



Town of Burlington

BURLINGTON BOARD OF FINANCE REGULAR MEETING January 20, 2021

A meeting of the Burlington Board of Finance was held on Wednesday, January 20, 2021, as a virtual Zoom Conferencing meeting. Board members present were: Gerald Mullen, Chairman, John Achilli, Susan Brault, Steve Carrier, John Kirschner, Mark Klepacki and Andrew Klimkoski. Also in attendance was First Selectman Theodore Shafer, Finance Director Elisa Michell, and from King & King Associates, P.C. Christopher King and Kevin Vold.

Chairman Mullen declared a quorum was present and called the meeting to order at 6:30 p.m.

Minutes

Minutes from the December 16th regular meeting were reviewed. Chairman Mullen noted that under the Correspondence section "Tax Collector Tharau" should be "Tax Assessor". Following the review and discussion, on a motion made and seconded by Achilli/Brault, it was unanimously VOTED TO:

Approve the December 16, 2020, minutes with amendment to Correspondence section.

Citizens Comments

None.

Correspondence

Chairman Mullen reported he received a letter from King & King Associates, P.C. that they have completed their audit for the fiscal year that ended June 30, 2020.

FY 2019/20 Audit Reports

An initial draft of the audit reports prepared by King & King Associates, P.C. ("KKA") for the year ending June 30, 2020, was distributed and reviewed at the December 16th meeting. Based on information, feedback and questions the draft audit report presented last month was revised and a final audit report was sent out to the Board prior to this meeting. The final audit reports have already been filed with the State by KKA. Mr. King reported that there was no change to the overall opinion or the other *Report on Internal Controls Over Financial Reporting* and *Report on Compliance Required by the State Single Audit Act* reports. He reiterated that the audit has resulted in a clean opinion, meaning the Town's financial statements, in all material respects, present fairly the financial position and governmental activities of the Town in accordance with accounting standards. There were no disagreements with management and management cooperated throughout the audit process. He then gave a high-level summary of the changes to the Management's Discussion and Analysis section, then answered specific questions from the Board. Discussion was held on Note 4 – Cash, Cash Equivalents, and Investments which states the Town does not have a deposit policy for



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custodial risk or a formal investment policy. Mr. King conveyed that governmental auditing standards requires that the auditor report in the notes to the financial statements whether a governmental entity has certain policies in place. This is not to be construed as a formal recommendation, but the Town should consider developing these policies to further improve general oversight and governance.

Discussion was then held on the three governmental accounting rule changes in Note 16 – Accounting Pronouncements. The new accounting standards go into effect over the next three fiscal years beginning with the current FY 2020/21. The new rules affect the accounting for fiduciary activities, the interest cost incurred before the end of a construction period and leases. Following the discussions, Messrs King and Vold left the meeting at 7:20 p.m. Chairman Mullen then asked for a motion to accept the *Independent Auditor's Report, Report on Internal Controls Over Financial Reporting and Report on Compliance Required by the State Single Audit Act* for the Year Ended June 30, 2020. On a motion made and seconded by Brault/Klepacki, it was unanimously VOTED TO:

Accept the audit reports as presented.

Financial Report

Mrs. Michell reviewed and discussed key year-to-date financial reports for: 1/7/21 revenue and 12/31/21 expenses. Total revenue is just under 63% of the fiscal year budget. Expenses were generally on budget. Total expenditures were at 48% of the fiscal budget. She reported on nine expense items which already exceed the amounts budgeted for the full fiscal year. These are the same items reported over the last few months.

Mrs. Michell reported that following last month's discussions, she consulted with the Town's auditors on the accounting treatment of State and federal aid received for COVID-19 pandemic and Storm Isaias costs. New expense accounts will be setup under various expense control categories. Prior to closing out the current fiscal year-end records, all pertinent expenses will be transferred into these new expense accounts up to the amount of aid received. The auditors will then examine these accounts during next year's audit. To date, the Town has received \$11,550 from FEMA, and amounts of \$21,950 and \$65,952 from the State, as reimbursements for COVID-19 pandemic expenses. She reported the State received earlier this month official notification from FEMA, that the Governor's September 2020 request for a federal major disaster declaration had finally been approved for damage caused by storm Isaias. The Town had submitted a preliminary damage assessment of \$116,500 to the State back in August. If approved, up to 75% of this amount could be awarded if approved.

December's month-end bank/investment/reserve account balance reports prepared by Treasurer Savino were then reviewed and discussed. Mrs. Michell reported on changes in the BVFD, Police Capital and Johnnycake Mtn. Recreation reserve accounts. The fiscal year 2021/22 department budgets and capital requests was submitted to the board of selectmen



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("BOS") at their meeting yesterday for review and administrative recommendations. The budget will then be present to the Board in February. Following discussion, on a motion made and seconded by Klimkoski/Achilli, it was unanimously VOTED TO:

Accept the Financial Report as presented.

Tax Collector's Report

The Board reviewed and discussed the December 31, 2020, Tax Collector's Report. Reports covered information on collected, and uncollected, property taxes and sewer fees/taxes. Following discussion, on a motion made and seconded by Brault/Achilli, it was unanimously VOTED TO:

Accept the December Tax Collector's Report as presented.

First Selectman's Report

Mr. Shafer reported that the BOS recently established a new Johnnycake Mtn. Park Advisory Commission. The Commission will be comprised of two Town employees, a member of the Burlington Land Trust and six residents. Resident applications to serve on the new Commission are due by the end of January. The Commission will provide input on the Johnnycake Mtn. Park development project. He reported on continued communications with property owners adjacent to Library Lane following the Town's recent purchase of land on Library Lane. Mr. Shafer then reported that Public Works Director Tharau informed him that the costs to replace the Main Street bridge will be more than expected. Being a member of the public in attendance at the meeting, Director Tharau reported that the bridge goes over the water pipe owned by the City of New Britain and it needs to be moved. He estimates it will cost around \$14,000 more than the amount approved by the Board and will come back for authorization at a future meeting.

Executive Session

None.

Chairman Mullen reminded Board members the Town's Annual Meeting will be held on Monday, January 25, 2021, at 7:30 p.m. A copy of the Annual Town Report 2019-2020 was sent out to Board members yesterday.

Adjournment

Chairman Mullen then asked if there was any further business to come before the Board. There being no further business, on a motion made and seconded by Brault/Klepacki, at 8:18 p.m. it was unanimously VOTED TO:

Adjourn the meeting.

Respectfully submitted,



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Andrew J. Klimkoski

Andrew Klimkoski, Secretary