Preston Board of Finance
BoF Special Meeting Minutes
Wednesday, April 3, 2019 at 7:00 p.m.
Preston Town Hall: Conference Room

1. Call to Order & Roll Call

Melissa Lennon, Chair, called the meeting to order at 7:00 P.M.

Members
Melissa Lennon – Chair
Jerry Grabarek – Vice Chair
Stacey Becker – Clerk
Sandra Allyn-Gauthier
Keith Wucik
Ken Zachem

Alternates
Ian Stammel
Lennie Spencer seated for Jerry Grabarek until 7:03

Also Present
Bob Congdon – 1st Selectmen
Lynwood Crary – 2nd Selectman
Michael Sinko – 3rd Selectman
John Spang – Finance Director
Roy Seitsinger – Superintendent of Schools
Ed Gauthier – Board of Education
Andy Bilodeau – public
Andy Depta – public
Jan Clancy – public
Mike Clancy – public
Robert O’Neil – public

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

Mike Clancy recommended that going forward the BoF should create a line item with $100,000 for the next 3-4 years to address safety and infrastructure expenses in the upcoming years.

3. FY20 General Government (BoS) Expense Budget Proposal Workshop

Bob Congdon presented the General Government with handouts for the Board. One handout was from Excel and the other from the Phoenix; it was discovered that the 2 programs don’t align, which caused some discrepancies. One handout showed the percentage increase of each Line Item. The last two pages of the handout were a summary of all accounts that had more than a 2% increase. The budget overall has an increase of $509,000 over last year’s budget. Of that, the Fire Department makes up a little over $300,000 of that increase with wages and benefits. Their budget also is affected by salary increases, pension, Social Security, and Medicare. Bob went on to explain that Elections is up by about 48% because they are running this year with about an $8,000 deficit over their current budget. The BoF budget has a 25% increased due to anticipation
of an increase with a new auditor. Public Works has a 12% increase due to 1 person moving up a step as well as a 2% salary increase and 1 employee moving from a part-time position to a full-time position. Police has an increase of almost 8% because the 2 resident state troopers assigned are being anticipated as a top step and a lower step. The actual assignment hasn’t been determined yet. The $12,000 increase in the Transfer Station is because previously single stream returned $5/ton, but now it’s a $35/ton fee because the market for recycling has been lost. The increase for Parks & Rec is due to the 20-year-old park needing repairs. Finally, the Library increase is due to the pension going from 11% to 14% and health care has an anticipated 8% increase. This budget proposal does not account for any revenues. The Town will receive a $10,000 State Grant for joining the Health District. Youth Services is $28,000, but will get a $14,000 State Grant to help offset that budget. The Town will get revenue from ambulance billings as well.

It was asked why the Town doesn’t have a firm figure for the anticipated revenues from the ambulance. Bob Congdon replied that Poquetonuck Ambulance does not belong to the town. He recommended that before the budget is put to a vote, have the Poquetonuck Ambulance commit to a revenue number so taxpayers can see the offset of the cost.

It was asked whether the Building Inspector is hourly or salary; would going salary save money? At present she is hourly, working approximately 16 hours a week with 18 hours per week next year. When she’s on vacation or there are a lot of big projects, someone else is paid per diem. Hourly rates are straight pay with no benefits, whereas salary may incur benefits as well making it costlier. But it could be an option to pursue.

It was asked whether the Fire Department increase in personnel positions are Fire Fighters or EMT’s? Bob Congdon answered that he believed paid staff are both so they can respond to both fire and ambulance calls.

It was asked what contributions the SAFER Grant could be? The Grant would pay 75% of the salary the first 2 years and 35% the 3rd year. After that the Town doesn’t have to retain personnel if they can’t afford it; but they do have to maintain the personnel for the 3 years or pay back all the subsidized funds.

It was asked if pension is offered only for full time staff? Pensions are for full time personnel only.

It was asked why there was such a significant drop in dental cost? It was decided that perhaps the issue is that the titles didn’t align from one program to another and that 1 line is now pulled apart into 2.

It was then asked if the Fire Chief could come to a meeting to justify and explain their budget before any action was taken.

Do volunteers for the Fire Dept. have to live in Preston? No, they can live anywhere.

Has the Fire Dept. look into the Post 53 Program? Not sure they have pursued that. The Board then walked through the proposed General Government Budget line by line and asked the First Selectman questions.

Who is the Assistant Treasurer? Deb Collins What does she do? Signs checks when Sue Nylen is away.

Why does Elections have such a large increase in meals? Mileage? It’s a whole new group and everyone needs to be trained. As far as the meals, it seems to be combined with mileage because of a glitch between the 2 programs.

Why is there an increase in Ethics Member Training? Do they have to go somewhere to train? That’s what they requested and the training is in house. Bob will look into it.

The Board noticed Sanitarian Mileage had not been eliminated yet, which will save $500.

John Spang was asked to explain Town Insurance – Employee Dishonesty? It covers in-house theft.

Who are the Health Consultants? Brown & Brown

Why do we have Engineering Services? It’s a place holder for future projections.

Why is there a significant increase in Town Hall Pest Control? For a number of years, we haven’t had pest control on a regular bases and we are going back to having them come in
regularly.

Do we really need Legal notices in the paper? It’s a State Statue.

Why is there such a large increase in Computer Servers for the Town Hall? It’s to cover the cost for a new program for the Assessor; she needs to be consistent from year to year and to be able to track data efficiently.

Why is there such a large jump in Assr-Quality Data? There is a change in the software Program; it has a $10,000 cost spread out over 3 years and an annual maintenance fee. Upon reaching the Board of Finances budget Melissa Lennon suggested that the Board reduce the audit line to the highest of the two bids received until a decision is made regarding the auditor.

**Stacey Becker motioned that the FY Audit Line be reduced from $20,000 to $18,000. Jerry Grabarek seconded the motion. The motion carried unanimously.**

Why the increase for Public Works – Consultant increased from $300 to $7,153? BoS put in the increase to open the transfer station 1 day a month to do maintenance there.

CDL Drivers/Laborers increased by almost $30,000. That was due to a 2% increase and 1 part-time employee going to a full-time position.

Highway-Solid Waste Tipping Fees what is that and why the cost? The descriptor is an error: it should read tree removal.

It was noted that gasoline prices have decreased; however, diesel prices have increased.

Health Director and several other lines now are covered by Uncas Health Services.

Transfer Station-Maintenance Replacement saw a $3,000 increase, why? We have a compactor that needs to be maintained.

Youth Services will have a matching $14,000 Grant that will offset that budget by half.

Library Maintenance/Repair is there something they are replacing? There are a few deferred maintenance issues that they are trying to address.

PRA Site Preparation increased to $80,000 while other lines have dropped off.

There was a discussion about the Fire Department budget and it was decided to have the Fire Chief come to the Regular April 24th meeting to answer questions and clarify their budget before any decision is made. Until the 24th the General Government budget will be tabled until more information is gathered.

4. FY20 Local Revenue Estimated Budget Workshop

Needs to be tabled at this time because it is not ready yet.

5. Audit RFP

Melissa referred to a spreadsheet of the Bids that were received.

John Spang suggested that both bidders be interviewed because they both are qualified, have them both do a 5-10minute presentation about their firm, and then have a question and answer time. By then you should have a good feel for each to make a decision.

Both bids were discussed and compared at length. Melissa asked each Board member in turn if they already had a preference in mind. All members stated they did. Melissa asked each Board member in turn whether, they felt the need for interviews. Many members indicated that the need for an interview would depend on whether all members prefer the same auditor. Finally, Melissa asked each Board member in turn whether they preferred O’Connell, Pace & Co. because they are the cheapest? Members individually and unanimously responded “no.” Melissa then asked each Board member in turn to provide a reason why. Unanimously
the response was due to the lack of municipal auditing experience.

Members pointed out the following issues with O'Connell, Pace & Co.:
- Lack of experience, has only worked with 2 municipalities (although lots of experience with non-profits)
- Filing dates for the two Audit Reports cited were Feb. and Mar.
- Incomplete packet, no full Audit Reports
- Didn't fill out price line by line; they just gave a sub-total
- Delivered Bid at 1:59 p.m.
- Year 1 is most time consuming, yet it had the lowest price tag
- Hourly rate of $160 could become very costly and is higher than the other bid

Jerry Grabarek motioned to appoint Sandra Welwood, LLC as the Town Auditor for the next 3 years and that the BoF Chair be authorized to sign the contract. Ken Zachem seconded the motion. The motion carried unanimously.

6. Pipeline

Melissa Lennon suggested that the BoF place a notice in the Pipeline that the Annual Report prepared by the Board of Finance is available for citizens and can be accessed on the Town web-site, in the Town Hall, and in the Library. Melissa explained the time sensitiveness of this decision, with the Pipeline submission date April 18th and the BoF regular meeting is the 24th.

Sandra Allyn-Gauthier made a motion to give Melissa Lennon permission to contact Tracey to place an advertisement about the Annual Report in the Pipeline with the cost not to exceed $100. It was seconded by Ken Zachem. The motion carried unanimously.

7. Public Comment & Questions (per posted Town Ordinance)

Andy Bilodeau commented that it was nice to see the BoF to attempt to go through all the Lines of the budget presented. He questioned the part-time Public Works and part time Park & Rec positions were combined to a full-time position and questioned whether the person received benefits as a part-time worker. There were 4 departments that went over the 2% increase, limited by the BoF. If you allowed for one to exceed, why weren't all allowed to exceed.

Andy Depta doesn't like the Line Item Budgets. The BoF now owns this budget. Andy feels it's imperative and important to call in department heads to justify their spending. The way the Line Item Budget works, the total Department spending is not presented clear to get a true picture of the spending in each department. Andy also asked when he could get a copy of the budget.

Andy Bilodeau commented on the 2nd Trooper Kane Brown, who has tenure of 12 years. Therefore, he won't be a low step, so the BoF will need to be aware of this information to budget properly. Also, The Poquetannuck Ambulance Finance Report from 2012-2018 shows $1,388,172 was spent and the expenditure on Line 22 for Incentive Programs was $603,450.
8. Adjourn

Stacey Becker motioned to adjourn at 9:11 p.m., Ken Zachem seconded the motion. The motion carried unanimously.

Respectfully Submitted,

[Signature]

Recorder Secretary
Kimberly Lang