

Litchfield Board of Finance
Regular Hybrid Meeting Minutes
January 12, 2026 ~ 7:00 p.m.
Litchfield Firehouse and Remote via RingCentral

1. **Call to Order:** Chairman Sam Olmstead called the regular hybrid meeting of the Board of Finance to order at 7:03 p.m.

Members Present: Sam Olmstead, Jennine Lupo, Elliot Fuessenich, Stephan Krucker, John Keilty and Matt Dyer virtually and alternate members were Kristopher Wright and Patrick Allers.

Members Absent: none

Others Present: King & King Associates Sean O’Grady, First Selectman Denise Raap, Treasurer Erich Marriott, Selectman Jeff Zullo, Tax Collector Helen Bunnell, Assistant to the Finance Director Stacey Dionne, and previous Board member Matt Tobin.

2. **Approval of December 8, 2025 Regular Meeting Minutes**

Motion: Elliott Fuessenich moved to approve the 12/08/2025 meeting minutes, and John Keilty seconded. All members voted aye, and the motion carried.

3. **Public Comment** none

4. **Presentation of FY25 Audit:** S. O’Grady presented a summary of his findings through a handout and additional supporting documents. He highlighted the Transfer of Operations to Region 20, \$22,106,584, and Debt Service Payments from Region 20, \$1,186,272. He noted that Litchfield has an unassigned fund balance policy targeting 15% of the next year’s appropriation. Litchfield’s unassigned General Fund is 22% of the following year’s appropriation. He also noted there is an increase of \$226,805 to the General Fund.

S. O’Grady stated that Litchfield stopped being self-insured for medical in 2020/2021, that the fund has now been closed out, and that annual premiums for the purchased insurance should be budgeted in the General Fund each year. He noted that the Pension and OPEB Trust Fund cash, cash equivalents, and investments total approximately \$28.9 million, with net investment income of \$3.1 million during FY24/25. He stated that the Custodial Funds were reclassified as part of the General Fund in accordance with GASB 84, and that the Student Activities Funds were removed as part of the transfer of operations to Region 20. He also noted a General Fund lease receivable of \$1,044,033 and a Town Hall Fund lease receivable of \$292,568.

D. Raap clarified that the \$178,707 receivable from Region 20 member towns reflects findings from the previous audit, which determined that the Region 6 towns owe Litchfield for expenses incurred during the shared services agreement and Region 20 start-up costs.

In response to a question from E. Fuessenich regarding the Bantam Annex Fund, S. O’Grady stated that the balance is \$110,650, with FY24/25 expenses totaling \$191,641.

S. O’Grady also noted the large decrease in capital assets related to the transfer of operations to Region 20. Also noting that there was a restatement of beginning capital assets to include accumulated depreciation on assets that had not been depreciated. S. Olmstead stated that the Town’s depreciation reflects anticipated future expenses and supports long-term planning for assets such as bridges that will require replacement after a certain number of years.

In the Long-Term Liabilities section, S. O'Grady highlighted the \$1.5 million Region 20 budget deficit mitigation agreement, annual debt service payments on General Obligation Bonds of \$2.7 million in 2026, and beginning compensated absences was adjusted for the implementation of GASB 101 during 2025.

S. O'Grady stated with the implementation of new accounting standards there was an adjustment to increase the beginning Governmental Activities and Business-Type Activities compensated absences liabilities by \$240,441 and \$46,281 and reduce the beginning Net position by the same amount. S. O'Grady noted in the detailed budgetary schedules taxes were greater than anticipated by about \$280,000, investment income was greater than anticipated by about \$422,000 and expenditures were less than anticipated by about \$317,000. S. O'Grady noted Outstanding Taxes Receivable balance at 6/30/25 is \$529,275.

S. Dionne clarified that the excess of expenditures over appropriations does not indicate that the department as a whole overspent. She explained that while certain accounts may exceed their individual appropriations, other accounts within the same department offset those overages.

S. O'Grady stated that the findings indicate the Town should strengthen its internal controls over financial reporting. He recommended that the Town develop periodic and year-end closing procedures to ensure all accounts are reviewed, adjusted, and supported by underlying documentation in accordance with U.S. GAAP. S. Olmstead agreed with potentially doing a midyear review.

He further recommended implementing controls and procedures to ensure that capital asset records maintained in MUNIS are accurate, reviewed, and reconciled with the capital asset summary schedules, including performing a full review and reconciliation of the capital asset subledgers in MUNIS.

He noted that the Town is responsible for preparing the Schedule of Expenditures of State Assistance and the Schedule of Expenditures of Federal Awards, and should be tracking grants accordingly. He recommended enhanced collaboration between the Public Works Department and the Finance Office.

Finally, he stated that the Town's annual audit must be submitted to the Federal Audit Clearinghouse within 30 days of receiving the receipt of the auditor's report, and recommended that the Town establish internal control policies and procedures to ensure timely submission of the annual audit, reporting package, and data collection form.

S. Dionne, responding to S. Krucker's question regarding the Town's capital policy, stated that any asset valued at \$5,000 or more is added to the capital asset list. In response to E. Fuessenich's question about tracking removed items, she explained that departments submit lists of items to be removed. When J. Lupo asked whether permission is required to dispose of items, S. Dionne stated that a memo request must be submitted to the First Selectman.

Additional recommendations from S. O'Grady included ensuring that department budgets are monitored and that any necessary line-item transfers or adjustments are authorized in accordance with Connecticut General Statutes. He recommended that the Town review and adopt a policy for handling old uncashed checks and investigate the outstanding checks in the General Fund checking account. S. Dionne noted that the Town maintains a list of uncashed checks, which can be sent to the State, and that letters have been issued to individuals who have not collected their funds.

S. O'Grady further recommended implementing procedures to ensure that all timesheets are reviewed and show evidence of approval prior to payroll processing. S. Dionne explained that there is currently a ticket open with ADP, as digital approvals do not appear on the printed version of the timesheet, though they are approved by a supervisor.

He also recommended that supporting documentation be maintained for every Certificate of Correction and that each COC include a signature of approval in the Assessor's Office. He further recommended that personnel files contain sufficient data to support the information provided to actuaries for the pension plan valuation reports.

Additionally, he recommended that the Town review tax overpayments from the 2022 Grand List and prior, dating back to the 2014 Grand List, and address them in accordance with Connecticut State Statutes.

Finally, he recommended that, although a binder exists, the Town develops and formally adopts a comprehensive accounting policies and procedures manual to be approved by the Board. J. Lupo requested if there are other towns similar in size that have policies that S. O'Grady can pull for the BOF to review.

5. **Region 20 Update:** S. Olmstead stated that the Finance Office is still receiving and processing bills from Region 20 related to Litchfield Public Schools. J. Zullo asked whether the Region 6 towns have acknowledged the amount owed to Litchfield, noting the audit reflects \$178,000 while the Region 20 Chief of Finance cites \$118,000. D. Raap confirmed that the audits were never amended. S. Olmstead added that Goshen has included funding to cover its portion of the liability.

S. Olmstead asked the Board for guidance on the proposed facilities master plan study for Region 20. E. Fuessenich stated he would prefer to save for the study or, if using fund balance, proceed with the plan. J. Keilty noted that the study would help make future obligations as predictable as possible. D. Raap stated that Region 20 intends to approach Seherr-Thoss for a grant to cover half the cost.

In response to S. Krucker's question about the scope, S. Olmstead stated that the primary focus is a condition assessment, prioritizing necessary work, and developing a long-term utilization plan. He emphasized the value of involving an architect, particularly for expertise in grants and compliance to maximize available funding.

S. Olmstead also noted that Region 20 will soon begin its budget cycle and encouraged Board members to attend the meetings or listen to the recordings. D. Raap stated she has contacted the Chairman of the Region 20 Board of Education regarding the formation of the Finance Committee, which must be established by the BOE.

6. **Monthly Financial Report for November**

Motion: E. Fuessenich motioned and J. Lupo seconded the motion to table the financial report for November to February's meeting. All voted aye and the motion passed.

7. **New Business:**

a. **Financial Transfers** none

b. **Correspondence** none

c. **Payment of Bills** none

d. **Future Agenda Items:** S. Krucker requested that new members receive clarification on BOF processes and topics such as FOIA. E. Marriott stated that the capital improvement project will be presented at either the February or March BOF meeting. D. Raap noted that the Town's budget process will begin in March.

8. **Adjourn Motion:** E. Fuessenich moved and J. Keilty seconded a motion to adjourn at 8:58 p.m. All voted aye and the motion carried.

Carlissa Bayette, Interim Recording Secretary