

TOLLAND BOARD OF EDUCATION
Tolland High School
Library
Tolland, CT 06084

REGULAR MEETING

7:30 – 10:00 P.M.

AGENDA
January 28, 2015

VISION STATEMENT

To represent education at its best, preparing each student for an ever-changing society, and becoming a full community of learning where excellence is achieved through each individual's success.

A. CALL TO ORDER, PLEDGE OF ALLEGIANCE

B. APPROVAL OF MINUTES

- Regular Meeting – January 14, 2015

C. PUBLIC PARTICIPATION (2 minute limit)

The members of the Tolland Board of Education welcome members of the public to share their thoughts and ideas at this time. When appropriate to do so, members of the Board and the administration may respond to comments during "Points of Information". However, in consideration of those in attendance and in an effort to proceed in a timely manner, follow-up discussion may need to take place outside of the meeting setting.

D. POINTS OF INFORMATION

E. STUDENT REPRESENTATIVES' REPORT

F. SUPERINTENDENT'S REPORT

F.1 BlumShapiro Audit of Fiscal Year 2013-14

F.2 Budget Presentation (no enclosure) – Superintendent and Business Manager

G. COMMITTEE & LIAISON REPORTS

H. CHAIRPERSON'S REPORT

I. BOARD ACTION

I.1 Approval of Proposed Policy Manual (no enclosure)

J. PUBLIC PARTICIPATION (2 minute limit)

Comments must be limited to items on this agenda.

K. POINTS OF INFORMATION

L. CORRESPONDENCE

- Town Council Meeting – January 13, 2015

M. FUTURE AGENDA ITEMS

N. NEW BUSINESS

O. ADJOURNMENT

TOLLAND BOARD OF EDUCATION
Council Chambers
Hicks Municipal Center
Tolland, CT 06084

REGULAR MEETING – January 14, 2015

Members Present: Mr. Sam Adlerstein, Chair; Mr. Patrick Doyle, Vice Chair; Ms. Kathy Gorsky, Secretary; Ms. Karen Moran, Mr. Steve Clark, Ms. Colleen Yudichak, Mr. Tom Frattaroli, and Mr. Joe Sce.

Administrators Present: Dr. Walter Willett, Superintendent of Schools

Mr. Adlerstein noted that prior to tonight's meeting, the Board met in Executive Session with Ms. Tyl for a final interview. When the Board came out of Executive Session, it voted unanimously to authorize Dr. Willett to negotiate with Ms. Tyl for the District's Director of Curriculum position.

Dr. Willett noted that Community Budget Workshops will be held on January 15th, 20th, and 21st in the Tolland High School Library at 7:30PM.

A. CALL TO ORDER, PLEDGE OF ALLEGIANCE

The meeting was called to order at 7:30 P.M. The Pledge of Allegiance was recited.

B. APPROVAL OF MINUTES

- Regular Meeting – December 10, 2014
Mr. Clark motioned to approve the minutes of the December 10, 2014 meeting. Ms. Gorsky seconded the motion. All were in favor. Motion carried

C. PUBLIC PARTICIPATION

Michele Harrold, 256 Mountain Spring Road, welcomed Dr. Willett and noted that she is excited for changes in the future.

D. POINTS OF INFORMATION

Mr. Adlerstein thanked Ms. Harrold for making the first public comment of the year and expressed thanks to folks for coming out. It is important for people to stay involved and voice their opinions.

Ms. Gorsky noted that she and Ms. Yudichak attended the Legislative Breakfast this morning. Discussions included the topics of special education and magnet schools.

E. STUDENT REPRESENTATIVE REPORT

Ms. Welch noted that a cookie social was held yesterday at THS. Food and drinks were available and many students got together to study for finals. Many teachers attended as well to help the students. Finals will be held on Friday and Tuesday at THS.

F. SUPERINTENDENT'S REPORT

F.1. Obsolete and Surplus Equipment

A memo was included in the packet regarding the equipment. Mr. Adlerstein clarified that if there is any sale or salvage value, the money would go back to the Town. Ms.

Gorsky motioned to move Obsolete and Surplus Equipment to I.2 for Board action. Mr. Clark seconded the motion. All were in favor. Motion carried.

F.2. Budget Sessions/Budget Workshops (no enclosure)

Dr. Willett explained that this is a step in the right direction by including the community in the budget conversations. The first of 3 workshops will be held tomorrow, January 15th at 7:30PM in the Library at THS. Dr. Willett will begin the session with a brief presentation and cover the big hits, institutional and budget bad habits, and lead a conversation regarding moving forward. He is looking forward to interacting with everyone including the Board, parents, students, and the Town Council. He encouraged everyone in the community to attend. At the meetings on January 20th and 21st, Dr. Willett will report out.

F.3. Monthly Financial Report – December 2014

Dr. Willett submitted this report to the Board. He recommended providing a report like this to the Board on a monthly basis that will present and clarify where the district is financially. Additionally, it will provide the Board and the public with the opportunity to ask informed questions. He projected that the year will end in the black.

G. COMMITTEE AND LIAISON REPORTS

Finance and Facilities – Mr. Doyle noted that the Committee discussed the memo identified in item F.3. Additionally, they discussed the health insurance update and the projected 5.2% increase for the upcoming year which was provided by Mr. May, the healthcare consultant. Lastly, they discussed the budget development process and the Committee looks forward to supporting Dr. Willett and the Board.

Communications – Ms. Moran noted that they discussed the upcoming budget workshops and ways to publicize the dates. Additionally, Dr. Willett submitted an article to the Tolland Community Newsletter. The THS Spring Musical was discussed as well. The Friends of Tolland Music will take care of the expense of having a banner created by the THS graphics department. The banner will be placed on the Green. Ms. Moran noted that there will be a Welcome Reception for Dr. Willett in the cafeteria of THS on January 29th from 6PM to 7:30PM.

Website Task Force – none

Town Council – Ms. Moran noted one of the items discussed was the appropriation of \$75,000 to the Reserve Fund. Mr. Krasusky added that in regard to the audited financial statements, the trend is healthy with expenses coming in under budget. He added that his colleagues are looking forward to working with Dr. Willett.

Policy – Ms. Gorsky explained that the Committee discussed the implementation of a new policy manual for the District. This will be on the next Board meeting agenda. The Board members should approach Ms. Gorsky if they would like to review the draft manual.

Negotiation – none

CABE – Ms. Yudichak spoke with CT State Representative Tim Ackert at the Legislative Breakfast. He noted that he would be happy to attend a Board meeting if the Board would like him to do so.

H. CHAIRPERSON'S REPORT

H.1 Working Agreement (no enclosure)

Mr. Adlerstein reviewed the agreement between the Board and the Town Council and asked for input. Mr. Frattaroli commented that the monthly budget reports will help people understand the impact of changing content and delivery. Mr. Krasusky believes the agreement has been an effective process and asked for the Board's opinion. Mr. Adlerstein believes that the Board and the Town Council still have a strong relationship and that the perspectives have come together nicely. Mr. Doyle thinks that it worked pretty well last year and that maintaining it is important. Mr. Clark noted that there are many new people at the top this year and it is important to hear what they believe to be necessary for the school district. Ms. Gorsky commented that it is still a valid document and a good working agreement. Things went well last year but the issue regarding the school resource officer bothered her and undermined her trust in the working agreement. She would like to avoid this situation from occurring again. The lines of communication need to be kept open and allow for both parties to have time to digest information as well as the opportunity to gather and review additional information without being forced into a decision. Mr. Adlerstein requested that Mr. Krasusky ask the Town Council to reaffirm the document as well. Mr. Krasusky will propose it at the next Council meeting. Ms. Moran noted that it is important that the District have goals, a plan for implementation, and a way for the budget to support them.

I. BOARD ACTION

I.1 Education Reserve Fund

Mr. Doyle motioned that the Tolland Board of Education, pursuant to Ordinance No. 86, Chapter 8, hereby requests the Town Council to transfer the BOE's audited balance of June 30, 2014 in the amount of \$75,217, be transferred to the Education Reserve Fund. Mr. Clark seconded them motion. All were in favor. Motion carried.

I.2 Obsolete and Surplus Equipment

Mr. Clark motioned that in accordance with Board Policy 3040, the Disposition of Obsolete and Surplus Equipment and Materials, that the listed items be turned over to the Town Council for their disposition. Ms. Gorsky seconded the motion. All were in favor. Motion carried.

J. PUBLIC PARTICIPATION

Kate Vallo, 72 Tolland Green, welcomed Dr. Willett. She added a community voice in regard to how important it is to bring up the working agreement at this time. The guidelines have a lot of value and are powerful.

K. POINTS OF INFORMATION - none

L. CORRESPONDENCE

- Town Council Meeting – December 9, 2014

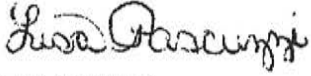
M. FUTURE AGENDA ITEMS

- Policy Manual
- Monthly Financial Report

N. ADJOURNMENT

Mr. Clark motioned to adjourn the meeting at 8:39PM. Ms. Yudichak seconded the motion. All were in favor. Motion carried.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Lisa Pascuzzi". The signature is written in a cursive style with a large, stylized initial "L".

Lisa Pascuzzi
Clerk

Board of Education

January 14, 2015

7:30PM

BOE meeting



WHAT'S

HOT

- Dr. Willett's first Board of Education Meeting!
- Welcome to ... in her new role
- Budget season is upon us
- **Positive Momentum**

Agenda

- A. CALL TO ORDER, PLEDGE OF ALLEGIANCE
- B. APPROVAL OF MINUTES - Regular Meeting - December 10, 2014
- C. PUBLIC PARTICIPATION (2 minute limit)
- D. POINTS OF INFORMATION
- E. STUDENT REPRESENTATIVE REPORT - Charles Perosino and Sarah Welch
- F. SUPERINTENDENT'S REPORT
 - F1. Obsolete and Surplus Equipment
 - F2. Budget Sessions/Budget Workshops (no enclosure)
 - F3. Monthly /Financial Report - December, 2014
- G. COMMITTEE & LIAISON REPORTS
- H. CHAIRPERSON'S REPORT
 - H.1 Working Agreement (no enclosure)
- I. BOARD ACTION
 - I1. Education Reserve Fund
- J. PUBLIC PARTICIPATION (2 minute limit), Comments limited to items on this agenda.
- K. POINTS OF INFORMATION
- L. CORRESPONDENCE
 - Town Council Meeting - December 9, 2014
- M. FUTURE AGENDA ITEMS
- N. ADJOURNMENT

BOE Meeting Ground rules

Set direction, with a sense of urgency
Move efficiently and effectively to decisions & actions

BOE Members	Supporting behavior
1. Purposeful	Work of <i>ensuring higher levels of student achievement for each individual academically, socially and emotionally in preparation for a 21st Century World</i>
2. Intentional	Discussion is related to mission
3. Directional	Discussion is focused on decisions / actions
4. Aligned	Interaction is a model for our students and reflects the values of this community
Presenters	(anyone providing expert information)
1. Directional	Presentation focused on decisions / actions. Answer, "Why is this important?"
2. Clear / Concise	Presentation of most relevant information in time allotted. Information in advance, include additional information if applicable.





Public Participation

2 min :-)

Please speak your mind

Superintendent Report

Dr. McDowell

F.1

TO: Tolland Board of Education
FROM: Walter Willett, Ph.D
DATE: January 14, 2014
SUBJECT: Obsolete and Surplus Equipment

The attached list shows those items which are in disrepair or obsolete.

The Administration requests that the Board of Education declare these items as obsolete and turn the items over to the Town Council in accordance with Board of Education Policy 3040, Disposal of Obsolete, or Surplus Equipment/Materials.

WW:jp

Rm. 18

Band Saw w/Motor Break
Model #SS-2A-25
Serial #10802-0001



Drill Press
Model #KTF-22
Serial #400009



Drill Press
Model #1793
Serial #517123



Table Saw
Model #62
Serial #162012



Jointer
Model #50
Serial #450031



Metal Lathe
Serial #21226 R



Rm 22
Metal Roller
In corner near entrance to room 18



TO: Board of Education

FROM: Frank B. Connolly, Interim Business Manager



RE: Monthly Financial Report-December, 2014

Date: January 5, 2015

CC: Walter Willett, Ph.D. Superintendent of Schools

Per the request of the Superintendent, I am attaching a financial report for the month of December, the 6th month of our fiscal year. A monthly report is important since it keeps the Board and the Superintendent up to date on the financial conditions of the BOE budget and helps avoid surprises in June. Normally this type of report is provided monthly (except for July and August). The report is printed on the first work day of the following month, thereby capturing a snapshot of the financial condition at the end of each preceding month. This method allows for a good comparison each year for the same monthly time period.

The attachment is provided in an object format to clearly show the adopted budget and the expenditures against the budget. The object line items show all of the Board's expenses such as salaries, health insurance, utilities, textbooks, etc.

Tolland uses an encumbrance system of accounting. When expenditures are known, the money is encumbered or "reserved" so it is not double spent. In the attached reports, the first column shows the adopted budget, the second column shows the "Range to Date", or the expenditures for the month. The YTD shows the actual year to date expenditures from July 1 to the date of the report itself. The next column shows what has been encumbered or reserved through June 30, the end of the fiscal year. Most items are encumbered by a purchase order, although some accounts are not encumbered since the expenditure will not be known until it actually happens (substitute pay, overtime, etc.).

Although I am not familiar with your financial history in Tolland since I just started, I have reviewed the attached December financial report. Note that the report is showing a **deficit** of \$386,823.08. This is **not** a favorable picture. However, there are changing circumstances which will improve this major deficit.

The largest single item impacting the budget are the expenditures for Special Education. Boards of Education are mandated to provide special education services. When Tolland spends over \$57,384 per child, the State will then reimburse the Board through a program known as **Excess Costs**. For example, if the expenditures for one child is \$125,000, the State theoretically will reimburse the BOE \$67,616 ($\$125,000 - \$57,384 = \$67,616$). I say

1

theoretically since the State will only reimburse the Board based on what the General Assembly has appropriated for the entire State for Excess Cost. In actuality, the reimbursement rate is around 77%. Thus, even though Tolland is entitled to be reimbursed \$67,616, it will only get back \$52,064 ($\$67,616 \times 77\% = \$52,064$). We are shorted \$15,552. In effect then, the Board winds up paying a total of \$72,936 ($\$57,384 + \$15,552$) for the one child.

The Special Education program is further adversely impacted by the number of students. For example, if there are 10 Special Education students that cost \$57,384 each, or a total expenditures of \$573,840, there is no reimbursement; all the expenditures hit the local budget.

Tolland's Special Education Director filed on December 1 for Special Education Excess Cost reimbursement of \$1,661,767. At a 77% reimbursement rate, we should receive back \$1,279,561. The exact number will not be known until the checks are received. The State provides the reimbursement in two payments, 75% and 25%.

The first payment of 75% (of the 77% owed) will be around \$959,670. When the check is received in February, it will then be applied against the expenditures (Lines 510 and 560), thus eliminating the bottom line deficit number. In March, the Special Education Director will refile with the latest student data, and this will affect the final Excess Costs reimbursement in May. Thus the BOE budget is very volatile due to the Special Education component.

These Excess Cost reimbursements are totally different than the ECS (Educational Cost Sharing) grants that go directly to the Town to help pay for local educational costs.

The second item affecting the negative balance were the payments to the Town in July of the entire energy accounts, (Lines 620 & 621) of \$1,246,000. Since this was not a monthly drawdown based on billing, it adversely affected the financial report at this reporting period (no unspent balances in those line items to offset the deficit figure).

We have clarified with the Town a health insurance payment of \$50,526 that affected our financials for the month of December. An adjusting journal entry on our reconciliation sheet was made on December 30th for this amount, which improved the attached December financial statement.

Although I am not familiar with your financial history in Tolland since I just started, I have reviewed the attached December financial report. Note that the report is showing a deficit of \$386,823.08. This is **not** a favorable picture. However, there are changing circumstances which will improve this major deficit.

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Committee Reports

Toward Board Action

Chairperson's Report

We agree to ^{the following} ^{7/1/16}
 • engage with each other in a respectful, professional manner
 • view things from a broader perspective: community-focused, not us versus them
 • Listen, understand and share in a clear, specific and accurate manner
 • Engage in joint communication ^{early and often}
 • Surface and acknowledge disagreements and agreements
 • Identify and work towards a shared goal



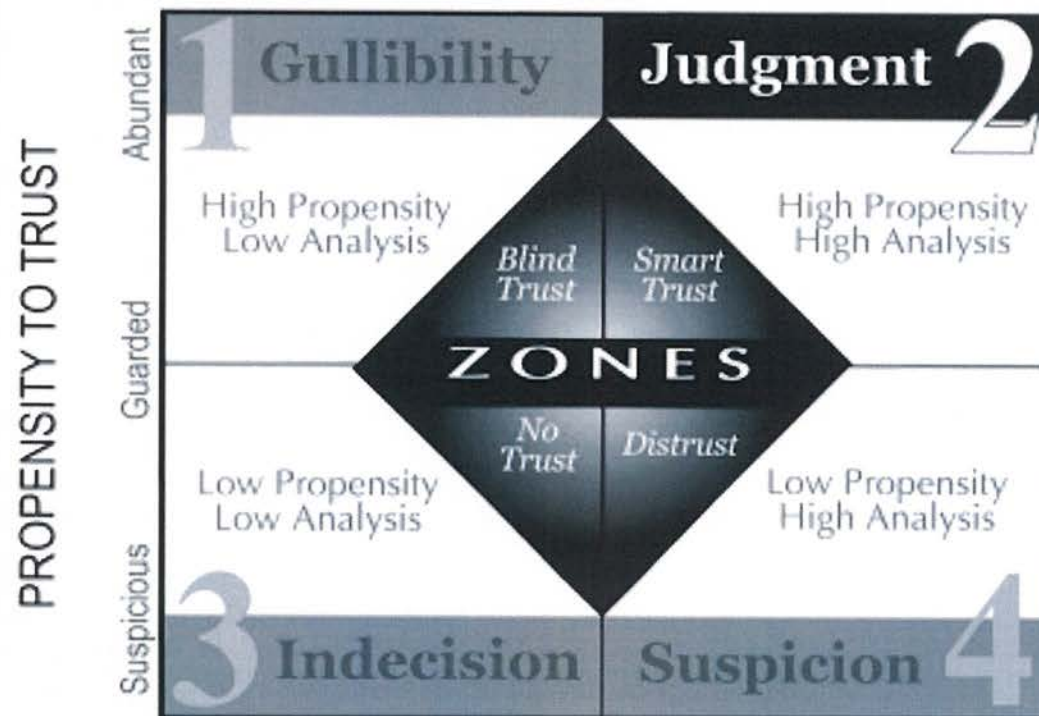
We each share an equal role in maximizing the usage of town resources to provide the highest quality of services which balance top priority needs within financial constraints. We will ^{communicate with} inform and engage the community in a positive way.

We each share an equal role in maximizing the usage of town resources to provide the highest quality of services which balance top priority needs within financial constraints. We will communicate with and engage the community in a positive way. **We agree to...**

- Engage with each other in a respectful, professional manner
- View things from a broader perspective, community-focused, not us versus them.
- Listen, understand and share in a clear, specific and accurate manner.
- Engage in joint communication early and often.
- Surface and acknowledge disagreements and agreements.
- Identify and work toward a shared goal.

12/3/13 Joint meeting

Smart Trust™ Matrix



ANALYSIS

- Opportunity
- Risk
- Credibility (Character/Competence) of those involved

**What do we
need to set us
up for success
this budget
season?**

② Monthly budget report
- including answering ?s &
reviewing
w/ TC from TC



• Lots of new people at top
need to give them opportunity
to share those ideas
② timing / adequate time to analyze
and make good decisions

Board Action

TO: Board of Education

FROM: Frank B. Connolly, Interim Business Manager



RE: Education Reserve Fund

Date: January 6, 2015

CC: Walter Willett, Ph.D. Superintendent of Schools

The Town Council, on August 27, 2013, adopted an ordinance which established an Education Reserve Fund (copy attached). This ordinance allows any end of the year monies (June 30) in the BOE budget, up to 1% of the BOE budget, to be placed into a reserve account that does not lapse at the end of the fiscal year. These monies can then only be used for specific educational expenditures as may be approved by the Board of Education.

The amount of money to go into the account is based on the audited amount. The town's auditor, BlumShaprio, just completed the audit of FY 2013-14, and confirmed that the BOE's end of the year balance was \$75,217. Therefore it is recommended that the BOE adopt the following resolution:

MOTION

Resolved, The Tolland Board of Education, pursuant to Ordinance No. 86, Chapter 8, hereby requests the Town Council to transfer the BOE's audited balance of June 30, 2014 in the amount of \$75,217, be transferred to the Education Reserve Fund.

Motion: _____

Second: _____

Vote: _____

BlumShapiro

Accounting | Tax | Business Consulting

December 17, 2014

Dr. Walter Willett
Superintendent of Schools
Board of Education
Town of Tolland, Connecticut
21 Tolland Green
Tolland, CT 06084

Dear Dr. Willett:

Enclosed is your copy of the Town of Tolland, Connecticut's report on the End of Year School Report Form ED001 for the year ended June 30, 2014. Please forward a copy to your Business Manager.

We have filed the required reports with the State Department of Education.

Sincerely,

Blum, Shapiro & Company, P.C.

Blum, Shapiro & Company, P.C.

Enc.

BlumShapiro

Accounting | Tax | Business Consulting

Independent Accountant's Report on Applying Agreed-Upon Procedures

Dr. Walter Willett
Superintendent of Schools
Board of Education
Town of Tolland, Connecticut 06084

We have performed the procedures included in the Connecticut State Department of Education's Review Package, which were agreed to by the State Department of Education (CSDE) and the Town of Tolland Board of Education ("LEA"), solely to assist the CSDE in evaluating certain school year grant data as printed on CSDE's Internet application in connection with education reimbursement claims submitted by the LEA for the year ended June 30, 2014. The school year grant data is reported on the following CSDE forms and data systems:

- **2013-2014 Form ED001** *dated October 2, 2014 at 9:21:52 AM*
- **2013-2014 ED001 SEDAC-G Data Adjustment Form** *dated October 2, 2014 at 9:27:54 AM*
- **10/2013 PSIS Summer School FTE Credit Report** *dated October 2, 2014 at 11:04:01 AM*
- **10/2013 PSIS (Racial Survey and Detail of Enrollment for Entire District Report)** *dated October 2, 2014 at 10:07:45 AM*

Management is responsible for the LEA's compliance with the CSDE requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the CSDE. Consequently, we make no representation regarding the sufficiency of the procedures described in the CSDE's Review Package either for the purpose for which this report has been requested or for any other purpose.

As a result of performing the procedures included in the CSDE's Review Package, certain matters came to our attention that caused us to believe that adjustments should be recorded to the school year grant data reported on Form ED001, and the ED001 SEDAC-G Data Adjustment Form. The adjustments are incorporated in the following internet application printouts: Form ED001 *dated December 11, 2014 at 12:00:21 PM* and the ED001 SEDAC-G Adjustment Form *dated December 11, 2014 at 12:04:35 PM*.

Town of Tolland
Page Two

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the CSDE and the LEA and is not intended to be and should not be used by anyone other than these specified parties.

Blum, Shapira & Company, P.C.

December 15, 2014

BlumShapiro

Accounting | Tax | Business Consulting

Independent Auditors' Report

To the Town Council
Town of Tolland, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Tolland, Connecticut, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town of Tolland, Connecticut's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Tolland, Connecticut, as of June 30, 2014 and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 15 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Tolland, Connecticut's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2014 on our consideration of the Town of Tolland, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Tolland, Connecticut's internal control over financial reporting and compliance.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
December 16, 2014



TOLLAND PUBLIC SCHOOLS

51 TOLLAND GREEN
TOLLAND, CONNECTICUT 06084

OFFICE OF THE
SUPERINTENDENT OF SCHOOLS
860-870-6850
FAX: 860-870-7737

Walter Willett, Ph.D.
Superintendent

TO: Board of Education

FROM: Frank B. Connolly, Interim Business Manager

RE: BlumShapiro Audit of Fiscal Year 2013-14

Date: January 22, 2015

CC: Walter Willett, Ph.D. Superintendent of Schools

Attached please find the "Independent Accountant's Report" from Blum/Shapiro, Town Auditors for the fiscal year ending June 30, 2014. This report covers the annual financial filings with the State Department of Education on the ED-001, SEDAC-G, Summer School and PSIS. These filing cover the financial operations of the Board in a format required by the State.

The auditors have also filed with the town the Comprehensive Annual Financial Report (CAFR) for the fiscal year ending June 30, 2014. A copy of the letter of the Independent Auditors' Report to the Town Council, which is contained in the CAFR, is attached.

The entire CAFR is on line on the town's web site.

MEETING MINUTES

TOLLAND TOWN COUNCIL HICKS MEMORIAL MUNICIPAL CENTER 6th FLOOR COUNCIL ROOM JANUARY 13, 2015 – 7:30 P.M.

MEMBERS PRESENT: George Baker, Vice-Chair; William Eccles; Richard Field; Paul Krasusky and Jan Rubino

MEMBERS ABSENT: Jack Scavone, Chairman and Ben Stanford

OTHERS PRESENT: Steven Werbner, Town Manager; Michael Wilkinson, Director of Administrative Services; Lisa Hancock, Director of Finance and Records; Kathy Bach, President of the Tolland Historical Society; Celeste Senechal, Tolland 300th Anniversary Committee; Vanessa Rossitto, Blum, Shapiro & Company, P.C.

1. **CALL TO ORDER:** George Baker called the meeting to order at 7:32 p.m.
2. **PLEDGE OF ALLEGIANCE:** Recited.
3. **MOMENT OF SILENCE:** Observed.
4. **PROCLAMATIONS:**
 - 4.1 Certificate of Recognition and Thanks Presented to the Santini Family; Eric, Lois, Kevin, Kim, Eric Jr. and Kristen presented by the 300th Anniversary Committee.

Kathy Bach and Celeste Senechal presented the following Certificate of Recognition to the Santini Family:

*CERTIFICATE OF RECOGNITION AND THANKS
PRESENTED TO
THE SANTINI FAMILY
Eric, Lois, Kevin, Kim, Eric, Jr. and Kristen*

*On this 13th day of January, 2015
For their \$2,500 donation to the Tolland 300th Anniversary Celebration,
making them a Shenipsit-level sponsor*

5. **PUBLIC PETITIONS, COMMUNICATIONS, AND PUBLIC PARTICIPATION** (*on any subject within the jurisdiction of the Town Council*) (2 minute limit):

Ken Hankinson of 54 Johnson Road: He is a member of the 300th Celebration Fundraising Committee. While planning has been going on for over three years, they are just 90 days away from the first event that is planned, and four months away from the official kick-off on Charter Day. The Committee, which is made up of many sub-committees, has done a tremendous job. There are over sixty events planned. To date, they have been fortunate and successful in their fundraising, but the scope of the celebration has exceeded their expectations. The Committee is appreciative of the donation made previously by the town, but would like for the town to consider adding another donation to the Committee in 2015 as part of the budget. The money could be earmarked towards public safety costs or things that would benefit everyone in the town. Some additional dollars would go a long way, and they would appreciate it.

Mr. Werbner said they have a meeting scheduled with representatives of the Committee and Public Safety related personnel to determine what the cost expectations are. Mr. Werbner will get the date of the meeting to the Council members.

6. PUBLIC HEARING ITEMS: None.

7a. REPORTS OF BOARDS AND COMMITTEES RESPONSIBLE TO THE COUNCIL: Ms. Moran updated on the BOE: They are working on the budget. Wednesday night is their regular meeting, and Thursday night is the first of three community budget workshops. The workshop will be in the high school library. On January 29th @ 6:00 p.m. in the high school cafeteria there will be a welcome reception with Dr. Willett. This reception will be before the last community budget workshop. The community is invited to the reception.

7b. REPORTS OF TOWN COUNCIL LIAISONS: Mr. Field updated that there is a Health District meeting on Thursday.

8. NEW BUSINESS (ACTION/DISCUSSION ITEMS):

8.1 Presentation and discussion of 2013-2014 Comprehensive Annual Financial Report.

Vanessa Rossitto of the Town's auditing firm, Blum, Shapiro & Company, P.C. spoke. Booklets were provided to the Council members, from which Ms. Rossitto reviewed the main points. She explained how their audit opinion was organized. Management is responsible for the preparation of the financial statements. Blum, Shapiro is responsible is to perform an audit on those financial statements. They do not test every transaction of the town. There is a level of materiality inherent in this, and they do not conduct their audit to look for fraud. They have given the town an unmodified / clean opinion. She reviewed the accounting statements with the members of the Council, and then spoke about the various funds. A memo from Lisa Hancock was also provided to the Council members with the subject: 2014 Year-End Results on a Budgetary Basis.

With regard to the Federal and State Single Audits: Because the town receives both Federal and State grants, they are required to perform these. The Federal Single Audit: They test programs based upon rules mandated by the federal government. They tested the Special Education cluster. They issued an unmodified opinion over the compliance on this program and over the internal controls. For the State Single Audit, they tested the Community Conservation & Development Grant, the STEAP, and town aid roads. The State Audit also received an unmodified opinion over compliance and over internal controls.

According to the management letter issued by Blue, Shapiro, they recommend having a fraud risk assessment performed. Ms. Rossitto believes it is important to at least talk about this internally. The other suggestion is to institute having an anonymous fraud tip line.

Mr. Werbner commented that they are going to check with their professional associations. Since this is a state-wide recommendation, they are going to see what some of the best practices are, and what can be done collaboratively with others. Currently, there are some things in place within our Financial Department. Once he receives more information, it will be brought back before the Council for further discussion.

8.2 Consideration of a resolution to appropriate an additional \$10,126 from the Ambulance Replacement Reserve Account (20300072-755610-2036) to pay for unanticipated repairs on the 1990 Piece Manufacturing Arrow 105 foot aerial ladder and the setting of a Public Hearing thereon for January 27, 2015.

Mr. Werbner said they purchased a used aerial truck several years ago. This truck sustained damage to its electrical wiring cable. The only corrective action was to remove and replace the existing cable at a cost of \$10,126. At the same time that the truck was purchased, they sold their truck. The money from that sale was put into the Capital Ambulance Reserve Fund. The Fire Department is requesting that the \$10,126 come out of the Reserve Fund.

Bill Eccles motioned to accept the following resolution:

BE IT RESOLVED by the Tolland Town Council that it hereby approves the appropriation of \$10,126 from the Ambulance Replacement account to pay for the unanticipated repairs on the 1990 Piece Manufacturing Arrow 105 foot aerial ladder.

Seconded by Rick Field. All in favor. None opposed.

8.3 Consideration of a resolution to establish a Debt Service Fund ordinance and the setting of a Public Hearing thereon for January 27, 2015.

Mr. Werbner said this is about establishing a Debt Service Reserve Fund. There are times that they get savings from bond refunding, and they want to use those dollars to offset the cost of future debt to alleviate the tax burden on taxpayers. At the time they get the bond refunding, they are not always certain what year it would be best to use those dollars based upon the debt management plan. So, this reserve fund would allow them to put the dollars in the fund, and then allocate them out to pay for debt at the appropriate time. This fund has been recommended by the financial advisor; it has been drafted by Lisa Hancock and reviewed by both bond counsel and the financial advisor. Both have recommended its adoption.

Bill Eccles motioned that the following resolution be introduced and set down for a public hearing on January 27, 2015 at 7:30 p.m. in Tolland Town Council Chambers, 21 Tolland Green in Tolland, Connecticut.

BE IT RESOLVED by the Tolland Town Council that it hereby approves the following ordinance for the establishment of a Debt Service Fund:

Debt Service Fund Ordinance #_____

Purpose

There is hereby created a Debt Service Fund to provide funding resources to pay interest, principal, and other fees associated with short-term and long-term debt. These funds will be used as part of a financial plan to ensure that the Town maintains sufficient funds to handle the costs of debt over time.

Contributions to the Fund

Contributions to the fund shall be received from:

- A. Moneys received by the Town from bond and note premium receipts.
- B. Appropriations made in the Annual Budget, Special Appropriations and Emergency Appropriations consistent with the Town Charter.

C. A general fund contribution of excess funds remaining within the debt budget after all annual debt payments have been covered including any savings within the budget resulting from a bond refunding. The Town Finance Director and Town Manager shall have the authority to transfer the funds from the associated debt accounts to the Debt Service Fund.

D. Any other moneys appropriated to the Fund by the Town Council.

Custody of Fund; Investments

The Fund shall be in the custody of the Treasurer of the Town of Tolland and all or any part of the moneys in said Fund may, from time to time, be invested in any securities in which public funds may lawfully be invested. All income derived from such investments shall be paid into the Fund and become a part thereof. The moneys so invested shall at all times be subject to withdrawal for use as provided in this section.

Use of Money from Fund

A. Money paid to the Debt Service Fund and interest earned thereon shall be used solely by the Town for payment of principal, interest and other fees associated with short-term and long-term debt provided that all such expenditures shall be approved by the Town Manager and Director of Finance & Records. Other fees may include items such as bond issuance costs, legal fees associated with debt, advisory fees and other debt associated fees.

B. The use of the funds may be included for future use in the Town's Debt Management Plan to offset debt in future years.

C. The Town Council may, from time to time, authorize a special appropriation to transfer funds from the Debt Service Fund to the General Fund or other funds by annual budget appropriation or special appropriation consistent with the Town Charter.

D. The funds which remain at the close of each fiscal year within the Debt Service fund shall remain in the fund balance of said fund and shall not, therefore, be lapsed to the balance of the General Fund. The Town Treasurer and the Director of Finance & Records shall exercise control and administration of the Debt Service Fund in accordance with their duties under the Town Charter.

Seconded by Jan Rubino. All in favor. None opposed.

- 8.4 Consideration of a resolution to reallocate the appropriation of \$99,000 from the General Fund debt savings resulting from the 2014 bond refunding and to appropriate \$49,837.79 in bond premium from the 2014 bond anticipation note issue to offset debt service expenditures in future years in the Debt Service Fund and the setting of a Public Hearing thereon for January 27, 2015.

Mr. Werbner said this resolution is assuming the Debt Service Fund is established. This resolution would allow the funds to be put into the account.

Bill Eccles motioned that the following resolution be introduced and set down for a public hearing on January 27, 2015 at 7:30 p.m. in Tolland Town Council Chambers, 21 Tolland Green in Tolland, Connecticut.

BE IT RESOLVED by the Tolland Town Council that it hereby approves the appropriation of \$148,837.49 for the payment of future debt service costs. The General Fund will reallocate \$99,000 of debt service savings from the 2014 Bond Refunding and the balance of \$49,837.79 of the appropriation will come from the bond premium received from the 2014 Bond Anticipation Note Sale.

Seconded by Paul Krasusky. All in favor. None opposed.

- 8.5 Consideration of a resolution making an appropriation of \$21,222 to the ESCO project in the Capital Improvement Budget and \$413,976.37 to the Utility Internal Service Fund financed by the use of unallocated Northeast Utilities Energy Rebate Funds received for the ESCO project and the setting of a Public Hearing thereon for January 27, 2015.

Mr. Werbner said the original ESCO balance sheet had the use of rebates from Northeast Utilities included. The project's final rebate number that we received from Northeast Utilities was \$435,198.37 more than anticipated. The project needs an additional \$21,222 beyond the original amount authorized for change orders that were associated with internal hallway lighting and external lighting upgrades for the Tolland Intermediate School to correct some deficiencies that were noted after the project commenced. The total change order, in terms of the amount money that we received from Northeast Utilities would be reduced by the \$21,222. The remaining amount of \$413,976.37 will go into the Utility Reserve Fund. They would like to save that money until they can get a better handle on the budgeting as they go forward.

Bill Eccles motioned that the following resolution be introduced and set down for a public hearing on January 27, 2015 at 7:30 p.m. in Tolland Town Council Chambers, 21 Tolland Green in Tolland, Connecticut.

NOW, THEREFORE, BE IT RESOLVED by the Tolland Town Council that it hereby approves an additional appropriation of \$21,222 to the Honeywell ESCO capital project and \$413,976.37 to the Utility Internal Service Fund to be funded by Northeast Utilities Rebate Proceeds.

Seconded by Rick Field. All in favor. None opposed.

- 8.6 Consideration of a resolution to declare as surplus equipment two (2) radar and two (2) laser speed enforcement devices and to swap the devices for a calibration of existing units with New England Radar Lab.

Mr. Werbner commented that they have some old radar guns. An arrangement was made that if they trade in the surplus equipment, they will get free calibration for the existing equipment.

Bill Eccles motioned to accept the following resolution:

BE IT RESOLVED that the following items are hereby declared surplus and may be disposed of in accordance with Policy A176-4, Policy Concerning Disposal of Surplus Personal Public Property. Once equipment is approved for disposal, State Troopers will swap them for 1 or 2 free calibrations on other equipment.

- T-1 - Serial Numbers EE-13728, CC-25106
- T-6 - Serial Numbers 042154, KB2608, 005218
- T-7 - Serial Number 71374
- T-8 - Serial Number 71373

Seconded by Rick Field. All in favor. None opposed.

8.7 Appointments to vacancies on various municipal boards/commissions.

Jan Rubino motioned to appointment the following:

Re-appointment:

Vincent Tursi to the Tolland Water Commission for the term of 01/31/15 – 01/31/19

Appointments:

Benjamin Christensen of **97 Virginia Lane** to the Parks & Recreation Advisory Board for the term of 11/09/11 – 11/04/15

Baker Salisbury of **38 Ellington Road** to the Tolland Water Commission for the term of 01/31/14 – 01/31/18

Seconded by Rick Field. All in favor. None opposed.

9. **OLD BUSINESS (ACTION/DISCUSSION ITEMS):** None.

10. **REPORT OF THE TOWN MANAGER (A WRITTEN REPORT SHALL BE PROVIDED THE 1ST MEETING OF THE MONTH ONLY):** Mr. Werbner provided his written report to the Council, but added that the Town and the BOE are heavily into the budget and will be consumed with it for the next few months.

11. **ADOPTION OF MINUTES**

- 11.1 December 9, 2014 Regular Meeting Minutes: Rick Field moved to adopt the minutes; Seconded by Bill Eccles. All in favor. None opposed.
- 11.2 December 23, 2014 Special Meeting Minutes: Rick Field moved to adopt the minutes; Seconded by Bill Eccles. All in favor. None opposed. Rick Field and Jan Rubino abstained.

12. **CORRESPONDENCE TO COUNCIL:**

- 12.1 Letter from Billie Ferguson of 248 Babcock Road re: commenting on the decision to limit bulky pick-up, and items being left on the side of the road.

13. **COMMUNICATIONS AND PETITIONS FROM COUNCILPERSONS:** None.

14. **PUBLIC LISTED PARTICIPATION** (*on any subject within the jurisdiction of the Town Council*) (*3 minute limit*): None.

15. **ADJOURNMENT:** Rick Field moved to adjourn the meeting; Seconded by Bill Eccles at 8:13 p.m. All were in favor.

George A. Baker, Council Vice-Chair

Michelle A. Finnegan
Town Council Clerk