		3,660.04	1,285.96	11/9/2016	1343	\$3,660.04		\$706,081
November			0.00	0.00					
December			0.00	0.00					
January			0.00	0.00					
February			0.00	0.00					
March			0.00	0.00					
April			0.00	0.00					
May			0.00	0.00					
June			0.00	0.00					
Total	\$ 44,485.00	\$ 50.00	\$ 32,955.90	\$ 11,529.10			\$32,955.90		\$6,844,835
Amt Budgeted				35,000.00					
% of Budgeted Amount Received to date				32.94%					
Note:	Construction activity curtailed during the winter months								
The first \$1,000 is a \$20 fee									
Building Permit Fees are calculated at \$6 per 1,000 of the value of the project over 1,000									
AT YEAR END									
Record Town share as Income through 6/29									
Journal Entry Bldg Inspector revenue out of income on 6/30 and book to Transfer In									

TOWN OF KENT
Actual vs. Budget
July 2016 through November 15, 2016

	Jul '16 through Nov 15, 2016	Budget	Variance	% of Budget
Total Revenue	7,486,280.78	12,755,658.00	-5,269,377.22	58.69%
A • General Government	575,582.19	1,162,852.00	-587,269.81	49.5%
B • Public Safety	24,939.95	188,432.00	-163,492.05	13.24%
C • Public Works	261,836.45	1,540,493.00	-1,278,656.55	17.0%
D • Health and Welfare	47,824.70	108,140.00	-60,315.30	44.23%
E • Recreation	78,957.22	195,510.00	-116,552.78	40.39%
F • Sanitation	35,088.18	115,937.00	-80,848.82	30.27%
G • Board of Education	2,710,566.70	7,162,606.00	-4,452,039.30	37.84%
H • Debt Service	190,462.25	669,988.00	-479,525.75	28.43%
I • Transfer to Capital	732,200.00	732,200.00	0.00	100.0%
J • Transfer to Dog Fund	7,500.00	7,500.00	0.00	100.0%
K • Current Year Capital Projects	872,000.00	872,000.00	0.00	100.0%
Total Expense	5,536,957.64	12,755,658.00	-7,218,700.36	43.41%
Net Revenue and Expense	1,949,323.14	0.00	1,949,323.14	100.0%

a) Tax Collection is at 57.2% of budget (exactly the same as prior year)

b) % of FY completed 38.46%

Town of Kent, Connecticut
Board of Finance Meeting
Discussion - For Year Ended June 30, 2016
OVERVIEW

A. General Results of the Audit

- Great first year audit - only a few bumps along the way
- Audit went smoothly with all information requested provided to us
- Wonderful support and responsiveness from all at the Town
- Solid internal controls, with independent reviews to ensure segregation of duties in most areas

B. Financial Highlights

- Moved WPCA permanent maintenance agreements to WPCA Fund (page 18)
- Implementation of GASB # 72 - no effect except additional disclosure (page 32)
- Adjusted property taxes receivable to exclude suspense write offs (page 61)
- Financial highlights - pages 2 to 4 of this summary

C. Opportunities for Consideration

- State Single Audit (Source State Compliance Supplement)

The auditee is responsible for the preparation of the Schedule of Expenditures of State Financial Assistance and the independent auditor is responsible for issuing an opinion on whether the Schedule is presented fairly in all material respects in relation to the auditee's financial statements taken as a whole. The independent auditor also has the responsibility under the State Single Audit (SSA) Act to determine the major state programs (an important aspect of conducting a State Single Audit); the Schedule of Expenditures of State Financial Assistance serves as the primary basis for the auditor making that determination. Therefore, appropriate major program determination by the auditor is highly dependent on the accuracy and completeness of the information that makes up the Schedule of Expenditures of State Financial Assistance.

- Next Year - change in audit procedures

Town of Kent, Connecticut
Board of Finance Meeting
Discussion - For Year Ended June 30, 2016
FINANCIAL SUMMARY

1. Government-Wide Financial Information (derived from pages 11 and 12)

	2016	2015	Change
Revenues	\$ 12,984,211	\$ 12,478,109	\$ 506,102
Expenses	11,886,349	11,778,270	108,079
Change in net position	1,097,862	699,839	398,023
Beginning net position	17,574,725	16,874,886	699,839
Ending net position	<u>\$ 18,672,587</u>	<u>\$ 17,574,725</u>	<u>\$ 1,097,862</u>

- Net position changed as follows:

	2016	2015	Change
Invested in capital assets	\$ 13,024,548	\$ 12,467,188	\$ 557,360
Restricted	57,379	57,379	-
Unrestricted	5,590,660	5,050,158	540,502
Total net position	<u>\$ 18,672,587</u>	<u>\$ 17,574,725</u>	<u>\$ 1,097,862</u>

2. Debt Levels (derived from page 36)

- Very little Debt!!!!
- Small amount related to your portion of Region #1 debt - \$531,481
- Bonds and loans payable as follows:

	2016	2015	Change
General Obligation Bonds	\$ 2,490,000	\$ 3,080,000	\$ (590,000)
Clean Water Loan	1,418,058	1,438,645	(20,587)
	<u>\$ 3,908,058</u>	<u>\$ 4,518,645</u>	<u>\$ (610,587)</u>

Town of Kent, Connecticut
Board of Finance Meeting
Discussion - For Year Ended June 30, 2016
FINANCIAL SUMMARY

3. Governmental Funds - GAAP Basis (page 33)

	General Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
<u>Nonspendable:</u>				
Prepaid expenses	\$ 13,115	\$ -	\$ -	\$ 13,115
Inventory	-	-	471	471
Trusts	-	-	57,379	57,379
<u>Restricted:</u>				
Capital projects	-	2,172,557	-	2,172,557
General government	-	-	2,386	2,386
Endowment	-	-	14,743	14,743
Education	-	-	6,818	6,818
<u>Committed:</u>				
Subsequent year	225,000	-	-	225,000
Schaghticoke litigation	28,930	-	-	28,930
Maple Street extension	34,498	-	-	34,498
General government	-	-	88,325	88,325
Public safety	-	-	6,116	6,116
Recreation	-	-	9,526	9,526
Health and welfare	-	-	4,884	4,884
Education	-	-	5,856	5,856
<i>Unassigned</i>	2,038,661	-	-	2,038,661
	<u>\$ 2,340,204</u>	<u>\$ 2,172,557</u>	<u>\$ 196,504</u>	<u>\$ 4,709,265</u>

4. General Fund Results - Budgetary Basis (derived from page 17)

- Reminder the budgetary basis uses the current financial resources measurement focus and does not include the effects of recognizing all assets and liabilities.

	Final Budget	Actual	Better (Worse) Than Budget
Total revenues	\$ 12,599,501	\$ 12,544,244	\$ (55,257)
Total expenditures	(12,599,501)	(12,401,479)	198,022
Net change in fund balance	\$ -	\$ 142,765	\$ 142,765

Revenues were below budgeted amounts by \$55,257 which includes the projected usage of \$225,000 of Undesignated General Fund Balance. Overall the Town's expenditures were \$198,022 less than budgeted amounts principally attributable to reductions in Educational expenses. Although \$225,000 of fund balance was anticipated to be used to balance the budget, none was used and you increased your fund balance by \$142,765.

TOWN OF KENT, CONNECTICUT

