

**WATER POLLUTION CONTROL AUTHORITY
REGULAR MONTHLY MEETING
TUESDAY, MARCH 9, 2010**

MEMBERS PRESENT: Joseph Calsetta, Jeffrey Ives, Kevin Brace, Gary Laurito, and Denise Balboni

MEMBERS ABSENT: Steven N. Wawruck, Jr., Dennis DeMaine, and John McSweegan
Dana Steele, Town Engineer, Ex Officio

ALSO PRESENT: Scott C. Lappen, Director of Public Works, Ex Officio
Gary Kuczarski, Superintendent
Heather Kane, Recording Secretary

CALL TO ORDER: Jeffrey Ives called the meeting to order at 6:00 p.m.

MINUTES: Gary Laurito made a motion: **TO APPROVE THE MINUTES FROM THE FEBRUARY 9, 2010 REGULAR MONTHLY MEETING** - Seconded by Kevin Brace. Joseph Calsetta recommended that under Financial Reports subsection a., January 2010 Cash Reports, the "3/100th of a percent" should be changed to "3/10th of a percent" since "3/100th of a percent" is incorrect. Without further discussion, the motion to approve the minutes as amended passed 5 – 0.

PUBLIC INPUT: None

FINANCIAL REPORTS:

- a. **February 2010 Cash Reports:** Gary Laurito made a motion: **TO ACCEPT THE FINANCIAL REPORTS AS PRESENTED**– Seconded by Denise Balboni. Without further discussion, the motion passed unanimously.
- b. **CD Investments – update and changes:** CD Investment spreadsheets were handed out to the Authority at the meeting for informational purposes only.

CORRESPONDENCE: None

OLD BUSINESS:

- a. **Attorney's Letter:** The WPCF has not yet received from Attorney Chadwick a draft of the letter that is to be mailed out to residents once their account is turned over to his law office. Gary Laurito made a motion: **TO TABLE THE ATTORNEY'S LETTER UNTIL THE NEXT MEETING** – Seconded by Denise Balboni. Without further discussion, the motion passed unanimously.
- b. **Investment Management:** Gary Laurito did start a discussion with Barbara Bertrand in regards to the management of the WPCA investments. He shared that Barbara Bertrand seems to be very busy and does not have the time to pursue different investment avenues. The question of whether the WPCA has the authority to invest its own funds was brought up and discussed at the meeting. Gary Laurito shared that the Town has always managed the WPCA's investments. The reasons behind why the WPCA's funds have historically been pooled with the Town's funds for investment purposes remains unclear. It is important to learn about this process because the WPCA is not earning what it could potentially be earning on investments. Gary Laurito stated that the WPCA has a fiduciary responsibility to the taxpayers to do its best in investing the funds since, as Jeffrey Ives added, the money will either be earned through investments or by an increase in rates. The Authority decided to wait to hear from Steven N. Wawruck, Jr. in regards to why the funds are being co-mingled for investment purposes. Gary Laurito offered to follow up with Steven N. Wawruck, Jr. in regards to this.
- c. **Meeting with Auditor:** Gary Laurito attended a meeting with the auditor that included Steven N. Wawruck, Jr., Scott Lappen, Barbara Bertrand, Joyce Williams, and Heather Kane. Mr. Laurito stated that most of the discussion at the meeting revolved around terminology. The major concern the auditor had was the use of the word "undesignated" (i.e. when the WPCA moves funds from closed capital projects to the "undesignated capital account"). Basically, the WPCA

needs to change the title of the account from “undesignated” to “unallocated”. Part of this change has to do with the new Government Accounting Standards for municipalities. Undesignated means the funds are basically in limbo. What the WPCA has done historically is to designate the funds to the capital account but not allocate them to a specific project. Gary Laurito made a motion: **TO CHANGE THE TERM “UNDESIGNATED” IN THE WPCA ACCOUNTING RECORDS TO READ “UNALLOCATED”**– Seconded by Joseph Calsetta. Without further discussion, the motion passed unanimously.

Gary Laurito recommended going through the auditor’s management letter to address the issues the auditor brought up in the letter. The first concern was that there is not a review of information entered into the system for Town salary and wage increases. Increases are given to the Finance Department via a copy of a signed contract or a copy of the approved WPCA budget. The first payroll report from the Town after the implementation of an increase should be reviewed by Gary Kuczarski to ensure the increases were entered correctly. Second concern referred to the review of the Town’s regular payroll runs. Denise Balboni stated that this particular item will need to be reviewed by the Board of Finance and the Finance Director will need to respond with some process that she puts into place for all departments including the WPCA. Ms. Balboni recommended waiting until the Authority hears from the Finance Director. Gary Laurito asked that the Authority request a copy of the Town’s response to this letter. The third concern was that some invoices do not require a signed purchase order. Scott Lappen stated that all purchase orders from the WPCA are signed by him except for items that are under \$25.00. The fourth concern referred to the WPCA not requiring the receiver of goods/services to sign off on the purchases. The WPCA changed its procedures due to the auditors’ recommendation and now does require the packing list to be signed by the receiver of the goods and services. The packing list is then attached to the invoice. The fifth concern referred to write offs and adjustments in the WPCA billing system. Write offs and adjustments are mainly initiated by appeals approved by the WPCA. In the past, Heather Kane has just entered the adjustments into the billing system and audited her own work before processing the changes. Now, Gary Kuczarski will audit the Charge Edit report before the adjustments/write offs are processed. The sixth concern is in regards to fraud risk assessment. This concern is a Town wide request. A discussion followed as to whether the Town has an internal audit process. The only audit done is by an outside accountant. A question was posed: What procedures does the WPCA have in place to reduce the risk of fraud when writing checks? Gary Kuczarski and Steven N. Wawruck, Jr. sign off on all check requests. Heather Kane then enters the check information into the finance system. The checks are then printed (checks come out signed from the printer). After the checks are printed, Gary Kuczarski reviews the check report before the checks are mailed. Gary Kuczarski sequentially logs all the checks. In addition, the Finance Department audits the WPCA work (i.e. Heather Kane reconciles the bank statements and then sends them to Joyce Williams in the Finance Department for review). Heather Kane cannot create a vendor in the finance system. All changes to vendors have to go through the Finance Department.

The Authority directed Heather Kane to address the concerns presented in the auditor’s management letter by stating the procedural changes implemented by the WPCA in a letter to the Finance Director. In addition, Heather Kane should also include in this letter what specific steps the WPCA takes to reduce the risk of fraud at the Plant.

- d. **February Collection Calls:** A spreadsheet was handed out at the meeting regarding the February Collection Calls. The WPCF received 238 payments from calls made compared to 29 payments from accounts without phone numbers. Thirty-five percent of the calls made elicited a response in the form of payment. No more calls are being made right now because late notices were just mailed out at the beginning of March. The WPCF will make phone calls again in April.

NEW BUSINESS:

- a. **Draft of new Sewer User Fee Bill:** The WPCF is considering changing the Sewer User Bill because a lot of people tend to forget the second installment. Changes proposed include: adding shading to the top of each section of the bill, adding a Total Due box for each bill section, and

having additional information printed on the back of the bill. Denise Balboni recommended having different shade colors for each installment of the bill. Scott Lappen suggested mentioning the website address on the bill for further information regarding rates and Commission meetings. The Authority recommended making the 1 and 2 blocks bigger as well as increasing the font size of the "1st Installment" and "2nd Installment". A watermark had been suggested but it might make the bill too busy and hard to read. Discussion followed in regards to the WPCA's ability to accept on-line payments.

b. Auditor's Management Letter regarding FY 08-09: Discussed above under Old Business.

At 6:45 p.m. there being no other business to discuss, Joseph Calsetta made a motion: **"TO ADJOURN THE MEETING"** -- Seconded by Kevin Brace (passed unanimously).

Respectfully submitted,

Heather Kane
Recording Secretary