



**REGULAR MEETING MINUTES  
ASPETUCK BOARD OF DIRECTORS**

**January 23, 2023**

**Subject to change until approved by the Board of Directors.**

**The Regular Meeting was called to order by Chairman Shaum at 7:00 pm.**

**The following voting Board Members were present in the room:** Chairman Paul Shaum, Vice Chairwoman Catherine Revzon, Director Paul Fonteyne, and Director Edward P. Mally.

**Also, present was** Mark A.R. Cooper, Director of Health, Charles Costello was present via Zoom.

**Approval of Minutes**

Chairman Shaum asked if there were any comments on the November 14, 2022 Regular Meeting Minutes.

Hearing none, on a motion made by Director Mally, and seconded by Director Fonteyne, the Board voted to approve the November 14, 2022, Regular Meeting Minutes. Chairman Shaum voted yes, Vice Chairwoman Revzon voted yes, Director Mally voted yes, and Director Fonteyne voted yes.

**Motion was approved 4 to 0.**

**Communications**

Mr. Cooper summarized the communications received:

The 11/15/22 letter sent to DPH Commissioner Juthani, informing her that the Board appointed Sanitarian Richard Janey Acting Director of Health, has been acknowledged by CT-DPH and the appointment approved.

The 12/7/22 letter to CT-OPM requesting an extension to the State Single Audit deadline for filing has been acknowledged and accepted. The extension letter was filed based on a request from the Health District's auditor, Charles Costello.

Mr. Cooper explained that he thought the Board would be interested in the 11/22 CT Post Story: *Local Health Officials Use DNA Testing to Pinpoint Sources of Water Pollution*. The story is about the study being published and the front-page feature article in the National Journal of Environmental Health

Mr. Cooper shared the 12/12/22 letter to all "*Refill Not Landfill Participating Cafes*" that with meeting certain food safety guidelines, the Health District would not object to the use of take-home refillable cups.

Mr. Cooper explained that the effort to have the Health District's name change recognized continues. The 12/28/22 letter from the National Governmental Services office is an acknowledgement of recent filing of

Medicare enrollment application using Aspetuck Health District. He also noted that efforts to have the IRS acknowledge the name change continues as well. For the past six months various documents being requested by the IRS have been sent to them, each month it seems more information is needed.

The 12/30/22 letter from First Selectwoman Tooker was shared with the Board, reappointing Chairman Shaum to the Board.

### **Draft Fiscal Audit FY 2021 - 2022**

Mr. Cooper noted that Mr. Charles Costello is present via Zoom to present the draft fiscal audit for FY 2021 – 2022 which ended June 31, 2022. Mr. Costello indicated he would not go through every number in the audit but would hit the high lights.

Mr. Costello noted that he has audited the WWHD for several years now but changes his audit approach every year. He summarized the main audit points:

Page 1A - Independent Auditor's Report – This report looks different than in past years. In past years the opinion was always the last paragraph – the opinion has moved upfront so that the reader will know immediately what the opinion is. There is also more information as to how the audit was conducted, the responsibility of management, and it also tells the reader that *this is an actual audit*, the highest level of review. It is the *Auditor's opinion that the financial statements presented fairly in all material respects*. This is considered an unmodified opinion; it is a clean opinion, that is the opinion a company wants.

Page 1B – It is a continuation of Independent Auditor's Report which outlines what the auditor's responsibilities are, as well as providing required supplementary information.

Page 1C - Because the Health District receives state grants, a Yellow Book audit must also be done. A Yellow Audit includes a review and testing of internal controls, invoices, etc., and making sure funds are used correctly; the correct authority approved it and is there a system in place to ensure it is properly recorded. There is another report at the end of the audit package that deals with the government audit.

The next few pages are about management's discussion and analysis.

Page 3 - Exhibit A – The Statement of Net Position. This is the District's financial position at the end of the fiscal year. The total current assets are \$ 1,627,973, last year they were \$1,194,525. The deferred outflow related to pension is down from last year \$250,998 this year vs \$375,979 last year. This is the timing differences regarding the state's municipal retirement program. Overall, the District's total assets and deferred outflows of resources was \$1,602,951, last year it was about \$1,200,000, up about \$325,000.

Total current liabilities were \$42,960 last year it was about \$77,000, down about \$34,000, the differential having to do with the timing of approved wage increases. The total noncurrent liability was \$1,103,085 but largest part being the District's net pension liability, up about \$126,000 from last year.

A new item this year, unearned revenue in the amount of \$59,915. It is for grant monies or services people have paid for and received, but has not been earned yet. If at the end of the grant period the Health District has not earned it yet, the funds need to be returned.

Net pension liabilities, \$693,905, last year this amount was over \$1,000,000. These figures come straight from the State Pension Audit.

Deferred inflows show a large increase from last year. \$437,148 this year, about \$195,000 last year.

Page 4 - Statement of Activities – Overall, the total liabilities and deferred inflows were less than last year, \$1,299,852 this year, about \$42,000 less than last year.

The District's total net position was \$603,726, the change in net position a plus \$342,102. A good portion of the variability is a result of the State Pension Audit. If the State Pension Audit goes up, the position goes down and visa versa.

Page 5A - Governmental Funds Balance sheet – summarizes the various fund accounts and their amounts. Mr. Costello noted that grant funds should never have a balance because if the funds are not used for the intended purpose, they are returned to the funders.

Page 5B - Reconciliation of Fund Balance to Net Position of Governmental Activities. This page is just a reconciliation to the Statement of Net Position.

Page 6A - Statement of Revenues, Expenditures and Changes in Fund Balances – This page is an income statement for government funds. Total revenues under the General Fund were \$1,691,075. Expenditures were \$1,313,781, a + \$377,294 difference.

Page 6B – Reconciliation of Changes in Fund Balance to Changes in Net Position of Governmental Activities. This page is a reconciliation to page 6A.

The next several pages are footnotes to the financial statements.

Page 8 - Schedule 1 Budget to Actual General Fund – This page shows what actually happened: \$1,446,517 was budgeted for revenue, but \$1,691,075 came in. On the expenditure side, \$1,446,517 was budgeted but only \$1,313,781 was spent. The result was the \$377,294 excess over revenue.

The next three pages consists of required supplementary pension information.

Page 12A – This page is the Auditors report, it is also called the Yellow Book report, and it reports on Internal Controls. An Auditor goes through the financial records and if there are any findings of concern, this is where it gets reported. Two financial reporting deficiencies that are considered significant were identified, as described as 2022-001 and 2022-002. On the compliance part, no problems were identified.

Page 12C – Provides details on finding #2022-001. This finding was also identified last year. Mr. Costello worked with the Health District's Bookkeeper to adjust what Intuit, maker of the Health District's accounting software, did in the system when they logged into the software program to correct a problem. Intuit made a number of changes, including setting up "dummy" accounts. At the end of last year's audit the bookkeeper adjusted the accounts following the auditor's recommendations so that they correctly tied to the June 30, 2021 audit.

This year there were issues with the accounts that looked familiar to last year's audit. The Bookkeeper indicated that she again had contacted Intuit for some help to correct some issues she was having with the accounting software and allowed them into the system. The bookkeeper is not sure if a bad back up had been uploaded or if Intuit had once again made changes to the accounts. A lot of the same adjustments to the accounts will have to be made. The recommendations include backing up Quick Books daily and that any time Intuit needs to be contacted or backup has to be restored, approval from the Director of Health and a Board member must first be obtained.

Director Fonteyne asked how often a back up of the system is currently done. Mr. Cooper indicated that our IT consultant does an off-site daily back up of the server. He will check to make sure Quick Books is part of that back up.

Mr. Costello recommended that an inhouse back up of Quick Books is also done on a Monday, Wednesday, and Friday. He also suggested a local CPA firm, Quick Books certified, come in monthly to reconcile the books.

Page 12B - The next finding #2022-002 was identified while going through the General Ledger and checking bank reconciliations. Checks were dated prior to the end of the fiscal year when they should have been dated for after the end of the fiscal year. Additionally, there were some incorrect and erroneous entries.

Mr. Costello again recommended hiring an outside local CPA firm to come in on a monthly basis to review everything the Bookkeeper does, reconciles the bank statements, and produces a Compiled Financial Statement for the Board. He also indicated that he would make arrangements to sit with the Bookkeeper to adjust the accounts so that they correctly tie to the June 30, 2022 audit.

Mr. Cooper asked if he (Mr. Costello) had discussed the issues he identified with the Bookkeeper. Mr. Costello responded that yes, as issues were found they had been discussed with the bookkeeper.

Chairman Shaum thanked Mr. Costello for his work and recommendations.

On a motion made by Director Fonteyne, and seconded by Chairman Shaum, the Board voted to accept the fiscal audit for FY 2021 – 2022 which ended June 30, 2022, as presented by Charles Costello. Chairman Shaum voted yes, Vice Chairwoman Revzon voted yes, Director Mally voted yes, and Director Fonteyne voted yes.

**Motion was approved 4 to 0.**

### **Appointment of the Auditor**

Mr. Cooper explained that the Health District must appoint an auditor every year and submit the information to OPM. He asked Mr. Costello if he is interested in continuing as the Health District's auditor for FY2023-24. Mr. Costello replied in the affirmative.

On a motion made by Director Mally, and seconded by Vice Chairwoman Revzon, the Board voted to appoint the Costello Company LLC to conduct the fiscal audit for FY 2022 – 2023 which will end June

30, 2023. Chairman Shaum voted yes, Vice Chairwoman Revzon voted yes, Director Mally voted yes, and Director Fonteyne voted yes.

**Motion was approved 4 to 0.**

#### **Meeting and Holiday Schedules for 2023-2024.**

Mr. Cooper explained that the meeting and holiday schedules get approved by the Board every year, the meeting schedule must also be filed with the Town Clerk's office in each member town. The proposed meeting schedule is the same as it has been, the second Monday of each month unless it falls on a holiday, where it is then moved to the following Monday. No meetings are proposed for June, July, and October. The state requires the Board to meet a minimum of four times per year. With proper Notice, a Special can be called any time it is needed.

On a motion made by Director Fonteyne, and seconded by Vice Chairman Shaum, the Board voted to adopt the proposed meeting schedule as presented. Chairman Shaum voted yes, Vice Chairwoman Revzon voted yes, Director Mally voted yes, and Director Fonteyne voted yes.

**Motion was approved 4 to 0.**

Mr. Cooper noted that the Holiday Schedule has the same federal holidays as our member towns, but with one floater which is chosen after staff input.

On a motion made by Vice Chairwoman Revzon, and seconded by Director Mally, the Board voted to adopt the proposed Holiday Schedule for 2023 – 2024. Chairman Shaum voted yes, Vice Chairwoman Revzon voted yes, Director Mally voted yes, and Director Fonteyne voted yes.

**Motion was approved 4 to 0.**

#### **Strategic Planning Update**

Mr. Cooper noted that he had a conversation with the Harvard Business Club of Connecticut Partners last week who have been waiting for budget information that can be tied to the Strategic Plan they have been working on. They are looking at how the Health District would fund a number of strategic initiatives over a five-year period. In looking at the initiatives and the Health District's current needs, Mr. Cooper proposed up grading the Network server and desktop computers in the current budget which has a \$40,000 line item for computer upgrades. Funds left over from the purchase of hardware can go to some software needs. Quotes for the purchase of new hardware has been obtained from the Health District's IT/computer consultants and are well within the existing budget line item.

There was general discussion on the budget and why there are excess revenues over expenditures. Mr. Cooper explained that in addition to revenue being up because of the continued high number of environmental applications, that State Grants for COVID activities were used to off-set expenses, and that there have been and continue to be two open staff positions that have been difficult to fill. Recent candidates have successfully completed the interview process, have been offered what was indicated as acceptable pay, the offers have been accepted, and then the candidates change their minds. Mr. Cooper speculated that their employer is likely matching if not increasing the candidates' rate of pay when trying to give a two week notice of leaving. Efforts to recruit qualified candidates will continue.

Additionally, he noted that travel clinic vaccination revenue is also starting to pick back up.

Mr. Cooper stated that since the Board has now seen the proposed draft budget, he will reach out to the Harvard Business Club of Connecticut Partners to share the budget and discuss plans to implement as many of the recommended strategic initiatives that can be funding in the current fiscal year.

### **Director of Health Report**

Mr. Cooper summarized the Operational and Permit Activity reports for October, November, and December noting that the permit activity level for December reflects the traditional seasonal lull, likely due to the holidays and vacations. It is always a guess as to what will happen in the Spring, but there are indicators that permit activity will continue at levels higher than what was considered normal prior to COVID, even though it is expected that permit activity will continue to come off the COVID highs.

Director Mally noted that the Summary Activity Report seems to indicate a reduction in a number of areas except well permits. Mr. Cooper surmised that might be because there has been an increase in the number of geo-thermal wells for heating/cooling purposes.

There was general discussion on the permitting process and the kinds of activity in the past year.

Mr. Cooper summarized the draft budget proposal and provided an overview of the various documents in the budget package. The first page mirroring the Health District's traditional budget format of revenue vs expenditures, noting that he has reorganized a number of line items and placed them in the same categories as the auditor. It is thought that this might help the bookkeeper in her data entry. A two and one-half percent increase is proposed, minimizing the increase in town contributions by proposing a revenue line item for spending \$65,027 of the undesignated fund balance. Because of COVID and other grants used have been used to off-set some operational expenses, the undesignated fund balance has grown. With COVID grants winding down, rather than apply more undesignated fund balance to next year's budget, it is recommended that the undesignated fund balance be used over the next few years to minimize any increases in town contributions. Additionally, some of these funds could also be used to implement some of the top strategic initiatives that might be identified in the 5 year strategic plan currently being developed.

There was general discussion on how the cost of many things has increased this past year, heating oil, the cost of electricity, etc. These have all increased more than 2.5 percent. Budget meetings are being scheduled with each town in the next couple of weeks.

### **Executive Session To Discuss Staffing Issues**

On a motion made by Chairman Shaum, and seconded by Director Mally, the Board voted to go into an executive session to discuss staffing issues. Chairman Shaum voted yes, Vice Chairwoman Revzon voted yes, Director Mally voted yes, and Director Fonteyne voted yes.

**Motion was approved 4 to 0.**

Chairman Shaum declared the executive session over at 8:28pm .

### **Adjournment**

Back in the open session Chairman Shaum asked if there was any additional business to come before the Board. Hearing none, on a motion made by Chairman Shaum, and seconded by Director Fonteyne, the Board voted to go adjourn at 8:32pm. Chairman Shaum voted yes, Vice Chairwoman Revzon voted yes, Director Mally voted yes, and Director Fonteyne voted yes.

**Motion was approved 4 to 0.**

Respectfully submitted.

A handwritten signature in blue ink that reads "Mark A.R. Cooper". The signature is written in a cursive style with a large initial "M" and a long, sweeping underline.

Mark A.R. Cooper Director of Health  
Aspetuck Health District