

**ENFIELD TOWN COUNCIL
MINUTES OF A SPECIAL MEETING
TUESDAY, FEBRUARY 21, 2017**

A Special Meeting of the Enfield Town Council was called to order by Chairman Kaupin in the Enfield Room of the Enfield Town Hall, 820 Enfield Street, Enfield, Connecticut on Tuesday, February 21, 2017. The meeting was called to order at 5:30 p.m.

ROLL-CALL –Present were Councilors Arnone, Bosco, Cekala, Davis, Deni, Edgar, Falk, Kaupin, Lee, Ludwick and Szewczak. Also present were Town Manager, Bryan Chodkowski; Town Clerk, Suzanne Olechnicki; Town Attorney, Christopher Bromson; Director of Finance, John Wilcox. Director of Human Resources, Steven Bielenda

BLUM SHAPIRO REPORT

Presenting the audit results from Blum Shapiro were Vanessa Rossitto and Jessica Aniskoff.

Ms. Rossitto and Ms. Aniskoff presented the following facts from the audit:

- A clean or an unmodified opinion has been issued on the financial statements.
- No difficulties were encountered during the audit.
- General Fund Balance for Fiscal 2016 increased \$788,000 from \$25,802,000 to \$26,590,000.
- Overall the government fund balance decreased about \$4.8 million dollars. This is due to capital activity because all projects haven't been bonded long term, and when the short term debt turns into long term debt it will reverse itself – this includes other government funds such as Water Pollution Control bonded projects and capital non-recurring and other smaller funds.
- General Fund Revenues – the final budget was \$125,004,000 – actual revenues came in at \$123,491,000 – under budget \$1,513,000
- Expenditures – the final budget is equal to the revenues of \$125,004,000, and the Town was under budget at \$123,553,000 by \$1,451,000
- There are three internal service funds – there was an operating loss in the \$2,889,000 **health insurance fund** - the fund balance went from a positive \$1,711,000 to a negative \$1,178,000; **Information Technology** had a positive return going from a negative \$33,000 to a positive \$73,000; the **commercial liability fund** decreased slightly from \$1,490,000 to \$1,390,000
- The pension trust fund increased from \$115,916,000 to \$117,839,000; OPEB decreased slightly from \$4,293,000 to \$4,275,000

Referring to revenue, Councilor Falk questioned where the Town lost money, and Ms. Rossitto stated this is because the Town allocated \$2.2 million dollars of fund balance to balance the budget. She noted if that figure is taken out of the equation, the revenues actually came in better.

The federal single audit was reviewed as follows:

- The town received \$5.5 million dollars in federal grants – auditors tested two grants – the Head Start Grant and the Title I Grant. There were no findings with compliance on these two grants
- There was a finding regarding internal controls for financial reporting on the cafeteria fund, which relates to accounts receivable and how it is recorded. This was discussed with the Board of Education and they reviewed the whole fund and how to record properly so this finding doesn't continue.

Councilor Arnone questioned the status of the Student Activity Account, and was told there were no findings with this fund.

The state single audit was reviewed as follows:

- Total grants were \$70 million dollars, and \$64 million dollars of that figure did not have to be audited.
- There were no compliance findings with items tested.

The management letter was reviewed as follows:

- It would be better if capital assets were accounted for within the general ledger system.
- The town should consider doing a fraud risk assessment.

Chairman Kaupin questioned what is the plan to do a fraud risk assessment. Mr. Chodkowski stated it is planned to include additional dollars in the next operating budget to conduct a fraud audit.

STATE LIBRARY GRANT

Mr. Chodkowski stated Jason Neely, the Director of Libraries, was successful in getting a 50% match grant for replacing the HVAC system at the library. He noted the total value of that grant was about \$250,000. He stated that work is included as part of the Honeywell project. He noted it was learned that prior to the Bond Commission's vote on this grant, that project could not be under contract. He stated they did look at some options and noted two items vital to the project, which are the gas line connection and the asbestos removal are not subject to project line items within this project, but they were allocated to the contingency fund. He noted the gas line and asbestos removal were eligible for reimbursement under the grant. He noted the plan was that when the Bond Commission meets at the end of February and they approve the docket, they would then reach out to the State Library and request them to amend the project, which they agreed could be done.

He stated late Friday afternoon, the Town received an email from the State Library stating the Bond Commission cancelled its last meeting in February, and they have tabled

voting on this measure until March 31st. He noted an email was sent to Honeywell and their vendors to see how this might affect their timeline. He stated he and the Director of Public Works will meet tomorrow concerning this matter. He noted it's uncertain what the future holds with regards to this project from the standpoint that they cannot spend money they don't have. He added some of this work is time sensitive. He noted at this time, they are waiting to hear back from Doreen Hamilton and the Honeywell engineers to find out whether or not this 30-day delay will impact the project at the library. He pointed out right now they are tentatively scheduled to have the system installed and cleared for full operation by June 27th.

Chairman Kaupin noted the gas line and asbestos removal need to be done, and he questioned whether they can just do the work, stay on track and use the grant as a reimbursement. Mr. Chodkowski stated according to the grant language, there are certain advanced expenses that are eligible for reimbursement, i.e., engineering, preliminary advertising costs to identify a contractor or vendor, however, the project cannot be under contract at the time the grant is awarded. Chairman Kaupin questioned whether just extending the gas lines qualifies this as being under contract, and Mr. Chodkowski responded that's correct.

Councilor Falk questioned whether they'll be moving ahead with engineering work, and Mr. Chodkowski stated that is encompassed within the scope of work with Honeywell.

Chairman Kaupin stated his understanding that in the end the monies are all set aside for the library work, therefore, hypothetically the State could decide not to pass any bonding until after the budget is adopted. He noted that doesn't jeopardize the project, but the Town wouldn't receive a reimbursement. Mr. Chodkowski indicated that's correct, and the Town would bear 100% of the cost of the project.

It was noted that if the State grant money is accepted, the library must stay a library for ten years, and Mr. Chodkowski noted that's correct.

MOTION #4033 by Councilor Arnone, seconded by Councilor Szewczak to go into Executive Session to discuss Pending or Threatened Litigation (Ludemann v. Town), Personnel Matters and Real Estate Negotiations.

Upon a **SHOW-OF-HANDS** vote being taken, the Chair declared **MOTION #4033** adopted 11-0-0. The meeting stood recessed at 6:10 p.m.

EXECUTIVE SESSION

The Executive Session of the Enfield Town Council was called to order by Chairman Kaupin at 6:11 p.m.

ROLL-CALL – Present were Councilors Arnone, Bosco, Cekala, Davis, Deni, Edgar, Falk, Kaupin, Lee, Ludwick and Szewczak. Also present were Town Manager, Bryan

Chodkowski; Town Clerk, Suzanne Olechnicki; Town Attorney, Christopher Bromson;
Director of Human Resources Steven Bielenda

Chairman Kaupin adjourned the Executive Session at 6:44 p.m. He reconvened the Special Meeting at 6:45 p.m. and stated during Executive Session, Pending or Threatened Litigation (Ludemann v. Town), Personnel Matters and Real Estate Negotiations were discussed with no action or votes being taken.

ADJOURNMENT

MOTION #4034 by Councilor Falk, seconded by Councilor Szewczak to adjourn.

Upon a **SHOW-OF-HANDS** vote being taken, the Chair declared **MOTION #4034** adopted 11-0-0, and the meeting stood adjourned at 6:46 p.m.