

**Preston Board of Finance  
Special Meeting Minutes  
Wednesday, March 28, 2018 at 7:00 p.m.  
Preston Town Hall – Lower Level**

**1. Call to Order & Roll Call**

Melissa Lennon, Chair, called the meeting to order at 7:02 p.m.

**Roll Call**

**Members**

Melissa Lennon – Chair  
Jerry Grabarek – Vice Chairman  
Stacey Becker – Clerk  
Dan Duprey - excused  
Keith Wucik  
Ken Zachem

**Alternates**

Ian Stammel - excused  
Lennie Spencer – seated

**Also Present**

Bob Congdon – 1<sup>st</sup> Selectman  
John Spang – Finance Director  
Roy Seitsinger – Superintendent

*M. Lennon seated Lennie Spencer for Dan Duprey.*

**2. Public Comment & Questions (per posted Town Ordinance)**

- Susan Strader affirmed her support of both the General Government and Board of Education budgets without any reductions.
- Andy Depta presented the Board with written comments regarding both budgets. He noted highlights: reducing COLA from 3% to 2%, recommending that more Departments should have been interviewed regarding the BoS budget, suggesting a Department style budget would more accurately show what each department needs versus the BoS line-item budget. On the BoE side, he questioned the justification for a Social Worker and recommended the COLA be reduced from 3% to 2%.

**3. Approve Meeting Minutes**

**a. February 21, 2018 – Regular Meeting**

**A motion was made by K. Zachem and seconded by J. Grabarek to approve the February 21, 2018 Regular Meeting minutes as amended. S. Becker and L. Spencer abstained. Motion carries.**

*Page 2; M. Lennon seated Ian Stammel for Keith Wucik.*

Page 3; *M. Lennon stated that at a previous meeting a resident asked whether they would ~~only~~ be allowed to speak during Public Comment only...*

Page 3; *BoF members decided to put Public Comment on the Agenda two times, so ~~resident~~ residents are able to comment...*

Page 3; *Office of Fiscal ~~analysis~~ Analysis*

Page 3; *Tax tables have been updated **for employees**.*

Page 3; *Since the elimination ~~three~~ of the **three** oldest busses...*

Page 3; *Fire and Emergency Services Operations shows it overspent by ~~\$1,000~~ \$51,000.*

Page 3; *~~sue~~ Sue Nylén*

Page 4; *...the ~~Principal~~ Superintendent would like the PVMS gym floor replaced in April...*

Page 4; *...Mark Chapman submitted a **bonding** proposal from Roosevelt & Cross...*

Page 4; *Attorney ~~Olson's explained~~ Olson explained that is not a requirement...*

Page 5; *J. Spang suggested BoF members send him comments on the RFP he and Norm Gaughtier developed **prior to the next regular BOF meeting**.*

**A motion was made at 7:14 p.m. by K. Zachem and seconded by J. Grabarek to suspend the meeting to the lower level of the Town Hall. All in favor. Motion carries.**

**Melissa Lennon, Chair, called the meeting to order at 7:32 p.m.**

#### **4. Correspondence**

- 2/22/2018 – Blum Shapiro e-mail regarding Going Green: a paperless government
- 2/22/2018 – Andy Bilodeau e-mail with links to samples of local municipal Annual Reports
- 2/23/2018 – Rep. Mike France e-mail regarding the Education Committee Public Hearing on Monday, February 26<sup>th</sup>

#### **5. Town Revenue Status & Financial Reports**

- J. Spang noted Property Tax collections are higher due to Covanta's payment (a switch from line 4080 Incinerator payment to property tax payments this year).
- Paying by credit card has had little impact on residential property taxes but has had a stronger positive impact for motor vehicle tax payments.

- Collections seem to be strong: Interests & Liens as well as Property Tax for Prior Year
- Recording fees are up this year.
- Investment Income is higher due to higher interest rates.
- S. Becker asked for clarification on how Excess Cost payments are calculated. J. Spang explained the process.

## **6. Board of Education Financial Report**

- J. Spang noted the fiscal report goes through the end of February with 70% of the budget expended or encumbered.
- Bus Mechanic is on medical leave. Anticipating an \$18-\$20K cost to contract out for a mechanic during his absence.
- Expecting an approximate \$50-\$55K shortfall in health insurance due to mid-year qualifying events.

### **a. BoE Finance Committee Update**

- Discussed current FY18 Budget as just summarized by J. Spang
- Discussed FY19 Budget presentation to BoF
- Discussed Capital Plan Status: looking to award bids to replace the PVMS gym floor with work set to begin on March 30<sup>th</sup> and completed by April 22<sup>nd</sup>. Also, looking to award bids for busses. At this time, a bid has been awarded for the gym floor and three school busses.

**A motion was made by S. Becker and seconded by J. Grabarek to take the agenda out of order and move the FY19 Budget (9e) up.**

**All in favor. Motion carries.**

### **e. FY 2019 Budget**

#### **i. Scheduling**

1. Reviewed meetings held to date. Not ready to plan Public Hearing, Town Meeting, and Referendum dates yet.

#### **ii. Impact of Revaluation, State/Federal Cuts, and Covanta**

1. B. Congdon presented a slide presentation that summarized the impact of state cuts/holdbacks on this year's budget, Covanta switching from an incinerator payment to a property tax payment, and the change from revaluation. In essence, by not sending out a supplemental property tax bill, the town's surplus was used to make up the difference. Therefore, the mil rate of 24 is not an accurate depiction of what was needed to fund this year's budget due to the State cuts and the change by Covanta.

	<b>FY18 Approved Budget</b>	<b>FY18 w/CT Cuts</b>	<b>FY18 CT Cuts &amp; Covanta</b>	<b>FY18 CT Cuts, Covanta, &amp; Reval.</b>	<b>FY19 Proposed Budget</b>
<b>Mils</b>	<b>24.0</b>	<b>25.26</b>	<b>26.04</b>	<b>26.37</b>	<b>28.12</b> <b>29.01</b> <b>w/o</b> <b>surplus</b>
<b>Increase in mils</b>		<b>1.26</b>	<b>0.78</b>	<b>0.33</b>	<b>1.75</b> <b>2.64</b>

b. B. Congdon also shared the current status of the town's surplus:

- \$3,273,290 in surplus (audited amount at start of FY 17-18)
- \$375,000 planned used from Surplus for FY 17-18 budget
- \$871,290 used from Surplus to cover State Cuts

\$2,027,000 remains in Surplus

- c. B. Congdon recommended that the BoF read the Economic Condition of Stability report, which shows the large financial cliff due to unfunded pension liabilities.
- d. B. Congdon also addressed the FY19 Debt

	<b>Original Plan</b>	<b>Revised Strategy</b>
School	\$307,200	\$307,200
2005 Bond	\$134,000	\$134,000
2013 Bond	\$139,875	\$24,772
PRA	\$149,000	\$145,589
2018 Bond	\$107,644	\$107,644
<b>Total:</b>	<b>\$837,719</b>	<b>\$719,205</b>

The revised strategy changes the PRA debt from Short Term notes to a taxable bond and also calls the 2013 bond to be refinanced. Bond Council and the Finance Manager recommended waiting until May to go to market for bonds.

**i. FY19 BoS (General Government) Budget – Review and Possible Action**

1. B. Congdon stated that he liked A. Depta's suggestion to reorganize the BoS budget by departments; it would allow more flexibility.

**A motion was made by K. Zachem and seconded by J. Grabarek to request that the BoS and BoE submit their budgets to the BoF with a \$100,000 cut. All in favor. Motion passes.**

**K. Zachem and J. Graberek amended their motion to include “by Friday, April 13<sup>th</sup>” to the original motion.  
All in favor. Motion passes.**

**ii. FY19 Revenue Budget – Review and Possible Action**

1. Tabled until the Budget Special Meeting planned for April 24th

**iii. FY19 BoE Budget – Review and Possible Action**

1. R. Seitsinger addressed the need for a Social Worker. Students’ needs have increased over the years. A School Social Worker can go to the homes. Industry standard suggests one social worker for 500 students.
2. R. Seitsinger also mentioned cuts previous made to the BoE budget included those of acceptable risk; therefore, it would be a challenge to reduce the budget further without impacting staffing and/or programs.

**7. Board of Selectmen Financial Report**

- B. Congdon reported no foreseen issues except the possibility of losing the second half of the Town Aid Road payment from the state, which equals about \$100,000. Losing the second payment will mean the Town will not be able to chip seal as many roads this year.
- B. Congdon said he will have projected year-end numbers at the next regular BoF meeting.
- K. Zachem asked for clarification on the Transfer Station hours as some residents reported the Transfer Station closed early on more than one occasion in March. B. Congdon explained that storms and power outages caused challenges at the Transfer Station. He also said he would look into whether time cards reflect the earlier closing times.

**8. Preston Redevelopment Agency Financial Report**

- Sean Nugent explained that the PRA is experiencing low expenditure at this point, as expected. PRA is in full swing with permits. PRA expects to break ground in late April.
- K. Zachem asked if the new Clerk of the Works is local. S. Nugent replied that no one local was interested. PRA chose a third party.

**9. Unfinished Business**

**a. Auditor RFP**

- J. Spang received feedback regarding the Auditor RFP. He answered questions raised and said he would provide his response to the BoF in writing as well.

- M. Lennon asked about the normal timeline for sending out a RFP. J. Spang stated that the audit process happens in May and October. Therefore, he would recommend sending it out in November.

**b. BoF Annual Report of FY2017 (Spring Pipeline)**

- S. Becker reported that she met with Dan Duprey and Ian Stammel on March 14<sup>th</sup>. They would like the Annual Report to include more than the financial report. They looked at samples from other towns.
- For this year, the group was looking at doing the financial report but also including any other required reports that departments submit.
- For the future, the group would like to include reports from all departments, but it will require planning with direction given to the departments as to what should be included.
- The question was raised: how to distribute the Annual Report in a feasible and cost-effective manner. Perhaps print a few hard copies that are available in Town Hall and the Library as well as post it on the town's website.

**c. BoF By-Laws**

- Tabled

**d. BoF Recorder Update**

- No interest in the posted position as of yet

**e. FY 2019 Budget**

**f. Capital Projects Bond Status/Update**

- B. Congdon shared the update earlier in the meeting

**i. Self-Contained Breathing Apparatus**

- K. Wucik recommended buying the SCBAs all at once, but hold off on the second set of cylinders if possible – use a staggered purchase plan for the cylinders within the bond window.

**g. CCM Newly Elected Workshops Update**

- S. Becker shared from the January conference that the topic of ethics is not well known and what Board members need to do with regard to ethics.

**i. BoF Clerk software & laptop**

- S. Becker shared that Kari Olson was surprised the BoF Clerk was not provided with a town issued laptop... or the ability to work at Town

Hall. Olson recommends the Town provide a device for all BoF members, but at minimum the BoF should consider a device for at least the BoF Clerk and possibly the BoF Chair.

- After discussion, the BoF was in agreement that ideally the goal would be to get all members a Chromebook or something similar. However, financially, the immediate goal is to consider purchasing a Chromebook or something similar for the BoF Clerk.
- M. Lennon will contact Central Office to find out what the schools are purchasing and whether it is on the State Bid list. M. Lennon also will contact B. Congdon about devices available from the State Bid list. She will get a price/quote for a device.

## **10. New Business**

### **a. BoF Membership Status**

- D. Duprey has begun working second shift. He would like to stay engaged and involved on BoF, but his work schedule will prevent him from attending meetings.
- After discussion, it was agreed that attending the Public Hearing regarding the budget was essential.

## **11. Public Comment & Questions (per posted Town Ordinance)**

- Jill Charon noted that involvement in town tends to be low. She would like to see more involvement and questioned ways the community could be engaged and offer feedback rather than just at Public Hearing. J. Charon questioned whether Everbridge could be used more to inform residents of meetings and events occurring in town. She suggested there must be cheaper and more effective means to deliver information, especially to younger families – perhaps social media. Also, she believes the BoF should not be the sole decision makers as a group of six members. J. Charon also noted that the Social Worker in the BoE budget is a community expense, not just a school expense because the Social Worker benefits families as well.
- Andy Depta noted that State Statute indicates that if a person in an elected position cannot perform the duties of the office, the elected person should resign. Further, if a Board is considering allowing members to call in to meetings, that allowance needs to be documented in the Board bylaws and also the member must have access to all documents available at the meeting during the call. A. Depta also stated that the BoF should not “kick the budget” for the public to decide. Instead, the BoF should make sure that the town’s needs are met (not wants). He believes the BoF should know the budgets and, perhaps, begin the process earlier. He also recommended that the BoF call in Department Heads to justify and explain their budgets. A. Depta recommended that the BoF ask the Director of Finance to be an intricate part of the creation of General Government budget as he is for the BoE budget. He also stated his belief that the BoF, not the First Selectman, should present information regarding the relationship between the mil rate and the budget.
- Andy Bilodeau stated that the fiduciary responsibility of the budget belongs to the BoF. BoF members need to attend the budget meetings as budgets are being

formed. He believes a \$100K cut per budget barely will make a dent in the lowering of the mil rate. With 25% of students on free and reduced lunch, the number of students on free and reduced lunch will increase with a higher mil rate. A. Bilodeau recommends wage negotiation. The Social Worker could be a contracted position. For the budget, the BoF needs to look at the real needs versus wants. The Annual Report needs the support of the Departments in order to get it done. A. Bilodeau also questioned who benefits from the programs offered and who is watching.

## **12. Adjourn**

**A motion was made by S. Becker and seconded by K. Zachem to adjourn the meeting at 10:06 p.m.**

**All in favor. Motion carries.**