



77 Main Street North, Suite 205
Southbury, CT 06488
BOARD OF DIRECTORS SPECIAL MEETING
Wednesday 1/25/23, 5:30 PM
VIA Google Meet

Voting Members in Attendance

Dean Sarjent(Washington)
Fred D'Amico Board Chairperson (Oxford)
Michael Crespan (New Milford)
John Michaels (Southbury)
Deborah Fuller (Woodbury)

Non Voting Members in Attendance

Lisa Michelle Morrissey (Secretary)

Staff in Attendance

Jennifer Luis (Recording)

Voting Members Not Present

Dr. Jeremy Levin (New Milford)
Chris Cosgrove (New Milford)
Larry Ellis (Oxford) Vice Chairperson

Guests

George Sinnamon (Auditor)

SPECIAL MEETING MINUTES

Meeting called to order- Board Chair Fred D'Amico 5:32pm

Discussion draft from Auditor for the FYE 2021-2022:

Fred D'Amico stated the auditor has the draft of the financial report with a few deficiencies. The meeting was turned over to Mr. Sinnamon to discuss the audit.

Mr. Sinnamon stated the draft report is on extension at the moment so it has not been submitted to OPM at this time. The report is due by Tuesday, January 31, 2023 but it is not ready to be submitted at this time. Mr. Sinnamon stated we would ask for another 30 days as the extensions are for 30 days at a time which is not a problem. The reason it is extended is due to the ELC 2 grant which allowed the district to charge costs back to March 1, 2022 which is part of the audit period. Mr. Sinnamon asked Lisa Morrissey if there was an update on the signed contract. Ms. Morrissey stated that Anne Nuemann, Lisa Morrissey and DPH had signed off on the contract and it is now back in the Attorney General's office waiting for their signature as the last piece to be a fully executed contract. The delay is due to staffing shortages at the state level. Mr. Sinnamon reiterated that most of the Health districts are also waiting for signatures and this is not the fault of the district.

Mr. Michaels asked if we can do the work that the grant covers and Mr. Sinnamon stated the district has already done the work that the grant covers and most of the expenditures which are salaries. Mr. Michaels asked if we paid for the work already and have not received the funds yet. Mr. Sinnamon stated we did pay for the expenses and reimbursement is due to the district from the grant. Mr. Sinnamon stated the financial report is a clean audited opinion on the financial statements.

Mr. Michaels asked what are the accrued liabilities. Mr. Sinnamon stated that \$64,000.00 is from the in dispute salary payout for the previous director. The remaining is for the payroll cutoff in July. The capital equipment fund that has been there for several years has not been used but it does require Board action and can be expended or pulled down to the general fund if the board chooses to do so. Mr. Michaels asked if this money is for computers or boats? Mr. Sinnamon explained that many districts have a capital fund line and districts set aside cash every year so there is not a big hit to the district when replacing items. Mr. Michaels said he noticed in the report about \$60,000 for computer replacements and if that came out of the operating expenses and not the capital fund. Mr. Sinnamon said that is correct in order for it to come out of the capital fund the board would have to indicate that is their intent and authorization.

Mr. Michaels asked if we receive the money all at once for the ELC 2 grant or do we have to apply every quarter. Ms. Morrissey stated the grant is not quarterly; it is roughly 60 days and the district would do the reports accordingly. We are currently in the 5th budget period of the grant. Mr. Sinnamon explained that most grants are on a reimbursement basis.

Mr. Michaels asked if there is a summary sheet that lists all the grants and when we anticipate spending the money and the cashflow requirements of the grant and when we might expect reimbursements. Ms. Morrissey said the monthly report that goes out to the board shows the list of grants and their status and the contract award dates.

Mr. Sinnamon showed the draft budget and actual comparison to the board of directors. He stated an initial budget was passed in April of 2020 and then the district transitioned to 5 towns and the original budget was not revised by the board.

Ms. Morrissey wanted to clarify when she became the Director in February of 2022 the budget had been prepared by Mr. Anderson. He made the same mistake as some of the elected officials had made wherein they thought the grant money was a free spend and Mr. Anderson had advised the board to hire additional personnel when New Milford had joined the district assuming that all the money was operational funds. The excess staff is no longer with the district.

Mr. Michaels asked when Ms. Morrissey leaves what is the level of expertise with the staff with accounting. Ms. Morrissey stated that the identified deficiencies were from previous contractors, not the internal staff which have been working to rectify the issues.

Mr. Michaels asked if the deficiencies in the past were addressed. Mr. Sinnamon stated one of the items was mileage logs which were an issue in the past. That has been addressed and corrected. He also stated that most of the deficiencies were more operational than accounting. Mr. Michaels wanted to know if there is something that the board can do to help so the issues of the past do not happen again. Mr. Sinnamon stated that the board is already helping with addressing past issues and either have been corrected or being corrected. He also stated that auditing looks more at the financials and not the personnel relationships and rely on management. Mr. Michaels said that was the problem in the past with the previous management and staff that there was not good reporting. Ms. Morrissey stated these are questions that should be reported to the board's attorney who could answer these questions and the findings back from the state police. Mr. Michaels asked for a briefing from the attorney for the new board members. Mr. D'Amico stated that is a good idea and should have the board attorney at the next meeting for a briefing for all the board members.

Mr. Sinnamon stated they had to make adjustments for a clean audit due to lack of expertise. Ms. Morrissey asked Mr. Sinammon to clarify for the board. Mr. Sinammon gave the accounting information to Keven Anderson who was a consultant and a company Mission Accounting that the board of directors hired. He stated Mr. Anderson said the previous accounting system does not work so the district switched to a new quickbooks and Mr. Anderson and mission accounting never entered the previous amounts in quickbooks and then later entered them into batches such as payroll. Which did not include details such as breakdown of salaries and entered it into quickbooks as one line which was done by Mission accounting. Ms. Morrissey stated the district is looking for a company that has experience with health districts. Mr. Sinnamon stated they asked Mission accounting several times to fix issues that they entered incorrectly and the company never fixed their mistakes.

Mr. Sinnamonn stated he also found that Mr. Anderson never sent out 1099's for the 2021 fiscal year. He recommends Mr. Anderson produce the 1099 forms to show he sent them out or for the district to send them out now. Another item is that the minutes from April 2022 does not reflect there was a public hearing in compliance with the meeting. Mr. Sinnamon also recommends revising the format for the budget with more details.

Mr. Micheals stated the district has these three deficiencies that need to be addressed and Mr. Sinnamon has laid out a plan for management to fix the deficiencies. Mr. Micheals said we do not need to know the why and how it happened. He also asked since Ms. Morrissey is leaving if there is someone to take her place to fix these deficiencies who will be responsible. Ms. Morrissey stated it will be the new Director of Health who has this responsibility.

Mr. Michaels asked if quickbooks online has a system to track the grants. Mr. Sinnamon said it does have the capability and Ms. Morrissey does have that system set up. Mr. Michaels asked who is going to help the office manager to go through quickbooks to make sure all the entries are correct. Ms. Morrissey stated the Director of Health and an outside accounting company. The company also will train the staff.

Mr. Michaels requested monthly reports for the financials. Ms. Morrissey stated as of right now the financial reports are quarterly and the board would need to change the by-laws for monthly reports.

Mr. D'Amico agreed with monthly financial reports for the board of directors.

Mr. Crespan asked if we are still retaining Mission Accounting. Ms. Morrissey said it will be the end of February per their month to month contract that ends. Mr. Michaels asked both the budget for comparisons and a detailed balance sheet sent to the board.

Mr. D'Amico said the bottom line is that all of the corrective items have been initiated and to start having monthly reports of the financials. Ms. Morrissey said that the by-laws should reflect the procedures as best practice to show monthly reports instead of quarterly. The by-laws will be sent to all the board members to start revising.

Mr. Sinnamon asked if the budget could have more details in the future to show more line items. Mr. Michaels would like to make a recommendation to Mr. D'Amico to select a few board members to work with Mr. Sinnamon and the new director of health to do what Mr. Sinnamon is suggesting for the budget and monthly reports. Mr. D'Amico said we could have a committee put together next month.

Mr. Sinnamon said the audit report is done. We are just waiting for the ELC2 signature and if we do not get it by Tuesday we can file another extension.

Mr. Michaels made a motion to accept the auditor's report subject to getting the Attorney General's signature on the ELC 2 Grant.

Second: Michael Crespan

No further discussion

All in favor

Motion carries

Meeting Adjournment - 7:04pm

Motion: Michael Crespan

Second: John Michaels

All in Favor

Motion Carries

Minutes recorded by:



Jennifer Luis