Preston Board of Finance
Regular Meeting
Wednesday, January 15, 2020 at 7:00 P.M.
Preston Town Hall Conference Room

Call to Order – John Moulson called the meeting to order at 7:00 P.M.

1. Roll Call

Members
John Moulson – Chairman
Bob Congdon - Vice Chairman
Stacey Becker - Clerk
Andy Depta
Denise Beale
Zachary Maurice

Alternates
Matthew Davis - excused
Vacancy

Also Present
Sandra Allyn-Gauthier – 1st Selectperson
John Spang – Financial Director
Dr. Seitsinger – Superintendent of Schools
Sandra Welwood – Auditor
Gerry Grabarek – Selectman
10 other members of the public

2. Correspondence

John Moulson referred members to the packet in order to save time due to the anticipated length of the meeting. In the Board’s packet were the following:

➢ December 17, 2019 – Jill Keith – email: voicing her concerns with the Dec. 11th Board of Finance meeting
➢ January 16, 2020 – Nancy Musa – email: forwarding information concerning two programs they are offering Preston residents for free the tobacco cessation program and Falls Prevention Program. Flyers were attached with the email.

3. Public Comment - There was none.

4. Approval of Minutes:

December 11, 2019 Special Meeting Minutes

Bob Congdon motioned to accept the Minutes as presented. Denise Beale seconded the motion. John Moulson, Bob Congdon, Stacey Becker, Denise Beale, and Zach Maurice voted in favor, while Andy Depta opposed. The motion carried.
December 18, 2019 Regular Meeting Minutes

Andy Depta motioned to accept the Minutes as presented. Bob Congdon seconded the motion. The motion carried unanimously.


Ms. Welwood present her finding in the 2018-19 Audit. She explained that this year was consistent with previous years it went very smoothly with no major issues. She shared several handouts with the Board and public that were present. She did go over three items of interest which were:

- Capital assets that have no impact on the town at this point
- Effective July 1, 2019 Fiduciary funds, such as Student Activity Fund, have changed with very strict accounting rules however; the amount is so small it’s not worth the worry at this point
- Effective July 1, 2020 Lease accounting the Board will need to assess the impact and to prepare a comprehensive list of all leases needs to be made. It should include equipment, services, postage machine, and any others that town may have

Sandra also pointed out several areas that could become a concern and suggested to avoid deficiencies in the future to strengthen internal controls in order to work more efficiently. Areas that could use attention:

- Formal monthly and annual close processes
- Interfund activity – recording, approval, and reconciliation
- Bank accounts, number, monthly reconciliation review (documented)
- Overall segregation of duties review and strengthen

Ms. Welwood pointed out that with a new system/program as of July 1, 2020 that the town has a real opportunity to streamline and consolidate to improve their financial handling and reporting. With the new system now would be the time to consolidate dormant accounts and those that don’t have steady revenues and expenses. By consolidating and eliminating funds that are stagnant there is less room for error and there is less of a burden on the system and accounting personnel.

Sandra then explained a State Single Audit (Source State Compliance Supplement) or SSA Act with a handout she explained three major areas for the Board to understand. 1. Government-Wide Financial Information which includes Revenues, Expenses, GOB & Notes (which are being paid down), Bond Anticipation Notes (BAN), and Long-Term Obligations which are usually pensions which towns have no control over. 2. General Fund Results – Budgetary Basis showing the net change in fund balance as a positive $777,349. This is due to higher revenues in property taxes; lower intergovernmental grants; and high local revenues due to higher interest rates and substantial increase in building permits. The handout showed the break down of the General government, Public works, Education, and All other expenditures were all higher than the previous year. 3. Governmental Fund Balance which included Capital Projects Fund and the PRA Fund both are showing a downward trend. This because of the timing of grants and when costs were incurred verses when the reimbursement will be received.

Sandra pointed out that the town needs to do better accounting in the future in order to be in better shape with the SSA Act. She gave two examples:

- PRA is administering fine; however, they are not accounting for their transactions of money in, money out
- LOCIP Grant: The Selectmen administer the funds, but don’t account for it

Finally, Ms. Welwood shared two graphs that showed the Unassigned Fund Balance over 5 years (2015-2019) and General Fund Unassigned Fund Balance as a Percentage of Total Expenditures over the same 5
years. The two graphs show that Preston stays steady in both areas. Bottom line is Preston is in good shape for dealing with future unexpected emergencies.

Bob Congdon shared that is why the town has a Double A Bond rating.

6. **Town Revenue and Status Report** – John Spang

John Spang reported that 56% of the taxes have been collected that for some reason many people chose to pay their taxes prior to Dec. 31st. It was pointed out that a new tax break went into effect that probably motivated many to take advantage. He pointed out that at this point the expenditures are right on budget which gives the promise of a good year if things continue to proceed as they are.

To answer Stacey Becker’s question the Town Aid Road is still pending.


John went over the Board of Education’s operating budget for the month of December emphasizing the following:
- With two snow days and the holiday break that only left 12 school days in the month thus there were no new financial trends that emerged in that time.
- There is still a short fall of $53,000 in health insurance budget and the board is still looking at ways to cover that.
- The Social Security and Medicare short falls seem to be correcting themselves; the board will project them differently in future budgets.
- Three of four contracts have been settled, only the bus drivers contract needs to be finalized.
- Bids for three replacement school buses have been sent to interested bidders and are posted on several web sites. Public opening is Feb. 5, 2020.

**Bob Congdon motions to move to Agenda item 11 b. Board of Education Request re: Science Rooms. Stacey Becker seconded the motion. The motion carried unanimously.**

Dr. Seitsinger presented a packet of information to the board which contained a chart showing the 5-Year Capital Projects Plan Proposals (2018-2022), the proposed 6-8th grade science labs floor plans with movable lab stations from the QA+M architecture, a Project Planning Calendar for the PPMS Science Room Renovations that starts January 15, 2020 and ends August 27, 2020, the Source of Funds page, and Caintal Budgeting page showing how to finance a Project Cost Overrun.

Dr. Seitsinger spent time explaining the Source of Funds page. Pointing out the town approved $105,110 to proceed with improvements to PPMS science rooms. He then explains the actual cost that the project will need to complete and the reasonings for the overage. He explained that asbestos removal and the several upgrades to address lacking safety features such as eyewash and shower stations, a random metal pipe, redesigning the storage area for safety and efficiency. Also, a Red Button that in an emergency would shut everything in the room down at once and finally ventilation will be addressed. Currently the rooms are vent to the hallway which is the wrong directions, it needs to be directly to the outside.

He also explained that the improvements will allow the teachers to work with their students and expose them to the mandate science curriculum that are needed for them to succeed in the high schools. Also, the skills that the teachers will be introducing and activities they will require of their students will better prepare them for the standardized testing that the students will need to take. It will also allow them to have
their students work in cooperative groups conducting experiments and testing out their theories and engaging in active learning situation in a safer environment.

Stacey Becker asked what features were cut out of the plan. The answer was a greenhouse, a custodial storage area, and hallway access.

Dr. Seitsinger the broke down how the $250,000 project is expected to be paid.

- $31,500 is to be by a Federal funding REAP which will cover the architectural fees
- $22,503 asbestos abatement and $7,000 air sampling will come out of the Board of Education's budget
- $105,110 will come from the 2018 Bond Proceeds Line Item approved by the town
- It is hoped that the required $18,000 contingency monies won’t be used and returned
- Leaving $65,887 which the board of Education is requesting the Board of Finance allow them to reclaim the funds from previous Capital projects that came in under budget.

Bob Congdon motioned to move $65,887 from the Bond to the PPMS Science Lab Upgrade. Andy Depta seconded the motion. The motion carried unanimously.

7a. BOE Liaison Report – Andy Depta

Andy Depta four key points that were discussed at the Dec. 19th meeting he attended. Those points are:

- The Superintendent identified approximately 318 State mandates that they must follow.
- They are committed to not hire any new staff.
- As they move forward with their budget process, they are committed to produce a Zero-based budget.
- Every line item will be required to have a justification.


Sandra reported that one of the three heaters in the library is not working. We are working with CIRMA to get to figure out if it will be replaced or repaired. Working with S.K. Mechanical and CIRMA to figure out the best plan of action. To replace the 5-year-old unit would cost $7,820 and if it’s covered it would cost only the $1000 deductible. In the meantime, three electric space heaters are being used to heat the library.

Also working on replacing the fuel tanks which are old. Have contacted Rosemary Rahm in hopes that we can use LOCIP to replace the tanks with an above ground tank. There is $97,700 at our disposal. There is a verbal agreement with Ms. Taylor with OPM that the funds will become available. Also working on getting 4 estimates so decisions can be made.

She also reported concerns with the elections that have already expended 52% of their budget, with the upcoming referendums still to face and more than half of their budget already gone, they will more than likely need a line item transfer depending on future elections and referendums.

It was reported that the $400 electricity bill was for the old town library for the Historical Society at 296 Route 164.

That the Town Road Aid has yet to be received from the state and that will be $190,000 in revenue.

Finally, she clarified several line items of the Public Works budget. Line item 5101 is the director’s salary and hourly wages for the workers at the transfer station; 5102 public works wages, 5104 public works
overtime, they do track snow separately in case it qualifies for FEMA, and 5109 is the hourly wages for the public works

9. PRA Update – None given

10. Old Business
   2005-18 Bond Package Review
   This was tabled until the February meeting.

11. New Business
   a. Outgoing Town Clerk Request – John Spang

   John lead a brief discussion with the board members concerning the request to establish a fund that would help protect the town against fraud and the misuse of funds. It would also establish a cash cut off rule when collecting funds, particularly tax collection.

   Denise Beale motioned to appropriate $5000 out of the Undesignated Fund for a Cash Cut Off as Sandra Welwood suggested. Bob Congdon seconded the motion. Bob Congdon, Stacey Becker, Denise Beale, Andy Depta, and Zach Maurice voted in favor of the motion, while John Moulson opposed it. The motion carried.

   b. BoE Request re: Science Rooms – already discussed

   c. FY20-21 Budget Timeline – No change from last year

   d. Established BoF Non-lapsing acct – Tabled until February

   e. Establish Robert's Rules of Order as BoF parliamentary procedure – Tabled until February

   f. Acceptance of Ian Stammel's resignation – Town Clerk accepted

12. Public Comment – No one spoke

13. Adjournment

Bob Congdon motion to adjourn at 9:27 P.M. Denise Beale seconded the motion. The motion carried unanimously.

Respectfully Submitted,

Kimberly Lang
Recording Secretary