



## **TOWN COUNCIL MEETING MINUTES FEBRUARY 25, 2016**

Christopher Brunelle, At Large 2016  
Eric Metivier, District 1 2016  
Roger Bickford, District 2, 2016  
Dale Crafts, At Large 2017  
Normand Albert, At Large 2018  
Kasie Kolbe, District 1 2018  
Allen Ward, District 2 2018

**CALL TO ORDER.** The Vice Chairman, Eric Metivier, called the meeting to order and led the pledge of allegiance to the flag at 7:00 PM.

**ROLL CALL.** Members present were Councilors Metivier, Albert, Kolbe, and Ward. Councilors Bickford, Crafts, and Brunelle were excused. Also present were Diane Barnes, Town Manager; Traci Austin, School Committee Chairman; Paula Jefferies, School Committee Member; Kathi Yergin, School Committee Member; Rick Green, Superintendent of Schools; Haley McCrater, School Bookkeeper; and four citizens in the audience.

### **AUDIT REVIEW**

Mrs. Barnes introduced the auditor, Greg Chabot, from RHR Smith & Company. Mr. Smith said he loved this approach of getting everyone together in one room to discuss the town and school's audit. He pointed out the Water Department's financial status was not included since it falls on a different fiscal year end. They reviewed the town and school's internal control procedures and journal entries while looking for dollars at risk and the results can be found in the management letter (see attached) which includes any significant deficiencies. He said compliance elements for grant programs were reviewed and they found nothing to report. He pointed out that the total fund balance increased by \$196,636 from \$3,050,027 to \$3,246,663 and the town's fund balance increased \$262,699. He said Lisbon is in solid financial shape on the low end of the acceptable range. He indicated the industry is recommending a solid 2 months in reserves; Lisbon falls in that range from 1 to 2 months.

Mr. Chabot went through the management letter in detail. He commented about reconciliation being done monthly and mentioned some effort has already been made to accomplish this. Mr. Karass said the new accounting system should help with this. He recommended procedures be developed for the School and Water Departments for documenting expenditures and deposits on a timely basis. He covered the MePERS error in the system and recommended monthly reconciliations. Mr. Karass indicated payroll is now reconciled monthly and he is working with the bank to separate town and school funds.

Mr. Chabot said grants do need to be tracked better. Mr. Karass agreed and indicated he would be setting up Fund 15 going forward for better control. Mr. Chabot indicated the self-insured health plan carried insufficient reserves to cover claims and pointed out this is no longer an issue now that the town moved back to the MMA Health Trust program. He said two adjustment entries were made for the prior year, which had not been done, but have now been posted: 1) \$268,000 accrued revenue and 2) \$66,000 Health Care Liability.

**COUNCILOR COMMENTS:** Councilor Ward said this was a huge step for the community getting our audit into the current format and commended Mr. Karass for such a wonderful accomplishment. Mr. Chabot said he felt this should be submitted for an award and if chosen would be quite prestigious for Mr. Karass and Lisbon. Mrs. Barnes pointed out this took a lot of work and effort by Mr. Karass and Ms. McCrater's and thanked Mr. Karass and Ms. McCrater. Mr. Chabot said both sides were very cooperative and it went very well. Councilor Ward said he liked this assessment tool and indicated it will be helpful for planning purposes.

Seeing no further comments, the Chairman closed the workshop.

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Twila D. Lycette, Council Secretary  
Town Clerk, Lifetime CCM/MMC  
Date Approved March 15, 2016